

# QUALITY REPORT CONCERNING STATISTICS UNDERLYING THE MACROECONOMIC IMBALANCE PROCEDURE (MIP) INDICATORS – Level 3

## National self-assessment report on the quality of financial accounts statistics

**Reporting institution: Eesti Pank (Bank of Estonia) and Statistics Estonia**

### 1. INSTITUTIONAL ENVIRONMENT

#### A. INSTITUTIONAL ENVIRONMENT

##### A.1 CoPI Professional independence / PCI Professional independence

###### A.1.1 Legal basis

Article 8 of the Official Statistics Act, which is also available on the Eesti Pank (Bank of Estonia) website ([Official Statistics Act](#)), says that:

*“(1) The producers of official statistics are Statistics Estonia, and Eesti Pank to the extent provided for in subsection 34 (1) of the Bank of Estonia Act.*

*“(3) The producers of official statistics shall be independent in their choice of statistical methodology but shall coordinate the methodology within the limits of their competence. Any amendments to the methodology shall also be coordinated.”*

Article 13 of the Official Statistics Act (1993) establishes the independence of Statistics Estonia. Article 13 states that:

*The Director General shall have the sole responsibility for and be independent in the exercise of the functions of deciding*

- the statistical methodology and professional statistical standards used by the Office;*
- the content of statistical releases and publications issued by the Office; and*
- the timing and methods of dissemination of statistics compiled by the Office.*

Article 3 of the Bank of Estonia Act (Eesti Pank), says that:

*“(1) The Bank of Estonia operates independently of other government agencies. The Bank of Estonia reports on its activities to the Riigikogu and is not subordinate to the Government of the Republic or any other executive agency of the government or to any third party.*

*(1<sup>1</sup>) When performing the functions of the European System of Central Banks, the only body from which the Bank of Estonia and members of its governing bodies may request and receive instructions for execution is the European Central Bank”.*

The independence of Eesti Pank, in its capacity as a member of the ESCB, is further emphasised in Article 130 of the EU Treaty and Article 7 of the Statute of the ESCB and of the ECB, which stipulate that “*when exercising the powers and carrying out the tasks and duties conferred upon them..., neither the ECB nor a national central bank nor any member of their decision making bodies shall seek or take instructions from Community institutions or bodies, from any government of a Member State or from any other body. The Community institutions and bodies and governments of the Member States undertake to respect this principle and not to seek to influence the members of the decision making bodies of the ECB or of the national central banks in the performance of their tasks.*”

#### A.1.2 Statistics work programme

Under Article 4 of the Official Statistics Act, the official statistical programme is compiled each year for the following five years to suit the national or international demand for statistics. The official statistical programme is approved by an order of the Government of the Republic.

The statistical work programme of Statistics Estonia is part of the official statistical programme and can be found on the Statistics Estonia [website](#) .

The Eurostat annual work programme is published on the Eurostat [website](#).

The statistical work programme of Eesti Pank is part of the official statistical programme and is approved by a decree of the Governor of Eesti Pank. The statistical work programme of Eesti Pank is made public on the Riigi Teataja [website](#).

The work programme for the quarterly financial accounts was determined by the Working Group on Financial Accounts (WG FA) operating under a mandate from the ECB Statistics Committee. The Working Group on Financial Accounts and Government Finance Statistics (WG FGS) started its activities from 1 October 2020, as the mandate of the former WG FA ended.

### *A.2 CoP2 Mandate for data collection/PC2 Mandate for data collection*

#### A.2.1 Allocation of responsibilities

In 2017 Eesti Pank and Statistics Estonia signed a Memorandum of Understanding (MoU) to delineate areas of responsibility more precisely. Under this agreement Eesti Pank took over the production of annual financial accounts. Responsibility for historical data on annual financial accounts from 1995-2003 remains with Statistics Estonia. The obligation of data dissemination to Eurostat and ECB lies with Eesti Pank.

From 2019 the responsibilities for compiling the statistics for the national financial accounts in Estonia are as follows:

1. Quarterly Financial Accounts – compiled by Eesti Pank.

2. Annual Financial Accounts for the reference years 1995-2003 – compiled by Statistics Estonia.
3. Annual Financial Accounts from the reference year 2004 – compiled by Eesti Pank
4. Annual and quarterly general government accounts – compiled by Statistics Estonia.

#### A.2.2 Legal basis

The Official Statistics Act Article 10 provides the legal basis and mandate for the production of financial accounts statistics:

##### *Article 10*

- 1. The functions of the Office shall be the collection, compilation, extraction and dissemination for statistical purposes of information relating to economic, social and general activities and conditions in the State.*
- 2. The Office shall have authority to co-ordinate official statistics compiled by public authorities to ensure, in particular, adherence to statistical standards and the use of appropriate classifications.*
- 3. The Office shall have authority to assess the statistical potential of the records maintained by public authorities and, in conjunction with them, to ensure that this potential is realised in so far as resources permit.*

The annual financial accounts have to be compiled and transmitted to Eurostat by the Member States in accordance with Regulation 549/2013 of the European Parliament and of the Council.

The statistical activity of Eesti Pank is in compliance with the [Bank of Estonia Act](#), the Official Statistics Act and the EU/ECB legislation on the activity of the bank as a member of the European System of Central Banks.

#### A.3 CoP6 Impartiality and objectivity / PC6 Impartiality and objectivity

##### A.3.1 Advance release calendar

Eesti Pank produces a calendar of publication for the quarterly financial accounts. This is available at <http://statistika.eestipank.ee/?lng=en#treeMenu/AVALDAMISKALENDER>

##### A.3.2 Revision policy

Eesti Pank and Statistics Estonia use the same principles for revising statistics, and these are in line with the principles of the revision policy recommended by the Committee on Monetary, Financial and Balance of Payments statistics (CMFB), the European Commission and the European Central Bank<sup>1</sup>.

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<sup>1</sup> In July 2012 the CMFB approved the introduction of a harmonised European revision policy for BoP/IIP and national accounts, to be implemented by September 2014. See document CMFB 09/07/A.8.1 Towards a Common Revision Policy for National Accounts and Balance of Payments.

Regular revision (generally to accommodate new or corrected data or other additional information):

- when the statistics for Q1 and Q3 are first published, the statistics for the preceding quarter only are adjusted;
- when the statistics for Q4 are first published, at most the quarters of the previous two years are corrected;
- when the statistics for Q2 are first released, the data for Q1 and all the preceding quarters for which there are additional data are revised.

The annual financial accounts data by institutional sectors are released 270 calendar days after the end of the reference year (T+270). Regular revisions to the annual financial accounts data are carried out once a year. This covers T-3 years. Revised data are published in September.

Extraordinary revision is carried out in exceptional cases, and if significant errors or omissions have occurred, the data for earlier quarters affected may be revised when new data are released. If the methodology or the data collection system changes, data from earlier periods can be adjusted as far back as possible when new data are released. Extraordinary changes are announced publicly in press releases and on the website.

## **B. STATISTICAL PROCESSES**

### *B.1 CoP7 Sound methodology / PC7 Sound methodology*

#### B.1.1 General remarks

Annual and quarterly financial accounts in Estonia are compiled in accordance with the methodology of the European system of national and regional accounts (ESA 2010) and are broadly consistent with the principles, requirements and conceptual framework. The first transmission based on ESA 2010 took place in September 2014.

The quarterly financial accounts methodology is briefly described on the website of Eesti Pank: [Methodology for compiling the quarterly financial account](#). Advanced definitions are available from the link below the specific statistics table: [DEFINITIONS AND METHODOLOGY](#)

#### B.1.2 Residency and territory

In the compilation of financial accounts, residency and territory are compliant with the definitions in ESA2010.

#### B.1.3 Institutional unit definition

The definition of institutional units in the compilation of financial accounts is in accordance with the methodology described in ESA 2010.

#### B.1.4 Sectorisation and sector delimitation

The classification and sector delimitation in the compilation of financial accounts is in accordance with the definitions in ESA 2010.

In Estonia the statisticians of Eesti Pank and Statistics Estonia use the same base register of legal units without economic indicators for compiling statistics. This register is a statistical register and is updated regularly from various administrative registers and other sources. The statistical classification of institutional units in Estonia is the responsibility of Statistics Estonia. The composition of financial sector units is coordinated with Eesti Pank, but the final responsibility lies with Statistics Estonia. To improve the consistency between different data sources and statistical products the list of legal units is published on the websites of Statistics Estonia and Eesti Pank as supplementary material for those reporting agents that need to report data by type of counterparty, institutional sector and economic activity. (The list can be found at: <https://www.stat.ee/en/provide-data/andmete-esitamisest/information-classification-economic-units>)

Starting from Q1 2018 voluntary pension funds like private pension plans are reclassified under sector S.124 and the data will be revised back to Q1 2015. For back data from earlier than 2015, voluntary pension funds remain in sector S.129. Voluntary pension plans concluded with life insurance companies will remain in sector S.128. The share of voluntary pension funds is minor.

Following the II Pillar pension reform that came into force in 2021 and made investment in the second pension pillar optional, Estonia no longer has mandatory pension insurance as defined by the SNA2008, and pension funds have been reclassified as mutual investment funds under S.124.

#### B.1.5 Instrument identification

The classification of financial transactions and positions is based on the underlying financial instrument in accordance with the principles and recommendations of ESA 2010.

For back data from earlier than 2015, contributions to voluntary pension funds are recorded under F.63. Contributions to voluntary pension plans concluded with life insurance companies are recorded under instrument F.62

Following the II Pillar pension reforms starting from 2021 the value of pension fund units is in consequence recorded under “Equity and investment fund shares” (F.52).

#### B.1.6 Valuation, including derivation of transactions and other flows

Transactions are valued at the price at which they occur. The outstanding amounts of financial assets and liabilities are valued at nominal or market prices and shown at the same value under assets and liabilities. If the value is denominated in a foreign currency, it is converted into the domestic currency at the rate of exchange on the date in question.

Debt securities, listed shares and investment fund shares are recorded at their market value. Unlisted company shares and other equity are valued using own funds at book value. Nominal value is used in positions of currency and deposits (AF.2), loans (AF.4) and other accounts receivable/payable (AF.8).

Transactions with debt securities, listed shares and investment fund shares are calculated directly from the source data in the security-by-security database, where market price and income calculation are derived from CSDB and the Estonian Central Register of Securities. Revaluations and other changes in volume for derivatives are available from the source data.

Differences between transactions and any changes in outstanding positions are recorded as revaluation changes or other changes in volume. Revaluations and other changes in volume have been separately recorded since the fourth quarter of 2012. In some cases where revaluations and other changes in volume are not separately identified, the changes in stocks and transactions are included with revaluations.

#### B.1.7 Time of recording (accrual accounting)

The accrual accounting principal is generally applied. Interests accrued are recorded with the financial asset or liability on which they accrue.

Data supplied by the annual financial statements of companies and other surveys are based on business accounting records, and are considered to be close approximations to the accrual's principle.

#### B.1.8 Coverage gaps

Transactions and stocks between resident households and non-financial companies, such as loans granted to staff and consumer loans, may be undervalued. Transactions and stocks between households are poorly covered as well (this has no impact on B.9f).

Information on the extent of resident households' transactions and stock positions with non-resident counterparties is only partially covered, though the impact on the BOP and IIP is very small.

Data on the portfolio investments of households held abroad with custodians in the euro area are supplemented from the third-party holding statistics.

There may be some minor problems with the residency of households, such as people who work in neighbouring countries and visit Estonia only irregularly. The banks may not have information on this type of movement of people. At the same time there may be non-residents who are treated in the statistics as residents living in Estonia. This mainly affects deposits, loans and insurance technical reserves.

According to the amendment of 2014/3/EU: Guideline of the European Central Bank of 25 July 2013 on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts (recast) (ECB/2013/24), OFI statistics are prepared according to sub-sectors S.125, S.126, S.127. Time series are available from the fourth quarter of 2013

OFI (S.125-S.127) statistics arise mainly from the data of fund management firms, investment firms, payment service providers, consumer credit providers and intermediaries, lease companies, and other financial intermediaries and auxiliaries. The data of fund management firms, investment firms, payment service providers and consumer credit providers are collected for supervisory purposes and are available quarterly, full coverage is ensured. Eesti

Pank has introduced a quarterly survey of leasing companies. The quarterly sample survey of the financial intermediaries and auxiliaries is conducted by Statistics Estonia and grossed up for the total OFI population not covered by supervisory entities and leasing companies. Extended survey data are updated with the data on inactive financial intermediaries received from the annual reports.

Common list of legal units (see chapter B.1.4) will be closed at the end of the year preceding the reporting year, only significant “big players” are included to the list within the reporting year.

Annual total financial assets and liabilities is a sum of quarterly data.

#### B.1.9 Non-consolidation/Consolidation at sectoral level – As required under the ESA 2010 Transmission programme (Tables 6 and 7)

The annual and quarterly financial accounts positions and transactions are compiled as full who-to-whom matrixes, which allow consolidated data to be produced for each financial instrument and institutional sector.

Tables 6 and 7 transmitted to Eurostat are fully consistent with Regulation 549/2013 both in terms of the requested series (consolidated / non-consolidated) and their corresponding time span (from 1995 onwards).

#### B.1.10 Specific issues for instruments covered by MIP indicators

In the financial accounts, the inter-company loans of non-financial companies are estimated using the latest available year from the annual financial statements of companies (available T+12 months) and are a residual item. This item is of relatively lower quality than the items coming from counterpart sector sources. Inter-company loan transactions are derived as changes in position.

Delineation of the financial and non-financial sectors is described in section B.1.4. The treatment of head offices and holding companies has been in line with ESA2010 from the data for 2008 onwards. Expert estimates are used for past time series in the quarterly financial accounts, which means that only larger units were reclassified because there was a lack of sufficient information.

Minor differences may arise due to vintage, which will disappear when annual statistics are compiled and revised.

#### B.1.11 Other major deviations not listed above

There are no other major deviations not listed above.

### *B.2 CoP8 Appropriate statistical procedures / PC8 Appropriate statistical procedures*

The table below describes the main data sources used in the process of compiling the quarterly financial accounts.



# Annex 1. Map of main data sources of quarterly financial accounts

Country		Estonia																						Key for data sources and calculations/estimations						
Frequency		Quarterly																												
Year		2022																												
		ASSETS											LIABILITIES																	
		S11	S12K	S121	S124	S125	S126	S127	S128	S129^^	S13	S14/15	S2	S11	S12K	S121	S124	S125	S126	S127	S128	S129^^	S13	S14/15	S2					
F.11	Monetary gold		MFI/BOP	CB_BS																					BOP	BOP	BOP and IIP			
F.12	SDR's		BOP	CB_BS									BOP		BOP	CB_BS										BOP	MFI	MFI balance sheet statistics		
F.21	Currency	CB_BS*	MFI	CB_BS	IF	OFI	OFI	OFI	IC	PF	QFAGG	HFCS	MFI		MFI	CB_BS										MFI	CB_BS	Eesti Pank balance sheet		
F.22	Transferable deposits	MFI/BOP	MFI	CB_BS	IF/BOP	MFI/BOP	OFI/BOP	OFI/BOP	IC/MFI/BOP	PF/BOP	QFAGG	CSI	MFI		MFI	CB_BS									BOP/MFI/QFAGG	QFAGG	Government	Quarterly Financial Account of General		
F.29	Other deposits	MFI/BOP	MFI	CB_BS	IF/BOP	MFI/BOP	OFI/BOP	OFI/BOP	IC/MFI/BOP	PF/BOP	QFAGG	CSI	MFI		MFI	CB_BS									BOP/MFI/QFAGG	OFI	OFI	Other Financial Institution statistics (including SUP-Supervisory data)		
F.3	Debt securities	CSI/BOP	MFI/QFAGG/BOP	SBS	IF/QFAGG/BOP	Sbs/BOP	SBS/BOP	SBS/BOP	IC/QFAGG/BOP	PF/BOP	QFAGG/BOP	CSI	BOP		MFI/BOP		IF/BOP	Sbs/BOP	Sbs/BOP	Sbs/BOP	IC/BOP	PF/BOP	QFAGG	CSI	BOP	IF	IF	Investment fund statistics		
F.4	Loans	SUR/CSI/BOP	MFI	CB_BS	IF/BOP	OFI/QFAGG/BOP	OFI/QFAGG/BOP	OFI/QFAGG/BOP	IC	PF/BOP	QFAGG	CSI	BOP/QFAGG		MFI/QFAGG		IF/BOP	OFI/CSI/BOP	OFI/CSI/BOP	OFI/CSI/BOP	IC/BOP	PF/BOP	QFAGG	CSI	BOP	PF	PF	Pension fund statistics		
F.511	Listed shares	CSI/BOP	MFI		IF/BOP	Sbs/BOP	Sbs/BOP	Sbs/BOP	Sbs/IC	Sbs/BOP	QFAGG	CSI	BOP		MFI			Sbs/BOP	Sbs/BOP	Sbs/BOP	IC/BOP		QFAGG		BOP	IC	IC	Insurance corporations statistics		
F.512	Unlisted shares	Sbs/CSI/BOP	MFI/BOP		IF	Sbs/CSI/BOP	Sbs/CSI/BOP	Sbs/CSI/BOP	IC/BOP	PF/BOP	QFAGG	CSI	BOP		MFI/BOP			OFI/BOP	OFI/BOP	OFI/BOP	IC/BOP		QFAGG	CSI/NPISH	BOP	Sbs	Sbs	Security-by-Security database (contain holding and issuances)^		
F.519	Other equity	BOP	MFI/BOP		IF	OFI/BOP	OFI/BOP	OFI/BOP	IC/BOP	PF/BOP	QFAGG	CSI	BOP	CSI/BOP	MFI/BOP	NAV		QFAGG/BOP	QFAGG/BOP	QFAGG/BOP	IC/BOP		QFAGG	CSI/NPISH	BOP	CSI	CSI	Counterpart sector information		
F.52	Investment fund shares/units	IF/BOP	IF/BOP	SBS	IF/BOP	IF/BOP	IF/BOP	IF/BOP	IF/BOP	PF/BOP	QFAGG	CSI	BOP				IF								BOP	NFC	NFC	Annual balance sheet information of non-financial corporations		
F.61	Non-life ins.techn.res	IC/BOP	IC/BOP			IC/BOP	IC/BOP	IC/BOP	IC/BOP	IC/BOP	QFAGG	CSI	BOP												BOP	FM	FM	Fund management firms balance sheet		
F.62	Life ins. and annuities											CSI	BOP												BOP	SUR	SUR	Survey data		
F.63-F.65	Pension entitlements							FM/BOP					CSI	PF											BOP	BI	BI	Balancing Item		
F.66	Standardised guarantees	CSI/BOP									QFAGG	CSI	BOP												BOP	NPISH	NPISH	Annual balance sheet information of NPISH		
F.7	Fin. Derivatives	CSI/BOP	MFI/BOP	CB_BS	IF/BOP	OFI/BOP	OFI/BOP	OFI/BOP	IC/BOP	PF/BOP	QFAGG	CSI	BOP/QFAGG		CSI/BOP	MFI	CB_BS	IF/BOP	OFI/BOP	OFI/BOP	OFI/BOP	IC/BOP	PF/BOP	QFAGG	CSI	BOP	NAV	NAV	Net Assets Value	
F.81	Trade credits and advances	SUR/NEC/CSI/BOP	MFI/QFAGG	CB_BS	IF/BOP	OFI/BOP	OFI/BOP	OFI/BOP	IC/BOP	PF/BOP	QFAGG	CSI	BOP/QFAGG		SUR/NEC/CSI/BOP	MFI	CB_BS	IF/BOP	OFI/BOP	OFI/BOP	OFI/BOP	IC/BOP	PF/BOP	QFAGG	CSI	BOP/QFAGG	HFCS	HFCS	Estimation based on Household Finance and Consumption Survey	
F.89	Other accounts	SUR/NEC/CSI/BOP	MFI/QFAGG	CB_BS	IF/BOP	OFI/QFAGG/BOP	OFI/QFAGG/BOP	OFI/QFAGG/BOP	IC/BOP	PF/BOP	QFAGG	CSI	BOP/QFAGG		SUR/NEC/CSI/BOP	MFI/BOP	CB_BS	IF/BOP	OFI/BOP	OFI/BOP	OFI/BOP	IC/BOP	PF/BOP	QFAGG	CSI	BOP/QFAGG				

\* Residual sector for respective instrument

\*\* Pure residual calculations as no source

^ SbS database is locally managed and based on CSDB and information of Central Register of Securities

1) Quarterly sample survey (600 entities covered ca 45% of total assets) of the biggest NFC companies with financial assets and liabilities

2) Quarterly OFI sample survey grossed up for the total active OFI population, not covered by supervisory information

^^ Starting from 2021 Estonia no longer has mandatory pension insurance and pension funds (S.129) are reclassified to sector S.124

## B.2.2 Description of procedures and methods

The data used for the compilation of financial accounts are mainly collected at monthly or quarterly frequency. The same initial data sources are used for monthly/quarterly statistics that the ECB applies for compiling the Monetary Union Financial Accounts (MUFA).

Financial sector data arise mainly from the data of deposit-taking corporations, statistics of investment and pension funds, insurance corporations and OFI (S.125-S.127) data (see chapter B.1.8) Most of the financial sector data are collected for supervisory purposes and are available from the integrated data collection system operated jointly by Eesti Pank and the Financial Supervision Authority.

QFAGG is compiled entirely by Statistics Estonia and only output data are used for compilation.

Generally, BOP data are introduced into the ROW sector, and there may be some minor differences to QFAGG data, because of the higher priority of government data.

## B.2.3 Estimation of missing data

No direct or primary data are available for the household and NPISH sector, and the financial accounts are compiled almost entirely using counterpart information and estimations.

The data for non-financial corporations come mainly from the annual financial statements of companies, which are available only on an annual basis (acceptable quality T+12 months); quarterly data are extrapolated using the outcome of a quarterly sample survey of the biggest non-financial companies. The size of the sample is approximately 600 companies and it contains the biggest enterprises with financial assets and liabilities. Finally, when annual data are available, the quarters of the corresponding year are found by interpolation.

As the financial accounts are compiled as full who-to-whom matrixes, the primary and counterpart information can be compared. Government sector information is taken entirely from QFAGG. The cells in the matrix where the government sector is the counterpart sector are also filled with QFAGG data.

## B.2.4 Balancing procedures (horizontal and vertical)

Financial accounts are compiled as a who-to-whom matrix for all financial instruments. All institutional sectors and financial instruments have priorities for automatic rules for choosing primary or counterpart data. The highest priorities are given to QFAGG (S.13), BOP data (S.2), MFI statistics (S.121, S.1221, S.123) and investment / pension fund statistics (S.124, S.129<sup>2</sup>). To ensure horizontal consistency, the data for non-financial corporations or the household sector are recognised in the residual sector depending on the instrument and the information available.

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<sup>2</sup>Starting from 2021, pension funds (S.129) are reclassified to sector S.124; see chapter B.1.4

The vertical balancing between financial and non-financial accounts is done in the instruments for property income and miscellaneous current transfers of non-financial corporations and household's sectors on an annual basis. Balancing in D.41 and D.42 is done on the non-financial sector side in order to approach the B.9 of the financial sectors. No sector is set to zero discrepancy, but adjustments are instead made on a case-by-case basis using information available from indirect data sources.

The vertical balancing of sector S12 is carried out through its sub-sectors, where separate accounts are prepared for each sub-sector. This method allows for the identification of possible discrepancies between financial and nonfinancial accounts.

In the case of big players, the recording of these transactions is coordinated between the NSI and NCB

### B.2.5 Methods for aligning quarterly and annual data

From 2004 annual data are calculated from quarterly data, and this ensures consistency between the quarterly and annual financial accounts. For stocks, the annual data equal the data of the fourth quarter. Different kinds of flows are the sum of the four quarters.

## C. STATISTICAL OUTPUT

### *C.1 CoP11 Relevance / PC11 Relevance*

At the national level, data are used mainly by the Financial Stability Department of Eesti Pank and other researchers for economic and policy analysis. Users' suggestions and information about how the output is used are available on the Statistics Estonia website <https://www.stat.ee/et/avasta-statistikat/metoodika-ja-kvaliteet/statistikatood>

The financial accounts are part of the 'scoreboard' of the macroeconomic imbalances procedure (MIP), and they support the assessment of vulnerabilities and interconnectedness for financial stability purposes by the European Systemic Risk Board (ESRB, see its 'risk dashboard').

The quarterly financial accounts are required under the MUFA Guideline in order to assist the ECB in producing the euro area accounts and to support the Eurosystem in its work of defining and implementing single monetary policy.

### *C.2 CoP12 Accuracy and reliability / PC12 Accuracy and reliability (including stability)*

#### *C.2.1 Accuracy and reliability*

The accuracy, reliability and stability of the accounts of institutional sectors depend very much on the quality of the primary data sources. The quarterly financial accounts are checked during every production cycle for quality and plausibility. A regular validation meeting is held at the end of the compilation process and is attended by domain specialists and representatives from Statistics Estonia. Each data transmission to the ECB includes a metadata file with major revisions and single events bigger than 400 million euros.

Each sector's balancing item net lending / net borrowing (B.9f) in the financial accounts is compared with the balancing item (B.9) in the non-financial accounts on a regular basis. As Estonia does not compile quarterly non-financial accounts, the vertical reconciliation between non-financial and financial account transactions is done afterwards annually. We do not use a threshold to observe statistical discrepancies between B.9 and B.9f. Imbalances are monitored by the compilers of the financial and nonfinancial accounts and any necessary corrections are made to the corresponding statistics.

### C.2.2 Internal consistency

The financial accounts data are internally consistent. Consistency is ensured by the compilation method. There are no deviations between assets and liabilities as the accounts are compiled on a who-to-whom basis. The consistency between outstanding amounts, transactions, revaluations and other changes in volume is ensured.

The quarterly financial accounts data transmitted to the ECB are internally consistent, as validation checks, such as horizontal consistency checks, are performed before the data are sent. The ECB draws up an internal annual quality report for the euro area financial accounts, which contains a section with short country comments.

## *C.3 CoPI3 Timeliness and punctuality / PC13 Timeliness (including punctuality)*

### C.3.1 National requirements

The annual financial accounts data by institutional sectors are released 270 calendar days after the end of the reference year (T+270).

Quarterly data publications are available approximately T+105 days after the reference period. [Release calendar](#) is available on the website of Eesti Pank.

Publication follows the ECB regular national data transmission. The quarterly data publication includes a short press announcement with a reference to a [statistical release](#), which contains a brief review of one aspect of the current economic situation. This statistical release is composed by the Statistics Department of Eesti Pank.

### C.3.2 International requirements

In the EU, the ESA 2010 transmission programme requires annual data to be reported at T+9 months.

Eesti Pank reports quarterly data to the ECB following the MUFA Guideline requirements.

## *C.4 CoPI4 Coherence and comparability / PC14 Consistency and comparability*

### C.4.1 External consistency

Consistency with the main building blocks is ensured by the use of the same initial data in the compilation process for the quarterly financial account. After every transmission, consistency between the financial account data and building blocks (BSI, IC, BOP, QFAGG, SEC, SHS) is examined and if differences emerge, an appropriate inquiry is made to the respondents. Data for the government sector, in both the annual and quarterly accounts, are to a large extent consistent with QFAGG.

Minor inconsistencies between building blocks may arise from data source preferences, errors in the initial data, or the use of different methodologies.

Discrepancies between net lending / borrowing (B.9f vs. B.9) in the accounts are monitored. Usually, some differences are observed, since the accounts are compiled using different data sources.

Mainly manual adjustment is applied both in non-financial and financial accounts. There is no automatic balancing in use. Various additional information is used to make an adjustment. Accounts are checked for internal consistency between sectors and for time series trends. In case of big players, accounting is monitored unit by unit and recording of transactions in accounts is coordinated between non-financial and financial account compilers. In the case of sectors S.11, S.12, S.14 and S.15, balancing is carried out annually, in the case of S.2 and S.13, vertical consistency is monitored quarterly.

Regarding the government sector, the differences between B.9f and B.9 are tracked down at the level of subsector. In case there are larger differences between B.9 and B.9f, the division of discrepancy between subsectors is examined and the technical correctness of calculations is inspected. Thereafter, large-scale operations and the recording of specific methodological cases are investigated.

Regarding the rest of the world account, manual adjustments for quarterly statistics are based on different sources of information together with expert knowledge. Adjustments are done on both sides, depending on need. F.81 and F.2 are the subject of largest adjustments because the cut-off-the-tail method is used to form the survey sample, and not all enterprises involved in foreign economic activities are included in the external statistics survey sample. Net error and omission target for individual quarters is set to 5% of the half of current account turnover in the balance of payments. The target four-quarter sum is less than 2% of GDP.

For other sectors, balancing is done by examining transactions with more indirect sources. In case of notable discrepancies, the methodology is checked and adjustments done based on auxiliary data. Minor differences are accepted as they are, unless an exact reason is identified.

#### C.4.2 “Time” and back data consistency

Back data of the quarterly statistics are available from 2003Q4 onwards for stocks and from 2004Q1 for transactions, and annual data are available from 1995. Both quarterly and annual statistics are in line with the ESA 2010 methodology.

These long [times series for quarterly statistics](#) are available on the Eesti Pank website.

The [time series for annual financial accounts](#) are available on the Statistics Estonia website.

### C.4.3 Consistency across frequencies

In 2017 a MoU was signed between Eesti Pank and Statistics Estonia. Under the MoU Eesti Pank will be responsible for compiling the annual financial accounts (see section A.2.1). This should ensure consistency between the annual and quarterly accounts.

## C.5 *CoP15 Accessibility and clarity / PC15 Accessibility and clarity*

### C.5.1 Data

The [annual financial accounts](#) are published on the Statistics Estonia website

Links to the data repositories of international organisations are listed below.

Eurostat: <http://ec.europa.eu/eurostat/data/database>

OECD: [https://www.oecd-ilibrary.org/economics/data/oecd-national-accounts-statistics\\_na-data-en](https://www.oecd-ilibrary.org/economics/data/oecd-national-accounts-statistics_na-data-en)

The quarterly [press releases](#) are published on the Eesti Pank website.

The time series are made available at the time of publication of the statistical releases (T+105 days) and can be downloaded from:

<http://statistika.eestipank.ee/?lng=en#treeMenu/FINANTSKONTO>

Users can find the quarterly financial account data of other Member States in the [ECB's data warehouse](#).

### C.5.2 Metadata

[Metadata on the quarterly financial accounts](#) are available on the Eesti Pank website.

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