

## **Generic template for b.o.p/i.i.p. statistics as provided by Latvia (Latvijas Banka)**

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### **1. INSTITUTIONAL ENVIRONMENT**

#### ***1.1. CoP1 Professional Independence / PC1 Professional Independence***

##### *1.1.1 Legal basis*

Article 1 of the Law on Latvijas Banka (<https://www.bank.lv/en/about-us>) of 19 May 1992 establishes the independence of Latvijas Banka in line with Article 130 of the EU Treaty and Article 7 of the Statute of the ESCB and of the ECB.

##### *1.1.2 Statistics work programme*

Latvijas Banka has a statistical work programme.

#### ***1.2. CoP2 Mandate for data collection/PC2 Mandate for data collection***

##### *1.2.1 Allocation of responsibilities*

Latvijas Banka is responsible for the compilation of the balance of payments and international investment position (hereinafter, b.o.p. and i.i.p.) statistics.

##### *1.2.2 Legal basis*

Latvijas Banka is responsible for the compilation of the b.o.p. and i.i.p. statistics, as stipulated in Article 39 of the Law on Latvijas Banka (<https://www.bank.lv/en/about-us>) of 19 May 1992.

#### ***1.3. CoP6 Impartiality and objectivity / PC6 Impartiality and objectivity***

##### *1.3.1 Advance release calendar*

The data release calendar is available on Latvijas Banka's website: <https://www.bank.lv/en/statistics/data-publishing-calendar>.

##### *1.3.2 Revision policy*

The initially released data are subject to revisions. Monthly b.o.p. data are revised when the corresponding quarterly data are compiled or revised. Quarterly data up to three years back are revised when the data for the second quarter are disseminated. The revision policy is

available on Latvijas Banka's website: <https://www.bank.lv/en/statistics/information-for-data-users/revision-policy>.

## **2. STATISTICAL PROCESSES**

### **2.1. CoP7 Sound methodology / PC7 Sound methodology**

#### *2.1.1 General remarks*

B.o.p. and i.i.p. statistics are generally consistent with the overall conceptual framework of the IMF's Balance of Payments Manual, sixth edition (BPM6).

#### *2.1.2 Residency;*

The general principles laid down in the BPM6 are applied.

#### *2.1.3 Institutional unit definition;*

The general principles on institutional units (centre of economic interest, decision-making autonomy, and complete set of accounts) are applied.

#### *2.1.4 Sectorisation & sector definition and delimitation;*

In general, all institutional sectors are covered.

#### *2.1.5 Valuation;*

In general, all transactions are valued at market prices.

The value of foreign direct investment in unlisted companies is obtained by using the equity capital approach (own funds at book value).

The value of non-ISIN securities is reported by securities custodians.

Dividends are recorded on a gross basis.

#### *2.1.6 Time of recording (accrual accounting);*

The general principles laid down in BPM6 are applied.

#### *2.1.7 Coverage gaps*

Non-resident investments in real estate are partly covered (the non-bank external payment data are used).

## 2.2. *CoP8 Appropriate Statistical procedures / PC8 Appropriate Statistical procedures*

### 2.2.1 *Main features*

Data for the government sector are obtained from the Treasury and administrative data sources. Information on the central bank sector is derived from Latvijas Banka's balance sheet and profit and loss statement. The MFIs (excl. central bank) sector is covered by MFI statistics. Latvia's b.o.p. data collection system is based on the surveys for the financial corporation's (excl. MFI) sector and non-financial corporations and households sector. In addition, non-bank external payment data (ITRS) compiled by Latvijas Banka and data received from the Financial and Capital Market Commission are used.

Quarterly surveys conducted by Latvijas Banka are as follows:

- (i) survey on foreign assets and liabilities covering data on positions at the beginning and end of a period and changes in the relevant positions (transactions, price changes, exchange rate changes, other adjustments) for the compilation of foreign direct investment in Latvia and abroad, assets and liabilities between fellow enterprises, other investment (assets and liabilities), income flows related to foreign assets and liabilities; all items are shown in the breakdown by country; stratified simple random sampling is applied;
- (ii) survey on transportation and intermediary services covering data on transportation services rendered/received by mode of transport;
- (iii) survey on services covering data on services rendered/received for compiling items of other services.

Data on portfolio investment covering assets and liabilities for all sectors are derived from the data on holders of securities (data reported on a security-by-security basis by securities custodians) and the ECB's Centralised Securities Database.

Foreign trade statistics and Travel survey data compiled by the Central Statistical Bureau of Latvia are used.

### 2.2.2 *Country specific aspects*

A detailed description of data sources and compilation processes is available on the website of Latvijas Banka: <https://www.bank.lv/en/statistics/balance-of-payments-statistics/descriptions>.

### **3. STATISTICAL OUTPUT**

#### ***3.1. CoP11 Relevance / PC11 Relevance***

B.o.p. and i.i.p. statistics are transmitted to the ECB and Eurostat for the compilation of Euro Area and European Union aggregated statistics. They are also disseminated at international level in accordance with SDDS, used for the purposes of IMF Article IV reviews, and for the EU MIP scoreboard.

At national level they are used as input for the compilation of quarterly financial accounts and National Accounts.

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

##### *3.2.1 Revisions*

Revisions analysis and other accuracy and reliability elements are disclosed within the scope of annual quality reports of the ECB and the Eurostat.

##### *3.2.2 Errors and omissions and integrity rules*

Compilation of b.o.p. and i.i.p. is integrated into a common IT system, thus ensuring full consistency between stocks and flows. There are no adjustments made to reduce errors and omissions. Each large transaction is analysed on a case-by-case basis.

#### ***3.3. CoP13 Timeliness and punctuality / PC13 Timeliness (including punctuality)***

##### *3.3.1 National requirements*

B.o.p. data are compiled and published on a monthly basis and i.i.p. – on a quarterly basis.

The monthly data are available at T+30 working days after the end of the reference month and the quarterly data are available at T+65 days after the end of the reference quarter.

##### *3.3.2 EU and other international requirements*

All timeliness requirements from international institutions (ECB, Eurostat, IMF, OECD and BIS) are met.

#### ***3.4. CoP14 Coherence and comparability / PC14 Consistency and comparability***

##### *3.4.1 Bilateral asymmetries*

Bilateral asymmetries are followed up. Large transactions are analysed on a case-by-case basis and reconciliated with the partner country to the extent possible.

### *3.4.2 Consistency with related statistics*

B.o.p./i.i.p. data are fully consistent with balance sheet items statistics, investment funds statistics, securities issues statistics and securities holding statistics as the same data sources are used.

B.o.p./i.i.p. data are used as a data source for the compilation of national accounts.

B.o.p. and Foreign trade statistics generally show discrepancies, due to different methodologies. Certain monthly transactions not covered by Foreign trade statistics are added to b.o.p. figures.

### *3.4.3 "Time" and back data consistency*

Back data compiled in line with the BPM6 methodology are available from the reference period Q1 2000 onwards. BPM6 data for 2013 were derived from detailed input data obtained directly from the survey data. For the previous periods, BPM5 data were converted to BPM6 data, using the bridging table.

### *3.4.4 Consistency across frequencies*

Consistency between the frequencies is ensured by the revision of monthly data whenever quarterly data are produced and the revision of monthly and quarterly data whenever annual data are produced.

## **3.5. CoP15 Accessibility and Clarity / PC15 Accessibility and Clarity**

Data are published on Latvijas Banka's website: <http://statdb.bank.lv/lb/default.aspx?lv> .

A detailed description of data sources and compilation processes is available on the website of Latvijas Banka: <https://www.bank.lv/en/statistics/balance-of-payments-statistics/descriptions>.