The generic template for b.o.p/i.i.p. statistics as provided by the Czech Republic (the Czech National Bank)

1. INSTITUTIONAL ENVIRONMENT

1.1. CoP1 Professional Independence / PC1 Professional Independence

1.1.1 Legal basis

Article 9 (Relationship to the government and to other bodies) of Act No. 6/1993 Coll. on the Czech National Bank, which is available on the Czech National Bank website, establishes its independence from other government authorities and bodies in exercising its powers, thereby guaranteeing, among other things, the absence of interference in respect of the compilation and dissemination of statistical information.

The independence of the Czech National Bank in its capacity as a member of the ESCB is guaranteed by EU primary law (in 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

The Czech National Bank has a yearly and medium term-statistical work programme that is not available to the public. Nevertheless, the essential statistical activities of the CNB are described in the CNB Annual Report in the chapter dedicated to statistics.

https://www.cnb.cz/en/about_cnb/performance/annual-reports/

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

1.2.1 Allocation of responsibilities

The responsibility for collecting, processing and disseminating the Czech Republic's balance of payments statistics is assigned to the Czech National Bank by the Act on the Czech National Bank. A General Agreement with the Czech Statistical Office was signed on cooperation in statistics, including balance of payments statistics (data sharing and data exchange are specified in a Partial Agreement).

1.2.2 Legal basis

The statistical activities of the Czech National Bank are in compliance with the Act on the Czech National Bank, as amended, and the EU/ECB legislation concerning the bank's activities as a member of the European System of Central Banks.

Articles 41 and 42 of the Act on the Czech National Bank govern the data collection for balance of payments purposes. The Act also identifies the Czech National Bank as the authority responsible for the data collection. The Act authorises the issuance of decrees on reporting requirements for specific purposes, including for compiling the balance of payments of the Czech Republic. Accordingly, Decree No. 217/2018 Coll. amending Decree No. 314/2013 Coll., on the submitting of statements to the Czech National Bank by entities that belong to the financial institutions sector and Decree No. 235/2013 Coll. pertaining to the submission of statements to the Czech National Bank by statistically significant reporting entities, for the purposes of preparing international balance of payments, investment position and debt service statistics specify in detail these reporting requirements, which form the core of the balance of payments data collection system. Moreover, the Czech National Bank, as a member of the ESCB, is allocated the task to collect information on BOP and IIP statistics on the basis of Article 2 of Regulation No 2533/98.

In addition, information used for balance of payments statistics is collected on the basis of Article 8a of Act 15/1998 Coll., on Supervision in the Capital Market Area, as amended, and Act 277/2015 Coll., and according to Article 15 of the Act on Bureau-de-Change Activity. Furthermore, Regulation of the European Central Bank (ECB) concerning the consolidated balance sheet of the monetary financial institutions sector enables the Czech National Bank to collect statistics in the field of money and banking from all credit institutions to fulfil its tasks. Such data are also used partly for balance of payments statistics purposes.

The responsibility for disseminating balance of payments statistics is defined in Article 42b of the Act on the Czech National Bank.

1.3.   CoP6 Impartiality and objectivity / PC6 Impartiality and objectivity

1.3.1 Advance release calendar

Balance of payments and international investment position

An advance release calendar that gives the precise release dates on a monthly basis for the coming year, and preliminary ones for the first quarter of the following year, is disseminated at the end of October each year on the website of the Czech National Bank:

 https://www.cnb.cz/en/cnb-news/calendar/

The data are released on the announced dates on the Czech National Bank website at 10 a.m. CET.

1.3.2 Revision policy

Methodological changes are generally communicated around the publication date of new data as part of the methodological notes on the commentary on the CNB website:

https://www.cnb.cz/en/statistics/bop_stat/

Major methodological changes, such as the implementation of new Manuals, were communicated and explained in more detail to the public:

https://www.cnb.cz/en/statistics/bop_stat/implementing-the-new-balance-of-payments-manual-bpm6/

At the time of the first publication of data, users are informed on the methodological changes. Similarly, at the time of data dissemination, users are informed whenever data are revised.

2.   STATISTICAL PROCESSES

2.1.   CoP7 Sound methodology / PC7 Sound methodology

2.1.1   General remarks

Balance of payments and international investment position statistics of the Czech Republic are generally consistent with the overall conceptual framework of the IMF's Balance of Payments Manual, sixth edition (BPM6). This revised standard is also obligatory for EU Member States pursuant to a Commission Regulation and an ECB Guideline that specifies the reporting requirements for EU Member States and national central banks. The statistical methods describing the data for the Czech Republic are published and updated in the ECB's Balance of Payments/International Investment Position Statistical Methods and in the IMF's Balance of Payments Statistics Yearbook (BOPSY), reviewed and updated by the Czech National Bank as required by the IMF BOPSY annual production procedures. A detailed description of the Czech Republic's balance of payments and international investment position compilation system can also be found within the metadata description of the IMF's SDDS Plus and in the Czech National Bank's ARAD database.

2.1.2   Residency

The Czech Republic's balance of payments and international investment position statistics follow the BPM6 residency concepts.

2.1.3   Institutional unit definition

Resident institutional units are defined in accordance with BPM6 as those that have a centre of predominant economic interest in the Czech Republic.

2.1.4 Sectorisation & sector definition and delimitation

The classification and sectorisation used to compile the Czech Republic's balance of payments is essentially based on the BPM6 and is consistent with ESA 2010. Nevertheless, the Czech Republic is dealing with the reclassification of two banks (the Czech Export Bank and the Czech-Moravian Guarantee and Development Bank) into the government sector for EDP purposes in spite of the fact that these banks are on the list of Czech MFIs. This is creating sectorisation differences in the Czech statistics produced for the purposes of the national accounts and the balance of payments (where the list of Czech MFIs is followed).

Portfolio investment income is compiled on an accrual basis following the implementation of security-by-security (s-b-s) reporting (90% coverage of portfolio investment statistics) in all sectors except insurance companies. The current situation, which is not expected to change (after SOLVENCY II implementation), is maintaining a monthly aggregated report for insurance companies for b.o.p./i.i.p. purposes and using quarterly s-b-s reporting for insurance companies, for supervisory needs and for securities holdings statistics needs.

MFI asset and liability transactions are calculated according to changes in stocks and exclude the exchange rate and other effects.

For other remaining sectors, transactions are either derived from changes in stocks (technical reserves of insurance companies) or directly reported by statistically significant respondents (non-financial sectors). For transactions of the general government sector, the use of administrative data is essential.

Some (minor) deviations from the internationally accepted methodology persist in the Czech balance of payments statistics due to practical challenges within the statistical collection framework. Such deviations are kept under review.

2.1.5 Time of recording (accrual accounting)

Interest income is recorded predominantly on an accrual basis. Interest income is adjusted for FISIM exports and imports where relevant. Dividends are recorded frequently when paid rather than on an accrual basis.

2.1.6 Coverage gaps & deviations

A. Current and capital account:

Goods of non-resident companies registered in the Czech Republic for VAT payments only are excluded from exports and imports of goods (IMTS data) for the compilation of the national BoP, provided to the ECB, Eurostat and the IMF. So the residency concept is followed in the goods item.

In the services balance, item passenger transport payable by border, seasonal and other short-term workers is not estimated as separate item. Total services transactions between related enterprises are also not estimated because of a lack of information on nature of counterparty ownership.

Compensation received by residents of the Czech economy employed by international organisations and foreign embassies is not estimated.

Rents and Adjustment for change in pension entitlements are not being estimated, because of the lack of data sources.

Capital taxes are currently estimated due to the legislative changes under Current taxes on income, wealth etc., therefore are not estimated and presented as separate items.

B.   Financial account

With regard to portfolio investment, most transactions are derived from s-b-s reporting and a minority of transactions from aggregated reporting (insurance companies, please see 2.1.4).

Pension and standardised guarantee schemes (flows and stocks) have not been calculated yet and are being tested for statistical significance.

SPE´s have not been identified yet in the case of the Czech Republic.

C.   International investment position

Reporting gaps exist for the portfolio and account transactions (and positions) of resident individuals with banks (or in custody) abroad. The positions and transactions of other financial intermediaries, except insurance corporations and pension funds, in financial derivatives are not covered, because they are not significant.

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

2.2.1   *Main features*

A.   Balance of payments

The Czech Republic's data collection system is based on a direct reporting system involving resident financial and non-financial enterprises and public authorities. The monthly and quarterly information is collected through the direct reporting system and complemented by other sources:

- monthly foreign trade statistics compiled by the Czech Statistical Office (CZSO) for merchandise data based on national and Community principles;

- a quarterly survey on services and specific operations with goods conducted by the CZSO;

- monthly reports to the Czech National Bank on the external positions of banks and non-banks for deriving short-term and long-term items;

- the Czech National Bank's reserve and other assets;

- data from a CNB survey of non-bank and bank bureaux de change for the travel item (credits and debits);

- a CNB quarterly survey of selected companies (the biggest players) on their cross-border assets and liabilities – export and import credits, loans, deposits abroad (also in a direct investment enterprise relationship) and financial derivatives;

- annual balance sheet data of direct investment enterprises for direct investment stock data and the corresponding reinvested earnings;

- monthly s-b-s surveys of banks, investment funds, pension funds and custodians on securities holdings for portfolio investment and subsequently derived income and transactions data;

- quarterly s-b-s surveys from insurance companies and monthly aggregated surveys from insurance companies and investment firms on their own account transactions;

- administrative data (e.g. from the Ministry of Finance for the general government sector and data from the land registry).

B.   International investment position

General remarks: The Czech Republic's international investment position is compiled mainly on the basis of actual stock statistics. The main data sources are:

- the monthly stock statistics on the external assets and liabilities of domestic banks and the monthly and quarterly reports of other domestic enterprises (a sample survey) and general government arising from financial operations and trade credits;

- the monthly stock statistics of investment funds, pension funds and insurance institutions;

- the annual statistics on direct investment positions, which are used for compiling foreign direct investment stocks;

- the monthly report on securities from bank and non-bank custodians on the assets (resident) and liabilities (non-resident) of portfolio investment positions;

- the CNB reserve and other assets (liabilities) taken from the Accounting Division of the Czech National Bank.

These sources allow for a detailed sectoral classification.

For most of the i.i.p. items, the basic data are available in a timely fashion to allow the use the "bottom-up approach" to compile the quarterly i.i.p.

The international investment position statistics compiled on a quarterly basis are calculated on a country-by-country basis and then aggregated to regional groups (e.g. extra-EU). The reconciliation between stocks and flows (specifying exchange rate, price and other changes) is calculated.

2.2.2 *Country specific aspects*

More specific remarks on BoP and IIP statistics can be found in the [SDDS Plus metadata](#)
and on the Czech National Bank website in the [ARAD database](#):

 https://www.cnb.cz/en/statistics/bop_stat/

3. STATISTICAL OUTPUT

3.1. CoP11 Relevance / PC11 Relevance

At the national level, the Balance of Payments Statistics Division regularly maintains close
contacts with major users of Czech balance of payments data, such as the Monetary
Department and the Economic Research Department of the Czech National Bank, ministries,
the Czech Statistical Office, the University of Economics and other principal data users
in order to inform them of the emerging new national data presentation and find out how
it matches their needs. On specific occasions, the Czech National Bank has conducted
discussions with data providers and professional associations on a new structure of surveys.
All data requirements in the field of b.o.p./i.i.p. statistics for the IMF and the European
institutions are implemented.

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

An extract from the Czech Republic's assessment in Eurostat's 2015 BoP quality report:

3.2.1 *Revisions*

Due to the rather short period of time of BPM6 data compilation, revisions' analysis in this
BOP quality report could not be fully carried out. For monthly BOP the largest revisions
could be observed for capital account, due to the revisions from low initial estimates in two
months. For quarterly balance of payments and international investment position quite
substantial revisions took place for direct investment assets and liabilities. For quarterly IIP
revisions concerned mainly direct investment. Directional reliability of monthly BOP reached
100% for all items and time periods, except for direct investment for 2011 - 2013, when
it equalled 94%.

CZ external statistics revision policy follows Eurostat and the ECB requirements.

3.2.2 *Errors and omissions and integrity rules*

Size of errors and omissions is not significant and below the EU-28 median. From 2010Q4
until 2014Q1 there has been a trend of negative accumulation of values but with the latest

revisions in March 2015, this trend has become less significant. Eurostat appreciates the continuous efforts of the Czech Republic to analyse the underlying factors of the E&O.

The consistency with the integrity rules is very good, with the exception of FDI flows and stock, where it is good. This can be explained by fine tuning of algorithms for the creation of the consistent FDI output. There are no differences between quarterly and annual ITS data. In the case of preliminary FDI flows in 2013 the discrepancy between quarterly and annual data was caused by transformation of the FDI database into new BPM6 methodology. The inconsistencies between quarterly and annual data were solved with quarterly FDI data revision in March 2015. Monthly and quarterly BOP data are fully consistent. Balance of payments and international investment position figures were fully reconciled by both functional category and instrument, except for financial derivatives, in which case reconciliation was not possible due to the reporting of transactions only for net flows.

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

3.3.1 National requirements

Balance of payments and international investment position

The Czech National Bank disseminates monthly balance of payments statistics 5–6 weeks after the end of the reference month. Data on the international investment position are available on a quarterly basis with a lag of 3 months after the end of the reference quarter. The publication dates of the balance of payments and international investment position are available at the following address:

https://www.cnb.cz/en/cnb-news/calendar/

3.3.2 EU and other international requirements

The Czech Republic met all timeliness requirements from international institutions (ECB, Eurostat, IMF, OECD and BIS).

The Czech Republic is also involved in the Special Data Dissemination Standard (SDDS) Plus as part of the IMF's Data Standards Initiatives. All data required in the field of external statistics can be accessed via the Czech Republic's national data summary page:

https://www.cnb.cz/en/statistics/sdds-plus/

3.4. CoP14 Coherence and comparability / PC14 Consistency and comparability

3.4.1 Bilateral asymmetries

In the case of both services and FDI, the most significant asymmetries occur vis-à-vis neighbouring countries Germany, Austria and Poland, followed by the Netherlands, France and Belgium. As regards FDI, partial bilateral reconciliation excercises occurred in the FDI network. For services trade, no bilateral exercises under the BPM6 methodology have been undertaken yet, but possiblilites in this area will be discussed with the Czech Statistical Office.

3.4.2 Consistency with related statistics

With the implementation of BPM6 and ESA2010 in 2014, the Czech Republic balance of payments statistics and national accounts are conceptually consistent. However, differing data sources and revision timetables, as well as different sectorisation, may still produce some differences in practice. These are regularly assessed and documented.

For the balance of payments transactions of the banking and financial sectors, the Czech National Bank checks with money and financial statistics every month for transactions in assets and liabilities including portfolio investment.

3.4.3 "Time" and back data consistency

Consistent time series are made available to the users as far backwards as possible, partly dating back to 1993 on the BPM6 basis. Breaks in the time series have occurred, in some instances, when changes in source data, methodology, or statistical techniques could not be reconstructed backwards owing to a lack of data. This is the case, for example, for a number of detailed breakdowns that were implemented with the BPM6 methodology. Nevertheless, consistency of detailed data back to 2008 under the BPM6 methodology is guaranteed.

3.4.4 Consistency across frequencies

The Czech Republic's quarterly and annual balance of payments data are derived by aggregating monthly data. Generally, the underlying concepts, definitions, and classifications are therefore identical across series of differing periodicity.

3.5. CoP15 Accessibility and Clarity / PC15 Accessibility and Clarity

3.5.1 Data

A.   Balance of payments

The monthly commentary on balance of payments statistics contains a table with the major balance of payments aggregates accompanied by a short commentary on recent developments. The table includes preliminary data for the current reporting month. Preliminary monthly BoP data are revised on a quarterly basis, when quarterly data are commented upon and presented to the public.

More information on the Czech Republic's balance of payments data can be found on the website of the Czech National Bank:

https://www.cnb.cz/en/statistics/bop_stat/

The data can be accessed and downloaded via the ARAD database.

B.   International investment position

The international investment position is available on a quarterly basis.

More information on the Czech Republic's international investment position data can be found on the website of the Czech National Bank:

 https://www.cnb.cz/en/statistics/bop_stat/

The data can be accessed and downloaded via the ARAD database.

3.5.2 Metadata

See previous sub-section