

CMFB Template for national reports on statistics underlying the MIP¹ – B.o.P/I.I.P. statistics – Bank of Greece

January 2018

1. INSTITUTIONAL ENVIRONMENT

1.1. CoP1 Professional Independence / PC1 Professional Independence

1.1.1 Legal basis

The *Bank of Greece* is an independent Central Bank and as of January 01, 2001 is a member of the Eurosystem, which consists of the European Central Bank (ECB) and the National Central Banks (NCBs) of euro area countries.

The *Statute of the Bank of Greece* was ratified by Law 3424/7.12.1927, which, being attached to an international Treaty, carries enhanced legal status. Since then it has been repeatedly amended; the most recent substantial amendments were ratified by Laws 2548/97, 2609/98 and 2832/00, so as to meet the requirements of the Treaty on European Union and the Statute of the European System of Central Banks.

The Statute of the Bank of Greece with the amendments is available in Greek and in English on the Bank of Greece website under the heading "The Bank/Legal Framework/Statute of the Bank"; hard copies of the above legislation can be obtained, free of charge, upon request.

1.1.2 Statistics work programme

The annual statistical program of Bank of Greece is shared with ELSTAT.

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

1.2.1 Allocation of responsibilities

The Bank of Greece is responsible, *inter alia*, for the compilation of balance of payments and international investment position statistics for Greece. This was recently confirmed by the MoU between the ESCB and Eurostat.

1.2.2 Legal basis

The Bank of Greece has been responsible for compiling and producing the Greek balance of payments statistics since 1929. The legal basis for the collection and compilation of balance

¹ This publication is made by the Bank of Greece, in the context of the general framework on quality in statistics that has been adopted by the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB).

of payments transactions is contained in the Statute of the Bank of Greece (article 55C) which was ratified by Law 3424/1927. Since then the Statute of the Bank of Greece has been amended; the most substantial amendments were ratified by Laws 2609/1998 and 2832/2000. By those amendments the legal basis has been reinforced, as all residents are required to report transactions with non-residents to the Bank of Greece for the compilation of the balance of payments and the acquisition of assets and incurrence of liabilities vis-à-vis non-residents for the compilation of the international investment position.

The legislation provides for a sanctions procedure in the event of a failure to report balance of payments transactions. The Statute of the Bank of Greece protects the confidentiality of statistical information collected by Bank of Greece and prohibits the disclosure of confidential information. Violators of statistical confidentiality rules are penalized under Article 371 of the Penal Code. The balance of payments and international investment position data are disseminated by the Bank of Greece as a service to the public.

Moreover, the development, production and dissemination of statistics by the Bank of Greece are governed by Article 5 of the Statute of the ESCB and of the ECB, as well as Regulation (EC) No 2533/98. The Bank of Greece as a member of the ESCB monitors and assesses the quality of its statistics and disseminates statistics in conformity with the principles of the ESCB's Public Commitment on European statistics by the ESCB.

1.3. CoP6 Impartiality and objectivity / PC6 Impartiality and objectivity

1.3.1 Advanced release calendar

Monthly balance of payments data and quarterly international investment data are made available to the public in a press release in Greek and English according to the advance release calendar. The advance release calendar which gives one-year-ahead notice of the precise release dates is disseminated on the Internet on the IMF's DSBB. In addition, the above mentioned advance release calendar is disseminated on the Bank of Greece's website under the heading "Statistics / Summary Data for the SDDS / External Sector / Advance Release Calendar."

1.3.2 Revision policy

Monthly data are provisional when first released and are indicated as such. The data are revised continually, whenever new statistical information either from special annual surveys or from other sources becomes available. Revisions may also be due to a break of series stemming from a change in methodology. Provisional, revised and final data are appropriately indicated. Information on revisions is given through notes included in the publications, while major changes in methodology are announced through both Bank of Greece publications and special press releases.

2. STATISTICAL PROCESSES

2.1. CoP7 Sound methodology / PC7 Sound methodology

2.1.1 General remarks

Balance of payments and international investment position statistics are compiled in accordance with the standards set forth in the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6). Furthermore, specific compilation recommendations from relevant international bodies are observed. In particular, the Bank of Greece adheres to all provisions and recommendations of the ECB Guideline ECB/2011/23 of 9 December 2011, as amended by ECB/2013/25 and Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005, as amended by 555/2012, as well as to the relevant guidance included in the ECB 'B.o.p and i.i.p book'.

Balance of payments data under BPM6 methodology are available from the reference month January 2002 and onwards. All information relevant to the transition to the BPM6 is available in a special Press Release available on the web site of Bank of Greece.

2.1.2 Residency

The general principles laid down in the BPM6 are applied. The residency concept is thus defined in conformity with BPM6's definitions of economic territory and center of economic interest.

2.1.3 Institutional unit definition

The general principles defined in BPM6 on institutional units (center of economic interest, decision-making autonomy, and complete set of accounts) are applied.

2.1.4 Sectorisation & sector definition and delimitation

The classification into institutional sectors follows the definitions and delimitations set forth in BPM6.

2.1.5 Valuation

The following valuation principles are applied:

- Market prices for transactions and positions.
- Nominal valuation is used for positions in non-negotiable instruments, for example loans and deposits.
- In FDI positions, listed equity is valued at market prices and non-listed equity is valued at book value.

2.1.6 Time of recording (accrual accounting)

Income data are recorded on a cash basis with the exception of portfolio investment income, which is recorded on an accrual basis.

2.1.7 Coverage gaps & deviations

FISIM data are not included in financial services.

2.2. CoP8 Appropriate Statistical procedures / PC8 Appropriate Statistical procedures

2.2.1 Main features

The current balance of payments data collection system in Greece is a mixed system since the international transactions reporting system (ITRS) based on banks settlements reporting supplements information derived from other sources; specifically these sources are: (i) foreign trade statistics (Intrastat/Extrastat data) provided by ELSTAT, (ii) frontier travel survey, and (iii) direct reporting by residents for their cross-border transactions, including those settled without the intermediation of resident banks. In parallel, significant steps towards a new direct reporting data collection system have been taken since 2017, with more than 2,000 business companies currently reporting directly their international transactions on a monthly level.

Additional information is collected from the Bank of Greece's various departments and from the Ministry of Economy and Finance for certain transactions, such as current and capital transfers and general government financial account transactions. Moreover, for the compilation of financial account items, other sources are used such as monthly information from the Central Securities Depository, a database with security-by-security monthly information provided by custodians, and the European centralized securities database CSDB.

The resident banks, as reporting agents in the ITRS, are required to report all their external transactions on behalf of residents and non-residents and on their own account, irrespective of whether they are acting as an intermediary between a non-resident bank/non-bank and another resident bank, or carrying out interbank operations affecting their external position. Resident banks must also report the opening and closing balances of their external position broken down by currency. Changes between the opening and closing positions should be equal to the net external transactions in the respective currencies.

Travel services data are derived from the frontier survey on international travel (incoming non-residents are surveyed for their expenditure in Greece upon departure and outgoing residents are surveyed for their expenditure abroad upon arrival). The survey takes place at all types of frontier stations, such as airports, seaports, road crossings and railway stations.

The goods trade balance data reflect customs-based or other administrative data, as provided by ELSTAT. Imports of goods include ELSTAT's estimate of the illicit trade in goods.

2.2.2 Country specific aspects

Bank of Greece disseminates on its website the concepts and compilation procedures of the balance of payments and international investment position statistics. Furthermore, a detailed presentation of the methodology and sources used for compiling balance of payments and international investment position statistics can be found in the ECB's publication 'European Union balance of payments and international investment position statistical sources and methods', November 2016, and in the IMF's SDDS metadata.

3. STATISTICAL OUTPUT

3.1. CoP11 Relevance / PC11 Relevance

The Bank of Greece, as the Central Bank of a member of the European Union and the Euro Area, transmits balance of payments and international investment statistics to the ECB and Eurostat according to the requirements of the ECB guidelines ECB/2011/23 (as amended by ECB/2013/25) and Regulation (EC) No 184/2005 (as amended by No 555/2012). Balance of payments and international investment statistics are important for the performance of ESCB's tasks in defining and implementing the monetary policy of the Union, conducting foreign exchange operations and holding and managing the official foreign reserves of the members. They are also important for the identification and surveillance of macroeconomic imbalances under the Macroeconomic Imbalances Procedure (MIP) established in the EU.

Further, balance of payments and international investment data are required by other international organizations, such as the IMF for the SDDS, the IFS and Article IV consultations, the OECD, the World Bank, UNCTAD and the BIS.

At national level they are used as input for the compilation of financial accounts and national accounts. Also, the Economic Analysis and Research Department of the Bank of Greece makes extensive use of the analysis of the data.

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

3.2.1 Revisions

According to Eurostat quality report on Balance of Payments, the revisions of balance of payments items affect moderately the current and financial account. The revisions for current account balance are mainly due to revisions in primary income and more particularly direct investment income, which are due to the incorporation of the information of the annual FDI survey in b.op/i.i.p data and accounting data on retained profits.

3.2.2 Errors and omissions and integrity rules

In terms of internal consistency, integrity rules are generally respected, errors and omissions are not large, but cumulative errors and omissions in balance of payments in the past showed a positive bias, which has vanished since 2016.

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

3.3.1 National requirements

Monthly balance of payments data are made available to the public by the Bank of Greece in a press release in Greek and English according to the advance release calendar, 7- 8 weeks after the end of the reference month.

More analytical data, are disseminated in the "Bulletin of Conjunctural Indicators", namely for goods, services, primary income, secondary income, capital account, direct investment, portfolio investment, financial derivatives, and other investment.

Analytical balance of payments data are published in the statistical section of the "Economic Bulletin" referring to the latest available month and the same month of the previous two years.

Annual data for the main items of the balance of payments are also published in the "Annual Report".

3.3.2 EU and other international requirements

Bank of Greece transmits data to the ECB, Eurostat, IMF, BIS and OECD according to the requirements of each international institution.

3.4. CoPI4 Coherence and comparability / PCI4 Consistency and comparability

3.4.1 Bilateral asymmetries

Bilateral asymmetries in FDI are mainly examined through the FDI network. For the travel services item, possible asymmetries are monitored by Eurostat and are discussed bilaterally with partner countries or during the travel workshop meetings. In cases of large financial transactions, the guidance of the ECB is sought.

3.4.2 Consistency with related statistics

Balance of payments data can be compared with the data published by other statistical domains, namely, foreign trade statistics and national accounts. The discrepancies observed between balance of payments and foreign trade statistics are due to methodological reasons. In particular, transactions not covered by foreign trade statistics are added to balance of payments trade figures, namely: merchanting, goods procured in ports by carriers (imports) and illegal goods (imports). Furthermore, balance of payments trade data include adjustments for the conversion of c.i.f terms of trade into f.o.b (imports) and exclude transactions related to the processing and repair of goods which are classified in the balance of services. More information relevant to the incorporation of foreign trade statistics into the balance of goods is available in a special press release on the Bank of Greece's website.

The comparability between balance of payments and national accounts is ensured by the application of common definitions (BPM6 and ESA2010). The previously existing differences between balance of payments and national accounts arising from discrepancies in data sources or compilation methods have been largely eliminated, especially after the adoption of foreign trade statistics in balance of payments data. Further improvements in consistency between the two statistical domains can be expected from the on-going process of data exchange between balance of payments and national accounts compilers.

Balance of payments and international investment position data are consistent with financial accounts and balance sheet information of the various financial sub-sectors, such as monetary

and banking statistics, investment funds statistics, insurance corporations' statistics and securities issues statistics.

3.4.3 "Time" and back data consistency

Historical data based on the new BPM6 methodology are available from January 2002 and onwards.

3.4.4 Consistency across frequencies

Monthly data are fully consistent with quarterly and annual data.

3.5. CoP15 Accessibility and Clarity / PC15 Accessibility and Clarity

3.5.1 Data

The monthly balance of payments press release is published on the Bank of Greece's website (<http://www.bankofgreece.gr/Pages/en/Bank/News/PressReleases>)

The following titles of Bank of Greece publications are also available on the website:

- "Bulletin of Conjunctural Indicators" (monthly), published by the Bank of Greece, in Greek and English.
- "Economic Bulletin" (semi-annual), published by the Bank of Greece in Greek and English.
- "Annual Report" (annual), published by the Bank of Greece in Greek and English.

3.5.2 Metadata

Metadata are available on the Bank of Greece website (<http://www.bankofgreece.gr/Pages/en/Statistics/externalsector/balance>). Further information is available upon request.