

# Quality assessment report<sup>1</sup> on financial accounts – statistics underlying the Macroeconomic Imbalance Procedure indicators as provided by Lithuania (Bank of Lithuania and Statistics Lithuania)

---

## A. INSTITUTIONAL ENVIRONMENT

### A.1 *CoP<sup>2</sup>1 Professional independence/PC<sup>3</sup>1 Professional independence*

#### A.1.1 Legal basis

The professional independence of the national statistics institute – Statistics Lithuania (SL) is established in the Republic of Lithuania Law on Official Statistics No I-270 of 12 October 1993, last amended on 16 July 2019 (No XIII-2365). It states that the organisation of official statistics shall be based on the principles of objectivity and professional independence from political and other interest groups.

The independence of the Bank of Lithuania (LB) is guaranteed by the Republic of Lithuania Law on the Bank of Lithuania and by the EU primary law. The independence of LB in its capacity as a member of the European System of Central Banks (ESCB) is further emphasised in Article 130 of the EU Treaty and Article 7 of the Statute of the ESCB and of the ECB.

#### A.1.2 Statistics work programme

SL, in cooperation with other institutions compiling statistics, approves its annual statistical work programme which covers annual financial accounts. This Official Statistics Work Programme is publicly available at: <https://www.stat.gov.lt/oficialiosios-statistikos-programos>.

LB approves its annual statistics work programme, which covers new developments of quarterly financial accounts. LB Statistics Work Programme is publicly available at:

[LB Statistics Work Programme for 2020](#)

The European Statistics Annual Work Programme is also available publicly at: [ESS Work Programme 2020](#).

### A.2 *CoP<sup>2</sup>2 Mandate for data collection/PC<sup>2</sup>2 Mandate for data collection*

#### A.2.1 Allocation of responsibilities

Institutional arrangements of responsibilities for compilation and dissemination of financial accounts are as follows:

Statistics Lithuania is responsible for compilation and dissemination of quarterly financial accounts of general government sector (QFAGG). It is also responsible for compilation and dissemination of annual

---

<sup>1</sup> Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) generic template.

<sup>2</sup> The European Statistics Code of Practice.

<sup>3</sup> Public Commitment on European Statistics by the ESCB.

financial accounts until the end of 2020. . Since 2021 the Bank of Lithuania will be responsible for compilation and dissemination of annual financial accounts, as well as it is responsible for compilation and dissemination of quarterly financial accounts of all sectors, except for general government sector.

### A.2.2 Legal basis

Annual financial accounts are compiled and transmitted according to the European Parliament and Council Regulation (EU) No 549/2013 of 21 May 2013 on the European system of national and regional accounts in the European Union (ESA 2010).

Quarterly financial accounts are compiled and transmitted to the ECB according to the Guideline ECB/2013/24 on financial accounts statistical reporting requirements.

Relevant national laws:

The Republic of Lithuania Law on Official Statistics No I-270 of 12 October 1993, last amended on 16 July 2019 (No XIII-2365).

The Government Resolution No 135 of 11 February 2015 on compilation of macroeconomic and related statistics determines the responsibility of SL to prepare and provide data to Eurostat alongside the ESA 2010 transmission programme.

The mandate of LB to collect information for the development, production and dissemination of European Statistics is specified in Article 8 of the Law on the Bank of Lithuania (last amended in 2017).

Cooperation between LB and SL in the field of financial accounts is set up in the Agreement on statistical information and data sharing. The Agreement describes data requirements and data transmission deadlines.

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

### A.3.1 Advance release calendar

A release calendar for the annual financial accounts is publicly available at the Official Statistics Portal: <http://osp.stat.gov.lt/en/kalendoriai>. The annual data is published on the 10<sup>th</sup> month following the end of the reference year. The QFAGG are published at  $t+93$  days after the reference quarter.

The [data release calendar](#) for the quarterly financial accounts is publicly available on the website of LB. Quarterly financial accounts are published at  $t+95$  days after the reference quarter.

### A.3.2 Revision policy

Annual financial accounts and QFAGG

Generally, the annual financial accounts data are revised in September for the year  $t-2$ , and for the years if the primary sources used for compilation were revised. Annual financial accounts data revision policy is not fully in line with the recommendations of the CMFB. The QFAGG data are revised in March and September. Statistics Lithuania revision policy is provided in the document General Principles behind the Performance, Analysis and Announcement of Revisions of Statistical Indicators.

For major revisions, such as the implementation of ESA 2010, a special press release is disseminated.

Quarterly financial accounts (QFA)

QFA data revision policy is compliant with recommendations of the CMFB and consistent across statistical domains.

The revision policy is publicly available on the website of LB: <https://www.lb.lt/en/data-revisions>.

Major methodological changes, such as the implementation of the new ESA 2010, are accompanied by more specific explanations and are communicated separately to the users.

QFA data revision cycle:

Reference period	Type of revision	Timing	Description	Depth
Q2	Annual	95 days after reference period	Introduction of new data sources or compilation methods; changes in classification	17 quarters or entire time series
Q1 Q4	Routine	95 days after reference period	Replacement of preliminary data with final data; replacement of estimated values with real data received later	Maximum of 15 quarters

## B. STATISTICAL PROCESSES

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

#### B.1.1 General remarks

Annual and quarterly financial accounts completely follow the methodological requirements of ESA 2010.

Metadata on annual financial accounts and quarterly general government accounts are available and published on the Official Statistics Portal: [AFA](#) and [QFAGG](#).

Metadata on quarterly financial accounts are available at the website of LB: [Metadata](#).

#### B.1.2 Residency and territory

There are no deviations from the ESA 2010 principles concerning residency and territory.

#### B.1.3 Institutional unit definition

There are no deviations from the ESA 2010 principles concerning the definition of an institutional unit.

#### B.1.4 Sectorisation and sector definition

There are no deviations from the ESA 2010 principles concerning sectorisation of institutional units. Sectorisation of resident units is carried out by SL in cooperation with LB and other institutions. There are regular meetings of the Inter-institutional Working Group on Sectorisation (WGS) where experts from LB, SL and other institutions discuss sectorisation issues. Sectorisation of holding companies and head offices is performed by WGS according to the recommendation of Task Force on Head Offices, Holding Companies and Special Purpose Entities (SPEs).

Register of statistical units is maintained by SL and used by LB and SL for compilation of different statistics. Information from the register is shared with data suppliers in order to ensure the consistency of unit classification.

#### B.1.5 Instrument identification

There are no deviations from the ESA 2010 principles concerning classification of financial instruments.

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

There are no deviations from the ESA 2010 principles concerning valuation of financial instruments. Financial assets and liabilities are evaluated using the ESA 2010 valuation methods. Negotiable financial instruments, such as debt securities, listed shares, investment fund shares or units and financial derivatives, are valued at market prices. Non-negotiable financial instruments, such as loans and deposits, are valued at nominal value. For valuation of unquoted equity, such as unlisted shares and other equity, the own funds at book value method is used.

Financial transactions are available in BSI, BOP/IIP, IC, SHS, IF, PF and QFAGG data. For the rest of the sectors, transactions are calculated as the difference between the outstanding amounts at the beginning of the quarter and the end of the quarter minus revaluations and other volume changes.

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

Transactions are recorded on an accrual basis, i.e. when economic value is created, transformed or extinguished, or when claims and obligations arise, not when the corresponding payment is made. Interest accrued is recorded with the financial asset or liability on which it accrues at each individual instrument.

#### B.1.8 Coverage

Identification of sectors S.125, S.126 and S.127 is based on the data from Register of Legal Entities on main activity, capital, assets and number of employees.

In quarterly financial accounts, sectors S.125, S.126 and S.127 are covered by samples (covering about 80% of total population and grossed up to benchmark from annual balance sheets (finalised at Q4+6 months). Quarterly survey is based on balance sheets, and timeliness of this data source is  $t+70$ .

Information about new entities and exit of units from OFI subsectors is known in the Register of Legal Entities. New entities are included into samples after 12 months at most. Exit of units is taken into account in the compilation of data for the current quarter.

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

Tables 6 and 7 are fully compliant with the ESA 2010 Transmission programme. Annual data, starting from 1995, are transmitted to Eurostat. Also, most of the voluntary data on revaluation and other changes of accounts are transmitted.

The QFA are compiled and disseminated on who-to-whom basis. It allows calculating consolidated data for each financial instrument and institutional sector.

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

There are no specific issues (except those listed in B.1.8) concerning financial instruments covered by the private sector debt. Data on inter-company loans are identified from the quarterly survey, based on the balance sheets of non-financial corporations. Inter-company loan transactions are derived as changes in positions.

There are no specific issues concerning financial sector liabilities.

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*

B.2.1 Data source map (reference to separate page)

Quarterly and annual financial accounts are compiled using the same data sources. The table below describes the main data sources used in compilation of financial accounts.

# Annex to CoP8: Data source map for financial accounts

## Map of main data sources

Country:  
Name of institution:  
Year:

<b>LT</b>
<b>SL, BL</b>
<b>2018</b>

		Assets									Liabilities								
		S11	S12K	S124	S12O	S128	S129	S13	S14+ S15	S2	S11	S12K	S124	S12O	S128	S129	S13	S14+ S15	S2
		NFCs	MFI	IFs	OFIs	IC	PF	Gov	HH+ NPISH	RoW	NFCs	MFI	IFs	OFIs	IC	PF	Gov	HH+ NPISH	RoW
F11	Monetary gold		MFI					0		MFI									0
F12	SDRs		MFI				0		MFI							0			MFI
F21	Currency	e^^	MFI	0	Sur <sup>2)</sup>	0	0		##										MFI
F22	Deposits, transferable	MFI*/ BoP	MFI	IF	MFI/BoP	IC	PF	QFAG G	MFI	MFI	0								BoP
F29	Deposits, other	MFI*/ BoP	MFI	IF	MFI/BoP	IC	PF	QFAG G	MFI	MFI	0					QFAG G			BoP
F3	Debt securities	SHS	MFI	IF	SHS	IC	PF	QFAG G	SHS*	BoP	SEC	MFI	0	SEC	IC	0	QFAG G	0	BoP
F4	Loans	NFC <sup>1)</sup>	MFI	IF	Sur <sup>2)</sup>	IC	PF	QFAG G	BoP	BoP	MFI/B oP	0	IF	MFI /BoP	IC	MFI BoP	QFAG G	MFI/ BoP	MFI
F511	Listed shares	SHS	MFI	IF	SHS	IC	PF	QFAG G	SHS*	BoP	SEC	SEC	0	SEC	0	0	0	0	BoP
F512	Unlisted shares	NFC <sup>1)</sup> ##	MFI	IF	Sur <sup>2)</sup>	IC	PF	QFAG G	NFC*/ BoP	BoP	NFC <sup>1)</sup>	MFI	0	Sur <sup>2)</sup>	IC		0	0	BoP
F519	Other equity	e^^ ##	MFI	IF	0	IC	0	QFAG G	* e^^	BoP	NFC <sup>1)</sup>	MFI	0	0	IC		0		BoP
F52	Investment fund shares/units	IF/BoP	MFI	IF	IF/BoP	IC	PF	QFAG G	IF*/Bo P	IF									BoP
F61	Non-life insurance techn. res.	e^^	e^^		e^^	e^^	0	QFAG G	* e^^	BoP					IC				
F62	Life insurance and annuities								IC PF					IC					
F63-F65	Pension entitlements	0	0						PF QFAG G		0			0	0	PF	0	0	
F66	Standardised guarantees	0	QFAG G	0	0	0	0		QFAG G					0			QFAG G		
F7	Financial derivatives	MFI	MFI/ BoP	IF	MFI	IC	PF	QFAG G	MFI	BoP	MFI	MF/ BoP	IF	MFI	IC	PF	QFAG G	MFI	BoP
F81	Trade credits and advances	NFC <sup>1)</sup>	MFI	IF	Sur <sup>2)</sup>	IC/Su p	PF	QFAG G	NFC*	BoP	NFC <sup>1)</sup>	MFI	IF	Sur <sup>2)</sup>	IC/Sup	PF	QFAG G	NFC*	BoP
F89	Other accounts excl. F81	NFC <sup>1)</sup>	MFI	IF	Sur <sup>2)</sup>	IC/Su p	PF	QFAG G	NFC*	BoP	NFC <sup>1)</sup>	MFI	IF	Sur <sup>2)</sup>	IC/Sup	PF	QFAG G	NFC*	BoP

### Key for data sources and calculation/estimations:

NFC	Survey based on balance sheets of non-financial corporations
Sur	Survey data
MFI	MFI balance sheet statistics
IF	Investment fund statistics
IC	Insurance corporations statistics
PF	Pension fund statistics
QFAGG	Quarterly financial accounts for general government
BoP	Balance of payments and international investment position.
SEC	Securities issue statistics
SHS	Securities holdings statistics
Sup	Supervisory data
0	Known to be zero (e.g. if concept does not exist)
e^^	Estimate (expl. in footnote ^^)

\* Residual sector for respective instrument – i.e. the sector (assets or liabilities) where source is available, but most likely adapted to achieve horizontal consistency.

Different source for quarterly and/or preliminary data (if applicable):

- 1) Quarterly survey (representative (bias towards large NFC) covering about 80% of NFCs scope) grossed up to benchmark from annual NFC balance sheets (finalised at Q4+16 months).
- 2) Quarterly survey based on balance sheets of OFI covering about 80% of OFI scope and grossed up to benchmark from annual OFI balance sheets (finalised at Q4+6 month)

Different source and/or adjustment for transactions (if applicable):

## Transactions partially adjusted to improve ("vertical") consistency with non-financial accounts B9.

Other explanations in particular concerning other sources and estimates:

^^ see point B.2.3

### B.2.2 Description of procedures and methods (brief overall description to clarify the data source map)

Annual and quarterly financial accounts are compiled on who-to-whom basis, using the same data sources: various administrative data sources, financial statements of enterprises, statistical surveys. Compilation process of annual financial accounts is mostly manual and the level of automation is rather low. The QFA are compiled using an efficient IT system. The system ensures complete internal consistency of financial accounts data.

Financial transactions are calculated as:

Closing stocks – Opening stocks – Revaluation – Other changes in volume

Each transaction is reflected twice by each of the institutional units involved – once on the asset side and once on the liability side for the same amount. The double entry system ensures consistency of the financial accounts data:

$\sum \text{Transactions in assets} = \sum \text{Transactions in liabilities}$

Financial accounts of non-financial corporations and household sectors are mostly compiled using indirect data sources. For some financial instruments (see data source map) data from statistical survey, based on the balance sheets of non-financial enterprises, are used. Missing data are estimated or derived from residual calculations. At present, there are no data sources available to distinguish the public non-financial corporation subsector.

Principal data sources for the financial corporation sector are MFI statistics, security issue/holding databases, insurance corporation statistics based on Solvency II, pension fund and investment fund statistics. For OFI sector, additional data from statistical survey, based on the balance sheets of OFI are used.

For production financial accounts of general government sector, the QFAGG data are used.

For households and non-profit institutions serving households (NPISH), no direct data sources are available and financial accounts are compiled from indirect data sources such as MFI statistics, securities holding statistics and balance of payments. Missing indicators are estimated or calculated from residual values.

For sector households and NPISH where data sources are not available, coverage gaps may occur. Therefore, households' transactions and stocks with non-residents and between households are not fully covered, for example, loans between households are not covered. Data on household portfolio investments held abroad with custodians in the euro area are supplemented from the third party holding statistics. Data on households' holdings of securities held abroad with custodians outside the euro area are underestimated. Such data shortage is negligible in volume.

### B.2.3 Estimation of missing data

Various estimation methods are used or the missing values are calculated as a residual value.

Only significant values are estimated. For less important data, annual data are repeated on quarterly basis. Estimates used in financial accounts are applied to the following:

- Cash holdings by non-financial corporations and households. The structure of transferable deposits is used to split currency between NFCs and households.
- Other equity held by non-financial corporations and households. For estimations, annual data on equity holder's structure from the NFC survey are used.
- Insurance technical reserves held by all sectors. To estimate this data, annual data on the structure of premium written from the annual survey of ICs are used.

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

##### Horizontal balancing

The calculation of residuals and double entry system ensures horizontal consistency (see point B.2.2). Residual sectors could be only Non-financial corporations or households (for respective financial instruments, see Data source map).

##### Vertical balancing

As Lithuania does not compile quarterly non-financial accounts for all sectors, vertical balancing is done only annually. To achieve consistency between quarterly financial (sum of four quarters) and annual non-financial accounts, some adjustments are made in the financial accounts. Usually the main instruments that are adjusted are unlisted shares (F.512) and other equity (F.519). Sufficient consistency is achieved for the general government sector, for which quarterly discrepancy does not exceed 2% of the quarterly GDP.

#### B.2.5 Methods to align quarterly and annual data

Consistency of quarterly and annual financial accounts has been improved in close cooperation between LB and SL. Agreement to use the same data sources and calculation methods in compilation of annual and quarterly financial accounts was reached. All time series except euro coins treatment (see C.4.1) are consistent after annual financial accounts data transmission to Eurostat in September. Inconsistencies between quarterly and annual data may occur due to data vintages, because annual financial accounts data are not revised on quarterly basis.

## C. STATISTICAL OUTPUT

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

At the international level, financial accounts data are used to produce a part of the “scoreboard” of the macroeconomic imbalances procedure (MIP), and to support the assessment of vulnerabilities and interconnection for financial stability purposes by the European Systemic Risk Board (ESRB, see its “risk dashboard”). For the euro area, financial accounts statistics support the Eurosystem in its tasks to define and implement the single monetary policy. The QFA data are regularly transmitted to the ECB, the OECD, the BIS, and according to SDDS Plus requirements, the QFA data are published on the National summary data page.

At the national level, annual financial accounts data are published within 10 months after the reference period.

The QFA data are published 95 calendar days after the reference period. The publication is supplemented with a short statistical release.

Financial accounts data are mainly used by the State and municipal authorities and agencies, international organisations, the media, research and business communities and students, whose needs are satisfied without breaching the confidentiality principle, to carry out analysis and research work. CoP12 Accuracy and reliability/PC12 Accuracy and reliability (including stability)

#### C.1.1 Accuracy and reliability

The accuracy and reliability of financial accounts depend on the quality of data sources. Validation



checks of data sources are performed regularly. Consequently, the overall accuracy of primary data is rather high. There are various checks introduced in the QFA compilation IT system. In addition, data validation checks are performed before sending the QFA data to the ECB.

Each data transmission to the ECB includes a metadata file with an explanation of major events and revisions.

Data quality control and validation is performed by Eurostat and the ECB before publication of the data.

### C.1.2 Internal consistency

Financial accounts are compiled on who-to-whom basis. Each transaction is reflected twice by each of the institutional units involved – once on the asset side and once on the liability side for the same amount. The double entry system ensures consistency of the financial accounts data:

$$\sum \text{Transactions in assets} = \sum \text{Transactions in liabilities}$$

The consistency between stocks, transactions, revaluations and other changes in volume are checked as well.

Internal consistency checks are additionally made before transmitting annual data to Eurostat and quarterly data to the ECB.

## C.2 *CoP13 Timeliness and punctuality/PC13 Timeliness (including punctuality)*

### C.2.1 National requirements

The QFA data are published by LB at  $t+95$  days after the reference quarter.

Annual financial accounts are published by SL 10 months after the reference year. The quarterly financial accounts of the general government sector are published at  $t+93$  days after the reference quarter.

### C.2.2 International requirements

ESA 2010 transmission programme requires reporting annual data at  $t+9$  months. The QFAGG data are required at  $t+85$  days.

The ECB requirements for quarterly financial accounts data are at  $t+85$  days (for supplementary data) and at  $t+97$  days (for national data).

## C.3 *CoP14 Coherence and comparability/PC14 Consistency and comparability*

### C.3.1 External consistency

Quarterly and annual financial accounts data are consistent with other statistics domains such as BSI, IC, SHS, BoP. Minor inconsistencies may arise due to data vintages and data source preference.

As Lithuania does not compile quarterly non-financial accounts for all sectors, consistency with B.9 of non-financial accounts is done only annually. To achieve consistency between the quarterly financial (sum of four quarters) and annual non-financial accounts, some adjustments are made in the financial accounts. Usually, the main instruments that are adjusted are unlisted shares (F.512) and other equity (F.519). Sufficient consistency is achieved for the general government sector, for which quarterly discrepancy does not exceed 2% of quarterly GDP.

### C.3.2 “Time” and back data consistency

Annual financial accounts, based on ESA 2010, are available from 1995 and there are no breaks in the time series. The QFAGG are available from Q4 1998 for stocks and from Q1 1999 for transactions and there are no breaks in the time series.

The QFA data are available from Q1 1995 and there are no breaks in the time series. Historical data Q1 1995 – Q4 2003 will be published in 2021.

### C.3.3 Consistency across frequencies

Consistency of quarterly and annual financial accounts has been improved in close cooperation between LB and SL. The agreement to use the same data sources and calculation methods in compilation of annual and quarterly financial accounts was reached. All time series are consistent after annual financial accounts data transmission to Eurostat in September. Inconsistencies between quarterly and annual data may occur due to data vintages, because annual financial accounts data are not revised on quarterly basis.

## C.4 *CoP15 Accessibility and clarity/PC15 Accessibility and clarity*

### C.4.1 Data

Annual financial accounts and quarterly financial accounts of general government are published on the [Official Statistics Portal](#).

Quarterly financial accounts are published on the website of the Bank of Lithuania:

[Financial accounts statistics](#)

Financial accounts data are available on the websites of the ECB, Eurostat and the OECD as well.

ECB: <http://sdw.ecb.europa.eu/reports.do?node=1000002674>

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

OECD: <http://stats.oecd.org/>

### C.4.2 Metadata

Metadata on annual financial accounts and quarterly general government accounts are available and published on the Official Statistics Portal: [AFA](#) and [QFAGG](#). Metadata on quarterly financial accounts are available and published on the website of LB: [Metadata](#).

### C.5.3 Contacts

Contact for Annual financial accounts:

Aistė Vaickienė; email: [aiste.vaickiene@stat.gov.lt](mailto:aiste.vaickiene@stat.gov.lt)

Statistics Lithuania

Contact for Quarterly financial accounts:

Diana Liberiene; email: [dliberiene@lb.lt](mailto:dliberiene@lb.lt)

Bank of Lithuania