



BANCO DE PORTUGAL
EUROSYSTEM

QUALITY REPORTS CONCERNING STATISTICS UNDERLYING THE MACROECONOMIC IMBALANCE PROCEDURE (MIP) INDICATORS - Level 3

National self-assessment report on the quality of financial accounts statistics for Portugal¹

October 2017

A. INSTITUTIONAL ENVIRONMENT

A.1 CoP1 Professional independence / PC1 Professional independence

A.1.1. Legal basis

The independence of **Banco de Portugal** in exercising its powers is guaranteed by its Organic Law (Law No 5/98 of 31 January) and by EU primary law. The independence of Banco de Portugal, in its capacity as a member of the ESCB, is further emphasized 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

The Law on the National Statistical System (Law No 22/2008 of 13 May) acknowledges the capacity of Banco de Portugal as statistical authority, without prejudice to the guarantees of independence deriving from its participation in the European System of Central Banks (ESCB). Within the scope of its participation in the National Statistical System, Banco de Portugal prepares its Statistical Activity Plan on an annual basis, which comprises a set of activities to reach the strategic goals established for the statistical function of the Bank (available only in Portuguese in <https://www.bportugal.pt/publications/banco-de-portugal/all/7387>).

¹ This publication is made by the Banco de Portugal, 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).



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

A.2.1 Allocation of responsibilities:

Responsibility for compiling the annual and quarterly financial accounts lies with the Banco de Portugal.

A.2.2 Legal basis

The responsibility of Banco de Portugal concerning the compilation of financial accounts is based on a protocol with the National Statistics Institute (Instituto Nacional de Estatística – INE), signed in 1998. The two institutions have set up mechanisms for co-operation and consultation, necessary to ensure a high degree of consistency between the financial accounts and the non-financial accounts.

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

A.3.1 Advance release calendar:

A release calendar for all the statistics, including financial accounts, is available, on the Banco de Portugal website (https://www.bportugal.pt/sites/default/files/anexos/documentos-relacionados/calendario_bpstat_en.pdf).

A.3.2 Revision policy:

Banco de Portugal revision policy is published on the Banco de Portugal website (https://www.bportugal.pt/sites/default/files/anexos/documentos-relacionados/policy_revisions.pdf) and is in line with the revision policy advised by the CMFB.

For financial accounts statistics these comprises two moments of revisions:

- The disclosure of the second quarter, where the first quarter of year N is revised as well as all quarters for years N-1, N-2, N-3 and N-4.
- With the compilation of the fourth quarter, where the first three quarters of year N are revised along with all quarters of years N-1, N-2, N-3.

This revision policy also applies for the annual financial accounts, since they are derived from the quarterly financial accounts (where annual flows are the sum of the four quarters and annual stocks are the amounts recorded at the end of the year).



B. STATISTICAL PROCESSES

B.1 CoP7 Sound methodology / PC7 Sound methodology

B.1.1 General remarks

The financial accounts are compiled in accordance with the principles, requirements and conceptual framework of ESA 2010. The description of sources and methods of the Portuguese financial accounts in ESA 2010 is available in the website of Banco de Portugal in https://www.bportugal.pt/sites/default/files/anexos/pdf-boletim/suplemento_3_2016_en.pdf.

B.1.2 Residency and territory;

In the compilation of the financial accounts residency and territory are compliant with the definitions in ESA 2010.

B.1.3 Institutional unit definition;

In the compilation of the financial accounts the definition of institutional unit is compliant with the definitions in ESA 2010.

B.1.4 Sectorisation and sector delimitation;

In the compilation of the financial accounts the sector definition and delimitation are compliant with the definitions in ESA 2010.

B.1.5 Instrument identification;

In the compilation of the financial accounts the definitions of the financial instruments are compliant with the definitions in ESA 2010.

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

In the compilation of the financial accounts the valuation of financial transactions and positions is compliant with the definitions in ESA 2010. Market prices are the basis for the valuation of transactions and positions for negotiable instruments. Unquoted equity is valued using the own funds approach. Nominal valuation as defined by ESA 2010 is applied for positions in currency and deposits, loans and other accounts receivable/payable.

The change of stocks between two periods is disaggregated in three kinds of flows: transactions, revaluations and other volume changes. Adequate data sources are used to perform the delineation between these kinds of flows, and varies across institutional sector and financial instrument.



B.1.7 Time of recording (accrual accounting);

Financial transactions are recorded according to ESA 2010 rules, in particular § 5.49 – 5.51. When the counterpart of the financial transaction is a non-financial operation, they are recorded according to the accrual principle. E.g., interest accrued are recorded with the financial asset or liability on which they accrue.

When the counterpart is another financial transaction, in general the moment of payment is the relevant time of recording.

B.1.8 Coverage gaps;

No relevant coverage gaps exist. However improvements are under way to improve the quality of the sector allocation of loans granted by NFC and Households, other equity, and other accounts receivable and payable (including trade credits).

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

Banco de Portugal reports consolidated and non-consolidated data, both derived from the same dataset which comprise a full who-to-whom matrix, allowing the compilation of consolidated and non-consolidated data for each financial instrument and each institutional sector

Table 6 and 7 transmitted to Eurostat are fully consistent with the ESA 2010 Transmission program in terms of requested series (consolidated / non-consolidated) and their corresponding time span (from 1995 onwards).

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

Besides the issues identified in B.1.8, concerning the instruments covered by private sector debt and credit flow, the data sources needed for the full compilation of loans granted by captives and some holding companies are available with delay and in an annual basis only.

B.1.11 Other major deviations not listed above.

There are no other major methodological deviations.

B.2 CoP8 Appropriate Statistical procedures / PC8 Appropriate Statistical procedures

B.2.1 Data source map

A description of the data sources by institutional sector and financial instrument is presented in the end of this section.



B.2.2 Description of procedures and methods

Financial accounts are derived statistics in the sense that they depend on a relatively vast array of data sources collected by the Banco de Portugal and other institutions. These different sources are heterogeneous and have different levels of compliance with ESA 2010 standards.

Taking these into account, for those items where there is more than one source a hierarchical order is set down and residual approach is applied for those items for which there is no direct information available and / or in order to preserve horizontal consistency, namely:

- For the non-resident sector, priority is given to the balance of payments and international investment position statistics that is used directly.
- For debt securities and listed shares, data on assets and liabilities is based on “Securities issues” and “Securities holdings” statistics, respectively.
- For the remaining instruments, in terms of the resident sectors, priority is given to the financial sector and general government data that have a great deal of information available internally (namely MFI balance sheets, Investment Funds data, Insurance corporations and pension funds information, and Ministry of Finance).
- For the non-financial corporations sector, Central Balance sheet data is used (Non-financial corporation balance sheets statistics) for defining total liabilities in F4, F512, F519, F81, F89 and total assets in F81 that, combined with counterpart sector information and the need to ensure preserve horizontal consistency, enables to fill the gaps for this sector. For more information see Supplement to the Statistical Bulletin «Statistics on non-financial corporations of the Central Balance Sheet Database: Methodological notes», available in <https://www.bportugal.pt/sites/default/files/anexos/pdf-boletim/suplemento-2-2013-en.pdf>.
- The data sources on captives and some holding companies, needed for the compilation of the financial accounts of the OFI subsector, are only fully available with delay and in an annual basis only.
- Finally, for the household sector, where no direct information is available, counterpart data is used. The impact of the balancing of the accounts to ensure horizontal consistency is also reflected in this institutional sector.

B.2.3 Estimation of missing data

The available data is considered as exhaustive and no relevant estimation of missing values occurs.

B.2.4 Balancing procedures (horizontal and vertical)

The national financial accounts are compiled within a consistent framework, where all financial instruments are built on a whom-to-whom basis. Thus, horizontal balancing is achieved by construction of the system.



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Vertical balancing, to achieve consistency between financial accounts and non-financial accounts, is performed in a permanent basis with contacts with Statistics Portugal in order to have harmonized delimitation of institutional sectors and consistent recording of the main operations of each quarter.

B.2.5 Methods to align quarterly and annual data

Consistency across quarterly and annual data is ensured, as annual financial accounts are derived from the quarterly financial accounts.



Annex to CoP8: Data source map for financial accounts

Please insert the main data sources (maximum of 3 sources, most important first) used for the financial accounts for all cells (assets and liabilities, instrument/sector combination) in the panel below.																					
Some cells and footnotes are filled - this is purely to provide examples - please overwrite.																					
Please use the key as described to the right.																					
Please flag with * or ** for each instrument the respective "residual" cell (see more detail in the footnotes).																					
If the data source for quarterly (and/or preliminary) financial accounts differs substantially from those for annual (final) financial accounts indicate this in the table by inserting a footnote reference number and provide explanation below the table.																					
Similarly insert generally the main source for stocks and indicate if the source for transactions differs substantially (e.g. not derived from valuation adjusted stocks) by inserting a footnote "#" with explanations (see example in footnotes).																					
Map of main data sources																					
Country:		Portugal																			
Name of institution:		Banco de Portugal																			
Year:		2015																			
Assets											Liabilities									Key for data sources and calculation/estimations:	
S11	S12K	S124	S120	S128	S129	S13	S14+ S15	S2	S11	S12K	S124	S120	S128	S129	S13	S14+ S15	S2				
	NFCs	MFI	IFs	OFIs	IC	PF	Gov	HH+ NPISH	RoW	NFCs	MFI	IFs	OFIs	IC	PF	Gov	HH+ NPISHs	RoW	NFC	Non-financial corporation balance sheets	
F11	Monetary gold		MFI						BoP									0	Sur	Survey data	
F12	SDRs		MFI						BoP		MFI					0		BoP	MFI	MFI balance sheet statistics	
F21	Currency	NFC	MFI	IF	OFI	IC	PF	QFAGG	**		MFI					QFAGG		BoP	IF	Investment fund statistics	
F22	Deposits, transferable	MFI	MFI	IF	MFI	MFI	MFI	MFI	MFI	BoP	0	MFI	0	0	0	0	QFAGG	0	BoP	FVC	Financial vehicle corporations statistics
F29	Deposits, other	MFI	MFI	IF	MFI	MFI	MFI	MFI	MFI	BoP	0	MFI	0	0	0	0	QFAGG	0	BoP	OFI	Other financial institution statistics
F3	Debt securities	SHS*	SHS	SHS	SHS*	SHS	SHS	SHS	SHS*	BoP	SEC	SEC	0	SEC	SEC	SEC	SEC	SEC	BoP	IC	Insurance corporations statistics
F4	Loans	NFC*	MFI	IF	OFI	IC	PF	QFAGG	NFC*	BoP	NFC	MFI	IF	OFI	IC	PF	QFAGG	MFI	BoP	PF	Pension fund statistics
F511	Listed shares	SHS	SHS	IF	SHS*	SHS	SHS	QFAGG	SHS	BoP*	SEC	MFI	0	SEC	SEC	SEC	0	0	BoP	QFAGG	Quarterly financial accounts for general government
F512	Unlisted shares	NFC*	MFI	IF	OFI	IC	PF	QFAGG	NFC*	BoP	NFC	MFI	0	OFI	IC	PF	QFAGG	0	BoP	BoP	Balance of payments and international investment position.
F519	Other equity	NFC*	MFI	IF	OFI	IC	PF	QFAGG	NFC*	BoP	NFC	MFI	0	OFI	IC	PF	QFAGG	SEC	BoP	SEC	Securities issues statistics
F52	Investment fund shares/units	IF	IF	IF	IF	IF	F	IF	IF	IF	0	MFI	IF	0	0	0	0	0	BoP	SHS	Securities holdings statistics
F61	Non-life insurance techn. res.	IC	IC	IF	IC	IC	IC	IC	IC	BoP	0	0	0	0	IC	0	0	0	BoP	Sup	Supervisory data
F62	Life insurance and annuities	0	0	0	0	0	0	0	IC	BoP	0	0	0	0	IC	0	0	0	BoP	LSDB	Listed shares database
F63- F65	Pension entitlements	0	0	0	0	0	0	0	IC	BoP	NFC	MFI	0	0	IC	PF	0	0	BoP	CR	Company register
F66	Standardised guarantees	IC	0	0	0	0	0	0	0	0	0	0	0	0	IC	0	0	0	0	0	known to be zero (e.g. if concept does not exist)
F7	Financial derivatives	BoP	MFI	IF	BoP	BoP	BoP	BoP	BoP	BoP	NFC	MFI	IF	BoP	IC	PF	QFAGG	0	BoP	XY ^	Insert acronym [XY^] and short title here, and explanation in footnote ^.
F81	Trade credits and advances	NFC	MFI	IF	OFI	IC	PF	QFAGG	NFC*	BoP	NFC	MFI	IF	OFI	IC	PF	QFAGG	**	BoP	e^^	estimate (expl. in footnote ^^)
F89	Other accounts excl. F81	NFC	MFI	IF	OFI	IC	PF	QFAGG	**	BoP	NFC	MFI	IF	OFI	IC	PF	QFAGG #	##	BoP	na	not available, estimation not meaningful
																				der	Derogation (not yet compiled)
*	"Residual sector for respective instrument - i.e. the sector (assets or liabilities) where source is available, but most likely adapted to achieve horizontal consistency.																				
**	Pure residual calculation as no source data for a meaningful plausibility check is available.																				
Different source and/or adjustment for transactions (if applicable):																					
##	Transactions partially adjusted to improve ("vertical") consistency with non-financial accounts B9.																				



C. STATISTICAL OUTPUT

C.1 CoP11 Relevance / PC11 Relevance

Requirements of data in the field of financial accounts arise from different sources:

At (i) international level they are part of the 'Special Data Dissemination Standard' and the 'Special Data Dissemination Standard Plus' of the IMF and are required for IMF 'Article IV consultations' of the EU Member States. These statistics are also relevant, in the case of Portugal, in the context of the IMF's Post-Programme Monitoring in place after the end of the Economic and Financial Assistance Programme to Portugal, in 2014.

In (ii) the EU, they are part of the 'scoreboard' of the macroeconomic imbalances procedure (MIP), and support the assessment of vulnerabilities and interconnectedness 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. Financial accounts are also used for the compliance with the Excessive Deficit Procedure, namely, for the compilation of the deficit-debt adjustment tables.

And finally, at (iii) national level, they are disseminated by Banco de Portugal and used for various purposes, namely for financial stability and policies purposes.

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

C.2.1 Accuracy and reliability

The financial accounts are checked quarterly during every production cycle regarding quality and plausibility by the compilers, as they are derived statistics in the sense that they depend on a relatively vast array of data, the accuracy and reliability of the financial accounts highly relies on the accuracy and reliability of the primary data sources.

On an annual basis a quantitative measuring of reliability is performed for internal purposes by the Statistics Audit Unit within the Statistics Department. A report is produced highlighting several indicators, such as stability over time, revision analysis, consistency with other sources, and internal consistency of the results. According to the last report, the Portuguese financial accounts present good quality and consistent data.

C.2.2 Internal consistency

The national financial accounts are compiled within a consistent framework, where all financial instruments are built on a whom-to-whom basis. Thus, by definition, there should be no discrepancies between assets and liabilities. The consistency between outstanding amounts, transactions, revaluations and other changes in volume is also ensured.



The financial accounts data transmitted to Eurostat and the ECB are internally consistent, as validation checks (such as horizontal consistency checks) are performed before sending the data. 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 CoP13 Timeliness and punctuality / PC13 Timeliness (including punctuality)

C.3.1 National requirements

The financial accounts are disclosed each quarter, generally at t+104 days. Annual accounts are disclosed in the same date, and with the same level of detail, as the accounts for the fourth quarter.

C.3.2 International requirements

In the EU, the ESA 2010 transmission program requires reporting of annual data at t+9 months. The quarterly data requirements of the ECB are t+85 days (supplementary data for the compilation of the euro area aggregates only) and t+97 days (national data, for publication by the ECB from t+107).

For the IMF, quarterly financial accounts (the SDDS Plus data category, Sectoral Balance Sheet) are required at t+4 month in SDDS Plus.

C.4 CoP14 Coherence and comparability / PC14 Consistency and comparability

C.4.1 External consistency

Consistency with “BoP”, “MFI balance sheets”, “Investment Funds”, “Insurance corporations and pension funds”, “Securities issues” and “Securities holdings” statistics is ensured by construction, since these statistics are the primary data source for the compilation of financial accounts. Existing differences arise mainly from methodological reasons.

In theory the net lending/net borrowing of the non-financial sector accounts (B.9) should be equal to the net lending/net borrowing of the financial accounts (B.9F). In practice differences are observed for some sectors and these discrepancies arise from the use of different data sources in compiling the two sets of data. A higher level of consistency between the financial accounts and the non-financial accounts is a goal to achieve. The main efforts for achieving better vertical consistency are performed in a permanent basis with contacts with Statistics Portugal in order to have harmonized delimitation of institutional sectors and consistent recording of the main operations of each quarter. A summary of this discrepancy (expressed as a percentage of annual GDP) is shown in the table below for the most recent annual transmission to Eurostat (October 2017).



	S1	S11	S12	S13	S14+S15	S2
1999	0.1	0.3	-0.2	0.0	0.0	-0.1
2000	0.2	0.0	0.1	0.0	0.0	-0.2
2001	-0.2	0.5	-0.6	0.0	0.0	0.2
2002	0.4	0.6	-0.2	0.0	0.0	-0.4
2003	0.8	1.3	-0.6	0.0	0.0	-0.8
2004	0.9	1.5	-0.7	0.0	0.0	-0.9
2005	0.7	1.5	-0.9	0.0	0.0	-0.7
2006	0.4	0.7	-0.4	0.0	0.0	-0.4
2007	0.3	0.8	-0.5	0.0	0.0	-0.3
2008	0.5	0.3	0.2	0.0	0.0	-0.5
2009	-0.3	-0.8	0.5	0.0	0.0	0.3
2010	0.2	0.0	0.3	0.0	0.0	-0.2
2011	-0.5	-0.4	-0.1	0.0	0.0	0.5
2012	0.3	0.4	-0.1	0.0	0.0	-0.3
2013	0.9	1.0	-0.1	0.0	0.0	-0.9
2014	0.5	0.6	-0.1	0.0	0.0	-0.5
2015	1.0	1.1	-0.1	0.0	0.0	-1.0
2016	0.7	0.7	0.0	0.0	0.0	-0.7

C.4.2 Time and back data consistency

There are no relevant breaks in the time-series of the financial accounts. Quarterly and annual back data are available from 1995Q4 for stocks and 1996Q1 onwards for flows.

C.4.3 Consistency across frequencies

Consistency across quarterly and annual data is ensured, as annual financial accounts are derived from the quarterly financial accounts. Annual flows (transactions, revaluations and other changes in volume) are the sum of the four quarters and annual stocks are the amounts recorded at the end of the year.

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

C.5.1 Data

The financial accounts data are available on the website of the Banco de Portugal. They are published in chapter F of the Statistical Bulletin (https://www.bportugal.pt/sites/default/files/anexos/F_en.pdf) and also made available in the statistical database Bpstat ([http://www.bportugal.pt/EstatisticasWeb/\(S\(aoc3fd2re5uekw45fp0hfajm\)\)/DEFAULT.ASPX?Lang=en-GB](http://www.bportugal.pt/EstatisticasWeb/(S(aoc3fd2re5uekw45fp0hfajm))/DEFAULT.ASPX?Lang=en-GB)).

The national financial accounts data are also available through the website of different international institutions:

ECB: <http://sdw.ecb.europa.eu/reports.do?node=1000002779>

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



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OECD: http://stats.oecd.org/Index.aspx?DataSetCode=FIN_IND_FBS#

C.5.2 Metadata

Metadata on the published data series are available in the statistical database BPstat and a supplement to the Statistical Bulletin (available in https://www.bportugal.pt/sites/default/files/anexos/pdf-boletim/suplemento_3_2016_en.pdf).

C.5.3 Contact

For more information please contact info@bportugal.pt.