

A. INSTITUTIONAL ENVIRONMENT

A.1 *CoPI Professional independence / PCI Professional independence*

A.1.1 Legal basis

EU Legislation:

The development, production and dissemination of statistics are governed by the statistical principles laid down in Article 2 of the Regulation (EC) No 223/2009 of the European Parliament and the Council on European statistics. The independence of the Central Bank of Malta (CBM), in its capacity as a member of the ESCB, is provided for in Article 130 of the EU Treaty and Article 7 of the Statute of the European System of Central Banks (ESCB) and of the European Central Bank (ECB).

National Legislation:

The CBM is established by the Central Bank of Malta Act (Cap. 204), and operates under the Act, the Statute of the European System of Central Banks (the 'ESCB Statute'), as well as the relevant provisions of the Treaty on the Functioning of the European Union.

The Central Bank of Malta Act (Cap. 204) Part II, Establishment and Conduct of Affairs of Bank stipulates that (5.2) in accordance with the Treaties and the Statute, neither the Bank nor any member of the Board or any official of the Bank, when exercising any function, duty or power under this Act, shall seek or take instructions from the Government or any other body.

The National Statistics Office (NSO) is Malta's official national statistical agency. The NSO was established by order of the Malta Statistics Authority's (MSA's) Act XXIV of 2000, and it replaced the Central Office of Statistics on March 1, 2001.

Article 10 of this Act determines the functions and responsibilities of the Office, which include collection, compilation, extraction, and dissemination of official statistics in Malta.

A.1.2 Statistics work programme

The CBM is responsible for the transmission of quarterly financial accounts data to the ECB in line with the respective ECB Guideline. The first quarterly transmission (supplementary data transmission as referred in the ECB Guideline) takes place at t+85 days after the end of the reference period. The second national data transmission to the ECB and any revisions may be carried out at t+100 days. Together with such data, an explanation on any outliers or major revisions is to be reported to the ECB when applicable.

The NSO is responsible to transmit to Eurostat ESA tables 6 & 7 annual financial accounts for the total economy at t+9month.

National financial accounts work programmes are principally guided, at European level, by the work programmes of both:

– Eurostat - ESTAT Annual Work Programme 2015, under Detailed Objective [04.1] Macroeconomic accounts, Activity Code [438] which outlines the objective – “*Quarterly and annual National Accounts: Compliance monitoring and quality: Annual assessment of Member States' compliance with the transmission legal requirements, accompanied by regular checks of transmitted data and irregular country visits.*”

<http://ec.europa.eu/eurostat/web/ess/-/the-european-statistics-annual-work-programme-2015>

– ECB – From a quarterly perspective the work programme for quarterly financial accounts is determined by the Working Group Financial Accounts (WG FA) operating under a mandate from the ECB Statistics Committee (STC). This programme is reviewed and updated annually http://www.ecb.europa.eu/stats/pdf/2015_ESCB_statistics_work_programme.pdf

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

A.2.1 Allocation of responsibilities

The Central Bank of Malta (CBM) and the National Statistics Office (NSO) signed a Memorandum of Understanding (MOU) in March 2013 to delineate the shared responsibility in the compilation of financial accounts.

In this agreement the CBM agreed to compile such accounts on a quarterly basis. The agreement also specifies the sources of data, including those to be provided by the NSO, which are required by the CBM for it to be able to compile Malta’s Financial Accounts statistics, on a quarterly basis. In the case of the rest-of-the-world (ROW) and the general government sectors, the CBM will use the BOP/IIP and GFS data as agreed under the MOU with the NSO.

The National Statistics Office (NSO) is responsible for the General Government Sector and Rest-of-the-world financial accounts data on an annual and quarterly basis. The annual financial accounts data are compiled and disseminated by the NSO on the basis of the quarterly financial accounts as produced by the CBM.

A.2.2 Legal basis

The MOU concerning the exchange of statistical information and co-operation in the area of economic and financial statistics between the Central Bank of Malta and the National Statistics office, March 2013.

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

A.3.1 Advanced release calendar

A quarterly data advance release calendar is available on the CBM website (https://www.centralbankmalta.org/advance_release_calendar).

A.3.2 Revision policy

Quarterly Financial Accounts: Rather than adopting the CMFB policy the CBM uses a flexible revision policy to be able to take into account any new information. Every quarter, data for the previous quarter are revised with the latest available data. Moreover, every September, data are revised for at least sixteen quarters. Revisions may also be made when there are changes in methodology or in the data estimations.

Annual Financial Accounts: An official revision policy is not in place. Usually revisions do not effect more than four reporting periods, however, when necessary data is revised for the whole time series, especially when there are revisions due to changes in methodologies or availability of new data sources.

B. STATISTICAL PROCESSES

B.1 CoP7 Sound methodology / PC7 Sound methodology

B.1.1 General remarks

Malta's annual and quarterly financial accounts are in line with ESA 2010 (Regulation 549/2013). The CBM does not collect Households and NPISH (S.14+S.15) data from a direct source hence counterparty data is used. Additionally the CBM receives annual data on Non-Financial Corporation and Captives and Money Lenders which is interpolated into quarterly data.

B.1.2 Residency and territory

In the compilation of the quarterly and annual financial accounts the principles of residency and territory are as specified in ESA 2010.

B.1.3 Institutional unit definition

In the compilation of the quarterly and annual financial accounts the definition of institutional unit are as defined in ESA 2010.

B.1.4 Sectorisation & sector definition and delimitation

In the compilation of the quarterly and annual financial accounts the principles of institutional sectors and sector delimitation are as specified in ESA 2010.

B.1.5 Instrument identification

In the compilation of the quarterly and annual financial accounts stocks, financial transactions and other economic flows are classified in the appropriate financial instruments according to ESA 2010.

B.1.6 Valuation

The financial instruments of currency and deposits, loans and other accounts receivable and payable are in general valued in nominal terms. While the listed shares and debt securities are valued at market prices.

Changes between opening and closing stocks may also include other economic flows which are not due to financial transactions. The other economic flows are broken down into revaluations in financial assets and liabilities, and other changes in the volume of financial assets and liabilities.

The other economic flows are distinguished from transactions for most of the sectors: Monetary Financial Institutions, Non Money Market Investment Funds, Insurance Corporations and Government.

B.1.7 Time of recording (accrual accounting)

In principle, flows are recorded on an accrual basis; that is when economic value is created, transformed or extinguished, or when claims and obligations arise, are transformed or cancelled.

Accrued interest is recorded with the respective financial asset and liability on which they accrue.

B.1.8 Coverage gaps

Annual financial accounts consolidated and non-consolidated data for the period 1995 to 2003 is not available. Derogation is in place until September 2017.

B.1.9 Non-consolidation/Consolidation at sectoral level:

B.1.9.1 As required under the ESA 2010 Transmission programme (Tables 6 and 7) data is available on a non-consolidated basis and then consolidation rules are applied as recommended by ESA 2010. There are time series issues as reported in B.1.8.

B.1.9.2 There are no specific issues for instruments covered by private sector debt and credit flow (MIP indicators)

B.1.10 Other major deviation not listed above

There are no other major deviations that were not highlighted above.

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

B.2.1 Data sources, estimates and balancing items

First primary data on sectors/subsectors (Monetary Financial Institutions, Investment Funds, Insurance Companies, Central Government, Non-Financial Corporations, Financial Auxiliaries, Other Financial Intermediaries, Captives and Money Lenders and the Rest of the World Statistics) are collected from various sources, including the NSO.

When the data are collected, macro checks on data sets are conducted for accuracy and consistency.

Subsequently some data are collected indirectly from counterparty information. For instance, data on the Households and Non-Profit Institutions Serving Households (NPISH) sectors is carried out using statistics (on households and NPISH) submitted by credit and financial institutions.

After the first level compilation process, the data are ranked and the best source is chosen for each sector from either the direct or indirect sources.

Balancing practices are limited since the most reliable source is chosen and used for both the credit and debit side.

Estimations are occasionally carried out for data sets which are made available after the reporting period. Once actual data is reported estimations are overwritten.

Finally the final reports (ECB Gesmes tables and data for other final users) are generated. The final output matrix, once produced showing the institutional sector data and financial instrument data, is examined for accuracy and completeness through the use of excel statistical tables to asses and check major movements in the financial instruments for each sector of the economy.

Annual financial accounts are compiled by aggregating the quarterly data submitted by the CBM. The quarterly financial accounts data provided by the CBM includes all the required information at sub-sectors and sub-instruments level. Due to vintage issues data for the General Government Sector is however replaced and taken directly from the data available at NSO since this incorporates the latest updates. Before issuing tables 6 and 7, consistency checks are carried out.

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:

MT

Name of institution:

CBM/
NSO

Year:

2015

		Assets								Liabilities								Key for data sources and calculation/estimations:			
		S11	S12K	S124	S12O	S128	S129	S13	S14+ S15 HH+ NPISH	S2	S11	S12K	S124	S12O	S128	S129	S13			S14+ S15 HH+ NPISHs	S2
		NFCs	MFI	IFs	OFI	IC	PF	Gov		RoW	NFCs	MFI	IFs	OFI	IC	PF	Gov				RoW
F11	Monetary gold		QFA GG, BOP, MFI					QFAG G		QFAG G, BOP		QFAGG, BOP, MFI							QFA GG, BOP	Sur	Survey data
F12	SDRs		QFA GG, BOP, MFI					QFAG G		QFAG G, BOP *		QFAGG, BOP, MFI				QFAG G			QFA GG, BOP	MFI	MFI balance sheet statistics
F21	Currency	QFAG G, BOP, NFC	QFA GG, BOP, MFI	QFA GG, BOP, IFs	QFA GG, BOP, MFI	QFA GG, BOP, IC	QFA GG, BOP, PF	QFAG G	QFA GG, BOP, MFI	QFAG G, BOP		QFAGG, BOP, MFI					QFAG G		QF AGG BOP	IF	Investment fund statistics
F22	Deposits, transferable	QFAG G, BOP, NFC	QFA GG, BOP, MFI	QFA GG, BOP, IFs	QFA GG, BOP, MFI	QFA GG, BOP, IC	QFA GG, BOP, PF	QFAG G	QFA GG, BOP, MFI	QFAG G, BOP		QFAGG, BOP, MFI					QFAG G		BOP QF AGG BOP	FVC	Financial vehicle corporations statistics
F29	Deposits, other	QFAG G, BOP, NFC	QFA GG, BOP, MFI	QFA GG, BOP, IFs P	QFA GG, BOP, MFI	QFA GG, BOP, IC	QFA GG, BOP, PF	QFAG G	QFA GG, BOP, MFI	QFAG G, BOP		QFAGG, BOP, MFI					QFAG G		QF AGG BOP	OFI	Other financial institution statistics
F3	Debt securities	QFAG G, BOP, NFC	QFA GG, BOP, MFI	QFA GG, BOP, IFs	QFA GG, BOP, MFI	QFA GG, BOP, IC	QFA GG, BOP, PF	QFAG G	QFA GG, BOP, MFI	QFAG G, BOP		QFAGG, BOP, MFI	QFA GG, BOP, IFs	QFA GG, BOP, IC	QFA GG, BOP, PF	QFA GG, BOP, MFI	QFAG G	QFAGG BOP, MFI	QFA GG, BOP	IC	Insurance corporations statistics
F4	Loans	QFAG G, BOP, NFC	QFA GG, BOP, MFI	QFA GG, BOP, IFs	QFA GG, BOP, MFI	QFA GG, BOP, IC	QFA GG, BOP, PF	QFAG G	QFA GG, BOP, MFI	QFAG G, BOP		QFAGG, BOP, MFI	QFA GG, BOP, IFs	QFA GG, BOP, IC	QFA GG, BOP, PF	QFA GG, BOP, MFI	QFAG G	QFAGG BOP, MFI	QFA GG, BOP	PF	Pension fund statistics
F511	Listed shares	QFAG G, BOP, NFC	QFA GG, BOP, MFI	QFA GG, BOP, IFs	QFA GG, BOP, MFI	QFA GG, BOP, IC	QFA GG, BOP, PF	QFAG G	QFA GG, BOP, MFI	QFAG G, BOP		QFAGG, BOP, MFI	QFA GG, BOP, IFs	QFA GG, BOP, IC	QFA GG, BOP, PF	QFA GG, BOP, MFI	QFAG G	QFAGG BOP, MFI	QFA GG, BOP	QFAGG	Quarterly financial accounts for general government
F512	Unlisted shares	QFAG G, BOP, NFC	QFA GG, BOP, MFI	QFA GG, BOP, IFs	QFA GG, BOP, MFI	QFA GG, BOP, IC	QFA GG, BOP, PF	QFAG G	QFA GG, BOP, MFI	QFAG G, BOP		QFAGG, BOP, MFI	QFA GG, BOP, IFs	QFA GG, BOP, IC	QFA GG, BOP, PF	QFA GG, BOP, MFI	QFAG G	QFAGG BOP, MFI	QFA GG, BOP	BoP	Balance of payments and international investment position.
F519	Other equity	QFAG	QFA	QFA	QFA	QFA	QFA	QFAG	QFA	QFAG		QFAGG, QFA	QFA	QFA	QFA	QFA	QFAG	QFAGG	QFA	SEC	Securities issues statistics

¹ Data for Households and NPISH is a combination of residual and counterparty data.

F52	Investment fund shares/units	G, BOP, NFC	GG, BOP, MFIs	GG, BOP, MFIs	GG, BOP, MFIs	GG, BOP, ICs	GG, BOP, MFIs	G	GG, BOP, MFIs	G, BOP	G, BOP, NFC	BOP, MFIs	GG, BOP, MFIs	GG, BOP, MFIs	GG, BOP, ICs	GG, BOP, MFIs	G	, BOP, MFIs	GG, BOP		
F61	Non-life insurance techn. res.	QFAG G, BOP, NFC	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFA GG, BOP, ICs	QFA GG, BOP, MFIs	QFAG G	QFAG G, BOP, MFIs	QFAG G, BOP		QFAGG, BOP, MFIs	QFA GG, BOP, MFIs		QFA GG, BOP, ICs	QFA GG, BOP, MFIs			QFA GG, BOP		
F62	Life insurance and annuities								QFAG G, BOP, MFIs	QFAG G, BOP					QFA GG, BOP, ICs	QFA GG, BOP, MFIs			QFA GG, BOP		
F63-F65	Pension entitlements	QFAG G, BOP, NFC	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFA GG, BOP, ICs	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFAG G	QFAG G, BOP, MFIs	QFAG G, BOP	QFAG G, BOP, NFC	QFAGG, BOP, MFIs	QFA GG, BOP, MFIs	QFA GG, BOP, ICs	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFAG G	QFAGG , BOP, MFIs	QFA GG, BOP		
F66	Standardised guarantees	QFAG G, BOP, NFC	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFA GG, BOP, ICs	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFAG G	QFAG G, BOP, MFIs	QFAG G, BOP				QFA GG, BOP, ICs	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFAG G		QFAGG , BOP		
F7	Financial derivatives	QFAG G, BOP, NFC	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFA GG, BOP, ICs	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFAG G	QFAG G, BOP, MFIs	QFAG G, BOP	QFAG G, BOP, NFC	QFAGG, BOP, MFIs	QFA GG, BOP, MFIs	QFA GG, BOP, ICs	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFAG G	QFAGG , BOP, MFIs	QFA GG, BOP		
F81	Trade credits and advances	QFAG G, BOP, NFC	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFA GG, BOP, ICs	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFAG G	QFAG G, BOP, MFIs	QFAG G, BOP	QFAG G, BOP, NFC	QFAGG, BOP, MFIs	QFA GG, BOP, MFIs	QFA GG, BOP, ICs	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFAG G	QFAGG , BOP, MFIs	QFA GG, BOP		
F89	Other accounts excl. F81	QFAG G, BOP, NFC	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFA GG, BOP, ICs	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFAG G	QFAG G, BOP, MFIs	QFAG G, BOP	QFAG G, BOP, NFC	QFAGG, BOP, MFIs	QFA GG, BOP, MFIs	QFA GG, BOP, ICs	QFA GG, BOP, MFIs	QFA GG, BOP, MFIs	QFAG G	QFAGG , BOP, MFIs	QFA GG, BOP		
																			SHS	Securities holdings statistics	
																				Sup	Supervisory data
																				LSDB	Listed shares database
																				CR	Company register
																				0	known to be zero (e.g. if concept does not exist)
																				XY ^	Insert acronym [XY^] and short title here, and explanation in footnote ^.
																				e^^	estimate (expl. in footnote ^^)
																				na	not available, estimation not meaningful
																				der	Derogation (not yet compiled)

C. STATISTICAL OUTPUT

C.1 *CoP11 Relevance / PC11 Relevance*

At national level financial accounts are used by the Economics Department to perform analysis and economic research. Direct access to the financial accounts database has been granted to some staff members of the department to directly extract the necessary time series data.

In the EU, they are part of the ‘scoreboard’ of the macroeconomic imbalances procedure (MIP) for three headline indicators (private sector debt, private credit flow and total financial sector liabilities), 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.

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

C.2.1 Accuracy and reliability

The Maltese Quarterly Financial Accounts are checked using time series analysis and using the consistency checks provided by the ECB.

The annual financial accounts are consistent with the quarterly financial accounts data apart from vintage issues generally arising from the General Government Sector. In addition consolidation checks and stock variation coherence tests are carried out. NSO ensures that the applied checks result in perfectly aligned data with no differences and inconsistencies.

C.2.2 Internal consistency

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. Any significant internal inconsistencies were tackled during the transition from ESA95 to ESA 2010. Other any other internal inconsistencies arise, they are tackled ideally before dissemination.

Quarterly Financial Accounts data is in line with QFAGG quarterly data. On the other hand all other sectors data are ranked according to the reliability of the primary data source.

C.3 *CoP13 Timeliness and punctuality / PC13 Timeliness (including punctuality)*

C.3.1 National requirements

Publication of quarterly data is due right after the ECB quarterly transmission. The complete set of annual financial accounts data is not yet published.

C.3.2 International requirements

In the EU, the ESA 2010 transmission programme requires reporting of annual data at T+9 months. The quarterly data requirements of the ECB are T+85 days (for compilation of euro area aggregates only) and T+100 days (national data, for publication by ECB from t+107).

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

C.4.1 Consistency with related statistics

Currently quarterly financial accounts data is compared to b.o.p/i.i.p data. In all sectors (excluding QFAGG data) differences may arise due to the ranking process. Reconciliation between the quarterly financial accounts and quarterly non-financial sector accounts is not possible because under the ESA Transmission Programme, countries with a share in EU GDP of less than 1% are not obliged to transmit quarterly non-financial accounts for S11, S12, S1M. This applies for Malta, thus quarterly non-accounts are only available for S1, S13 and S2. Comparison of financial accounts with the non-financial accounts is done for sector S.13 on a quarterly and annual basis and in general the statistical discrepancies are within the required thresholds

In the past there was an exercise to reconcile the annual financial and non-financial accounts between the NSO and CBM. However at that stage only sources were being compared and reconciliation took place. Time and human resources permitting, this exercise shall be reinitiated due to the ever increasing importance of the two datasets.

C.4.2 “Time” and back data consistency

Financial Accounts data is in line with ESA 2010 from 2004 Q1 onwards. Derogation for the back series is in place until September 2017.

C.4.3 Consistency across frequencies

Both annual and quarterly financial accounts are in line with ESA 2010 from 2004 Q1 onwards apart from vintage issues.

C.4.4 Vertical consistency

Refer to C.4.1

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

C.5.1 Data

The CBM transmits data to the ECB, as per Tables 1 to 9 of the ECB Guideline on the compilation of the quarterly financial accounts, thus contributing to the euro area accounts. Quarterly financial accounts produced up till now cover the period from Q1 2004 to date. Additionally quarterly financial accounts are partially published on the website of the CBM. Partial annual non-consolidated data is published on the CBM Quarterly Review.

The National Statistics Office transmits the annual financial accounts data in tables 6 and 7 of the ESA2010 transmission programme. This data is not yet published. Published data can be accessed from the following links:

CBM: <http://www.centralbankmalta.org/financial-accounts>

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

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

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

C.5.2 Metadata

No further links to national sources are currently available.