

Manual on quarterly non-financial accounts for general government

2011 edition

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CONTENT OF THIS MANUAL

Part I describes the work undertaken in this field, recalling the user requirements, identifying the origin and comitology followed. It describes the requirements of *Commission Regulation 264/2000* and *European Parliament and Council Regulation 1221/2002*. Some other topics discussed are the use of direct information, the compliance with ESA95 rules, the consistency between annual and quarterly data, and the publication and revision policies.

Part II includes the guidance notes referring to compilation methods and time of recording on a quarterly basis. The intention is to clarify issues on compilation methods that arise in quarterly recording with reference to annual national accounts recording. The manual does not therefore deal with general concepts, definitions or classification except in cases where they need clarification when reviewing quarterly methods.

Part III focuses on countries compilation practices.

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PART I QUARTERLY ISSUES

1. INTRODUCTION

- a. Background
- b. Relationship with the Quarterly Handbook
- c. Quarterly non-financial accounts (development of compilation manuals)
- d. Quarterly compilation: General issues
- e. Future work

1. INTRODUCTION

a. Background

The Economic and Financial Committee (EFC) report on statistical requirements in Economic and Monetary Union, endorsed by the Council on 18 January 1999, stressed the need, amongst others, for common and harmonised short-term public finance statistics for Member States. This decision led to the development of Commission Regulation 264/2000 of 3 February 2000, dealing with quarterly taxes and social payments, as one step to meet the EFC requirement.

This work was further highlighted in the ECOFIN Council meeting of 5 June 2000, when it endorsed a second progress report on information requirements in Economic and Monetary Union (EMU). This report was drawn up by the Economic and Financial Committee (EFC) and invited the Commission (Eurostat), in close collaboration with the European Central Bank (ECB), to establish an EMU Action Plan identifying where urgent progress should be made. The need to fully implement Commission Regulation 264/2000 was specified as an urgent priority.

The first version of this manual addressed the background to the implementation of Regulation 264/2000 and was drawn up by Eurostat with the close co-operation of the Member States. Work in this area was led by the Working Group on Short Term Public Finance Statistics, chaired by Eurostat. It first met in September 1998 and thereafter followed a programme of some three meetings per annum in order to develop the technical basis for the Regulation itself and its subsequent implementation.

This step-by-step approach allowed that in a second step, the remaining categories of general government expenditure and revenue were specified in *Regulation (EC) No 1221/2002 of the European Parliament and of the Council* of 10 June 2002, on quarterly non-financial accounts for general government.

The Regulations include the following:

Concerning the work developed on quarterly non-financial accounts for general government, the Member States shall provide the Commission (Eurostat) with a description of sources and methods used to compile the quarterly figures. In addition, any revision to the initial description of the sources and methods used to compile the quarterly data shall be provided to Eurostat when the revised data are communicated.

In 2006 Eurostat published the first quality report on quarterly government revenue and expenditure (with data transmitted at end-September 2005). This Report included a summary of conclusions and recommendations by country. It was discussed (in more complete form together with qualitative information) and agreed in broad terms with the members of the Working Group on Short-Term Public Finance Statistics. *Regulation No 1221/2002 of the European Parliament and of the Council* stated that the Commission should submit to the European Parliament and the Council a quality report, containing an assessment of the reliability of Short-Term Public Finance Statistics data delivered by Member States. The Report was adopted by the Commission on 26 June 2006.

In July 2008 Eurostat updated this [quality report](#) (with data transmitted at end-March 2008) in order to take into account the experiences and improvements since the first quality report.

b. Relationship with the Quarterly Handbook

The *Handbook on Quarterly National Accounts* was published in 1999. It is helpful here to describe some aspects of the relationship of this manual with the Handbook. Quarterly sectoral accounts have been fully developed by Member States, with the implementation of the 2005 Regulation on the compilation of quarterly non-financial accounts by institutional sector. In this context, the Handbook fills an essential role in describing and outlining possible approaches to the development of Quarterly Accounts for all sectors. This manual describes the approach to compiling such common statistics for one important sector, General government. The experience from this work will be an essential feedback into the description of a fuller methodology for quarterly national accounts.

c. Quarterly non-financial accounts (Development of compilation manuals)

The work of the Short-Term Public Finance Statistics Working Group can therefore be placed in the following context.

For the General Government sector

- [2001] A manual on taxes and social payments was developed.
- [2002-5] A further (complementary) manual on the remaining ESA categories that contributed to quarterly General Government total expenditure or total receipts was developed.

For all sectors

The specific experience from working on the General government quarterly non-financial accounts fed into a strengthening of the quarterly compilation methodology for other sectors. *Regulation (EC) No 1161/2005 of the European Parliament and of the Council* on the compilation of quarterly non-financial accounts by institutional sector was approved on 6 July 2005. It is of major importance to assure the consistency between general government accounts and the other institutional sectors.

d. Quarterly compilation: General issues

Taxes and social payments were given an early priority in the work to developing quarterly general government non-financial accounts. The issues that arose - related to a precise compilation of quarterly accounts of General Government according to an agreed methodology - were somewhat new. It is helpful here to describe them and to briefly outline how they were addressed by the Working Group. The issues mentioned are themselves quite broad and therefore a limited introductory set of remarks is presented here for the benefit of the reader.

Quality standards to be applied to quarterly compilation system

In compiling quarterly general government non-financial accounts, it was clear that there needed to be high quality data comparable between Member States. In practice this led to the decision to establish in the texts of the *Commission Regulation 264/2000* and *Regulation No 1221/2002 of the European Parliament and of the Council*, a clear set of rules that governed the quarterly compilation approach of the Member States. These rules, together with the role assigned to Eurostat under the Regulations, are intended to offer the required quality assurances for users.

Under the Regulations, the general rules relating to quality are set out and are to be applied flexibly during a transition period, with two main points under which flexibility of interpretation can arise:

Firstly, as the programme of development of short-term public finance statistics was itself relatively new, a system of rolling derogations were written into the Regulations designed to allow for gradual improvement in Member States' compilation systems up to the year 2005.

Secondly, and more permanently, the rules provide explicit quality tests at the level of the national accounts category. These require that the specific category meet a specified quality test but allows the Member State flexibility to use less stringent solutions at a lower level in the compilation system, subject always to the quality threshold of the category being met.

Best estimates

During the transition periods, Member States were required to provide data on a 'best estimates' basis. This phrase therefore has a technical meaning within the Regulation in order to ensure clarity of interpretation.

During the implementation of *Regulation 264/2000*, on short-term public finance statistics, Member States were allowed until 2000 (2002 for the back data) to provide data on a 'best estimates' basis. This meant that Member States provided data during the transition period where the full set of tests established under Article 3 could not be met. The quality tests within Article 3 read as follows:

3(1) "Quarterly data shall be based on direct information available from basic sources, such as for example public accounts or administrative sources, representing, for each category, at least 90% of the amount of the category".

3(2) "Direct information shall be completed by coverage adjustments, if needed, and by conceptual adjustments in order to bring quarterly data in line with ESA 95 concepts".

With this step-by-step approach, *Regulation (EC) No 1221/2002 of the European Parliament and of the Council* specified that quarterly data shall be based as much as possible on direct information from basic sources but no longer specified the 90 per cent rule or a quality test to be applied. But due to the fact that the reliability of quarterly data provided under this Regulation was to be assessed, a report on the quality of the quarterly data would be made before the end of 2005.

Direct information

For taxes and social payments it was recognised that there existed specific and timely basic data sources, mainly in the public accounts system of government. For this reason, a general requirement of the Regulation was that these types of source be used, a requirement that found expression in Article 3's emphasis on the use of direct information. It can be noted that for other categories of Government expenditure and receipts addressed in the later European Parliament and Council Regulation, a more general test was found appropriate, i.e., to maximise the use of direct information – no percentage being specified - consistent with the outcome that, over time, minimal revision to the initial quarterly results should arise.

'Direct information' is an important term in the context of the Commission Regulation. It is therefore the subject of a more detailed discussion in Part I 2b of this manual.

ESA95 rules - Coherence with annual rules

ESA95 does not consider the quarterly aspects of taxes and social payments with sufficient precision to ensure clarity of interpretation in all situations. This is because, when discussing non-financial accounts, the ESA95 text - or guiding documents such as the *Manual on Government Deficit and Debt* – occasionally takes a perspective that assumes an annual reference period is in mind. It will therefore remain silent on which quarter within a particular annual reference period is involved.

It is also the case that many accounting or legal events are annual events by definition (e.g. a tax levied with respect to a complete year) and it is unnecessary when compiling annual accounts to establish the amounts and time of recording within that particular annual reference period. Clearly, for quarterly compilation there is a need to attribute revenue and expenditure not merely to a reference year but also to the quarters within that year. The requirement was to interpret ESA95 in order to resolve quarterly compilation problems, whilst remaining consistent with the particular annual result.

In practice this can mean that the quarterly non-financial accounts compiler must focus on the available quarterly sources and then ask how these can be brought into a quarterly pattern which, when added to give an annual result, leads to a minimal departure from the equivalent annual estimate over time. These issues of practical interpretation were a focus for the ongoing work of the Working Group. When reading this manual, it is helpful for the general reader to keep in mind that the various quarterly rules deployed in Part II, are presented in this context (i.e., emphasising the quarterly compilers' need for speed and their use of different sources to the annual accounts) and should not be seen as diluting the established annual treatments.

e. Future work

Eurostat is revising the ESA 95 Regulation which forms the methodological basis for the compilation of Quarterly Non-Financial Accounts for General Government (QN FAGG). The aim of this revision² is to bring national accounts in the European Union, in line with new economic

² The ESA revision follows the revision of the International System of National Accounts (SNA 93). The new SNA 2008 was published in 2009 by the 5 international organisations which worked on the new Manual (IMF, OECD, UN Statistical Division, World Bank and Eurostat)

environment, advances in methodological research and needs of users.

In December 2010, the Commission adopted its proposal for the draft new ESA Regulation (ESA 2010) which will replace the ESA 95 regulation as methodological reference for the compilation of Quarterly Non-Financial Accounts for General Government.

In the framework of the ESA revision, Eurostat is also preparing a revision of the Programme for transmitting for Union purposes accounts and tables compiled according the new methodology.

In the context of this new ESA Transmission Programme, it has been decided to merge Quarterly Non-Financial Accounts for General Government into the Non-Financial Accounts by Sector Accounts – Quarterly (*Table No 801 of the new ESA Transmission Programme*).

As a consequence, after entry into force of the new ESA 2010 Regulation and its related Transmission Programme, future works and revisions of the present Manual on Quarterly Non-Financial Accounts for General Government, could be seen as part of, and may be integrated into a more comprehensive Manual on Sources and Methods for the compilation of Quarterly Non-Financial Accounts by Sector.



2. COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

- a. Importance of categories covered by regulations
- b. Use of direct information
- c. Compliance with ESA 95 Rules
- d. Consistency between annual and quarterly data
- e. Summary by category
- f. Publication policy
- g. Revisions policy

2. COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

a. Importance of categories covered by regulations

In looking at implementation of the Regulations over time, it is helpful to first recall that each of these categories has a somewhat different structural importance across Member States. It follows that we look first at the relative importance of categories (see Article 2 of the CR 264/2000 and Article 3 of the EP and CR 1221/2002) before examining the methods used to compile the category result. Tables 1a looks at the relative importance of revenue categories and 1b the relative importance of expenditure categories.

Table 1a Relative importance of main revenue categories – 2010

Member State	RELATIVE (%) CONTRIBUTION TO TOTAL REVENUE (TRTR)					COVERAGE OF REVENUE CATEGORIES
	P.11+P.12+P.131	D.2 Taxes on Production and Imports	D.5 + D.91 Taxes on Income and Wealth + Capital Taxes	D.7 Current transfers	D.611 Actual Social contributions	= Sum of P.11+P.12+P.131+ D2, D5, D.7, D91 and D611
Belgium	3.9	26.4	33.4	0.7	29.0	93.4
Bulgaria	8.8	43.2	14.9	7.8	20.4	95.0
Czech Republic	7.4	28.4	17.5	2.2	38.8	94.3
Denmark	5.6	30.2	54.4	1.5	1.9	93.6
Germany	4.8	28.7	24.2	1.3	36.2	95.3
Estonia	6.3	33.8	16.7	3.4	32.3	92.5
Ireland	8.4	32.2	30.6	0.2	16.7	88.2
Greece	5.2	31.7	19.7	3.4	27.4	87.4
Spain	3.5	28.4	27.2	2.5	34.2	95.8
France	7.0	30.0	22.1	1.6	33.7	94.4
Italy	2.9	30.4	32.1	2.9	29.5	97.7
Cyprus	6.1	37.0	26.8	3.2	23.2	96.3
Latvia	11.5	32.2	21.3	3.4	23.9	92.2
Lithuania	5.4	34.7	13.8	4.3	30.5	88.7
Luxembourg	4.4	28.8	34.0	0.4	26.7	94.2
Hungary	6.9	37.4	18.8	2.8	26.6	92.7
Malta	4.4	34.5	34.1	0.9	15.3	89.1
Netherlands	8.2	26.3	26.4	0.8	30.4	92.1
Austria	4.1	30.2	26.5	2.6	30.6	94.0
Poland	6.1	35.7	18.4	4.3	29.4	93.8
Portugal	6.1	32.2	21.5	2.1	21.7	83.5
Romania	8.0	35.3	17.9	6.7	26.0	93.8
Slovenia	6.4	32.4	18.8	4.9	34.5	97.0
Slovak Republic	3.7	30.6	16.4	7.5	37.2	95.4
Finland	11.3	25.4	30.8	0.7	24.1	92.4
Sweden	7.0	34.1	36.5	1.5	16.3	95.5
UK	6.6	31.8	39.1	0.7	19.3	97.4
Norway	4.7	21.6	36.7	0.8	17.2	81.0
Iceland	7.5	35.4	39.9	1.1	10.0	93.9

Note : The sources used in compiling the percentages shown in Tables 1a and 1b are the data transmitted by Member States, Norway and Iceland at end June 2011.

Arising from Table 1.a), a list of **summary points** can be made:

- The selected list of government revenue categories dealt with in the Regulations represent some 92-96 % of overall government revenue receipts in the year 2010. This is true for most of countries except Portugal, Greece, Ireland, Lithuania, Malta and Norway (less than 90%) as well as for Italy, Slovenia and the UK (more than 97%).
- Most of the main individual revenue categories (D.2, D.5, and D.611) mentioned in the Regulations are of substantive importance, each normally being broadly equal as percentage of total revenue. There are some exceptions, mainly due to national arrangements concerning taxes and social contributions, for example in Denmark.
- The Capital Taxes (D.91), are of lesser importance commonly being less than 1% of government revenue. As a consequence, the need to use 90% of direct information when compiling this category (D.91) should not then - as a practical matter - be over-emphasised.
- Actual Social Contributions: some differences in the importance of the category are apparent especially in the case of Denmark (with **1.9%**), Iceland (**10%**), Malta (**15.3%**), Sweden (**16.3%**), Ireland **16.7%**), Norway (**17.2%**) and the United Kingdom (**19.3%**).
- The remaining general government revenue represents about 3-8% in most of the Member States and relates mainly to D.3 (Other subsidies on production), D.4 (Property income, receivable).

Table 1b Relative importance of main expenditure categories – 2010

Member State	RELATIVE (%) CONTRIBUTION TO TOTAL EXPENDITURE (TRTE)					COVERAGE OF EXPENDITURE CATEGORIES
	P.2 Intermediate consumption	P.51 Gross fixed capital formation	D.1 Compensation of employees	D.41 Interest	D.62+D.63+D.7 Social Benefits Other than Social Transfers in Kind + social transfers in kind via market producers + Other current transfers	Sum of P.2, P.51, D.1, D.41, D.62+D.63+D.7
Belgium	7.4	3.1	23.6	6.7	52.3	93.1
Bulgaria	16.4	12.2	24.9	1.6	40.6	95.7
Czech Republic	14.3	10.3	17.7	3.1	47.8	93.1
Denmark	17.2	3.7	32.8	3.2	36.9	93.8
Germany	10.1	3.4	15.6	5.2	60.1	94.3
Estonia	18.5	9.1	29.5	0.4	41.1	98.5
Ireland*	13.0	8.3	25.1	4.2	40.9	91.4
Greece	11.6	5.6	23.7	11.5	44.8	97.2
Spain	12.2	8.2	26.0	4.3	44.0	94.7
France	10.1	5.4	23.7	4.3	51.0	94.6
Italy	11.7	4.1	22.0	8.7	47.2	93.7
Cyprus	11.2	7.8	33.0	4.8	39.7	96.4
Latvia	16.3	8.3	23.8	3.4	39.4	91.2
Lithuania	16.0	11.2	26.9	4.4	39.0	97.5
Luxembourg	8.5	9.8	18.8	1.0	54.9	92.9
Hungary	15.8	6.6	21.9	8.4	42.5	95.3
Malta	14.5	4.9	31.7	7.1	36.3	94.6
Netherlands	16.2	7.2	19.5	3.7	48.2	94.7
Austria	8.7	2.2	18.4	5.0	53.1	87.4
Poland	13.5	12.2	22.0	5.9	43.3	96.9
Portugal	10.1	6.5	24.1	6.0	48.0	94.7
Romania	17.2	13.5	23.5	3.8	38.0	96.0
Slovenia	13.2	8.8	25.2	3.2	43.4	93.9
Slovak Republic	12.2	6.4	19.3	3.3	51.8	92.8
Finland	19.9	4.9	26.2	2.5	43.0	96.4
Sweden	17.9	6.5	27.9	1.9	40.3	94.7
UK	26.0	5.0	22.7	5.8	36.4	95.8
Norway	15.2	7.1	29.8	2.9	40.3	95.2
Iceland	24.6	5.2	29.2	12.1	19.9	91.0

(*) 2009 data used, instead of 2010 data, the comparability of which has been distorted by exceptionally high level of capital transfer payables (D9PAY) transactions.

Footnote: The D.63 part included here equals D.6311+D.63121 +D.63131

From Table 1b, a list of **summary points** can be made:

- The selected list of government expenditure categories dealt with in the Regulations represent some 91-97 % of overall government expenditure in the year 2010. This is true for most of Member States except Austria (less than 90%) as well as for Greece, Lithuania and Estonia (more than 97%).
- Two of the main individual expenditure categories (D.1 and D.62+D.63 or part) mentioned in the Regulations are of substantive importance, with one exception, the UK for which P.2 is the second most important expenditure category (26%), which is mainly due to institutional arrangements.
- Intermediate consumption (P.2) varies substantially among Member States, from (already mentioned exception of the UK) the highest of 24.6% in Iceland to the lowest of about 7.4% in Belgium, 8.5% in Luxembourg, and 8.7% in Austria.
- The remaining general government expenditure represents about 3% to 9% in most of the Member States and relates mainly to P.52 (Changes in inventories), P.53 (Acquisitions less disposals of valuables), D.29 (Other taxes on production), D.4 less D.41 (Property income, less Interest), K.2 (Acquisition less disposals of non-financial non-produced assets).

Having established a statement of the importance of the categories, we now move to consider the data sources and methods used to compile the results provided in year 2010.

b. Use of direct information

Member States provided the Commission (Eurostat) with a description of their compilation methods under the terms of Article 7(1) of the Regulations. Relying upon these descriptions, it is possible to describe the extent to which the compiled quarterly statistics - produced during the recent years 2007-2010 - used direct information sources. Article 3 of *Commission Regulation 264/2000* sets out the following rules as regards taxes and social payments:

- (a) Quarterly data shall be based on direct information available from basic sources, such as for example public accounts or administrative sources, representing, for each category, at least 90% of the amount of the category.*
- (b) Direct information shall be completed by coverage adjustments, if needed, and by conceptual adjustments in order to bring quarterly data in line with ESA 95 concepts.*
- (c) The quarterly data and the corresponding annual data shall be consistent.*

As concerns categories other than taxes and social payments, *Regulation 1221/2002 of the European Parliament and of the Council* requests on the basis of Article 4:

- (a) Quarterly data shall be based as much as possible on direct information from basic sources, with the objective of minimising, for each quarter, differences between the first estimates and the final figures.*



(b) Direct information shall be completed by coverage adjustments, if needed, and by conceptual adjustments in order to bring quarterly data in line with ESA 95 concepts.

(c) The quarterly data and the corresponding annual data shall be consistent.

Particular attention was then drawn in the Regulations to the need to base the quarterly results for categories on direct information. The use of direct information was seen as something measurable, which could be related to the quality/reliability of the quarterly results.

Table 2a Compliance 90% criteria as outlined in Article 3(1) of Commission Regulation 264/2000

Member State	Taxes (D.2, D.5, D.91)	Actual Social Contributions (D.611)	Social Benefits other than Social Transfers in Kind (D.62)
Belgium	Yes	Yes	No (89%)
Bulgaria	Yes	Yes	Yes
Czech Republic	Yes	Yes	Yes
Denmark	Yes	Yes	Yes
Germany	Yes but not for first estimates	Yes but not for first estimates	Yes but not for first estimates
Estonia	Yes	Yes	Yes
Greece	Yes	Yes	Yes
Spain	Yes (except Capital Taxes*)	Yes	Yes
France	Yes	Yes	No (87%)
Ireland	Yes	Yes	Yes
Italy	Yes	Yes	Yes
Cyprus	Yes	Yes	Yes
Latvia	Yes	Yes	Yes
Lithuania	Yes	Yes	Yes
Luxembourg	Yes	Yes	No (89%)
Hungary	Yes	Yes	Yes
Malta	Yes	Yes	Yes
Netherlands	Yes	Yes	Yes
Austria	Yes	Yes	Yes
Poland	Yes	Yes	Yes
Portugal	Yes	Yes	Yes
Romania	Yes	Yes	Yes
Slovenia	Yes	Yes	Yes
Slovak Republic	Yes	Yes	Yes
Finland	Yes	Yes	Yes
Sweden	Yes	Yes	Yes
United Kingdom	Yes	Yes	Yes

Source: Article 7(1) reports by Member States, quality reports of 2006 and 2008, and later comments.

(*) Except Capital Taxes (D91), which are however noted as of modest importance in Spain, as else where



Summary

The following points are based on replies from Member States (MS) and from information provided by MS for the establishment of the Quality reports of 2006 and 2008.

- For nearly all Member States, the 90% criteria set out in Article 3 of the *Commission Regulation (EC) No 264/2000* is fully respected for all taxes data (D.2, D.5, D.91).
- The position for Actual Social Contributions (D.611) and Social Benefits (D.62) is somewhat less perfect than for taxes. A significant amount of development work has been done in order to close the remaining coverage gaps. The Social Benefit category (D.62) causes compliance problems for Member States, Luxembourg (89%), Belgium (89%), and France with 87%.

Table 2b Compliance with direct information as requested by in Article 4(1) of EP and Council Regulation 1221/2002

Member State	EXPENDITURE	REVENUE
Belgium	Yes, but not for all	Yes, but not for all
Bulgaria	Yes	Yes
Czech Republic	Yes	Yes
Denmark	Yes	Yes
Germany	Yes, but not for first estimates	Yes, but not for first estimates
Estonia	Yes	Yes
Greece	Yes	Yes
Spain	Yes	Yes, except P.11+P.12+P.131
France	Yes	Yes
Ireland	Yes, but not for all	Yes, but not for all
Italy	Yes	Yes
Cyprus	Yes	Yes
Latvia	Yes, but not for all	Yes, but not for all
Lithuania	Yes, except P.51	Yes
Luxembourg	Yes, but not for all	Yes, but not for all
Hungary	Yes, except D.63 part	Yes
Malta	Yes	Yes
Netherlands	Yes	Yes
Austria	Yes	Yes
Poland	Yes, except P.51	Yes
Portugal	Yes	Yes
Romania	Yes	Yes
Slovenia	Yes	Yes
Slovak Republic	Yes	Yes
Finland	Yes	Yes
Sweden	Yes, except D.3 and D.8	Yes, except D.3
United Kingdom	Yes	Yes

Source: Article 7(1) reports by Member States, quality reports of 2006 and 2008, and later comments.

c. Compliance with ESA95 rules

Basic data are transformed to fully comply with ESA95 concepts by Member States. Some minor exceptions are highlighted by some Member States in their attached country descriptions (see Section III). These exceptions are presented as descriptions of short-term problems, which are expected to be more fully addressed in the future.

Best estimates

During the transition period, Member States were required to provide complete data on a ‘best estimates’ basis where they cannot fulfill the rules established under Article 3 of *CR 264/2000* and Article 4 of *Regulation 1221/2002 of EP and Council*. The phrase ‘best estimates’ is defined in the Regulations to ensure that a common interpretation was applied.

Formally, Member States provide data on a best estimates basis where the full set of quality tests established under Articles 3 and 4 already mentioned cannot be met for some reasons during the transition period. Data provided on a best estimates basis must therefore estimate for coverage gaps arising in the original sources, must be based on a correct ESA 95 basis, and must ensure consistency between the quarterly estimate arrived at and the corresponding annual results.

Time of recording for taxes on a quarterly basis

At present, there exist some differences in how Member States apply the time of recording rules for taxes on a quarterly basis. The differences arise mainly because the time of recording rules are not sufficiently precise when considered in a quarterly context. Eurostat expects that some of the initial differences in compiling practice will disappear as Member States have a chance to consider the methods used in other countries and to apply the guidance notes shown in Part II.

d. Consistency between annual and quarterly data

For all Member States the central role of the annual data in providing control totals for the quarterly data over time is noted. Therefore, the quarterly figures are normally adjusted to the annual results when these become available.

For a few Member States, the annual accounts data for general government is simply the sum of quarterly estimates, for example the United Kingdom. These Member States take the quarterly account as the building block which, when added together, provides the annual account. In this way, there is no scope for departures between quarterly and annual results.

However, most EU Member States rely upon somewhat different compilation methods to produce the quarterly and annual results. In these cases, the quarterly data are more estimated and are subsequently controlled to the annual results (which are available at a greater time delay).

e. Summary by category

a . Taxes: In all Member States, taxes (D.2, D.5 and D.91) are covered by infra-annual data. The coverage is high, above 90% for most of the countries. Quarterly basic data are available within 3 months for all Member States, except for Germany (up to 6 months for taxes other than VAT).

b . Actual Social Contributions: Actual Social Contributions (D.611) are covered by infra-annual data in all Member States. Quarterly basic data are available within 3 months, except for Germany (between 2 and 6 months).

c . Social benefits other than social transfers in kind: Social benefits other than social transfers in kind (D.62) are covered by infra-annual data in all Member States except Belgium, France, Luxembourg (89%) and Sweden. Quarterly basic data are available within 3 months, except for Germany (6 months).

d . Revenue categories covered by *Regulation 1221/2002*: In most Member States, the remaining revenue categories are covered by direct information in various proportions, in compliance with the Regulation request. There are some exceptions for some transactions in Belgium, Spain, Ireland, Latvia, Luxembourg and Sweden. For Germany the coverage is complying with direct information request, except for the first estimation of a quarter.

e . Expenditure categories covered by *Regulation 1221/2002*: In most Member States, the remaining expenditure categories are covered by direct information in various proportions, in compliance with the Regulation request. There are some exceptions for some transactions in Belgium, Ireland, Latvia, Lithuania, Luxembourg, Hungary, Poland, Portugal and Sweden. For Germany the coverage is complying with the direct information request, except for the first estimation of a quarter.

f. Publication policy

Currently there is no uniformity in the publication policy followed by Member States for these data. Some countries do not publish such data at present (December 2010). Others publish some part of the data with a minority presently publishing the data on a regular basis. Table 3 summarises how Member States approach the question of publication of Quarterly Non-Financial Accounts for General Government data.

Table 3: Key features of publication policy

MEMBER STATE	DO YOU PUBLISH THESE DATA?	FOR THOSE COUNTRIES WHICH PUBLISH THE DATA, THE FOLLOWING QUESTIONS WERE ALSO ASKED:		
		At what timeliness?	State any specific publication?	Are they part of regular publications?
Belgium	Yes	T+105	Quarterly release	
Bulgaria	Yes	T+90 for Q1 and Q3 and T+125 for Q2 and Q4	Quarterly release	BNSI website, www.nsi.bg
Czech Republic	Yes	T+90	Quarterly release	CZSO website
Denmark	Yes	T+90	Quarterly release	Statistics Denmark website
Germany	Yes (in part)	T+53 to T+60	None	Yes (Wirtschaft und Statistik)
Estonia	Yes			
Greece	Yes, from 2012 onwards	T+117		
Spain	Yes	T+120	Periodical release	Instituto Nacional de Estadística website
France	No			
Ireland	No			
Italy	Yes	T+95	Quarterly press release	ISTAT website
Cyprus	Yes	T+60 to T+90	None	Cystat website
Latvia	Yes			
Lithuania	Yes			Statistics Lithuania's website
Luxembourg	No			
Hungary	Yes			
Malta	Yes	T+150	Structural Indicators Publication	National Statistics Office website
Netherlands	Only taxes and social payments	T+90	None	CBS website
Austria	Yes	T+90	None	Austrian Statistical Office website
Poland	No			
Portugal	Yes	T+90	Quarterly Sector Accounts Publication	Statistics Portugal Website
Romania	No			
Slovenia	Yes (in part)	T+76	None	SORS website
Slovak Republic	Yes	T+75	None	Slovak Statistical Office website
Finland	Yes, taxes and social payments	T+90	None	Statistics Finland website
Sweden	Yes			
United Kingdom	Yes	T+80 (T+20 on a national basis)	Public Sector Accounts	Yes, Public Sector Finances; GDP publications

Source: Update of Quality report 2008, and later comments

g. Revisions policy

A full description of revision policy was not possible in the 2006 version because many newer Member States had not yet experienced a full cycle of data production. That said, Member States offered a series of descriptions comments to Eurostat. Revisions typically arise at two points in time: 1) publication of a new quarter provides an opportunity to review earlier quarters; and 2) the publication of annual national accounts results commonly leads to a substantive review of the previously published quarterly results. The main points made by Member States are presented in Table 4.

Table 4 Member States' Revisions policy

MEMBER STATE	COMMENTS ON REVISIONS POLICY & STATEMENT OF EVENTS LEADING TO A REVISION FOR A QUARTER'S RESULTS
Belgium	Revision policy depends on whether the annual national accounts exist or not. In the first case, the quarterly data are revised only when a new version of the annual data has been calculated. In the second case, the quarterly data are revised at the moment a new quarter is estimated. EDP can imply changes for a large number of quarters, sometimes going backwards until 1995
Bulgaria	Revisions arise on: a) Publication of a new quarter and b) Publication of annual. c) March and September, when quarterly data are adjusted in accordance with the notification tables of the Excessive Deficit Procedure d) Planned methodological revisions
Czech Republic	Revisions arise on: a) Data of current quarters are revised within the current year . b) Publication of annual national accounts. Quarterly figures are revised in compliance with the annual data c) Data of 8 or 12 quarters are revised within the notification.
Denmark	Revisions arise on a) Revision within the year. For a year that is not yet complete, i.e., in the first to the third quarters, the previous quarters may be subject to ongoing revision. and b) After the end of a year, all four quarters will be updated with the publication of a new annual version for the year in question. c) Fully coordinated with national accounts
Germany	In the area concerned (first estimate of the quarterly figures) missing data from the quarterly basic statistics are supplemented by estimates, taking into account all available data (in particular legal changes). Once the missing quarterly basic statistics become available, the results are revised step by step. After revision, the results are largely based on quarterly basic statistics. Finally, the provisional results are squared with the later final annual results (alignment)
Estonia	Quarterly data are revised when new annual data become available, i.e., the quarterly data reported earlier in the same year are revised according to the annual data. The deadline for the annual national accounts publication is t+18. Revisions are aligned with annual accounts; 16 quarters revised backwards
Ireland	Revisions arise on a) Publication of a new quarter and b) Publication of annual national accounts results. Revisions to all previous quarters are liable to occur in the Q4 (end-March) and Q2 (end-September) returns. These revisions are made to ensure that Table 25 remains consistent with the version of Table 2 which is part of the EDP transmissions at end-March and end-September of each year. Revisions are also liable to occur in the Q1 return (end-June). This is because there is a national publication of Annual National Accounts in June of each year and a corresponding Table 2 is produced which may differ from the one transmitted at end-March. Table 25 will be revised to match the updated Table 2.
Greece	Revisions arise on a) Publication of a new quarter and b) Publication of annual national accounts results. Annual Revisions occur in every April and October
Spain	Two phases are distinguished. The 1st phase deals with the estimates for the quarters of the current open year, while the 2nd deals with the revisions of quarters for closed years, that is, those years for which there already is an annual estimate of the sector accounts.. Revisions arise on a) Publication of a new quarter and b) Publication of annual national accounts results and c) significant error



MEMBER STATE	COMMENTS ON REVISIONS POLICY & STATEMENT OF EVENTS LEADING TO A REVISION FOR A QUARTER'S RESULTS
France	Quarterly accounts are subject of 2 publications, available 45 and 90 days after the end of the quarter. Each version of the accounts includes revisions for the entire period; these revisions become progressively less important with time. They are caused by the replacement of extrapolations by observed indicators, gross indicator revisions and, sometimes, revised methodology. Although quarterly data can be amended in this way in each publication, beginning with the start of the series, that is not the case for the gross annual data obtained from them. Around 15th May, the data for the new annual national accounts are incorporated with the publication of the first quarter. Thus, in May 2010, the gross quarterly accounts of general government were calibrated on the annual accounts for the years 1993-2007 (definitive), 2008 (semi-definitive) and 2009 (provisional). Revisions arise thus on a) Publication of a new quarter and b) Publication of annual national accounts results
Italy	Standard revisions: At each release, current and previous years' quarters are allowed to change. When new annual data become available the quarters of the last four/five years may change. Extraordinary revisions : When a special event occurs - e.g. new sources are available or new methods are implemented -the whole time series can be revised (benchmark).
Latvia	In general, quarterly data are revised when the new annual data become available, i.e., the quarterly data reported earlier in the same year are revised according to the new annual data a) Intra-annual data are first revised when the fourth quarter data are calculated, and the provisional annual data for EDP March notification are prepared. The second revision is usually made when final annual data for ESA95 Table 2 and September EDP notification are calculated. Further revisions are related to methodological changes and technical mistakes if any
Lithuania	Quarterly data are always revised when final annual data are available. Quarterly data are fully consistent with annual data as well as with EDP data. Revisions are done two times per year. Length of revised time series depends on revisions to EDP data and other ESA aggregates.
Luxembourg	Revisions arise on a) Publication of a new quarter and b) Publication of annual national accounts results Revisions occur mainly due to the notifications in the framework of the excessive deficit procedure (March and September) and due to the publication of annual national accounts. As a consequence, quarterly data have to be adjusted to these revisions. Furthermore, major and minor revisions are included in every quarterly transmission, following the availability of definitive data.
Hungary	Revisions arise on a) Publication of a new quarter: Furthermore, revisions or corrections may occur at the first three quarters of the current year due to updated or more accurate information for these quarters.. and b) Publication of annual national accounts results: In general, quarterly data are revised twice: after the calculation of the preliminary (month t+9) and the final (t+15) annual figures, along with the compilation of EDP notification.
Malta	There is no pre-determined revision policy for quarterly non-financial transactions for the time being. For the budgetary central government any revisions will be limited to accruals templates. For the local councils and extra-budgetary units the quarterly non-financial accounts will be revised using the annual audited statements of the individual councils and entities for each respective year. In case of quarterly revisions, the data are revised 12 to 16 quarters backwards. Benchmark revisions are done every 5 years.



MEMBER STATE	COMMENTS ON REVISIONS POLICY & STATEMENT OF EVENTS LEADING TO A REVISION FOR A QUARTER'S RESULTS
Netherlands	<p>The quarterly accounts are adjusted to the provisional semi-definitive and definitive annual accounts. Revisions arise on a) Publication of a new quarter. Quarterly estimates of a current year are revised for the first time before the compilation of the fourth quarter of the year in question starts. The revised first three quarters of a current year are published simultaneously with the fourth quarter at the end of March. Thus, the most recent information can be taken into account to obtain the best estimate for the year T-1 based on quarterly figures. The first release of the annual data on T-1 is thus at the end of March of T.</p> <p>b) Publication of annual national accounts results: The revision of quarterly data is further done with the same frequency as the annual revisions. The annual data are revised three times. The revised annual data are published in the National accounts in July of year T. This contains new estimates for the year T-1 (second time), year T-2 (third time) and year T-3 (fourth time and also last update). The quarterly data for the reporting years T-1, T-2 and T-3 are adapted to the annual data when these estimates are finished and published in July. Since levels of estimates might have changed, the first quarter of the current year might also be revised. The revised quarters are sent to Eurostat in September and published at the end of September or the beginning of October.</p> <p>c) Furthermore, about every five to ten years a benchmark revision is done. New concepts, definitions and classifications, as well as corrections of errors, can then be incorporated in National accounts and Government Finance Statistics (GFS)</p>
Austria	<p>Revisions take place in the following intervals: September (current year): first quarter of current year (S.1314) March of the following year: all 8 quarters of the two previous years (all sub-sectors) September of the following year: all 4 quarters of the previous year (all sub-sectors) Revisions do not depend on the national publication policy but on the availability of data and legal transmission obligations.</p>
Poland	<p>Quarterly data are revised to comply with annual data. Quarterly accounts are revised for last four quarters when annual data for General Government Statistics are accessible.</p>
Portugal	<p>Two major types of revision occur: a) those related with updated or more accurate information on a quarterly basis and b) those that integrate annual data and therefore assure consistency with annual accounts (in two distinct moments - half-finalised annual accounts and final annual accounts). The revision policy implies the integration of the most up-to-date basic data available at each moment. Therefore, revisions on basic data are integrated every quarter. The major revisions in the quarterly compilation come however from the second type described above. The availability of half-finalised annual data for transactions that have been estimated during the first three quarters according to the budget, or by infra-annual pattern of the last annual account available, forces revisions of the previous quarters' estimations. Also, for all categories, the quarterly compilation of that year is revised so that the sum of the four quarters equals the annual amount. This occurs in EDP notifications in t+3m and t+9m (4th and 2nd quarters). Another revision is made when a final annual account becomes available. However, this procedure should not imply substantial revisions in the quarterly compilation. Besides the quarterly consistency with annual figures, the main differences are in the modification of structures that are used in some items of expenditures and revenue that help to break down into ESA95 categories.</p>
Romania	<p>Revisions arise when annual data are available. Quarterly data are revised when new annual data become available, i.e., the quarterly data reported earlier in the same year will be revised according to the annual data. At the end of the year, the sum of the four quarters must be equal to the annual amount, but the last one is determinant. This seems the best way to reconcile the annual and quarterly figures</p>
Slovenia	<p>Revision arise on a) publication of a new quarter b) publication of annual national accounts results. Quarterly sectoral accounts are always in line with annual data and are therefore also revised accordingly. The first complete annual data release is published in the first half of September. This first annual publication includes also possible routine revisions to previous years. Any major revisions to annual data are incorporated also in backward quarterly data. Revisions of Government Accounts are also done in order to achieve consistency with with EDP notifications.</p>



MEMBER STATE	COMMENTS ON REVISIONS POLICY & STATEMENT OF EVENTS LEADING TO A REVISION FOR A QUARTER'S RESULTS
Slovak Republic	<p>There are three kinds of revisions of STPFS data:</p> <p>Quarterly: Data for previous quarters are improved according to additional information, which is obtained later than at t+90 days of the relevant quarter; the depth of these revisions is up to 3 quarters depending on the quarter of given year;</p> <p>March and September: Data are usually revised twice a year to harmonise with EDP corresponding tables. The revisions reflect Eurostat recommendations related to EDP notification. The general depth of these revisions is up to 16 quarters;</p> <p>- Major revisions: Major revisions are performed occasionally when methodological changes are implemented to the accounts. These revisions are applied to the whole time series.</p> <p>All revisions are in compliance with revisions of quarterly financial accounts for general government.</p>
Finland	<p>Revisions arise on a) Publication of a new quarter and b) Publication of annual national accounts results. Revisions will mostly be due to annual National Accounts (as it is common for annual National Accounts figures to be revised, because we want the figures of the two systems to be consistent), but also in some cases where quarterly data are insufficient for first estimates (examples could be time adjustments as well as absence of the latest month, especially the fourth quarter of the year). Definitive figures are produced two years after the end of the statistical year.</p>
Sweden	<p>Revisions arise on a) Publication of a new quarter and b) Publication of annual national accounts results. During a year the data for earlier quarters can be corrected. Normally there are no revisions more than twelve months after the end of a period. Where forecasts are used, outcomes are presented in the taxation presented in time for the fourth quarter of year t+1. The revisions compared to updated forecasts are usually minor.</p>
United Kingdom	<p>Data may be revised at any time. Revisions are limited to 2 years in a normal quarter. Where new annual data are being considered (e.g. in the formal publication cycle) flexibility exists to revise back further years. Revisions arise on a) Publication of a new quarter and b) Publication of annual national accounts results</p>

Source: Country chapters of the Manual, Survey on revision practices for Quarterly Sector Accounts 2009, and later comments

It appears from the above information that most Member States have established a policy for the revision of quarterly non-financial accounts for general government. This is an important improvement from 2006 when the first version of the Manual was released.

PART II GUIDANCE NOTES

1. GENERAL ISSUES

- a. The principle of accrual accounting
- b. Quarterly compilation methods – nature of the issues
- c. Consolidation

2. THE TIME OF RECORDING – QUARTERLY ISSUES

- a. Transactions covered by *Commission Regulation (EC) No 264/2000*
 - Recording of D.611 Actual social contributions on a quarterly basis
 - Recording of D.5 Taxes on a quarterly basis
 - Regulation on taxes and social contributions – non-collectible amounts: quarterly aspects -VAT type taxes – nature of time adjustment (D.211) -Taxes related to motor vehicles paid by households (D.2, D.59) -Taxes related to property (levied annually) (D.29, D.59) -Inheritance taxes and succession taxes (D.91)
- b. Transactions covered by *European Parliament and Council Regulation (EC) No 1221/2002*
 - Intermediate consumption (P.2)
 - Output (P.1)
 - Gross capital formation (P.5)
 - Compensation of employees (D.1)
 - Subsidies (D.3)
 - Property income (D.4)
 - Social benefits in kind (D.631)
 - Current transfers (D.7)
 - Capital transfers (D.9)

3. ABSENCE OF CLEAR ECONOMIC LINK – QUARTERLY ISSUES

- a. Wages taxes – Arrears
- b. Taxes paid where the link between the payments and the underlying period to which they are attributable cannot be established
- c. Forestalling/pre-payments (D.214)



1. GENERAL ISSUES

a. The principle of accrual accounting

The principle of accrual accounting is a key principle for recording transactions in the national accounts meaning that flows are recorded (ESA95 paragraph 1.57) when economic value is created, transformed or extinguished, or when claims and obligations arise, are transformed or are cancelled.

In general the accruals principle is followed when compiling quarterly accounts. However, some limited need arises to depart from a pure application of this principle when considering the possibilities for recording given available data. In general, these departures can only arise for short term reasons (i.e., insufficient data) and do not dilute the central principles established in ESA95 for recording transactions. Regarding taxes, where flexibility allowed under ESA95 is used by quarterly compilers, it requires a consideration of the economic nature of the tax and/or practical reasons.

b. Quarterly compilation methods – nature of the issues

The principal of accruals recording contained within the ESA95 text is central to the quarterly compilation approach. In practice, it requires a link to be established to an economic event (e.g. the payment of an income tax) and the period in which it is recorded (e.g. the earning of income). Whilst the theoretical framework being applied by quarterly compilers and annual compilers is therefore identical, the nature of the quarterly data problem gives rise to unique problems which must be considered in order to arrive at a common method which can be applied by Member states.

A first set of problems is to identify a correct time of recording in particular quarters of transactions. This is relevant both for taxes and social payments, as well as for the other ESA95 transactions. For example, for important Income Taxes (recorded under D.5), flexibility exists within ESA95 to allow:

- recording in the period during which the income accrues. This can be referred to as a full accruals basis.
- recording when the tax liabilities are determined. This time of recording is called ‘due for payment basis’.

The flexibility contained in ESA95 is particularly important for income taxes for which the liabilities can only be determined in a later accounting period than that in which the income accrues. Therefore, time of recording issues represent major problems for quarterly compilers.

A second set of problems arises where there is no clear link between the economic events giving rise to a tax or social payment, and the quarterly reference period in which it should be recorded. This link is essential to implement the accruals principle fully, and where it does not exist other solutions must be identified which can be applied in practice. Many situations arise where a tax or social payment is recorded in basic statistics (so it is quantified) but it is unclear as to which quarter it should be associated.



Related to this problem is the fact that many legal or administrative events are expressed in annual terms only. Data relating to these events are therefore normally available only in an annual form. For example, tax levied on an annual basis must be recorded in the quarterly reference periods following the ESA95 rules. The lack of direct information is then a major problem.

In summary, it is important to stress that the provisions of ESA95 are fully appropriate for the quarterly accounts and should be fully applied by the quarterly compilers. A need for guidance notes – beyond what is required at the annual accounts level - arises to ensure common quarterly methods are followed.

c. Consolidation

Article 3 of *Regulation (EC) No 1221/2002 of the European Parliament and of the Council* states that transactions D.41, D.7, D.92 and D.99 are to be consolidated within the general government sector. The other transactions are not consolidated.

A first aspect that must be underlined is that it is of utmost importance to identify transactions within general government, taking into account the delimitation of general government. Some difficulties can appear when trying to distinguish these transactions from other transactions, such as subsidies. Sometimes, if the public accounts do not specify properly to whom the amounts are transferred, the functional classification might give additional information. Nevertheless, it must be taken into account that the coverage of public accounts is not exactly coincident, in some countries, with the coverage of general government in national accounts.

A second aspect is the implicit consolidation of the accounts on a quarterly basis, since different sources of information can be used for the sub-sectors of general government. It can be the case, for instance, that the State (or any other sub-sector) pays a certain amount to a unit that belongs to the general government, in the first quarter but the unit only records this amount in the second quarter.

The quarterly recording must be consistent with annual accounts and that can imply that some sub-sectors are taken as pivot sub-sectors, each quarter, in a similar way as to annual accounts. The adoption of this treatment might imply the correction of the amounts that are given by basic sources, since the uses and resources within general government must be equal in each of the quarters. The treatment of the subsequent differences must be consistent with annual accounts when trying to identify the misleading amounts and recording them properly.



2. TIME OF RECORDING

a. Transactions covered by Commission Regulation (EC) No 264/2000

Recording of D.611 Actual social contributions on a quarterly basis

Issue

To describe aspects of the framework under which data on Actual social contributions are to be compiled.

ESA95 References

Paragraphs: 4.92-4.96

Background

In considering the compilation approach for Actual social contributions (D.611), it is important to keep in mind the question of data availability.

Quarterly accounts approach

Explanation of the problem: the question of establishing a common statement of how high quality results can be obtained on a quarterly basis in the case where direct information is unavailable on a sufficiently timely basis. It follows that the guidance provided here must remain rather general and be indicative rather than directive.

The problem of identifying Actual social contributions on an appropriate quarterly pattern presents a serious challenge for compilers. In general, member states not having fully adequate direct data on a quarterly basis for Social security funds have established strong estimation mechanisms which seek to complete the quarterly pattern.

The need for any estimation will recede as new data sources are developed with the Social security funds sector. No member states rely solely upon annual results for actual social contributions as the sole basis for estimating the quarterly actual social contributions category.

Guidance

Actual social contributions should be based on direct quarterly information. Member States should seek to identify cash or adjusted cash data at a timeliness of t+3 months. Where it is necessary to estimate some part of the quarterly pattern, the estimation procedure should seek to take account of changes in wages and salaries information for the quarter and changes in contribution rates.

When estimation is required, the normal approach has been to select clearly related variables that measure some aspect of the quarterly activity and to build what can be termed a closed statistical model based on these variables. The key variables used are a) wages and salaries data and b) information on contribution patterns in the quarter being estimated c) changes in the legislation of the social security system (e.g. changes in the social contribution rates). As with all estimates, their basis should be revisited by the compiler for each quarterly compilation.



Recording of D.5 Taxes on a quarterly basis

Issue

For some D.5 taxes, there is no clear link between the taxation and the underlying economic event on which the taxation is based. In practice, basic tax data are available to the compiler normally in aggregate form for a quarter but it is not possible to identify clearly the reference quarter in which the tax should be accrued.

Flexibility exists within ESA95 text to allow D.5 taxes to be recorded on an accruals basis or a due for payment basis. The question then arises as to how to record the important D.5 taxes for which the link to the underlying economic activity is not established?

ESA95 References

Paragraphs 1.57; 4.24; 4.77- 4.82

Background

This issue was central to detailed discussions within the Working Group. The taxes involved are highly significant and differences in treatment by Member States would give rise to incompatibility between Member States' statistics. The importance of ensuring that the needs of key users, such as DG ECFIN, ECB and others, were served was also apparent in discussions.

Further elements relating to the background were general issues related to the interpretation of the accruals principle under ESA95 (of relevance to the work of the annual accounts compilers, with the need for the quarterly compilers to follow the interpretations used in order to assure coherence between quarterly and annual accounts).

It was noted that the large majority of Member States (based on a special questionnaire in late 2000) currently rely upon the flexibility allowed by ESA95 and record these taxes on a due for payments basis, in both annual and quarterly accounts. There is thus no spreading of the payments over the four quarters of the year.

It was noted that the main difficulty in seeking to implement a full accruals basis in annual accounts is that amounts related to final balances are available a long time after the end of the year to which they relate, and that they cannot usually be isolated from amounts related to pre-payments or deductions at source. For quarterly accounts the situation is even more complicated, as, in the case of quarterly pre-payments, these pre-payments cannot be considered as representative of the quarterly activity. These technical issues would be the subject of further study within the Working Group.

The Working Group considered that a common agreed approach to the quarterly accounts was a high priority. The conclusion reached was that, for practical reasons, these D.5 taxes should be recorded on a due for payment basis, subject to the need to take special steps to inform users of the effect that this treatment has for the quarterly pattern of D.5 tax receipts. If an accruals basis was possible, then this approach should be applied. For this reason a special Annex is included to this manual identifying the main data patterns under D.5 by Member States. The due for payment



recording means that the technical basis on which D.5 taxes are levied and collected in a Member State affects the quarterly data pattern that arises (typically: regular pre-payments during the year the income accrued or two or three payments in a period subsequent to the year during which the income was earned).

Quarterly accounts approach

Guidance

For D.5 taxes the basis for recording in the quarterly accounts should for practical reasons follow the due for payment basis, subject to any decisions by the annual accounts compilers to refine the treatments followed in the annual accounts. Where balancing payments arise under D.5 taxes, these are recorded in the period in which they are due.

In general the need is for the quarterly accounting treatment to follow the annual accounts treatment ensuring consistency between the sum of the quarters and the relevant annual result. This follows the conventional rule that adherence to the annual accounts treatment provides a general parameter which must be respected by the quarterly accountants.

Regulation on taxes and social contributions – non-collectible amounts: quarterly aspects

Issue

Where relevant for a Member State, a common interpretation of the coefficient calculations shown in the Regulation should be ensured.

ESA95 or related References

Manual on Government Deficit and Debt (Part II.2, page 43, third edition (2010)).

Background

Regulation (EC) No 2516/2000 of the European Parliament and the Council addressed the scope and meaning of accruals for taxes and social contributions, and identified three possible approaches to recording accrued amounts. There were in brief:

A time-adjusted cash recording basis or an accruals recording approach with two possible approaches:

- adjustments to assessed amounts are reflected within the ESA category involved (i.e., the tax or social contribution category involved);

- adjustments to the assessed amounts are reflected as capital transfers.



The general principles and rules to be followed are outlined in the *Manual on Government Deficit and Debt* (Part II.2, page 46, 2010 edition). Comments here offer some further clarification given a quarterly reference period.

Quarterly accounts approach

Explanation of the problem: the question which arises is to what quarterly period the amounts found to be non-collectable are to be allocated i.e. for which quarter does the adjustment arise?

Guidance

Adjustment for amounts not considered to be collectable is to be made in the quarter in which the principal sum (e.g. the underlying individual tax or social contribution total amount which is the subject of the adjustment) was recorded. Therefore adjustments will follow the quarterly pattern for the tax or social contribution heading involved where available.

If you know the quarterly pattern of non-collectible amounts (e.g. when they arise by quarter), this pattern is used when attributing annual non-collectable amounts to quarters. If the quarterly pattern of non-collectable amounts is unknown, adjustments will follow the coefficient adjustments applied for the annual amounts which are applied equally across each quarter of the reference period subject to the sum of adjustment made to quarters equalling the overall adjustment for the reference year.

VAT³ type taxes – nature of time adjustment (D.211)

Issue

Where the VAT to be recorded is the result of a time adjustment (accruals) calculation, a number of elements in the calculation can cause potential differences in treatment.

Background

In general, data for these taxes is available on a cash basis, with a single month delay. They are typically self-assessed by the taxpayer and paid over to the State within a short time frame (one month).

Cash data recorded in the public accounts must be adjusted to an accruals time of recording basis. Typically, this requires that the characteristics of the VAT system in question are examined in order to establish an appropriate time adjustment for the cash data.

³ Note: Concerning the part of the VAT paid by Member States to the Institutions of the European Union, there was a consultation with the National Accounts Working Party (NAWP). The opinion of the majority responding NAWP members was that these payments should not be adjusted in the same way as the underlying VAT payment.



Quarterly accounts approach

Guidance

The purpose of the accruals adjustment is to allocate the VAT tax (or similar) arising to the quarter in which the economic activity occurred that gave rise to the tax liability. Conceptual adjustments may be needed in order to bring quarterly data in line with the ESA 95 concept, in particular if assessments and declarations information are used. Cash data as recorded in public accounts are time-adjusted. Amounts known during a specific quarter are allocated to the quarter they accrue, taking into account the time lag between accrual time and time when amounts are assessed or collected.

The adjustment should take account of specific features of the VAT regime. Typically, the cash receipts data for a particular month are first analysed by the legal compliance rules applying to various classes of taxpayer. Where these are different (e.g. small firms allowed a one month time lag, agricultural producers allowed 6 months), the time adjustments applied will also differ.

Taxes related to motor vehicles paid by households (D.2, D.59)

Issue

Businesses or households are commonly allowed to select the period for which they will pre-pay car taxes (i.e., 'licence payments' by households that provide a permission to drive a vehicle or a permission to own a vehicle during a specific period. These are treated as taxes in the system and reflected under D.2 (business) or D.5 (households).

ESA95 References

Paragraphs: 1.57; 4.82; (D.29) 4.22; 4.23b; (D.59) 4.77; 4.79d

Background

Increasingly, a wide range of consumer friendly options are being developed by government to allow businesses or householders to pay these fees (i.e., taxes in the system) in a manner which avoids large once-off annual payments. It follows that many of the cash receipts data available from the local government sources typically indicates the cash generated in the period but does not offer any detail as to the degree of prepayments that may be involved.

Quarterly accounts approach

Guidance

In theory, the tax receipts under this heading should be attributed in line with the pattern of rights obtained when the household makes the payment e.g. if the right is purchased for a 6 month period, it should be allocated evenly over the 6 months, subject to the need to agree with the amount shown in the annual account.

Where the tax is levied solely on a quarterly basis the link with a particular quarter's economic



activity will be apparent (time adjustment may or may not be necessary depending upon the nature of the rights purchased when paying the tax).

In practice this information is not available in most Member States. Whilst the accrual principle is clear the application of practical solutions is envisaged up to the end of the derogation periods. In practice this means accepting the cash receipts for a quarter as representative of the quarter's underlying economic activity.

Taxes related to property (levied annually) (D.29, D.59)

Issue

Where taxes are raised on land or property and levied once in a fiscal year by General Government, in what quarterly period shall be the annual tax recorded?

ESA95 References

Paragraphs 1.57; 4.82; (D.29) 4.22; 4.23a; (D.59) 4.77; 4.79a.

Background

A variety of property taxes exist which, whilst generating a small amount of revenue for the EU Member states, create difficulties for the quarterly recording. Such property taxes are treated in the system as Other taxes on production (D.29) when paid as a result of engaging in production activities or as Other current taxes (D.59) when paid as a result of ownership or use of land or buildings by owners.

Taxes on land and buildings, when recorded under D.2, are normally spread over the four quarters (as these taxes are related to a process of production).

Identifying an appropriate quarterly recording when these are recorded under D.5 requires that the underlying basis for levying these taxes be considered, in order to make a distinction between the moment of assessment and the accruing period.

This point can be highlighted relying upon the relevant ESA95 paragraphs: 'The system records flows on an accrual basis; that is, when economic value is created, transformed or extinguished, or when claims and obligations arise, are transformed or are cancelled'.

From this we conclude that it is relevant to look at the moment in time when tax claims and obligations arise. This will include a consideration of the basis on which the tax is levied by the tax authorities. In these taxes the relevant feature is the fact of ownership [see further par.

4.82 which establishes the moment of recording of current taxes on income and wealth, etc. and identifies that they are to be 'recorded at the time when activities, transactions or other events occur which create the liabilities to pay'. Land taxes (when paid by owners) form a part of this ESA tax category. For such land taxes the 'other events' cited are the existence or non-existence of ownership rights] and the relevant moment of registration can be distinguished between situations existing at a moment in time or which persists over time (e.g. ownership over a full year).

These points support a possible distinction based on whether the tax is levied with respect to a



moment in time (record in that quarter) or for a situation persisting over time (record over the quarterly periods involved).

In arriving at conclusions here it was also felt relevant to consider the overall weight of these taxes in the system (not significant) to see if a common treatment could be arrived at. On this basis, the Working Group concluded that such D.5 taxes should in practice be treated in a similar manner to the equivalent taxes recorded under D.2. This conclusion was based on a strictly practical reasoning e.g. that the amount of the D.5 taxes involved was relatively small.

Quarterly accounts approach

Guidance

The general rule for land and property taxes is that such annual taxes are accrued to the four quarters of the reference year, aligning with the amount recorded in the annual accounts. Normally, it means that the amounts are distributed over the 4 quarters equally. This solution is applied to land taxes regardless of whether they are levied in respect of ownership at a particular moment in time or for ownership over time or whether they are recorded under D2 or D5. In general, recording should be coherent with the equivalent annual treatment.

However, if the tax (under D.2 or D.5) is payable in lump sum payments for a global amount which is unknown at the end of the first quarter of the year to which the tax will relate, it is acceptable not to accrue to the four quarters. Rather the tax is recorded in the quarter when it is due for payment.

Inheritance taxes and succession taxes (D.91)

Issue

To state the manner in which the accruals recording for inheritance taxes should be applied.

ESA 95 References: Paragraphs 4.148 – 4.151

Background

As with the general principle, cash data are normally time adjusted in line with the delay between the underlying event and the payment period involved by tax. In general, Capital taxes are recorded in the quarter when tax liabilities arise i.e. the making of an assessment for tax (normally after the legal administrative work is completed).



Quarterly accounts approach

Explanation of the problem: Clarifies that it is the moment when the tax liability is created that is relevant for the accruals adjustment. It follows that time adjustment calculations will seek to reattribute cash receipts in a particular reference quarter to the earlier quarter in which the assessment was raised.

Guidance

Two situations arise depending upon the degree of predictability of the legal processes affecting the assessment and payment of capital acquisitions or inheritance taxes.

Where taxes are attributable to an underlying economic period the accruals principle means that the taxes should be recorded for that period. This is typically the case where some uniformity is identifiable in the average period of time between the relevant event and the payment of the tax.

Where no discernible or stable pattern is identifiable, the taxes should be recorded on a due for payment basis.

b. Transactions covered by European Parliament and Council Regulation (EC) No 1221/2002

Intermediate Consumption (P.2)

Issue

According to ESA95 paragraph 3.72, products used for intermediate consumption should be recorded and valued at the time they enter the process of production. Would it be reasonable to apply an average time lag when recording these amounts?

Background

For intermediate consumption, the delays in payments and the purchase for stocks would need to be evaluated, in order to account correctly the amounts involved. One could say that if the quarterly data is on a cash basis it would be reasonable to apply a time lag (or an average time lag), in order to adjust the cash payment to the moment in which the inputs are used in the process of production. Also, it could be taken into account the policy of purchases for stocks undertaken by general government. In some circumstances, the government purchases a considerable amount of goods once or twice a year that are to be consumed during the all year. In practice, it is not possible to take into account a time lag that would reflect these two aspects (delay in payments vs. purchase for stocks).



Quarterly accounts approach

Guidance

Due to practical reasons, intermediate consumption could be recorded on a cash basis, exception made when it is possible to identify extraordinary payments, so that the amounts involved can be recorded according to ESA95.

Output (P.1)

Issue

Output is to be recorded (ESA95 paragraph 3.46) and valued when it is generated by the production process. It should be analysed if an amount that is paid once a year to general government but related to its activity during the all year, should be recorded in a similar way to taxes.

Concerning the other non-market output it should be discussed if adjustments should be made to these kind of payments (for instance, in the case of school fees).

Background

Market Output (P.11)

In general government, whenever the government issues licences as a means of organising some proper regulatory function (such as checking the competence, or qualifications of the person concerned), the payments made should be treated as purchase of services from government rather than payments of taxes, unless the payments are clearly out of all proportion to the cost of providing the services.

However, if the licences are granted automatically on payment of amounts due, the fees are classified as taxes. Taking into account that quarterly data are based on direct information, in many cases the amounts considered as sales in national accounts are recorded in public accounts as taxes. Sometimes, they ought to be paid once or twice a year. In such cases, a similar treatment should be applied as for the other type of taxes which was previously discussed, for the recording of taxes and social payments according to *Commission Regulation 264/2000*. This means that if related to land and property, the annual taxes are accrued quarterly and should be spread over the four quarters.



Quarterly accounts approach

Guidance

Whenever a fee is paid once a year but the general government renders the service during the whole year, the amount should be spread over the four quarters.

Payments for other non-market output (P.131)

Background

General government may charge, for example, nominal fees for education and health services. A seasonal pattern is inherent in these payments since education fees are charged during the school year and the fees in the hospitals tend to increase in particular circumstances. For some receipts, it would be very difficult to record these amounts on an accrual basis because this would imply subsequent adjustments in other components in order to maintain the consistency of certain aggregates such as other non-market output.

Guidance

It appears to be more reasonable to accept and try to explain to the users the pattern of this aggregate and the seasonality of certain activities instead of doing major adjustments to its components.

Gross capital formation (P.5)

Issue

Gross fixed capital formation (P.51) is recorded when the ownership of the fixed assets is transferred to the institutional unit that intends to use them in the production (ESA95 paragraph 3.112). Due to the fact that general government may delays payment, additional time adjustments are possible.

Background

If accrual accounting is used in government budgeting, no major difficulties are to be expected. However, some problems might arise if a cash basis is used because in some countries, general government might deliberately delay the payments of the fixed assets and adjustments might be needed. If for instance, there's the tendency to concentrate payments in the final quarter of the year. If more detailed information was available in the public accounts, by type of asset, it would be possible to establish a proxy pattern taking into account the related activity. These aspects are relevant in the case of construction and work-in-progress. The analysis of the behaviour of general government with its suppliers, the way general government manages its stocks of products, could also help in classifying the general government policies in this field. However,



for most of the countries it is not possible to obtain this additional information and details.

Quarterly accounts approach

Guidance

Gross fixed capital formation should be recorded on a cash basis, exception made when is possible to identify extraordinary payments so that the amounts involved can be recorded according to ESA95.

Compensation of employees (D.1)

Issue

The time of recording of some components raises further analysis, in particular, when “lump sum” payments are made.

Compensation is recorded on an accrual basis, at the time the work is done, and not at the time the wage is due for payment or paid. Wages includes bonus and other lump sums (due to arrears or contract renewal) paid, and the relevant time of recording can be difficult to determine: when covering long periods of employment, it is often the time of determination of the bonus rather than the time period that the bonus is nominally intended to cover.

Background

Compensation of employees (D.1) includes wages and salaries (D.11) paid as well as employers' social contributions (D.12), including imputed social contributions.

It appears to be difficult to treat each component of compensation of employees: wages and salaries (D.11), employers' actual social contributions (D.121) and employers' imputed social contributions (D.122) separately. The transmission of quarterly data under *Regulation 1221/2002* concerns compensation of employees and it is not required to individualise each component.

The source information is usually too aggregated to allow a separate treatment. If this is possible, the quality standards of this transaction would improve because it would be possible to identify in a more accurate way amounts which could be classified as intermediate consumption or as other transactions. On the other hand, the possibility of having a separate value for the employers' imputed social contributions (D.122) would validate the amounts recorded as imputed social contributions (D.612) and as unfunded employee social benefits (D.623).

Wages and Salaries (D.11)

The time of recording of wages and salaries (ESA95 paragraph 4.12a)) is the period during which the work is done. The rule to be applied would be to adjust wages and salaries to the period the income is earned (t-1). However, ad-hoc bonuses or other exceptional payments, 13th month, etc. are recorded when they are due to be paid.



The *Handbook on Quarterly National Accounts* recognises (paragraph 3.115) that increased payments in a particular quarter are likely to represent rewards for economic activity which has been undertaken over a number of earlier quarters. And it would be expected, reflecting the principles of accrual recording, that the amounts over and above the 'normal' payment for the quarter should be spread over the earlier quarters. The solution adopted in this Handbook is that whenever those 'lump sum' payments of wages and salaries are made, no adjustments are to be done due to practical difficulties. 'Lump-sum' payments of wages and salaries in cash include: bonuses based on productivity or profits, Christmas and New Year bonuses (excluding employee social benefits), 13th-14th month pay (annual supplementary pay), ad-hoc bonuses or other exceptional payments linked to the overall performance of the enterprise made under incentive schemes and exceptional payments to employees who leave the enterprise, if those payments are not linked to a collective agreement⁴.

Employers' actual social contributions (D.121)

Its time of recording is (ESA95 paragraph 4.12b) in the period during which the work is done. Priority should be given to consistency with wages and salaries transactions. This aspect is of major importance when analysing the consistency of other aggregates.

Employers' imputed social contributions (D.122)

The employers' imputed social contributions representing the counterpart of compulsory direct social benefits are recorded in the period during which the work is done, and when representing the counterpart of voluntary direct social benefits are recorded at the time these benefits are provided. For the accounting of this transaction on a quarterly basis it seems easier to identify the direct payments that are to be made by the employer and record it according to ESA95, on a quarterly basis, when this is the procedure used in annual accounts.

Quarterly accounts approach

Guidance

Whenever "lump sum" payments occur, no adjustments are expected to be made due to practical difficulties. The consistency of the wages and salaries with the actual and imputed social contributions should be assured.

⁴ Those were the main findings of a questionnaire on the definition of 'lump sum' payments of wages and salaries that was sent by Eurostat to the Members of the Working Group on Short-Term Public Finance Statistics in April 2004. However, opinions were divided regarding the inclusion of official holidays or annual holidays in the above definition.



Subsidies (D.3)

Issue

Subsidies are recorded (ESA95 paragraph 4.39) when the transaction or the event (production, sale, import, etc) which give rise to the subsidy occurs. Subsidies are often paid once a year although related to an economic activity of a whole year. With cash based accounting system additional adjustments are needed.

Those were the main findings of a questionnaire on the definition of ‘lump-sum’ payments of wages and salaries that was sent by Eurostat to the Members of the Working Group on Short-Term Public Finance Statistics on April 2004. However, opinions were divided regarding the inclusion of official holidays or annual holidays in the above definition.

In most cases the subsidies are paid by general government once a year. The budgeted value of the subsidy will not differ a lot from the amount that is actually paid, exception made to some activities, such as agriculture.

The quarterly pattern of subsidies has already been studied in the *Handbook on Quarterly National Accounts* (paragraph 3.134) due to the importance of its recording on an accrual basis. If the subsidies are made to public and private corporations, it might be possible to obtain some information about its accrual time of recording.

Quarterly accounts approach

Guidance

For practical reasons it seems more suitable, whenever not possible to obtain information about the quarterly path, to estimate the subsidy on the economic activity to which it relates or to spread the amounts paid annually over the preceding four quarters.

Property income (D.4)

Issue

Further guidance could be needed on the recording of property income, in particular for the dividends, since they should be recorded when due to be paid.

Background Interest (D.41)

Interest (ESA95 paragraph 4.50) is recorded on an accrual basis: that is, interest is recorded as accruing continuously over time to the creditor on the amount of principal outstanding. The interest accruing in each accounting period must be recorded whether or not it is actually paid or added to the principal outstanding.



Dividends (D.421)

Dividends are recorded (ESA95 paragraph 4.55) at the time they are due to be paid as determined by the corporation. According to this reasoning it is appropriate to record them in the quarter which is determined by the corporation (usually, it is the second quarter).

Quarterly accounts approach

Guidance

The recording of interest presents no major difficulties on a quarterly basis since the detailed information by type of instrument is usually available in a similar way to that on an annual basis.

Concerning dividends, the amounts are known in the previous year and it seems possible to clearly identify the most significant amounts that are to be paid, for instance, by the biggest public corporations.

Social benefits in kind (D.631)

Issue

Social benefits (ESA95 paragraphs 4.105-4.107) in cash are recorded when the claims to the benefits are established. Social benefits in kind are recorded at the time the services are provided, or at the time the changes of ownership of goods provided directly to households by non-market producers take place. It is important to record this transaction on an accruals basis, consistent with the annual accounts. The public accounts in some cases do not reflect at all the correct amounts if they are on cash basis.

Background

Complementary sources, such as from health institutions (most of the other social security benefits in kind consist of medical or dental treatments, surgery, hospital accommodation, etc.) might need to be explored in order to obtain the accrual information on a quarterly basis.

Quarterly accounts approach

Guidance

The importance of following the accrual principle seems to be relevant for these transactions. Additional sources could be used for that purpose.



Current transfers (D.7)

Issue

This transaction is composed of net non-life insurance premiums (D.71), non-life insurance claims (D.72), current transfers within general government (D.73), current international cooperation (D.74) and miscellaneous current transfers (D.75). The first two transactions are recorded as uses and resources, respectively, in the accounts of general government. Their quarterly recordings raise no major problems, nor are they expected to be relevant in general government accounts. The net non-life insurance premiums are recorded when they are earned and the net non-life insurance claims are recorded at the time the accident or other event insured against occurs.

Background

The current transfers within general government (D.73) were discussed previously in the item “consolidation” (II.1.c), when presenting for consolidation guidelines.

Current international cooperation (D.74) is recorded at the time the regulations in force stipulate the transfers that are to be made (obligatory transfers), or the time the transfers are made (voluntary transfers).

Miscellaneous current transfers (D.75) are globally recorded (ESA95 paragraph 4.140) when they are made, except those from or to general government, which are recorded when they are to be made. It includes, for instance, current transfers to NPISHs (recorded at the time they are made), fines and penalties (recorded at the time the liabilities arise), payments of compensation (recorded when they are made – ex gratia payments, or when they are to be made – compulsory payments), GNI-based fourth own resource (recorded when it is to be paid), and others such as payments by general government to public enterprises classified in the non-financial corporate sector and to quasi-corporate enterprises intended to cover abnormal pension charges.

On a quarterly basis some difficulties may arise in the correct accounting of current transfers to NPISHs since no detailed information might be available. These transfers should be recorded in the quarter they are made. The fines and penalties recorded under D.75 are those imposed on institutional units by courts of law or quasi-judicial bodies. They should be recorded at the time the liabilities arise. However, due to the information available it might be only possible to record them in the quarter in which the court decision is known and subsequently applied.

Quarterly accounts approach

Guidance

For the recording of current international cooperation it is important to take into account the quarterly information from the balance of payments and the treatment implemented in annual accounts. Due to the fact that the information on current international cooperation is based on two sources (general government and rest of the world accounts) it is advisable to challenge the information available in order to record in an accurate way the amounts involved.

In general, the current transfers should be recorded in the quarter in which they are due to be



made. No further adjustments seem reasonable to be applied.

Capital transfers (D.9)

Investment grants (D.92)

Issue

Investment grants in cash (ESA95 paragraph 4.162) are recorded when the payment is due to be made. Investment grants in kind are recorded when the ownership of the asset is transferred.

Background

Besides the consolidation issues, there are no difficulties in implementing the same treatment as for annual accounts. Constraints are to be expected if the accounting procedures of public accounts are on a cash basis and if there are divergences in the moment in which they ought to be paid. An important aspect is to clearly distinguish capital transfers from current transfers in the basic sources.

Other capital transfers (D.99)

Issue

Other capital transfers in cash are recorded (ESA95 paragraph 4.166) when the payment is due to be made and the other capital transfers in kind are recorded when the ownership of the asset is transferred or the liability cancelled by the creditor.

Background

As this transaction includes a mix of transfers it might be suitable to distinguish them. If the payments are made to the owners of capital goods destroyed or damaged by acts of war or natural disasters or if are legacies or donations, they should be recorded in the quarter when the payment is due to be made (if transfers in cash).

Quarterly accounts approach

Guidance

If the other capital transfer made by general government to corporations is to cover losses accumulated over several years, or if they are the counterpart transaction of cancellation of debts by agreement between institutional units belonging to different sectors or sub-sectors, they should also be recorded when the payment is due. Additional investigation might be needed in these circumstances since the quarter in which the general government records the transfer might not be the same as that understood by the counterpart.



3. ABSENCE OF CLEAR ECONOMIC LINK – QUARTERLY ISSUES

a. Wages taxes -Arrears

Issue

Where wages taxes are paid in arrears, to what period is the associated tax and social contribution to be related?

Background

Normally, taxes or social contributions paid in respect of earnings and recorded in the system as compensation of employment can be attributed to the underlying period in which the salary or wage is earned without difficulty.

SNA93 paragraph 7.21 provides the following guidance when considering Compensation of Employees: "Compensation of Employees is recorded on an accruals basis: i.e., it is measured by the value of the remuneration in cash or in kind which an employee becomes entitled to receive from an employer in respect of work done during the relevant period, whether paid in advance, simultaneously or in arrears of the work itself." The recording time is therefore the time at which the work is done, and not the time at which the wage is due for payment or paid.

The general rule is then to time adjust the taxes or social contributions to the period in which the income is earned (normally $t-1$). Special rules apply to 13th month or special holiday payments which have the effect of recording taxes or social contributions for these amounts on a due for payment basis.

One question which arises is how to deal in the quarterly accounts with wage or salary arrears when these are paid some time after they are earned.

Many European economies have a system of wage bargaining or wage negotiation, which lead to payments of incremental wage increases in arrears. This may be an occasional event or an institutionalised aspect of national or sectoral wage arrangements. Typically wage increases are paid retrospectively. This involves receipt of a lump sum by the employee, which is normally subjected to tax, through 'Pay as you earn' (PAYE) or similar arrangements, in a later period.

In the situation described, it must be clear that households are aware of the impending wage increase. It can be said to affect their economic behaviour. Information will also normally be available. The legal position under the tax system is also commonly that the salary increase is taxable at the rates applicable in the earlier period.

These points suggest that the accruals adjustment should locate the wage increases involved in the period in which they are earned (i.e., the period in which the work took place).



Quarterly accounts approach

Guidance

In this situation, the tax and social contribution receipts will best be attributed to the period in which the salary or wage was earned. However the quarterly detail to allow this treatment is not always available. Therefore in practice such taxes and social contributions need only be time adjusted to the period in which the associated income paid in arrears was earned when the taxes or social contributions are a) substantial in nature and b) information to allow this treatment is available.

b. Taxes paid where the link between the payments and the underlying economic period to which they are attributable cannot be established

Issue

Certain taxes, whilst levied in respect of gainful or economic activity in earlier periods, cannot be attributed to specific economic periods because of the nature of the tax assessment basis. The question arises as to what the accruals basis of ESA95 means in these cases.

Background

Some Member States noted that certain income taxes cannot be attributed to particular economic periods, either because the underlying economic period was not identifiable in practice or had no significance in practice for the tax imposed. Typically this involves certain income taxes imposed after the economic period with respect to it (i.e., marginal increases in tax rates arise or once off taxes are imposed).

Quarterly accounts approach

Guidance

This type of taxes is assessed after the year during which the income accrues. The amounts assessed and collected during a specific year may relate to income accrued during two or more different years. There is no link in this case between amounts assessed/collected and the activities which create the liability to pay taxes.

No systematic spreading over the quarters of such amounts is recommended and they should normally be recorded on a due for payment basis. Note that the treatment offered here relates to only that part of the taxes which are found to be non-attributable to the relevant economic period.

The quarterly accounting followed must however ensure the coherence between the annual and quarterly recording.



c. Forestalling/pre-payments (D.214)

Issue

There can be situations in the quarterly context where the basic statistics available to the compiler suffer from some external effect, such that the application of the ESA95 accruals principle requires the compiler to consider the need to adjust the basic data to meet the accruals rule contained in ESA95. A specific example is the case of what may be termed Forestalling/Pre-payments by producers as they affect D.214.

ESA 95 References

Paragraph 4.19 and especially paragraph 4.20a.

Background

Significant pre-payments of taxes can arise as part of tax minimisation strategies pursued by individuals or companies who sell products which are subject to excise duties and consumption taxes. This can lead to large once-off increases in such taxes when the underlying rate of taxation is increased as a result of budgetary measures. Typically increases in excise or consumption taxes are announced as applying from a point in the future and such once-off large increases in taxation receipts may occasionally need to be adjusted to allow a better apportioning of receipts to the economic period in which the goods will ultimately be introduced to the consumer. However, there exist difficulties in seeking to identify minor forestalling/pre-payment events, which means that it is not possible to apply this desirable adjustment in all circumstances (with precision).

Quarterly accounts approach

Explanation of the problem: the question which arises is whether the quarterly compiler should adjust basic data to account for forestalling needs to be accounted for, and what approach is to be taken by the compiler.

Guidance

In general, national accountants are rightly reluctant to change basic data without strong reasons, i.e., a clear need to reflect an economic reality that is not shown if basic data are left unadjusted. Forestalling or pre-payments should not be specifically addressed by the compiler except where the amounts involved are highly significant and where information can be obtained. Where these conditions are met, a time shifting in the accruals calculation may be made.

Note: Expenditure-based GDP on a quarterly basis.

Particular attention must be paid to the need to ensure consistency in the valuations used when deriving expenditure based GDP where such an adjustment is made. (The valuation rules for stock changes generally require that the taxes be recorded when the goods are purchased and not necessarily when they are sold to the consumer; a matching correction will be required).



Part III – Member States' Compilation Practices

Country descriptions

Belgium
Bulgaria
Czech Republic
Denmark
Germany
Estonia
Ireland
Greece
Spain
France
Italy
Cyprus
Latvia
Lithuania
Luxembourg
Hungary
Malta
Netherlands
Austria
Poland
Portugal
Romania
Slovenia
Slovak Republic
Finland
Sweden
United Kingdom



SUMMARY

Abstract:

We first look at the list of general government expenditure and revenue categories covered by the two legal acts: CR 264/2000 and Regulation 1221/2002 of the European Parliament and of the Council and seek to establish their relative importance. We then consider the use by Member States of 'direct information' in their compilation methods. We establish a description of the degree of compliance with the direct information rule. Addressing ourselves to the question of consistency with ESA 95 rules, we briefly summarise the practices of member states and provide a description of the relationship between annual and quarterly accounts. A short summary by category is then provided followed by a final section, which considers the publication and revision policies followed by Member States' compilation practice for the main categories of expenditure and revenue.

Individual country summaries take a uniform reporting approach. The reports have been drawn in the following way:

On Commission Regulation 264/2000

- a . Member States first provided detailed descriptions under Article 7(1) [received in Eurostat in early 2000];
- b . Eurostat then reassembled the material to a common structure and issued individual country drafts to member states for comment [June 2000];
- c . Member states reviewed and made complete the draft country report [June to December 2000] with further remarks and precisions offered during 2001.

On Regulation 1221/2002 of the European Parliament and Council

- a . Member States first provided detailed descriptions under Article 7(1) [received in Eurostat in 2003-2005];
- b . Eurostat then reassembled the material to a common structure and issued a first draft to Member States for comment [November 2004];
- c . Member States reviewed and made complete the draft country report [November 2004 to May 2005] with further remarks and precisions.

Layout of country report headings used in Sections.

Compliance with Commission Regulation 264/2000 and Regulation 1221/2002 of the European Parliament and of the Council (Articles 3 and 4)

1. Use of direct information (90% criteria)



2. Compliance with ESA 95 rules
3. Consistency between annual and quarterly data
4. Revision policy
5. General remarks
6. Expenditure of general government

P2 Intermediate consumption

P5+K2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

D1 Compensation of employees

D29 Other taxes on production, payable

D3 Subsidies

D4 Property income, payable

D5 Current taxes on income, wealth, etc., payable

D62 Social benefits other than social transfers in kind

D6311+D63121+D63131 Social transfers in kind related to expenditure on products supplied to households via market producers

D7 Other current transfers, payable

D8 Adjustment for the change in net equity of households in pension funds reserves

D9 Capital taxes, investment grants and other capital transfers, payable

7. Revenue of general government

P11+P12+P131 Market output, output for final use and payments for the other non-market output

D2 Taxes on production and imports

D39 Other subsidies on production, receivable

D4 Property income, receivable

D5 Current taxes on income, wealth, etc.

D611 Actual social contributions

D612 Imputed social contributions

D7 Other current transfers, receivable

D91 Capital taxes

D92+D99 Investment grants, other capital transfers, receivable

8. Future developments



BELGIUM**Description of Belgian practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The 90% criteria set out in Article 3 of Commission Regulation (EC) 264/2000 is fully respected for Tax data (D2, D5 and D91) and for Actual Social Contributions (D611). One exception is Social Benefits (D62) for which the criterion is not respected every year, but is close to the minimum standard.

The use of direct information is generally considered as the best method, specially in the case of significant one-off events (interim dividends, sales of non-residential buildings or lands, sales of mobile phone licences, large capital transfers, large one-off transactions affecting the level of purchases/sales of goods and services, etc.).

For the time being, there are no quarterly indicators available with a sufficient quality for a limited set of ESA95 transactions (in expenditure: P.51 partim, D.1, D.3; D.7 partim; in revenue: P.11+P.12+P.131, D.4 partim, D.612, D.7 partim) to be reported according to European Parliament and Council Regulation (EC) 1221/2002. As a consequence, the annual ESA95 figures for these transactions are smoothed over the four quarters of the year, by applying a linear trend⁵.

Annual forecasts are used to compile the quarterly data of the current year of some transactions. These forecasts are established and updated on a regular basis by the Research Department of the National Bank of Belgium (NBB) in collaboration with the National Accounts Division of the General Statistics Department of the NBB which is in charge of the compilation of the quarterly and annual general government accounts in cooperation with the Federal Planning Bureau.

For some of the transactions, the choice of a smooth distribution is not only justified by the lack of good basic quarterly indicators but may also be justified by the fact that these transactions are very stable over the quarters and/or that the ESA95 imply a recording on an accrual basis and not at the time the payment is made.

⁵ The model used avoids the artificial break between the fourth quarter and the first quarter of the following year when annual flows are divided by 4.



Examples:

Market output + Output for own final use + Payments for the other non-market output

Some of the receipts included under these items are paid once a year or according to a fixed schedule during the year, but the services are supplied throughout the year (the garbage disposal fees, the rentals for the real estate services of non-residential buildings, the payment for the collection of taxes on behalf of the Institutions of the European Union, the course and examination fees in high schools and universities, etc.).

Subsidies, payable

The calendar of payment orders is not significant from an economic point of view (some payments can be related to several months of activity).

2. Compliance with ESA95 rules

Basic data are transformed to fully comply with ESA95 concepts.

3. Consistency between annual and quarterly data

Annual data and quarterly data are compiled independently (although in some cases, the link between them is obvious: $\sum(Q_i) = Y$). The source data for the compilation of quarterly accounts are the Ministry of Finance and other administrative bodies.

In the national accounts, both quarterly data and annual data are integrated to obtain coherent data. For the years for which the annual national accounts exist, the quarterly data are adjusted to the annual data through the use of the Chow and Lin method (see *infra*) applied to relevant quarterly "indicators". For the years for which the annual national accounts have not yet been published, the quarterly accounts are generated with the same method, i.e. using the indicators.

When data must be compiled for the fourth quarter of a year for which no annual data are available, the provisional annual information is integrated into the calculation. This working method produces a result which is close to the result that will be obtained when drawing up annual accounts at the end of September.

4. Revision policy

Revision policy depends on whether the annual national accounts exist or not. In the first case, the quarterly data are revised only when a new version of the annual data has been calculated; while in the second case, the quarterly data are revised at the moment a new quarter is estimated.



5. General remarks

Quarterly results for a given item under expenditures/revenues are obtained by interpolating annual data on the basis of the quarterly indicators. The method of interpolation is based on the Chow and Lin model which is constructed so that the quarterly series are bound to be perfectly consistent with the annual series and provides optimal extrapolations for the current year based on related series observed in the past.

In order to obtain quarterly estimates for year $t+1$ for a particular category, assuming that an annual measure is available for year t , we have to:

- calculate the quarterly value from the annual value in line with the ESA95 using the quarterly indicator for the period from 1980 up to t using the Chow and Lin method which adjusts quarterly amounts to the annual amount;
- supply the indicator for the quarters of year $t+1$;
- apply the Chow and Lin method to estimate the quarters after year t taking into account differences noted in the past between the annual value of the quarterly indicator and the final value calculated in the ESA95 annual national accounts.

6. Expenditure of general government

For the time being, infra-annual data are available for the expenditure recorded in the budgets of the Federal State (S.1311) and in the budgets of Communities and Regions of the sub-sector state government (S.1312). For the expenditure of autonomous units of these two sub-sectors and also for the expenditure of local government (S.1313), no quarterly indicators are available. For the expenditure of social security funds (S.1314), only quarterly indicators for the social benefits are available.

P2 Intermediate consumption

SOURCES

Central Government and State Government

Most of the information used to establish quarterly patterns (e.g. to develop indicators) is available six weeks after the end of the quarter.

Data are available on a payment order basis.

Local Government and Social Security Funds

No direct information is available on a quarterly basis.

METHODS

General Government

Chow and Lin method: see general remarks.



P5+K2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

P51 Gross fixed capital formation

SOURCES

Central Government and State Government

Most of the information used to establish quarterly patterns (e.g. to develop indicators) is available six weeks after the end of the quarter.

Data are available on a payment order basis.

Local Government and Social Security Funds

No direct information is available on a quarterly basis. This is a problem because the local government is one of the two sub-sectors realising the bulk of the gross fixed capital formation made by general government.

METHODS

General Government

Chow and Lin method: see general remarks.

P52+P53+K2 Changes in inventories, acquisitions less disposals of valuables and acquisitions less disposals of non-financial non-produced assets

There are no basic quarterly indicators for changes in inventories (P.52). Therefore, the same indicator as the one for gross fixed capital formation is used.

Acquisitions less disposals of valuables (P.53) are included in gross fixed capital formation (P.51).

The present description concerns only the acquisitions less disposals of non-financial non-produced assets (K.2).

SOURCES

Central Government and State Government

Most of the information used to establish quarterly patterns (e.g. to develop indicators) is available six weeks after the end of the quarter.

Data are available on a payment order basis.



Local government and Social Security Funds

No direct information is available on a quarterly basis.

METHODS

General Government

Chow and Lin method: see general remarks.

D1 Compensation of employees

Two sub-series are distinguished within the compensation of employees item: compensation of employees excluding imputed social contributions (D.1-D.122) and the imputed social contributions (D.122 or D.612).

The description of sources and methods concerns only compensation of employees excluding imputed social contribution (D.1-D.122). For the imputed social contribution, see infra.

SOURCES

Central Government and State Government

Most of the information used to establish quarterly patterns (e.g. to develop indicators) is available six weeks after the end of the quarter.

Data are available on a payment order basis.

Local government and Social Security Funds

No direct information is available on a quarterly basis.

METHODS

General Government

The indicator for the first quarter reflects in part the amount related to the month of December⁶ generally paid on the first working day of the following January and would be difficult to correct. In practice, for D.1-D.122, a distribution of the yearly estimate of D.1-D.122 over the four quarters is used (yearly estimate distributed over the four quarters taking into account that the holiday bonuses are paid in May and that the New Year bonuses are normally paid in December).

⁶ Royal Decree No 279 of 30 March 1984 on the due-date payment of the salaries and pensions of certain public sector agents stipulates that the payment of salary for the month of December must take place on the first working day of the following month. The annual impact of one month's time adjustment of remuneration has always been quite small, apart from when it was first applied in 1984. This is not the case in the quarterly accounts.



The weights for each quarters have been calculated on the basis of the declarations from employers in the general government sector to the National Social Security Office (NSSO).

D29 Other taxes on production, payable

This item is not registered separately in the annual accounts. The amounts of other taxes on production are negligible and are compiled under the item intermediate consumption (P2).

D3 Subsidies

SOURCES

Central Government and State Government

Data are available on a payment order basis.

Local Government and Social Security Funds

No direct information is available on a quarterly basis.

METHODS

General Government

This item is defined by the following equation:

$$D3 = D3 \text{ (total paid by General Government and Institutions of the EU)} \\ - D3 \text{ (subsidies granted by the Institutions of the EU)}$$

The annual amount is smoothed for distribution over the four quarters of the year in question.

The choice of this method is not only justified by the lack of any good quarterly indicators but also by the fact that ESA95 implies a recording on an accrual basis and not when the payment is made.

The payment orders schedule is not significant from an economic point of view (some payments can relate to several months of activity).

D4 Property income, payable

This item concerns the interest charge and the property income attributed to insurance policy-holders by some non-autonomous pension funds. The other components are either



nil (distributed income of corporations, reinvested earnings on direct foreign investment) or compiled under the item intermediate consumption (P2) in the annual accounts (rents).

SOURCES

Central Government

Data on the interest charge recorded on an accrual basis are received from the Treasury a few weeks after the end of the quarter.

State Government, Local Government and Social Security Funds

No direct information is available on a quarterly basis.

METHODS

General Government

Chow and Lin method: see general remarks.

D5 Current taxes on income, wealth etc., payable

Central Government, State Government and Local Government

The amounts under D5 are not very big and are temporarily attributed, by convention, to the fourth quarter of the year.

D62 Social benefits other than social transfers in kind

SOURCES

Central Government

Quarterly data following payment orders are available with a time lag of 3 months.

State Government and Local Government

Information on a quarterly basis is only available for the retirement pensions paid directly to their former employees: in practice, these pensions are financed by the Central Government. Quarterly data following payment orders are available with a time lag of 3 months.

Social Security Funds

Quarterly data, on an accruals basis, are available with a time lag of 3 months. Several agencies in the social security system send in information covering the following social benefits: cash benefits to persons unable to work due to sickness or injury, retirement and survival pensions, unemployment benefits and family



allowances.

METHODS

General Government

Chow and Lin method: see general remarks.

D633+D63121+D63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES

Central Government, State Government and Local Government

No direct information is available on a quarterly basis.

Social Security Funds

The information comes from the Institut national d'assurance maladie-invalidité (INAMI), the social security system agency in charge of social benefits in kind for sickness and invalidity. The information used to establish quarterly patterns (e.g. to develop indicators) is available three months after the end of the month. When the first estimate of the figure for a given quarter is calculated, only data for the first two months of the quarter are available and it is necessary to make an estimate for the third month of the quarter. In INAMI's bookkeeping, social transfers in kind are recorded when the accounting department has controlled and accepted the expenses. The data on an accrual basis recording are only available six months after the end of the quarter. When this information becomes available, it is included in the accounts.

METHODS

General Government

Chow and Lin method: see general remarks.

D7 Other current transfers, payable

SOURCES

Central Government and State Government

Most of the time, the information used to establish quarterly patterns (e.g. to develop indicators) is available six weeks after the end of the quarter.

Data are available on a payment order basis.

Special attention is paid to the GNP-based fourth own resource which is a transaction outside the budget. The figures are sent by the Federal Public Service Finance and recorded on a cash basis.



Local Government and Social Security Funds

No direct information is available on a quarterly basis.

METHODS

General Government

Chow and Lin method: see general remarks.

D8 Adjustment for the change in net equity of households in pension fund reserves

State Government and Local Government

No direct information is collected on a quarterly basis and the annual amount is distributed in a smoothed way over the four quarters of the year concerned.

D91+D92+D99 Capital taxes, investment grants and other capital transfers, payable

SOURCES

Central Government and State Government

Most of the information used to establish quarterly patterns (e.g. to develop indicators) is available six weeks after the end of the quarter.

Data are available on a payment order basis.

Local Government and Social Security Funds

No direct information is available on a quarterly basis.

METHODS

General Government

Chow and Lin method: see general remarks.

7. Revenue of general government

For taxes collected by Central Government (S.1311) and actual social contributions received by social security funds (S.1314), quarterly data are available.

For the other items on the revenue side, only infra-annual data from the revenue budget of the Federal State (S.1311) are collected.



P11+P12+P131 Market output, output for own final use and payments for the other non-market output

General Government

No direct information is collected and the annual amount is distributed, in a smoothed way, over the four quarters of the year.

The choice of the method is justified by the lack of quarterly indicators and by the fact that the transactions are very stable across the different quarters and that ESA95 implies a recording on an accrual basis and not when the payment is done.

Some of the receipts included in these items are only paid once or several times a year but the services are supplied throughout the year (garbage disposal fees, rentals for the real estate services of non-residential buildings, the payment for the collection of taxes on behalf of the Institutions of the European Union, the course and examination fees in "hautes écoles" and universities, etc.).

D2 Taxes on production and imports

D2 Non-VAT-type taxes

SOURCES

Central Government, State Government and Local Government

Information to establish quarterly patterns (e.g. to develop basic indicators) is available three months after the end of the quarter.

Data are available on a cash basis.

For the taxes received by the sub-sectors State Government and Local Government, quarterly indicators exist only for taxes collected by the Central Government and automatically transferred to the final recipient. For taxes directly paid to these two sub-sectors by the taxpayers, there are no quarterly indicators available.

Taxes collected by Central Government on behalf of State Government include some registration duties (D21), betting and gaming tax (D21), tax on automatic amusement machines (D29), tax on the opening of establishments for the sale of fermented beverages (D29) and advance payment of tax on income from real property (D29) and succession duty (D91). For Local Government, only tax on income from real property (D29) and income tax by assessment (D51) are concerned.

Since 2002, supplementary taxes have been legally attributed to the State Government and are at present collected by Central Government on behalf of State Government. These taxes are: some other registration duties (D21), taxes related to motor vehicles (D29), taxes on registration of vehicles (D21) and the Euro-toll disc (Eurovignette) (D29).

Social Security Funds:

No direct information is available on a quarterly basis.



METHODS

General Government

This item is defined as:

$$D2 \text{ (Non-VAT-type taxes)} = D2 \text{ (total paid to the tax authorities)} \\ - D2 \text{ (Non-VAT-type taxes paid to the Institutions of the EU}^7\text{) - VAT-type taxes}$$

The table below shows the items and adjustments to establish the time-adjusted cash registration.

Taxes	Time lag between the activity date (or the determination date of the amount of the tax) and the due date	Sub-sectors
Excise duty on manufactured tobacco (D212)	3 months (until 31 December 1996), 2 months (since 1 January 1997 until 31 December 2008), 1 month (since 1 January 2009)	S.1311
Advance payment of tax on income from real property (D29)	2 months	S.1312 and S.1313
Vehicle duty paid by the self-employed and corporations (D29)	1 month	S.1311 (since 2002, S.1312)
Taxes on stock exchange business (D21)	1 month (since 1 April 2002)	S.1311

These adjustments are made systematically on annual data and on quarterly data with an exception for the taxes on the ownership or use of land, buildings or other structures used by enterprises in production (in practice the advanced payment of tax on income from real property which applies mainly to buildings) for which the adjustment is only applied on annual data. The annual amount (known for past years or estimated for the current year) obtained this way is distributed, on a smoothed basis, over the four quarters of the year concerned by applying a linear trend⁸.

For other taxes on production and imports, there is no adjustment on the data on cash basis: either the time lag is very short (15 days for the excise duty on mineral oils) or the economic transaction is only known when the payment is made.

⁷ ECSC levy on mining and iron and steel producing enterprises, taxes from the common agricultural policy and customs duties.

⁸ The model used avoids the artificial break between the fourth quarter and the first quarter of the following year when the annual flows are divided by 4.



D2 VAT-type taxes

SOURCES

Central Government

Quarterly cash data are available with a delay of 3 months.

METHODS

Central Government

Taxes are recorded on a cash basis in the budgets and the data have to be adjusted for consistency with ESA95 rules. VAT is based on self-assessment, which means that the taxpayer sends to the government a return showing the amount of tax to be paid and then pays that sum in due course. A correction is made for the time difference between the payment date and the period to which it refers based on the "time-adjusted cash registration" method. For any given quarter, revenues related to economic transactions which took place during the previous quarter have to be deducted from the cash-based VAT amount, and similarly revenues in respect of economic transactions taking place during the quarter in question but collected during the following quarter have to be added.

The table below shows the items and the adjustments to establish the time-adjusted cash registration.

Taxes	Time lag between the activity date (or the determination date of the amount of the tax) and the due date	Sub-sectors
VAT (D211)	1 month	S.1311

The VAT calculated is the total of the VAT paid to the tax authorities. To obtain the VAT recorded as receipts by general government, the VAT paid to the Institutions of the EU is then deducted on a cash basis.

D39 Other subsidies on production, receivable

This transaction is nil in Belgium.

D4 Property income, receivable

General Government

Four sub-series are distinguished: the dividends received by the sub-sector Local Government, the dividends received by the other sub-sectors with a distinction for the dividends received from the central bank and the property income other than dividends.



- *Dividends received by the sub-sector Local Government*

The dividends received by the sub-sector Local Government principally include dividends paid by utilities in electricity, gas and water supply and also in cable television. The total amount is recorded in the second quarter of the year because most enterprises hold their annual general meeting of shareholders during that period. When the dividends for the second quarter of the year t are estimated, a sample of the annual accounts of the enterprises involved for year $t-1$ is available via the Central Balance Sheet Office⁹.

- *Dividends received from the central bank (NBB)*

Until 2009, the State Share in the central bank earnings represents mainly the dividends received from the central bank. They are twofold: the so-called State Share, recorded as an expense in the profit and loss account of the NBB, and the dividends paid to the State in its quality as shareholder of the NBB. However, they both form dividends paid in the sense of ESA95.

In accordance with the recommendations of the "ESA95 Manual on government and debt" on gold and foreign exchange in the central bank, the foreign exchange difference results are excluded from the dividends.

In the quarterly accounts, the annual amounts of the State Share for year t are distributed, in a smoothed way, over the four quarters of year t .

The rules on the distribution of the NBB's proceeds were modified in 2010 in accordance with the Law of 3 April 2009 amending the financial provisions of the Law of 22 February 1998 establishing the Organic Statute of the NBB. After a profit allocation for year t to dividends and reserve following the rules on the distribution of proceeds, the balance of the profit allocation accrues to the State and is paid at the end of March $t+1$ whereas the dividends are paid out in June $t+1$.

- *Other dividends*

They are recorded mainly in the second quarter for the same reason mentioned under the paragraph dealing with "dividends received by the sub-sector Local Government".

- *Property income other than dividends*

For the time being, no direct information is collected and the annual amount is distributed, in a smoothed way, over the four quarters of the year.

⁹ The role of the Central Balance Sheet Office mainly consists of gathering the annual accounts of almost all companies which are based in Belgium, in handling them and putting them at the disposal of any interested person.



D5 Current taxes on income, wealth, etc.

SOURCES

Central Government, State Government and Local Government

Sufficient information to establish quarterly patterns (e.g. to develop indicators) is available three months after the end of the quarter.

Data are available on a cash basis.

Social security funds

Quarterly data, on a cash basis, are available with a time lag of three months.

METHODS

General Government

For taxes on income and wealth, the government issues assessments for payment. The date at which the assessment is issued is chosen as the time of recording, rather than the year during which the revenue was generated. Amounts recorded are adjusted cash receipts relating to the period between the assessment issue date and the due date or final date for payment without penalty.

For pre-payments of taxes paid by self-employed persons and corporations, the indicator is on a pure cash basis.

The table below shows the items and the adjustments to establish the time-adjusted cash registration.

Taxes	Time lag between the activity date (or the determination date of the amount of the tax) and the due date	Sub-sectors
Advance payment of tax on income from capital (D51)	1 month	S.1311
Advance payment of tax on earnings (D51)	1 month	S.1311
Income tax by assessment (D51)	2 months	S.1311 and S.1313
Vehicle duty paid by households (D59)	1 month	S.1311 (since 2002, S.1312)

For the description of the statistical method, see the paragraph related to D2 Taxes on production and imports.



Remarks on the quarterly pattern of direct taxes

There are four main categories under direct taxes: the advance payment of tax on income from capital, the advance payment of tax on earnings (essentially the tax on wages and salaries retained at source by employers), the pre-payments from self-employed and corporations and the final balance (assessments). In the national accounts, these taxes are recorded following time-adjusted cash receipts data (time lag of one or two months depending on the category), except for the pre-payments which are recorded on a pure cash basis.

For the annual data, the calculation method used for the advance payment of tax on earnings and the pre-payments ensures that the full accrual principle is applied for 90 p.c. of the taxes on income. By adding the advance payment of tax on income from capital and the assessments for which we work with the assessment dates, 98 p.c. of the direct taxes on income are recorded on an accrual basis.

For the quarterly data, implementation of the full accrual basis is more difficult because the pre-payments on a cash basis are not directly linked with the developments in the business cycle: more than 60 p.c. of the pre-payments of self-employed are paid in April and corporations make 40 p.c. of their pre-payments in April and the same again in December.

D611 Actual social contributions

SOURCES

Central Government

Quarterly data are available with a time lag of three months and are cash-based data.

State Government and Local Government

No direct information is available on a quarterly basis

State Government and Local Government

No direct information is available on a quarterly basis.

Social Security Funds

Accrual data are not available with a time lag of t+3 months. Cash-adjusted data calculated from cash data transmitted by the National Social Security Office (NSSO) and adjusted by the Research Department of the National Bank of Belgium are used.

METHODS

General Government

Chow and Lin method: see general remarks.



D612 Imputed social contributions

General Government

No valid direct information on a quarterly basis is available and the annual amount is distributed, in a smoothed way, over the four quarters of the year.

For this transaction, the choice of this method is justified by the absence of suitable quarterly indicators and by the fact that the transactions are very stable across quarters.

D7 Other current transfers, receivable

SOURCES

Central Government

Most of the information used to establish quarterly patterns (e.g. to develop indicators) is available four weeks after the end of the quarter.

Data are available on a cash basis.

The part of the excise duties received from Luxembourg pursuant to the Treaty establishing the Belgian-Luxembourg Economic Union is recorded under this item.

State Government, Local Government and Social Security Funds

No direct information is available on a quarterly basis.

METHODS

General Government

Chow and Lin method: see general remarks.

D91 Capital taxes

SOURCES

Central Government and State Government

Quarterly cash data are available. The time lag is three months.

Local Government and Social Security Funds

There are no capital taxes collected by these two sub-sectors.



METHODS

General Government

The table below shows the items and the adjustments to establish the time-adjusted cash registration.

Taxes	Time lag between the activity date (or the determination date of the amount of the tax) and the due date	Sub-sectors
Succession duty (D91)	2 months	S.1312

For the description of the statistical method, see the paragraph related to D2 Taxes on production and imports.

D92 and D99 Investment grants and other capital transfers

SOURCES

Central Government

In general, the information used to establish quarterly patterns (e.g. to develop indicators) is available four weeks after the end of the quarter. Data are available on a cash basis.

State Government, Local Government and Social Security Funds

No direct information is available on a quarterly basis.

METHODS

General Government

Chow and Lin method: see general remarks.



BULGARIA**Description of Bulgarian practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The quarterly non-financial accounts of the general government sector are in accordance with the requirements of Article 3 of the *Commission Regulation (EC) No 264/2000* and of Article 4 of the *European Parliament and Council Regulation 1221/2002*. The estimates for general government main aggregates are based on direct information and the 90% criterion is fully respected.

2. Compliance with ESA95 Rules

Basic data are transformed in compliance with ESA95 concepts and rules.

3. Consistency between annual and quarterly data

The quarterly data sources and methods for compilation data are same as the annual.

4. Revision policy

Quarterly data for general government sector are revised in the following cases:

- when a new quarter is provided if necessary data for previous quarters are updated, incorporating new additional information, reclassification and other improvements;
- when the annual data become available, because the quarterly data are reported earlier than the annual data;
- in March and September, when quarterly data are adjusted in accordance with the notification tables of the Excessive Deficit Procedure;
- planned methodological revisions.

The latest planned methodological revision was held as September 2010, which was included in the Annual Statistical Programme for 2010. One of the methodological improvements was to introduce the method of modified-cash basis for taxes and social contributions according to the *Regulation (EC) No 2516/2000*, which was required by Eurostat (EDP dialogue visit to Bulgaria, 4-5 March 2008 – EC report).

5. General remarks

The main source data for compilation of quarterly and annual non-financial accounts for general government sector are:



- reports of cash execution of the consolidated state budget from the Ministry of Finance;
- the financial statements (balance-sheets and income statements) of the institutional units that are classified to the general government sector: government-owned hospitals (CG and LG); NC Railway infrastructure; the Fund for Local Authorities and Government (FLAG) and other non-market non-financial corporations. Data are collected by the Bulgarian National Statistical institute from a statistical survey for non-financial enterprises – quarterly and annually. Data are on an accrual basis;
- additional administrative information from the Ministry of Finance and other ministries and agencies, which is necessary to transform basic data onto ESA95 concepts and rules.

All budgetary entities, as well as the extra-budgetary funds and accounts, are specified in the Law on the State Budget for the respective year. Reported data from budgetary entities - revenue, expenditure, operations are consolidated in the Ministry of Finance based on the submitted trial balances in accordance with national budget classification.

The data collection provides information on the types of accounts made available by general government. The sector is covered exhaustively - the data cover budgetary and extra-budgetary accounts of the budgetary units at central level, social security funds, judiciary institutions, the public sector universities, the national radio and TV institutions, the Bulgarian Academy of Science and the budgets of local government. Local governments include operations of budgetary and extra-budgetary accounts of municipalities. Data are available for individual ministries, for different public organisations and for different functions of government. The accounts in the basic sources are the State Budget on a cash basis.

Central Government (CG) includes institutional units whose activities are financed by the Central Budget. These units are:

- National Assembly;
- Ministries, including the Council of Ministers (CM) as an autonomous unit;
- Agencies that are independent legal entities. They keep a complete set of accounts, though some of them may be controlled by other CG units (e.g. from CM or even from a ministry), or may receive a managerial mandate directly from the National Assembly (National Audit Office);
- Judiciary system units (State Prosecution, Higher Judiciary Council, Courts, Prisons administration);
- Bulgarian Academy of Science and other autonomous research and/or educational institutions (e.g. State Universities);
- Bulgarian National Television and Bulgarian National Radio;
- Extra-budgetary units/entities and accounts: Enterprise for Management Environmental Activities, Agriculture Fund, National Fund.

Local Government (LG) includes all Bulgarian municipalities as units of public administration whose legal competence, according to Bulgarian legislation, extends to an administratively outlined part of the country's territory. Local Government also includes extra-budgetary accounts of municipalities.



Social Security Funds (SSF) includes Bulgarian institutional units that manage social security schemes organised and controlled by central government units. Three institutional units are classified in this sector:

National Social Security Institute (NSSI), although its managerial mandate is provided by some CG units (e.g. Ministry of Finance, Ministry of Labour and Social Affairs), NSSI is an autonomous unit classified in the SSF sub-sector.

NSSI administers mandatory insurance programs for disability, old age and survivors' benefits, sickness and maternity, work injuries and occupational diseases. It is in charge of collection and has administrative control over compliance with obligatory contributions. At the moment there are five independent SS schemes managed by NSSI: "Pensions" fund; "Pensions not related to labour activity" fund; "General disease and maternity" fund; "Labour accidents and professional disease" fund; and "Unemployment" fund.

National Health Insurance Fund (NHIF) is responsible for the management of the compulsory Health Insurance scheme in Bulgaria.

The public sector hospitals have been reclassified into the Central government and Local government sub-sectors. In Bulgaria, public sector hospitals are owned by the State and by municipalities. Until 2000, these hospitals had been financed from the State budget but following a major reform and transition period, public sector hospitals are now paid according to the activities they perform and established as non-profit companies. Over the period 2000-2005 the budgetary funds decreased as funding shifted from the State budget to the National Health Insurance Fund.

Teacher's pension fund

The Bulgarian National Statistical institute collects sets of statements, on an annual and quarterly basis, for non-financial enterprises. Data from the financial statements are used in special cases to decide upon the classification of borderline cases and when institutional units are being reclassified within the general government sector. For the purposes of this decision the 50% criterion of ESA95 §3.32 is applied. For example, the NC Railway infrastructure and hospitals with government ownership were reclassified using the information about their transactions.

6. Expenditure of general government

P.2 Intermediate consumption

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;



- quarterly and annual data from statistical survey for non-financial enterprises - BNSI.

The intermediate consumption of the general government sector includes all expenditure of budgetary units for: food, medicines, materials, fuels and energy, external services, business trips, banking and other financial services expenditure and other expenditure.

P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;

- quarterly and annual data from statistical survey for non-financial enterprises - BNSI.

The quarterly data on P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets are available for all sub-sectors.

Gross fixed capital formation is measured by expenditure on acquisition of fixed assets including all transactions in new and existing assets. The expenditure is presented as the actual expenditure on construction activity, including non-finished construction, paid by the customer; improvements of existing assets; expenditures on machinery and equipment purchased and delivery and mounting of fixed assets as well as the net expenditure (acquisition less disposals) on intangible fixed assets. The GFCF estimates are based mainly on the direct approach and are recorded when the ownership of fixed assets is transferred.

D.1 Compensation of employees

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;

- quarterly and annual data from statistical survey for non-financial enterprises - BNSI.

The information for compensation of employees includes all payments for wages and salaries and compulsory employers' social security contributions. About 20% of all business travel expenditure is considered as wages and salaries in kind. This is expenditure on meals and drinks consumed.

D.29 Other taxes on production, payable

Quarterly data on other taxes on production paid by general government are not available.



D.3 Subsidies

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;
- additional administrative information from the Ministry of Agriculture and Food.

Subsidies for agriculture include the amounts that public administration and EU institutions give to agriculture. The data from the Ministry of Agriculture and Food provide the necessary information for the proper recording of the EU agricultural subsidies, which are excluded from the general government sector.

D.4 Property income, payable

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;
- quarterly and annual data from statistical survey for non-financial enterprises - BNSI
- additional administrative information from Ministry of Finance for an accrual interest.

D.4 Property income payable is identical to D.41 Interest payable, because data for D.42, D.43, D.44 and D.45 are not applicable.

D.5 Current taxes on income, wealth, etc., payable

SOURCES

Central Government

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;
- additional administrative information from Ministry of Finance for taxes.

D.62 Social benefits other than social transfers in kind

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance.

There are two main groups of social benefits:

- social security benefits paid in cash from social security system - as pension, illness compensation, taking care of ill people and quarantine compensation, life and labour accident compensation, pregnancy, birth and small children compensation, for unemployed people and other;



- in the second group are benefits paid from Central Government and Local Government in accordance with the Law on defence, recovery and social integration of disabled, the Social assistance Law and other administrative acts – monthly or one-off benefits, earmarked grants for rental, heating, disabled people or other benefits under decisions of the Municipal Council.

D.6311+ D.63121+ D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance.
- quarterly and annual data from statistical survey for non-financial enterprises – BNSI.

Data include all payments on:

- subsidies for realisation of health activity and medical aid;
- health insurance payments for primary outpatient medical service, specialised medical service, medicines for home treatment, medical-diagnostic services, medicines for home treatment and medical equipment; other.

D.7 Other current transfers, payable

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;
- quarterly and annual data from the statistical survey for non-financial enterprises – BNSI;
- additional administrative information from Ministry of Finance for other accounts and adjustments;
- Balance of Payments from the Bulgarian National Bank.

D.8 Adjustment for the change in net equity of households in pension funds reserves

An adjustment for the change in net equity of households in pension funds reserves for the general government sector is not applicable.

D.9 Capital taxes, investment grants and other capital transfers, payable

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;
- additional administrative information from the Ministry of Finance.



7. Revenue of general government

P.11+P.12+P.131 Market output, output for own final use and payments for the other non-market output

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;
- quarterly and annual data from the statistical survey for non-financial enterprises – BNSI.

In accordance with ESA95 the value of the output of services from General government are calculated as a sum of the expenditure components: intermediate consumption, consumption of fixed capital and compensation of employees.

All budgetary units, their extra-budgetary accounts and extra-budgetary funds are considered to be non-market producers.

Revenues from sales are measured for output of market activities of General Government units. Such market activities are: hunting farms; radio and television extra-budgetary accounts; extra-budgetary accounts of hospitals; etc. The extra-budgetary revenues are treated as sales of services.

Subsequently, overall output of GG can be broken down into market output (P.11) and other non-market output (P.13).

D.2 Taxes on production and imports

SOURCES

Central Government; Local Government;

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;
- additional administrative information from the Ministry of Finance and other ministries and agencies for taxes and fees.

Since September 2010, the BNSI has introduced the method of time-adjusted cash basis for taxes and social contributions according to *Regulation (EC) No 2516/2000*.

The new method was implemented for the following types of taxes included in D.2 Taxes on production and imports:

- Taxes on products D.21 (VAT – D.211; Taxes and duties on imports – D.212; Taxes on products, except VAT and import taxes – D.214);
- Other taxes on production – D.29.

Value Added Tax (VAT) - additional information is delivered from the National Revenue Agency on a regular monthly basis at T+25 days after the tax period (defined in *The Law on VAT*). Monthly data are available from 1998. The structure of the files provided by NRA includes declared amounts as well as cash payments and refunds.



The present structure of the file, according to the last amendments in the *Law on VAT* in 2007 has the following VAT elements:

- Declared VAT for payments of Tax Declaration;
- Deducted VAT by registered units (taxpayers),
- Actual payments
 - of which: for previous years
- Declared amounts for tax refunding of Tax Declaration;
 - of which:
 - within a period of 45 days according to article 92(1) of *Law on VAT*
 - within a period of 30 days according to article 92(3) and 92(4) of *Law on VAT*
- Total amount refunded
 - of which:
 - within a period of 45 days according to article 92(1) of *Law on VAT*
 - within a period of 30 days according to article 92(3) and 92(4) of *Law on VAT*
- VAT revenues from tax audit
 - of which: for previous years
- VAT payments on imports

The applied time adjustment procedure follows, as much as possible, the conditions in the Law related to tax payments and tax refunds. The structure of the working files delivered by NRA contained all the elements of cash payments/refunds.

The total monthly VAT cash receipts are derived as a relation between the following elements:

- (+) VAT actually paid, including payments for previous years
- (-) VAT refunds, separated by periods for refunding
- (+) VAT revenues from tax audit, including amounts for previous years
- (+) VAT on Imports
- (=) Total VAT cash receipts

'Taxes on products other than VAT and import taxes' consists of the following types:

excise duties and consumption taxes, government stamp taxes for legalising documents, car registration taxes, municipal resort taxes, taxes on lotteries and gambling, taxes on insurance premiums.

Excise taxes – the Custom Agency is the institution responsible for providing information on Excise taxes on domestic production and on imports since 2006. Before then data were provided by the Customs agency for Excise taxes on imported goods and by the National Revenue Agency for Excise taxes on domestically produced goods and services.

As regards the periods for actual payment of the excise tax, three cases are distinguished:

- Payments on imported goods – it is assumed that actual payments are made in the same month of the transaction and no adjustments are introduced;
- Payments by licensed warehouse holders – for the cases of imports by licensed warehouse holders, the payment date is 14th day of the month after the transaction took place and in that case a one month adjustment is applied;



- Payments by other traders – the payment date is 14th day of the month followed the transaction period and a one month time adjustment is applied.

For the estimation of the time lag for refunds, in addition to the basic source data (tax declarations), the Customs agency collects additional information about each refunded amount and based on that a distribution of tax refunds by months is made. The data show that three periods of refunds can be defined: in the same month, one month later and two months later.

D.39 Other subsidies on production, receivable

Other subsidies on production, receivable – this is not applicable.

D.4 Property income, receivable

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;
- quarterly and annual data from the statistical survey for non-financial enterprises – BNSI
- additional administrative information from the Ministry of Finance.

D.5 Current taxes on income, wealth, etc., receivable

SOURCES

Central Government; Local Government

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;
- additional administrative information from the Ministry of Finance and other ministries and agencies- Bulgarian National Revenue Agency for taxes and fees.

The method of time-adjusted cash for taxes and social contributions was implemented for Taxes on income, wealth, etc. in September 2010. Taxes on income, wealth, etc. includes:

Corporate income tax

- Corporate income tax for non-financial enterprises, financial institutions, non-profit organisations, budget organisations and insurance corporations – from 2003. Before 2003 this tax existed as profit tax;
- Municipal tax from non-financial enterprises, financial institutions, non-profit organisations, budget organisations – existed until 2002;
- Tax on dividends and income tax – since 1997;
- Tax on insurance and re insurance premiums – since 2006 this tax is part of corporate income tax;
- Other taxes, related to Corporate Income Tax Act – in force from 1998.

For the purpose of elaboration of Corporate income tax, the application of the time-adjusted cash method is done firstly for the annual data. After that, the reconciliation between annual and



quarterly data based on quarterly structure of cash payments reported in the executive budget is made.

Income taxes

In general, according to the *Law on taxes on the income of natural persons* the following types of taxes are distinguished:

- personal income tax for employees working on regular contract;
- tax on income of free professions (advocates, artists, etc.), sole traders, services made by employees under honorary contracts, etc.;
- patent tax.

The procedures for calculating personal income tax using time-adjusted cash are related to the redistribution of cash payments in order to reach estimates close to the real accruals reported in the balance sheets of enterprises. Therefore the amounts related to last four elements (payments in January, receipts from tax audits, revenues from the past year and tax refund) are moved to year t-1. Redistribution of the amounts by quarters is made on the basis of the structure of regular cash payments of personal income tax reported in executive budget.

During calculation of taxes on free professions, sole traders, services made by employees under honorary contracts by using cash time audited methods the elements except the regular payments during the year are moved to year t-1. In addition, 1/3 of the first quarter is distributed to previous year. The redistribution of the amounts to quarters is made on the basis of the structure of regular cash payments of executive budget.

The tax on patent has been in force since 1997. According to Bulgarian legislation the amounts concerning patent tax should be paid in four equal payments during the current year. The main elements that are moved in the previous year from the cash data are:

- the amounts from tax audits;
- the amounts reported under item revenue from past year;
- tax refund.

Redistribution of the annual time-adjusted cash amounts to quarters is done on the basis of the structure of regular cash payments from executive state budget.

D.611 Actual social contributions

SOURCES

Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;
- additional administrative information from the Ministry of Finance.

The time series for social and health contributions was constructed using the monthly cash data for the period from 2000 until 2006.

Three main groups are defined for the calculation of social contributions:

- compulsory employers' social contributions;
- compulsory employees' social contributions;
- compulsory social contributions by self-employed and unemployed persons.



The first group was separated into two parts – payments made by private employers (private enterprises) and payments made by state institutions (ministries, agencies) due to different time lag of payments. The time lag of private payments is equal to one month, while there is no time lag for the payments made by budgetary institutions.

For compulsory social contributions payments by employees, the determined time lag is one month. There is no time lag for the payments by self-employed and unemployed persons.

For the period from 1995 until 1999 – the average coefficient of time-adjusted cash/pure cash for the period 2000-2006 is used. From 2007, pure cash for social and health contributions was accepted due to legislation act of tax authorities.

D.612 Inputted social contributions

SOURCES

Central Government

- additional administrative information from Ministry of Finance.
- Data are applicable until 2000.

D7 Other current transfers, receivable

SOURCES

Central Government; Local Government; Social Security Funds

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance;
- quarterly and annual data from the statistical survey for non-financial enterprises – BNSI;
- additional administrative information from the Ministry of Finance for other accounts and adjustments.

D.91 Capital taxes

SOURCES

Local Government;

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance.
- additional administrative information from the Ministry of Finance.

D92+D99 Investment grants, other capital transfers, receivable

SOURCES

Central Government; Local Government;

- quarterly and annual data from the report of cash execution of the consolidated state budget from the Ministry of Finance.
- additional administrative information from the Ministry of Finance.



CZECH REPUBLICDescription of Czech practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

Every category covered by *Commission Regulation 264/2000* complies with the criterion of 90 per cent.

Data covered by *European Parliament and Council Regulation 12121/2002* are based, as much as possible, on direct information from basic sources.

The quarterly data are compiled using direct administrative sources: quarterly accounting statements of government institutions classified in the general government sector (FIN ROPO and Profit and loss statement); quarterly statistical surveys (VPI 3-04 and ZDP 3-04) for selected government institutions; and additional data, e.g. on government guarantees, capital transfers, social and health insurance etc.

The Ministry of Finance provides financial statements for budgetary and semi-budgetary organisations and for extra-budgetary funds. Data are obtained quarterly in individual and aggregated form. Other entities classified in the general government sector provide individual financial statements. The quarterly statistical questionnaire is used for public sector universities and public sector research institutes. Data for social security funds are based primarily on a quarterly statistical survey.

2. Compliance with ESA95 Rules

The quarterly accounts are compiled in conformity with ESA95.

3. Consistency between annual and quarterly data

Consistency between annual and quarterly data is particularly ensured by the same delimitation of the government sector. The sector includes budgetary organisations, semi-budgetary organisations (in compliance with the 50% criterion), extra-budgetary funds and other special government units, furthermore public sector universities, public sector research institutes and health insurance companies. The direct sources obtained every calendar quarter from these government units (in particular from their quarterly financial statements) ensure consistency as well.



Figures before 2003 were estimated on an annual accounts basis. Figures were disaggregated according to annual accounts by statistical and mathematical methods to ensure reconciliation of quarterly estimates and annual national accounts data.

4. Revision policy

The revision of quarterly data is done stage by stage and regularly.

Quarterly data are revised when:

- a) data for a new quarter are published. If more up to date data for previous quarters are available then every quarter of the current year is revised;
- b) annual national accounts data are published. Quarterly figures are revised in compliance with the annual data.

5. General remarks

The description of the Czech Republic's compilation practices and compliance with the requirements of *Commission Regulation 264/2000* and *European Parliament and Council Regulation 1221/2002* concerns from year 2003 to 2010.

Prior to 2003, quarterly data sources for compiling quarterly non-financial national accounts were not sufficient. Figures were disaggregated according to statistical and mathematical methods. Data from 2003 are based on definitive versions of the annual accounts.

From 2003 to 2010, revenue and expenditure of central and local budgetary organisations and state funds are reported on a cash basis. Therefore, some items are adjusted onto an accruals basis. Data on taxes and social and health insurance contributions are adjusted by a time-adjustment method (a payment is shifted into the period in which the obligation to pay occurred); interest payable on state debentures and loan liabilities are recorded as accrued. Data on wages, social benefits and subsidies including grants are treated as accrued. Other government units in government sector accounts are on an accrual basis.

6. Expenditure of general government

P.2 Intermediate consumption

SOURCES

The table below shows the relative weight of each sub-sector of General Government within the category P.2: (source: annual accounts of 2009).

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of P.2 (%)</i>
<i>Central Government (S.1311)</i>	<i>47</i>
<i>Local Government (S.1313)</i>	<i>52</i>
<i>Social Security Funds (S.1314)</i>	<i>1</i>



SOURCES

Financial statements, statistical questionnaires and supplementary information are used.

The cash data from budgetary organisations are treated as accrual data and no adjustment is calculated. Information from other government units is reported on an accrual basis.

METHODS:

a) military expenditure is added

The Ministry of Defence and The Ministry of Interior Affairs consider all expenditure on military equipment as capital expenditure according to their accounting rules. For national accounts purposes only Ministry of Defence data are adjusted, the Ministry of Interior Affairs military expenditure is recorded only as gross fixed capital formation.

The Ministry of Defence divide (according to the requirement of CSO) this expenditure into two parts:

- intermediate consumption;
- capital expenditure.

The Ministry of Defence quantifies expenditure on the purchase of military weapons of destruction and the equipment needed to deliver them and CSO records them according to ESA95 as intermediate consumption P.21. The remaining part is classified as gross fixed capital formation and is recorded as P.51.

b) financial leasing (repayment) is deducted

The reason for the adjustments results from the enterprise accounting system, which does not correspond to the methodology of national accounts. Whole leasing repayments are recorded under expenses on purchasing services.

Financial leasing is not significant in the government sector. Central budgetary organisations must not use it (according to new budgetary rule). In particular municipalities or other government units use it.

c) wages in kind are deducted

In institutional unit's accounting system there are some items of wages and salaries in kind included in social expenses or other expense items. Within the first stage of compiling quarterly accounts they are incorporated in intermediate consumption and there the corrections are made. Such wages and salaries in kind are treated as wages and salaries (D.11) according to ESA95.



P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of P.5+K.2 (%)</i>
<i>Central Government (S.1311)</i>	<i>31</i>
<i>Local Government (S.1313)</i>	<i>68</i>
<i>Social Security Funds (S.1314)</i>	<i>1</i>

P.51 Gross fixed capital formation

SOURCES

Financial statements and statistical questionnaires are used.

Data are on a cash basis for budgetary organisations and on an accrual basis for semi-budgetary organisations and social security funds.

METHODS

Military expenditure is eliminated from gross fixed capital formation and instead included in intermediate consumption.

Gross fixed capital formation is influenced by privatisation of municipal flats still being processed in the Czech Republic.

P.52+P.53 Changes in inventories, acquisitions less disposals of valuables

SOURCES

Quarterly information sources for P.52 and P.53 are not available.

METHODS

Statistical and mathematical methods are used.

K.2 Acquisitions less disposals of non-financial non-produced assets

SOURCES

Statistical questionnaires are used.

METHODS

No adjustments are made.



D.1 Compensation of employees

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.1 (%)</i>
<i>Central Government (S.1311)</i>	<i>51</i>
<i>Local Government (S.1313)</i>	<i>48</i>
<i>Social Security Funds (S.1314)</i>	<i>1</i>

SOURCES

Financial statements, statistical questionnaires and supplementary information are used. Quarterly data are on an accruals basis.

METHODS

Estimate methods are used.

Adjustments:

- a) wages in kind
- b) imputed social contributions (D.122/D.612) - approximate

The institutional unit's accounting system treats some expenditure as social expenditures, i.e., meal vouchers, allowances for recreation, sport or cultural contributions etc. The data are split between wages in kind and imputed social contributions (in the national accounts) according to information from the quarterly statistical questionnaire and from the annual statistical survey of total labour costs (TLC) on individual types of wages in kind.

Wages in kind include:

- a) Wages and salaries in kind: - as a part of taxable wages and salaries.
- b) Contributions - e.g. meal vouchers, recreation, cultural and sport events used for motivation, social assistance, expenditures on clothing of non-civil members (uniforms) etc.
- c) Per-diem on business trips: - meals and drinks are estimated as a part of surveyed travelling costs (30% as a part of wages and salaries in kind, 70% as a part of intermediate consumption).

D.29 Other taxes on production, payable

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.29 (%)</i>
<i>Central Government (S.1311)</i>	<i>34</i>
<i>Local Government (S.1313)</i>	<i>61</i>
<i>Social Security Funds (S.1314)</i>	<i>5</i>



SOURCES

Direct sources from financial statements and statistical questionnaires are used.

METHODS

The amount of taxes and fees from financial statements and statistical questionnaires is split between D.29 and P.2 (payment for services).

D.3 Subsidies

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.3 (%)</i>
<i>Central Government (S.1311)</i>	<i>50</i>
<i>Local Government (S.1313)</i>	<i>50</i>
<i>Social Security Funds (S.1314)</i>	<i>0</i>

SOURCES

Financial statements and statistical questionnaires are used.

METHODS

The Ministry of Finance provides data on a cash basis for budgetary organisations and the quarterly and annual amounts are treated as accrual. The subsidies depend on resources from the State budget and an institutional unit has no legal claim to it. The government has no liabilities. No adjustment is made.

Subsidies paid by other government units (e.g. by the National Property Fund or by the Support Guarantee Agricultural and Forestry Fund) are recorded on an accrual basis.

They include, for instance, subsidies to non-financial corporations, subsidies to support business of enterprises, which employ at least 60% of citizens with a reduced capacity to work, subsidies to agricultural enterprises. In the years from 1995 to 2000 subsidies to financial institutions, in particular to the Czech Consolidation Bank and its subsidiaries, amounted to a significant part of subsidies.

From the 2nd quarter of 2004 the subsidies contain subsidies paid from EU Funds. EU grants are still paid through the government to other institutional sectors. Individual information is available.

D.4 Property income, payable

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.4 (%)</i>
<i>Central Government (S.1311)</i>	<i>95</i>
<i>Local Government (S.1313)</i>	<i>5</i>
<i>Social Security Funds (S.1314)</i>	<i>0</i>



SOURCES

Financial statements and statistical questionnaires are used. Direct sources are used primarily for the computation of interest (D.41) paid by budgetary organisations related to government debt and for computation of rent of land (D.45). Indicators are based predominantly on accrual basis.

METHODS

Interest (D.41) paid by the budgetary organisations related to government debt and interest paid by other government units are recorded on accrual basis.

The majority of interest is on securities issued by the Ministry of Finance, on foreign loans or on its swaps arrangements. The information is on an accruals basis.

D.5 Current taxes on income, wealth etc., payable

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.5 (%)</i>
<i>Central Government (S.1311)</i>	<i>6</i>
<i>Local Government (S.1313)</i>	<i>94</i>
<i>Social Security Funds (S.1314)</i>	<i>0</i>

SOURCES

Direct sources from financial statements and statistical questionnaires are used. Indicators are based on cash and accrual basis.

METHODS

Budgetary organisations record the tax on income only for secondary activities, which is taken as market output (profit and loss statement).

Other government units record taxes on income in their financial statement (profit and loss statement) separately.

D.62 Social benefits other than social transfers in kind

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.62 (%)</i>
<i>Central Government (S.1311)</i>	<i>96</i>
<i>Local Government (S.1313)</i>	<i>4</i>
<i>Social Security Funds (S.1314)</i>	<i>0</i>



SOURCES

Financial statements for budgetary organisations and information from the Ministry of Labour and Social Affairs are used as basic sources.

METHODS

- a) Social benefits paid under a social insurance scheme such as pensions, sickness and unemployment benefits are paid regularly (monthly) by the Czech Social Security Administration (S.1311) and are recorded on an accruals basis.
- b) Social benefits provided by local government are classified as social assistance, they are not made under a social insurance scheme. These benefits are on a cash basis. Cash payments are equal to accrual payments.

D.6311+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.63 (%)</i>
<i>Central Government (S.1311)</i>	<i>1</i>
<i>Local Government (S.1313)</i>	<i>1</i>
<i>Social Security Funds (S.1314)</i>	<i>98</i>

SOURCES

Financial statements for budgetary organisations and information from health insurance companies are used as data sources.

METHODS

- a) Part of the social benefits in kind is observed in the national accounts as social security benefits, reimbursement (D.6311). It includes household expenditure on medicines, transport to the hospital etc. The amount of such transactions is negligible in the Czech Republic.
- b) Social benefits made under health insurance include payments for providing health services to households. They are included as social benefits in kind (D.6312). They are on an accrual basis.
- c) Social benefits paid by local government municipalities (D.6313) are classified as social assistance in kind. They are not made under a social insurance scheme. Data are obtained on a cash basis and treated as accrual.



D.7 Other current transfers, payable

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.7 (%)</i>
<i>Central Government (S.1311)</i>	<i>84</i>
<i>Local Government (S.1313)</i>	<i>15</i>
<i>Social Security Funds (S.1314)</i>	<i>1</i>

SOURCES

Financial statements and statistical questionnaires are used.

Information on other current transfers from budgetary organisations is on a cash basis. They are treated as accrual amounts. Data from other government units are on an accrual basis.

METHODS

Subsidies between government units are recorded as transfers within general government, whether within or between government sub-sectors.

The category D.7 is consolidated within the item D.73 at the sub-sector level (within the government sub-sector) at the sector level (within the general government sector).

Transfers within the government sub-sectors are surveyed and recorded in quarterly government accounts and in the annual national accounts under special items D.731 – transfers between sub-sectors and D.732 – transfers within sub-sector (at the level of the sub-sector).

D.8 Adjustment for the change in net equity of households in pension funds reserves

SOURCES METHODS

The transaction does not occur

D.9 Capital taxes, investment grants and other capital transfers, payable

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.9 (%)</i>
<i>Central Government (S.1311)</i>	<i>87</i>
<i>Local Government (S.1313)</i>	<i>13</i>
<i>Social Security Funds (S.1314)</i>	<i>0</i>

SOURCES

Financial statements, statistical questionnaires and supplement information are used.

Information on capital taxes and investment grants from budgetary organisations is on a cash basis. They are treated as accrual amounts. Data from other government units are on an accruals basis.



METHODS

The items D.92 and D.99 are consolidated at the sub-sector level (within sub-sector) and between government sub-sectors.

These items are surveyed and recorded in the quarterly government accounts and in annual national accounts as:

D.921, D.991 – transfers between government sub-sectors;

D.922, D.992 – transfers within a government sub-sector (at the level of the sub-sector);

D.923, D.993 – transfers between the government sector/sub-sector and other institutional sectors.

The item D.993 is influenced by the privatisation of municipal flats, by the indication of debt forgiveness or information on the realisation of state guarantees.

7. Revenue of general government

P.11+P.12+P.131 Market Output, output for final use and payments for the other non-market output

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of P.11+P.12+P.131 (%)</i>
<i>Central Government (S.1311)</i>	<i>37</i>
<i>Local Government (S.1313)</i>	<i>63</i>
<i>Social Security Funds (S.1314)</i>	<i>0</i>

SOURCES

The sources are financial statements and statistical questionnaires.

METHODS

The calculation of output of units allocated to the general government sector is based on the fact that units of the type of non-market producer are involved. They report revenues from sales of services such as revenues from rental of buildings, publications sold or revenues in the form of administrative fees. Some organisations have also unit's secondary activity, which does not constitute any independent institutional unit. Revenue from this secondary activity is taken as market output.

P.11 includes revenues from sales of products, property renting revenues and revenue from secondary activities of government units and services provided by a government unit for its employees, which are a part of wages in kind.

P.12 includes revenue from investment on own account. Information is on an accruals basis.

P.131 includes tuition revenues, administrative (50%) and court fees (payments for provided



government services), waste deposition charges or fees for use of public areas or output of the dwellings services etc.

The Government regulates the rental for the municipal dwellings and there is a great disparity between public and private rentals. The estimation of the output of the dwelling services is based on the user cost method and the output is treated as non-market production.

Data are on a cash basis and on an accrual basis, too and in the point of it no adjustments are made.

D.2 Taxes on production and imports

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.2 (%)</i>
<i>Central Government (S.1311)</i>	79
<i>Local Government (S.1313)</i>	21
<i>Social Security Funds (S.1314)</i>	0

SOURCES

The Ministry of Finance provides regularly quarterly information on taxes

METHODS

Methods used for the calculation comply with *Regulation (EC) No 2516/2000 of The European Parliament and of The Council of 7 November 2000* modifying the common principles of the European system of national and regional accounts in the Community (ESA95) as concerns taxes and social contributions.

For all kinds of tax revenue, time-adjusted cash revenue is used. All the information about cash revenue is drawn from daily reports made by the Czech Central Bank, where the Ministry of Finance has its accounts where most of the taxes are collected. Municipalities have their accounts in commercial banks and thus information about the taxes collected by municipalities is drawn from their reports. This amount represents only a small part.

Value Added Tax

VAT revenue is divided into three parts:

- 1) payments collected by the tax administration;
- 2) tax refunds paid by the tax administration (only until 2004);
- 3) payments collected by the customs administration (since 2005 only non-business imports)

Ad 1) The law implies that tax accrued to taxation period (a month or a calendar quarter) is due on the 25th day after the end of the taxation period. This means that the tax accrued in March, June, September and December should be collected on the 25th day of the subsequent month, in practice it is approximately collected up until the end of the month as there are technical periods of payment transactions, delayed payments etc. Thus, there is a lag of one month. The cash revenue collected in April, July, October and January are therefore subtracted from collections of



the current quarter and added to the previous one.

Ad 2) Until the end of 2004, tax administration refunded the VAT refund arising on imports until 25th day of the second month after the taxation period. Because of possible delays and also to simplify the computations, the refunds made by the end of May, August, November and February are subtracted and added back to the previous quarter. Since January 2005, nearly all imports have been self-assessed by importers in their tax returns. As such, Ad 1) applies on a large majority of transaction no matter if domestic or import. For the first quarter of 2005 the former method is maintained.

Ad 3) The law and past experience imply that VAT on imports is due on 10th day after the import of goods. This means that collections on the 10th day in April, July, October and January are taken into account. Identically to the previous paragraph, since 2005 nearly all imports are included in one tax return due on 25th day after the end of taxation period. In 2005 and beyond, only so-called non-business imports fall under this category of administration (transactions made by non-taxable persons, inward proceeding under the drawback system and also disclosed illegal importations).

Excise duties

All excises but tobacco fall under the same provisions, which were considerably modified in 2004. The tax becomes chargeable when products are released for consumption, i.e., in general, when dispatched from a tax warehouse (a producer or a licensed independent warehouse). The tax period for intra-community transactions corresponds to one month. The tax is self-assessed on the 25th day following the end of month and paid up to the 40th day following the end of month. As such, there is a two month time lag.

Excise duty on imported goods is due within 10th days after the reception of customs declaration if no special arrangement is made. The quarterly amount of excise duties is increased by the collection at the 10th day of the following month.

Concerning tobacco products, the essential part of revenue is represented by the tax on cigarettes and other tobacco products paid to the Customs Office in Kolín via purchasing stamps. The revenue from non-stamped tobacco products remains negligible. Stamps are due 60 days after their purchase. However, it should be noted that the time period for the settlement of purchased stamps was changed twice in 2004, compared to previous and actual legislation. Firstly, in January 2004 the time period became limited to 30 days then, in May, it was restored to 60 days. As such, in 2004 an alignment according to the consumption seems necessary.

Road Tax

There are four tax advances settled by the end of January of the next year, the first one is payable in April. A two month lag is used when calculated quarterly revenues.

Highway fee

Stamps are usually bought during the current year, or in December of the previous year. The tax income of a current year is adjusted for December collections. As such, there is one month outstrip difference.



Property Taxes

Since 2004 Real Property Transfer Tax is self-assessed within 3 months after the transaction takes place. In 2004 some adjustment was necessary, mainly in the first and second quarters, due to parallel revenues arising during the transition from the previous and current systems.

Real Estate Tax

The tax is paid in four installments within the year, therefore revenue on an accrual basis is equal to the revenue on a cash basis.

All other taxes, fees and levies

In all other cases, cash revenue is equal to accrual revenue because the payments effectively correspond to the liability or there is no possibility to set up the moment when the liability occurs. Because of the risk of possible corrections within the year the annual amount is simply divided by four.

D.39 Other subsidies on production, receivable

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.39 (%)</i>
<i>Central Government (S.1311)</i>	<i>100</i>
<i>Local Government (S.1313)</i>	<i>0</i>
<i>Social Security Funds (S.1314)</i>	<i>0</i>

SOURCES

The Ministry of finance and other government units provide data on subsidies.

METHODS

Until 2004 no amounts are recorded under the category D.39, receivable.

From 2005 the category D.39 includes subsidies to cover the cost of storage purchases of the Agricultural Intervention Fund.

Subsidies between government units are treated as transfers within general government, whether within or between government sub-sectors.

D.4 Property income, receivable

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.4 (%)</i>
<i>Central Government (S.1311)</i>	<i>76</i>
<i>Local Government (S.1313)</i>	<i>21</i>
<i>Social Security Funds (S.1314)</i>	<i>3</i>



SOURCES

Information on interest (D.41) and rent of land (D.45) is obtained from direct sources (financial statements and statistical questionnaires).

Indicators are based on cash and accrual basis.

Interest (D.41) and rent of land (D.45) receipts by budgetary organisations are on a cash basis. Data from other government units are recorded on an accrual basis.

METHODS

No adjustments are made.

D.5 Current taxes on income, wealth etc.

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.5 (%)</i>
<i>Central Government (S.1311)</i>	<i>66</i>
<i>Local Government (S.1313)</i>	<i>34</i>
<i>Social Security Funds (S.1314)</i>	<i>0</i>

SOURCES

The Ministry of Finance provides data regularly, quarterly.

METHODS

Corporate Income Tax

Corporate income tax revenue consists of the tax self-assessed by companies (regions, municipalities) and withheld tax. The self-assessed tax is paid through pre-payments in the current year and settlement in the next year. The quarterly amount of pre-payments forming the accrued revenue of current year is thus adjusted by the settlement arising out of tax returns filed, usually in July the next year. A forecast annual amount of settlement is spread over all quarters. Secondly, withholding corporate income tax on interest is due by the end of the month following the month when the taxpayer was obliged to withhold the tax. There is a lag of one month.

Personal Income Tax

Personal income tax on wages and salaries in the current year is adjusted by one month and by the settlement related to the previous year (again, based on a forecast until July of the current year). Withholding personal income tax on interest and dividends is due by the end of the month following the month when the tax was withheld. Personal income tax paid by taxpayers filing tax returns comprises pre-payments, with annual settlement usually by 31 March of the next year. Pre-payments are considered as current year revenue adjusted by the settlement.

Personal income tax on wages and salaries of current year is adjusted by one month and by the settlement related to the previous year (again, based on a forecast till July of current year).



Withholding personal income tax on interest and dividend is due by the end of the month following the month when tax withheld. Personal income tax paid by taxpayers filing tax returns comprises prepayments and annual settlement usually by 31st of March next year.

D.611 Actual social contributions

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.611 (%)</i>
<i>Central Government (S.1311)</i>	63
<i>Local Government (S.1313)</i>	0
<i>Social Security Funds (S.1314)</i>	37

SOURCES

The Ministry of Labour and Social Affairs and the Ministry of Health provide data on social contributions on a cash basis monthly.

Quarterly data on an accrual basis are also available.

METHODS

The contributions are calculated in compliance with *Regulation EU No 2516/2000*, Article 3b.

Employers, employees and self-employed persons pay the social contributions into the State budget and into health insurance companies (classified in S.1314).

Actual Social Contributions include:

a) Social contributions: The Ministry of Labour and Social Affairs provides information on social contributions paid into pensions, sickness and unemployment funds. This is monthly and on a cash basis. The cash is attributed to the month when the work took place; the delay is one month. For example: contributions paid in February are recorded as accrued in January (1. quarter = February + March + April).

b) Health insurance contributions:

Health insurance contributions include compulsory and voluntary (supplementary) contributions.

The Ministry of Health provides monthly information on health insurance contribution on a cash basis. The cash is attributed to the month when the work took place; delay is one month. For example: contributions paid in February are recorded as payable in January (1. quarter = February + March + April).

Self-employed persons paid (in current year, e.g. 2009) an amount according to their revenue, which was achieved in the previous year (here 2008). In the next year (here 2010), the persons must discharge a debt resulting from the real revenue (according to tax declaration for 2009). The payments are treated as health social contributions wholly in current year (i.e. 2009). No adjustment is made.

(The Ministry of Health has no information about this).



D.612 Imputed social contributions

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.612 (%)</i>
<i>Central Government (S.1311)</i>	56
<i>Local Government (S.1313)</i>	43
<i>Social Security Funds (S.1314)</i>	2

SOURCES

The basic sources are quarterly and annual information on wages and salaries, on social expenditure, and the annual statistical survey of total labour costs (TLC) on individual types of wages in kind.

METHODS

D.612 is equal to D.122. Data are derived according to statistical questionnaires.

D.7 Other current transfers, receivable

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.7 (%)</i>
<i>Central Government (S.1311)</i>	84
<i>Local Government (S.1313)</i>	15
<i>Social Security Funds (S.1314)</i>	1

SOURCES

Financial statements, statistical questionnaires are used.

Information on other current transfers from budgetary organisations is on a cash basis. They are treated as accrual amounts. Data from other government units are on an accrual basis.

METHODS

Subsidies between government units are classified as transfers within general government, whether within or between government sub-sectors. Subsidies into general government include particularly transfers to semi-budgetary organisations.

The category D.7 includes consolidated for D.73 at the sub-sector level (for transfers within the government sub-sector) and at sector level (for transfers within the general government sector).

The transfers within the government sub-sector are surveyed and recorded in quarterly government accounts and in the annual national accounts under special items D.731 (transfers between sub-sectors) and D.732 (transfers within a sub-sector (at the level of the subsector)).

The category includes grants from the EU (D.74). The information is obtained from the Ministry of Finance. Individual information is available.



D.91 Capital taxes

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.91 (%)</i>
<i>Central Government (S.1311)</i>	96
<i>Local Government (S.1313)</i>	4
<i>Social Security Funds (S.1314)</i>	0

SOURCES

Direct sources obtained from the Ministry of Finance. Data are on an accrual basis.

METHODS

They include gift tax and inheritance tax. The subject of gift tax is free acquisition of property. The acquirers or the donors (gifts from abroad) pay the tax. The subject of inheritance tax is the acquisition of property by inheritance.

Primary cash data are adjusted to accrual basis. The tax liability of gift tax and inheritance tax is assessed by the tax administration based on tax return submitted by the taxpayer. The tax is then payable within 30 days following the receipt of the assessment. Based on practice, a one-year time lag is used for each quarter.

D.92+D.99 Investment grants, other capital transfers, receivable

<i>SUB-SECTOR OF GENERAL GOVERNMENT</i>	<i>Weight of D.92+D.99 (%)</i>
<i>Central Government (S.1311)</i>	57
<i>Local Government (S.1313)</i>	43
<i>Social Security Funds (S.1314)</i>	0

SOURCES

The Ministry of Finance and other government units provide direct sources.

METHODS

Information is based on cash and on accruals bases.

The items D.92 and D.99 are consolidated at the sub-sector level (within sub-sector) and between government sub-sectors. These items are surveyed and recorded in the quarterly government accounts and in annual national accounts as:

D.921, D.991 – transfers between government sub-sectors:

D.922, D.992 – transfers within government sub-sector (at the level of the sub-sector):

D.923, D.993 – transfers between the government sector/sub-sector and other institutional sectors.



DENMARK**Description of Danish, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The 90% criteria set out in Article 3 is fully respected at present for taxes data (D.2, D.5, D.91), actual social contributions (D.611) and Social benefits (D.62).

2. Compliance with ESA 95 rules

Basic data are transformed in full compliance with ESA95 concepts.

3. Consistency between annual and quarterly data

The sources for quarterly data are integrated with the sources for annual data.

The methods used to compile data on a quarterly basis are consistent with the methods used to compile annual data. In particular, the classification schemes used are the same.

4. Revision policyRevision within the year:

For a year that is not yet complete, i.e., in the first to the third quarters, the previous quarters may be subject to ongoing revision.

Revision after the end of a year:

After the end of a year, all four quarters will be updated with the publication of a new annual version for the year in question. Sources and methods by category:

5. General remarksPrimary statistics for all significant units:

Denmark has from the outset been in a favourable position as regards estimating quarterly statistics for general government. Quarterly accounting information is available for both central government and the counties and municipalities. Virtually all significant units are covered by genuine primary statistics.



Municipalities and regions:

The municipalities and regions send detailed quarterly accounting information to Statistics Denmark. This information has same degree of detail as the final annual accounts. Since the quarterly accounting information do not include the supplement period, the total for the four quarters reported does not add up to the national accounts annual total. A revised version of the annual accounts is available at the end of March of the following year.

Central government:

Central government institutions send their accounting records to Økonomistyrelsen [the Agency for Governmental Management] on a daily basis. This information is in the same amount of detail as the annual central government accounts. The returns to Økonomistyrelsen also include entries accounted after the end of the calendar year, the so-called "supplement period". The sum of monthly returns, including returns for the supplement period, thus corresponds to the annual account.

Social security funds:

These are covered by actual quarterly accounts sent to Statistics Denmark, primarily from LG [the Employees' Guarantee Fund] and unemployment funds.

Problems:

The quarterly accounting returns for public institutions have some common problems. The most important issues are:

- incorrect accounting;
- problems with periodisation and lack of information on the supplement period;
- the lack of quarterly accounts for "extra-budgetary units".

Incorrect records:

Incorrect records occur much more frequently in the quarterly returns than in annual ones. Incorrect records (and any missing records) are often corrected by a counterpart entry in the following quarter. Important and obvious errors are corrected by Statistics Denmark.

Problems with periodisation:

If the statistics are to give an accurate picture of activities in the general government sector it is, of course, crucial for expenditure and revenue to be recorded in the correct quarter, i.e., that they should refer to the period in which the goods are acquired. The quarterly accounts for central government, regions and municipalities are not based on finalised accounts, but are more like a snapshot of the amount of expenditure and revenue recorded in the accounting systems at the end of the quarter. Calculations have to be made to correct for the resulting problems. The method is discussed below.



"Extra-budgetary units"

In the municipalities, in particular, there are many "Extra-budgetary units", which have an "operating agreement" with the municipalities. Many kindergartens, for example, have this form of management. Such institutions receive an annual subsidy from the municipality to cover their current expenditure. It is only when the municipalities' annual accounts are submitted that the accounts for these institutions are included in their overall accounts. The quarterly accounting returns do not include full information on items such as purchases of goods within these institutions, and the necessary corrections therefore have to be made. The method is discussed below.

6. Expenditure of general government

P.2 Intermediate consumption

SOURCES AND METHODS

Central government (Weight of P.2: 36%)

Step 1

Monthly data sets from Økonomistyrelsen are combined to form a quarterly data set. All expenditure and revenue with identical account numbers is aggregated into an account showing a value corresponding to the sum of the amounts in the monthly accounts under that account number.

Step 2

All expenditure and revenue items are classified at the most detailed accounting level into a national accounts classification. The first stage is to transfer the national accounts classification from the same year's budget statistics to account numbers which are identical. The use of budget statistics makes it possible to transfer new accounts introduced during the year (since the accounts in question are included in the budget). The remainder, e.g. account numbers set up after the budget was approved, are extracted and classified manually. Amounts for this remainder group are insignificant.

Step 3

The figures are validated by comparing the quarterly calculation with the budget statistics for the same year, the previous year's accounts-based annual versions and the latest quarters. Validation is at the level of areas of ministerial responsibility. It may reveal incorrect classifications and missing entries, and corrections are made wherever possible.

Step 4

An estimate from the latest budget statistics is used to include institutions subsidised by central government (extra-budgetary units). This estimate is based on a projection of the most recent year for which accounting figures are available. The annual figure is divided into quarters using the Denton algorithm.

Step 5



For the calculation of the fourth quarter, information is also available on entries accounted in the so called “supplement period”. These are evened out so that most of them are posted in the first quarter and the remainder in the other three quarters. For central government, amounts for the supplement period are fairly small.

Local government (Weight of P.2: 63%)

Step 1

Denmark Statistics receives quarterly data sets from the municipalities and regions. They are checked for errors and Denmark Statistics corrects any substantial or obvious errors.

Step 2

The municipalities' expenditure to subsidised institutions comes under type 50-59 in the accounts (subsidies to persons and institutions). A certain percentage of this expenditure is transferred to types covering wages and salaries and purchases of goods. The percentage share is worked out as the percentage discrepancy between the summed entries for type 50-59 for the first to fourth quarters of the previous year and the final type 50-59 entries in the closed account for the previous year. This gives an estimate of the share which will typically be "parked" on type 50-59. The procedure assumes that the share which is "parked" does not vary very much from year to year. It is also assumed that the "parked" amount accounts for roughly the same share of type 50-59 from quarter to quarter. When data are available for a completed year in the form of four completed quarters and a final account, the "correct" amount, which is to be transferred from type 50-59 to types concerning wages and salaries and intermediate consumption can be calculated. It is still assumed that the percentage share of type 50-59, which is to be transferred in the individual quarters within a given year, remains the same.

Step 3

For the municipal sector, there is no information available on the supplement period and this therefore has to be calculated as a residual, i.e., the difference between the entries in the first to the fourth quarters and the final accounts. The supplement period entries have to be divided up over the previous four quarters. This cannot be done, of course, until the final annual account is available. The supplement period figures therefore have to be estimated even when the first quarter is worked out. This is based on information on the previous year's supplement period, the total budget for the year and the entries available for the first quarter. The estimate of the supplement period figure is revised continually as figures are worked out for new quarters. The final supplement period figure is calculated when the final accounts are available. Thus corrections may be made at any time to previous quarters as a result of new and improved estimates of supplement period figures, and again when the annual account is available and the supplement period can thus be calculated.

Step 4

Some of the entries in the supplement period refer to the fourth quarter and should therefore be transferred to that period. Some of the entries made in the fourth quarter refer to the third quarter and should therefore be transferred to the third quarter. The same applies to the other quarters with the exception of the first, where the previous year's supplement period collected up late records. There will be entries referring to other than the previous quarter, but they are ignored,



since they are assumed to be of insignificant amounts. A complete and correct transfer of entries between quarters is not possible, however, since there are no sources which can provide information on this "overflow" between quarters. It is therefore assumed that the "overflow" remains constant from one quarter to the next and that it is therefore sufficient to transfer an amount corresponding to the estimated "overflow" from the supplement period to the first quarter. That share of the supplement period which is deemed not to be "overflow" from the previous quarter is divided equally over the remaining quarters.

Social security funds (Weight of P.2: 1%)

Quarterly information for Social security funds is available. All categories including intermediate consumption are compiled using full quarterly accounts. The only exception is administrative expenses in unemployment funds. These expenses are compiled using the annual budget statistics and the Denton algorithm. We don't consider this as a problem due to the fact that these expenses are fairly small and evenly distributed over quarters.

P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES AND METHODS

This category is compiled using the same sources and methods as Intermediate consumption.

Central Government (Weight of P.5 and K.2: 33%)

Local Authorities (Weight of P.5 and K.2: 67%)

Social security funds (Weight of P.5 and K.2: 0%)

D.1 Compensation of employees

SOURCES AND METHODS

The change in recorded expenditure on wages and salaries in the quarterly accounting returns will reflect the following:

- Number of employees;
- Wage rate adjustments, which are normally made on 1 April and 1 October;
- The payment of special holiday bonuses under collective agreements on 1 May;
- The payment of overtime, gratuities etc., which are usually paid in December.

These last two should not give rise to any increase in total wages and salaries in the second or the fourth quarters, but should be evened out over the whole year. However, it is not possible to smooth out the figures with sufficient accuracy.

For these reasons it was decided to base the compensation of employees for historic years on the previous employment-based figures. From the first quarter of 2002 on, data for the quarterly accounted expenditure on wages and salaries of central government, the counties and municipalities will be included as the main indicator when figures are worked out for the



compensation of employees. In practice we compile an indicator-based figure for compensation of employees and a figure based on the accounted primary information. These two figures are compared and, if we observe a difference, corrections are made to either the indicator-based or the accounted figure. The sources and methods concerning the account based figure are the same as described under intermediate consumption.

Central Government (Weight of D.1: 27%)

Local Authorities (Weight of D.1: 72%)

Social security funds (Weight of D.1: 1%)

D29 Other taxes on production, payable

SOURCES AND METHODS

Other taxes consist of taxes on real property, weight duty on motor vehicles and employers' contributions to a scheme for refunding trainee costs.

Information concerning taxes on real property is obtained from the accounted taxes on real property in the real estate register.

Weight duty on motor vehicles is obtained from the Ministry of taxation in book value.

Employers' contributions to the scheme for refunding trainee costs is obtained from AER's quarterly accounts.

Central Government (Weight of D.1: 33%)

Local Authorities (Weight of D.1: 77%)

Social security funds (Weight of D.1: 0%)

D.3 Subsidies

SOURCES AND METHODS

Central Government (Weight of D.3: 81%)

Subsidies cannot be described on the basis of the existing sources and are therefore replaced by values from budget statistics, allocated to quarters using the "Denton algorithm".



Local Authorities (Weight of D.3: 19%)

See description under Central Government.

Social security funds (Weight of D.3: 0%)

No subsidies are paid by Social security funds.

D.4 Property income, payable

SOURCES AND METHODS

Central Government (Weight of D.4: 95%)

Property income cannot be described on the basis of the existing sources and are therefore replaced by values from budget statistics, allocated to quarters using the "Denton algorithm".

Local Authorities: (Weight of D.4: 5 %)

See description under Central Government.

D.5 Current taxes on income, wealth etc., payable

Not applicable.

D.62 Social benefits other than social transfers in kind

SOURCES

Central Government (Weight of D.62: 19%)

Most of the data for social benefits other than social transfers in kind are obtained from a monthly account system from the General Accounting Office, which covers all the state agencies.

Local Authorities (Weight of D.62: 62%)

Some of the data for social benefits other than social transfers in kind are obtained from a monthly account system from the General Accounting Office. The data for sickness benefit, maternity benefit, pension, family/young person's allowances and other family allowances are obtained by the Ministry of Social Affairs. Cash benefits under the *Social Assistance Act* are on a monthly basis in Statistics Denmark. Cash benefits are directly comparable with accounting figures but are related to statistics of the number of persons receiving assistance.



Social Security Funds (Weight of D.62: 19%)

The data for social benefits other than social transfers in kind are obtained from a monthly account system from the General Accounting Office. The consistency with other sources on unemployment paid benefits and early retirement pensions paid are checked.

METHODS

Central Government:

Data are recorded on an accrual basis and sum up to the annual figures, which are used in the annual national accounts for general government.

Local Authorities:

Data are recorded on an accrual basis and sum up to the annual figures, which are used in the annual national accounts for general government.

Social Security Funds:

Data are recorded on an accrual basis and sum up to the annual figures, which are used in the annual national accounts for general government.

D.6311+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES AND METHODS

This category is compiled using the same sources and methods as Intermediate consumption.

Central Government (Weight of D.6311+D.63121+D.63131: 0%)

Local Authorities (Weight of D.6311+D.63121+D.63131: 100%)

SOURCES AND METHODS

Central Government (Weight of D.7: 83%)

Other current transfers cannot be described on the basis of the existing sources and are therefore replaced by values from budget statistics, allocated to quarters using the "Denton algorithm".

Local Authorities: (Weight of D.7: 9%)

See description under Central Government.

Social security funds (Weight of D.7: 8%)

See description under Central Government.



D.8 Adjustment for change in net equity of households in pensions funds reserves

Not applicable.

D.9 Capital taxes, investment grants and other capital transfers, payable

SOURCES AND METHODS

Central Government (Weight of D.9: 78%)

Other capital taxes, investment grants and other capital transfers payable cannot be described on the basis of the existing sources and are therefore replaced by values from budget statistics, allocated to quarters using the "Denton algorithm".

Local Authorities: (Weight of D.9: 7%)

See description under Central Government.

Social security funds (Weight of D.9: 15%)

See description under Central Government.

7. Revenue of general government

P.11+P.12+P.131 Market output, output for final use and payments for other non-market output

SOURCES AND METHODS

This category is compiled using the same sources and methods as Intermediate consumption.

Central Government (Weight of P.11+P.12+P.131: 39%)

Local Authorities (Weight of P.11+P.12+P.131: 61%)

Social security funds (Weight of P.11+P.12+P.131: 0%)

SOURCES

Central Government (Weight of D.2: 93%)

Data are obtained from the Central Government tax collection agencies. Information available from this source are: monthly notified duties breakdown by type of taxes – supplied on the 30th day following the end of the month; VAT and energy duties are supplied on a quarterly basis 2 months after the end of the quarter; EU taxes are supplied on 30th day; Taxes on yields of certain pension scheme assets are only available on an annual basis. Regarding VAT-type taxes (D.21),



data are comprehensive and cover VAT received by General Government as well as VAT collected on behalf of the EU Institutions.

Local Authorities (Weight of D.2: 7%)

See description under Central Government.

METHODS

Central Government

D.2: Excluding VAT and Other taxes on production (D.2 less D.21, D.29):

Data are recorded according to when the tax is registered in Central Government tax collection agencies' accounting systems. Data are on a quarterly basis and adjusted to an accrual basis by Statistics Denmark using information on rules of payments by the various tax items specified in the Danish tax laws.

D.21 VAT-type taxes:

Data are recorded on an accrual basis by Central Customs and Tax Administration. The corrections to cash figures are calculated rather mechanically by using information on rules of payments by the various branches specified in Danish tax laws. The period of correction varies from one month (small firms), three months (most branches), and up to six months (agriculture). Some examples are as follows:

- Tax on petrol: This month's accrual equals next month's notified amount.
- Duty on electricity: This month's accrued duty equals next month's notified amount less duty remuneration from the month's three month after.
- VAT: For small firms, this month's accrued duty equals next month's notified amount. For bigger firms, this month's accrued duty equals the notified amount three months afterwards. For agriculture, this month's accrued duty is approximately the notified amount six months afterwards.

D.29 Other taxes on products

Motor Vehicle Weight Duty and duty on wages and salary costs are based on book values. This month's accrued duty on wages and salary costs equals next month's book value.

Local Authorities

Taxes on real property are on a quarterly basis adjusted to an accrual basis by Statistics Denmark using information on rules of payments proper to the various tax items specified in the Danish law.

The tax is levied on the basis of taxable land values that have been established the previous year when real estate values were established. The actual tax rate (per 1000 of the land value) is established by the local town council in each municipality. The various municipalities also establish the collection of land tax (i.e., when and how many periods).



D.39 Other subsidies on production, receivable

SOURCES AND METHODS

Central Government (Weight of D.39: 0%)

No Other subsidies on production are receivable by Central government.

Local Authorities: (Weight of D.39: 100%)

Other subsidies on production receivable cannot be described on the basis of the existing sources and are therefore replaced by values from budget statistics, allocated to quarters using the "Denton algorithm".

Social security funds (Weight of D.39: 0%)

No Other subsidies on production are receivable by Social security funds.

D.4 Property income, receivable

SOURCES AND METHODS

Central Government (Weight of D.4: 49%)

Property income cannot be described on the basis of the existing sources and is therefore replaced by values from budget statistics, allocated to quarters using the "Denton algorithm".

Local Authorities: (Weight of D.4: 6%)

See description under Central Government.

Social security funds (Weight of D.4: 45%)

See description under Central Government.

D.5 Current taxes on income, wealth, etc.

SOURCES

Central Government (Weight of D.5: 46%)

D51: Most data are obtained from the Central Customs and Tax Administration body (CCTA), with some additional information available from the Central Government tax collection agencies. CCTA data are recorded on an adjusted cash basis, collected on a monthly basis and supplied on the 30th day following the end of the month.

Local Authorities: (Weight of D.5: 54%)

See description under Central Government.



METHODS

Central Government

Data are recorded on a time-adjusted cash basis. The time-adjusted cash data are adjusted to accrual basis. See note for methodical description.

Local Authorities

See description under Central Government.

D.611 Actual social contributions

SOURCES

In Denmark, these consist of two items: the contributions employers and employees make to the Labour Market Supplementary Fund (ATP); and employees' contributions to the unemployment insurance fund.

Social Security Funds (Weight of D.611: 100 %)

For this sub-sector, the data source related to employee's contributions is unemployment insurance funds. Data are available 4 months after the end of the year on an annual basis.

METHODS

Social Security Funds

Data for payments to ATP are recorded on a cash basis but can be easily transformed onto an accrual basis. The accrual method takes this month's accrued tax as being equal to next month's cash receipts. Statistics Denmark is currently looking into a method for compiling quarterly figures on unemployment insurance funds from the annual data.

D.612 Imputed social contributions

SOURCES AND METHODS

Central Government (Weight of D.612: 40%)

Imputed social contributions cannot be described on the basis of the existing sources and are therefore replaced by values from budget statistics, allocated to quarters using the "Denton algorithm".

Local Authorities: (Weight of D.612: 60%)

See description under Central Government.

Social security funds (Weight of D.612: 0%)

See description under Central Government.



D.7 Other current transfers, receivable

SOURCES AND METHODS

Central Government (Weight of D.7: 16%)

Other current transfers cannot be described on the basis of the existing sources and are therefore replaced by values from budget statistics, allocated to quarters using the "Denton algorithm".

Local Authorities: (Weight of D.7: 41%)

See description under Central Government.

Social security funds (Weight of D.7: 43%)

See description under Central Government.

D.91 Capital taxes

SOURCES

Central Government (Weight of D.91: 100 %)

In Denmark, this consists of a single item, inheritance taxes. Data are obtained from the Central Customs and Tax Administration body (CCTA).

METHODS

Central Government

Data are recorded on an accrual basis and summed up to the annual figures, which are used in the annual national accounts for General Government.

D.92+D.99 Investment grants, other capital transfers, receivable

SOURCES AND METHODS

Central Government (Weight of D.92+D.99: 63%)

D.99 Investment grants, other capital transfers, receivable cannot be described on the basis of the existing sources and are therefore replaced by values from budget statistics, allocated to quarters using the "Denton algorithm".

Local Authorities: (Weight of D.92+D.99: 37%)

See description under Central Government.

Social security funds (Weight of D.92+D.99: 0%)

See description under Central Government.



GERMANY**Description of German practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The criterion laid down in Art. 3 of Commission Regulation (EC) No 264/2000 is complied with fully for final tax data (D.2; D.5; D.91), final actual social contributions (D.611) and final social benefits (D.62), but not in all cases for first estimates of quarterly data. For other types of revenue and expenditure the 90% criterion is not required to be met. Nonetheless, a high degree of direct information is also included in these data.

2. Compliance with ESA 95 rules

In so far as necessary, the basic data are transformed in order to comply with the concepts of ESA 95.

3. Consistency between annual and quarterly data

In the national accounts the quarterly data are fully consistent with the annual data.

In principle, quarterly (or sometimes even monthly) data form the basis for compiling accounts in most cases. Annual data are integrated after the (provisional) quarterly data have been compiled. However, the (quick) quarterly or monthly basic statistics do not necessarily add up to the (subsequently published) annual basic statistics because there may be budget adjustments at the end of the year. Thus payment flows for year $n+1$ which actually belong to year n are included in the final annual basic statistics for year n . However, they are not necessarily integrated into the (quick) quarterly statistics for the fourth quarter of year n .

For statutory accident insurance and for municipal associations only annual data are available. These are therefore divided among the quarters.

4. Revision policy

In the area concerned (first estimate of the quarterly figures) missing data from the quarterly basic statistics are supplemented by estimates, taking into account all available data (in particular legal changes). Once the missing quarterly basic statistics become available, the results are revised step by step. After revision, the results are largely based on quarterly basic statistics. Finally, the provisional results are squared with the later final annual results (alignment).



SOURCES

Central government State government

Quarterly cash results of public finance statistics. Final annual results of public finance statistics. For transactions from the rest of the world to government and from government to the rest of the world – in so far as necessary – supplementary data from the balance of payments.

Local government

Quarterly cash results (excluding municipal associations) of public finance statistics. Final annual results (including municipal associations) of public finance statistics. For transactions from the rest of the world to government and from government to the rest of the world – in so far as necessary – supplementary data from the balance of payments.

Social security funds

Monthly results of the pensions insurance of wage and salary earners and of unemployment insurance; quarterly results of statutory health insurance, statutory long-term care insurance, the agricultural retirement fund, miners' pension insurance; annual data for statutory accident insurance. Final annual results of the individual branches of social security. For transactions from the rest of the world to government and from government to the rest of the world – in so far as necessary – supplementary data from the balance of payments.

5. General remarks

The general description mentioned above applies equally to all types of revenue and expenditure mentioned in Regulations (EC) Nos 264/2000 and 1221/2002 with the exception of the construction investments of local authorities and acquisitions less disposals of nonproduced non-financial assets (see relevant section for description).

6. Expenditure of general government

In 2010 the expenditure of general government had the following structure:

General government expenditure 2010

Specification	EUR billions	Share of expenditure in %
Total expenditure	1 164.10	100.0
Intermediate consumption	116.33	10.0
Compensation of employees	181,75	15.6
Other taxes on production	0.07	0.0
Property income	59.78	5.1
Subsidies	32.96	2.8
Social benefits other than social transfers in kind	450.57	38.7
Social benefits in kind	204.17	17.5
Other current transfers	46.46	4.0
Capital transfers	38.79	3.3
Gross capital formation	38.98	3.3
Acquisitions less disposals of non-produced non-financial assets	-5.76	-0.5



P2 Intermediate consumption

SOURCES

The sources are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in the intermediate consumption of general government:

Sub-sector of general government	Share of P.2 in %
Central government	26.5
State government	28.5
Local government	36.7
Social security funds	8.3

METHODS

The method applied is described in the general remarks.

P5+K2 Gross capital formation, acquisitions less disposals of non-produced non-financial assets

SOURCES

For construction investments – in order to be able to present the investments in accordance with the progress of construction – it is not the cash expenditure for construction work of central, state and local government that is used, but the results of the production statistics in the construction sector, broken down into construction industry, finishing trades, construction output of manufacturing industry, construction output of architects, engineers, estate agents etc., and construction output of households. For the construction industry the annual survey of the construction industry gives the investment level for the year as the “annual construction output”. The monthly activity survey looks both at the hours worked in the construction industry and at the contractor of the construction services – including general government. These results are used to calculate the quarterly construction investments of general government in construction.

For finishing trades the annual level of construction investments is determined on the basis of turnover tax statistics. The quarterly breakdown is based on the results of the quarterly reports on handicrafts. The sub-division by type of construction – including public construction – is based on the monthly activity survey of the construction industry.

Production and external trade statistics provide quarterly results for the construction output of manufacturing industry.



The own-account construction of households is based on construction activity statistics. The breakdowns by quarter and type of construction are also based on the breakdowns of the construction industry and finishing trades.

These calculations provide the quarterly results for the construction investment of general government.

Documentation of the net acquisition of undeveloped land is based on statistics on the market value of building land (annual in-depth structure of the integration of purchases by sector and subsector of general government) linked to quarterly information from the public accounts.

The sources of the other components of this expenditure category (P.5 + K.2) are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in gross investments and in acquisitions less disposals of non-produced non-financial assets (P.5 + K.2) of general government

Subsector of general government	Share in (P.5 + K.2) in %
Central government	14.2
State government	22.0
Local government	62.1
Social security funds	1.6

METHODS

The method used is described in the general remarks.

DI Compensation of employees

SOURCES

The sources are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in the compensation of employees of general government:



Subsector of general government	Share of D.1 in %
Central government	13.2
State government	52.1
Local government	24.7
Social security funds	10.0

METHODS

The method used is described in the general remarks.

D29 Other taxes on production, payable

SOURCES

The sources are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in other taxes on production of general government:

Subsector of general government	Share of D.29 in %
Central government	42.9
State government	28.6
Local government	14.3
Social security funds	14.3

METHODS

The method used is described in the general remarks.



D3 Subsidies

SOURCES

The sources are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in subsidies of general government:

Subsector of general government	Share of D.3 in %
Central government	26.5
State government	42.0
Local government	23.5
Social security funds	8.0

METHODS

The method used is described in the general remarks.

D4+D41 Property income and interest, payable

SOURCES

The property income (D.4) of general government is identical to the interest (D.41) paid by general government.

The sources are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in the property income and interest of general government:

Subsector of general government	Share of D.4 in %
Central government	58.5
State government	34.2
Local government	7.0
Social security funds	0.3



METHODS

The method used is described in the general remarks.

D5 Current taxes on income, wealth, etc., payable

In Germany the government does not pay current taxes on income, wealth, etc.

D62 Social benefits other than social transfers in kind

SOURCES

The sources are described in the introductory general remarks.

Subsector of general government	Share of D.62 in %
Central government	14.9
State government	11.8
Local government	6.8
Social security funds	66.5

METHODS

The method used is described in the general remarks.

D6311+D63121+D63131 Social transfers in kind representing expenditure for goods provided directly to households by market producers

SOURCES

The sources are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in social transfers in kind of general government:



Subsector of general government	Share of (D.6311+ D.63121 +D.63131) in %
Central government	0.0
State government	1.8
Local government	10.8
Social security funds	87.3

METHODS

The method used is described in the general remarks.

D7 Other current transfers, payable

SOURCES METHODS

Subsector of general government	Share of D.7 in %
Central government	59.0
State government	19.2
Local government	18.4
Social security funds	3.4

The method used is described in the general remarks.

D8 Adjustment for the change in the net equity of households in pension funds reserves

So far this item is not required to be calculated for the general government sector.

D91+D92+D99 Capital taxes, investment grants and other capital transfers, payable

SOURCES

In Germany the government does not pay capital taxes (D.91).



The sources for the other components are described in the introductory general remarks. In addition, for the calculation of investment grants, documentation is also drawn from the Federal Ministry of Finance.

In 2010 the sub-sectors had the following shares in the capital transfers of general government:

Subsector of general government	Share of (D.92 and D.99) in %
Central government	57.0
State government	35.3
Local government	7.8
Social security funds	0.0

METHODS

The method used is described in the general remarks.



7. Revenue of general government

In 2010 the revenues of general government had the following structure:

General government revenue 2010

Specification	EUR billions	Share of revenues in %
Total revenue	1082.1	100
Payments for output (P.11+P.12+P.131)	50.9	4.7
Other subsidies on production	0.6	0.1
Property income	18.5	1.7
Taxes (excluding capital taxes)	568.3	52.5
Taxes on production and imports	310.5	28.7
Taxes on income and wealth	257.8	23.8
Social contributions	420.3	38.8
Actual social contributions	393.7	36.4
Imputed social contributions	26.6	2.5
Other current transfers	14.1	1.3
Capital transfers	9.5	0.9
Capital taxes	4.4	0.4
Investment grants and other capital transfers	5.1	0.5

P11+P12+P131 Market output, output produced for own final use and payments for other non-market output

SOURCES

The sources are described in the introductory general remarks.



In 2010 the sub-sectors had the following shares in revenues from output (P.11+P.12+P.131) of general government:

Subsector of general government	Share of (P.11+P.12+P.131) in %
Central government	22.2
State government	21.6
Local government	55.9
Social security funds	0.3

The method used is described in the general remarks.

D2 Taxes on production and imports

SOURCES

The sources are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in other subsidies received by general government:

Subsector of general government	Share of D.2 in %
Central government	55.1
State government	31.1
Local government	13.8
Social security funds	0.0

METHODS

The method used is described in the general remarks.



D39 Other subsidies on production, receivable

SOURCES

The sources are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in other subsidies received by general government:

	Share of D.39 in %
Subsector of general government	
Central government	0.0
State government	0.0
Local government	100.0
Social security funds	0.0

METHODS

The method used is described in the general remarks.

D4 Property income, receivable

SOURCES

The sources are described in the introductory general remarks. In addition, the profit and loss account and notes from the Annual Report of the Deutsche Bundesbank are used in order to calculate the profit transfer of the Bundesbank to central government which has to be recorded in D4. In 2010 the sub-sectors had the following shares in the property income received by general government:

Subsector of general government	Share of D.4 in %
Central government	40.4
State government	27.6
Local government	21.1
Social security funds	10.9

METHODS

The method used is described in the general remarks.



D5 Current taxes on income, wealth, etc.

SOURCES

The sources are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in other subsidies received by general government:

Subsector of general government	Share of D.5 in %
Central government	47.3
State government	40.9
Local government	11.8
Social security funds	0.0

METHODS

The method used is described in the general remarks.

D611 Actual social contributions

SOURCES

The sources are described in the introductory general remarks.

Actual social contributions to general government are collected exclusively by the social security funds subsector:

Subsector of general government	Share of D.611 in %
Central government	0.0
State government	0.0
Local government	0.0
Social security funds	100.0

METHODS

The method used is described in the general remarks.



D612 Imputed social contributions

SOURCES

Imputed social contributions for civil service pensions (including assistance for pensioners) are determined by calculation in that a percentage rate in line with the contribution rate for pensions insurance for the employee plus 7% is added to the remuneration of actively employed civil servants. The sources for the underlying civil service remunerations and for other imputed social contributions are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in imputed social contributions of general government:

Subsector of general government	Share of D.612 in %
Central government	22.0
State government	63.6
Local government	9.7
Social security funds	4.7

METHODS

The method used is described in the general remarks.

D7 Other current transfers, receivable

SOURCES

The sources are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in other current transfers received by general government from other sectors:

Subsector of general government	Share of D.7 in %
Central government	6.3
State government	33.3
Local government	48.1
Social security funds	12.3

METHODS

The method used is described in the general remarks.



D91 Capital taxes

SOURCES

The sources are described in the introductory general remarks. In Germany capital taxes are collected exclusively by the state government subsector: Subsector of general government	Share of D.91 in %
Central government	0.0
State government	100.0
Local government	0.0
Social security funds	0.0

METHODS

The method used is described in the general remarks.

D92+D99 Investment grants, other capital transfers, receivable

SOURCES

The sources are described in the introductory general remarks.

In 2010 the sub-sectors had the following shares in capital transfers received by general government (excluding capital taxes):

Sub-sector of general government	Share of (D.92 + D.99) in %
Central government	11.6
State government	52.9
Local government	35.5
Social security funds	0.0

METHODS

The method used is described in the general remarks.



ESTONIA**Description of Estonian practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The requirements for the use of direct information set out in Article 3 of the *Commission Regulation (EC) No 264/2000* and in Article 4 of the *European Parliament and Council Regulation 1221/2002* are met.

2. Compliance with ESA95 Rules

Basic data for taxes are transformed in compliance with ESA95 concepts. For transactions related to quarterly GDP estimates that are covered by *Regulation 1221/2002*, the basic data system used is on an accrual basis. Exceptions are taxes, tax-related fees and fees collected by state-budgetary units.

3. Consistency between annual and quarterly data

Annual and quarterly data are fully consistent. The annual and the quarterly data sources are described in general remarks.

4. Revision policy

In general, quarterly data are revised when new annual data become available, i.e., the quarterly data reported earlier in the same year are revised according to the annual data. The deadline for the annual national accounts publication is t+18.

5. General remarks

For the time being, a full sequence of quarterly non-financial accounts for general government is compiled with time-series starting from 1995. Since 2004 the accounts are based on accrual-based data (except taxes, tax-related fees and fees collected by state-budgetary units). Cash-based information is used for tax-related fees and fees collected by state-budgetary units, because there is a large proportion of fees that will never be collected and such claims are recorded in the accrual book-keeping from time to time as claims unlikely to be collected. Such practice makes the accrual data very volatile and therefore cash-based information is used instead.

Until 2004 quarterly data sources were available only for part of the general government sector – state institutions, local government units and social security funds. The other general government units (extra budgetary foundations, public legal institutions and health care institutions, mainly



financed by government) were obliged to report only on an annual basis.

Starting from 2007, a new accrual based data source was introduced into compilation of the general government accounts. This data source, the General Government Accounts (GGA), is based on the General Guidance of the Public Sector Accounting issued by a regulation of the Minister of Finance. Full implementation of GGA and revision of backward series for 2004-2008 was made in September 2009.

SOURCES

General Rules of Governmental Accounting were introduced in December 2003. These accounting rules respect the Estonian Code of Accounting Practice as well as International Public Sector Accounting Standards (IPSAS). Quarterly and annual balance accounts have been compiled according to the new system since 1 January 2004. Monthly balance accounts have been compiled since 1 January 2008 by units classified in the general government sector.

The Ministry of Finance arranges implementation of the general rules of governmental accounting and compilation of general government accounts (State Treasury). Institutions that must keep accounts according to these rules are:

- all ministries;
- State Chancellery in the reach of its managerial and administrative area;
- the Parliament;
- President of the Republic;
- State Audit Office;
- Chancellor of Justice and the Supreme Court of Estonia with their units;
- local governments;
- public-legal institutions;
- all enterprises, foundations and non-profit institutions belonging to the public sector;
- State Forest Management Centre is also involved in this system.

All units recorded on the list of the general government sector are obliged to report their account positions every month electronically to the information system, which can be accessed through the web application on the Ministry of Finance web page. The reported information is structured so that every entry (account combination) consists of information on the reporting unit, account number, information about counterpart unit, code of function, source code, cash flow code and position of account (either in debit or credit). The source code indicates from which source the financing is received, for instance every EU structural or pre-structural fund has a specific code. Cash flow codes are used mainly in balance accounts to distinguish opening balances and different actions. For some account combinations some of the information is not required so empty values are reported.

Associated companies do not have to keep their accounts according to the general rules of governmental accounting but they are obliged to report their balance accounts by those rules.



The list of units included in GGA covers all enterprises, foundations and non-profit institutions belonging to the public sector. The list of units included into compilation of general government accounts based on ESA95 rules is different. Rules in the *Manual on Government Deficit and Debt* are used when classifying units belonging to the public sector. Based on those rules, organisations have to be an institutional unit, controlled by government and a non-market producer to be classified to the general government sector. On that basis some public sector organisations are classified to the non-financial corporations sector (S.11), to the financial institutions sector (S.12) or to the non-profit institutions serving households sector (S.15).

It was necessary to develop an IT-system in order to make full use of GGA data. The first steps towards the development of the IT-system necessary to process data from the State Treasury's General Government Accounts were made in 2006. The approval to the development of this system was given by the Statics Estonia's IT Projects Committee in the end of 2006.

At the beginning of 2007 the first stored processes were created to derive the ESA95 transactions using SAS software. The aim of this exercise was to provide some tools to ease the use of GGA data and provide background to analysis necessary for development of the processing system. Those preliminary processes were updated over the years and were in use until December 2009. In December 2009 the first phase of the new IT-system - structured database and the encoding solution for all classifications used in public finance statistics - was launched. The second phase will include the development of various automated queries, but whether this phase is realised depends on the budget opportunities and capability of IT-development team.

Data sources described below apply only to the data from 2005 onwards.

METHODS

The majority of data are directly derived from the monthly accrual data source (GGA) and no time-adjustments are applied. External information is used to divide dividends between revenue classified as property income (D.4) and super-dividends (recorded as F.5 Shares and other equity), and to estimate accrued interest. The time-adjusted cash method is used for recording tax revenue and direct cash data are used for recording tax-related fees and fees collected by state-budgetary units.

The same method is used for compilation of annual figures and all quarterly figures are aligned with the annual ones.

6. Expenditure of general government

P.2 Intermediate consumption

SOURCES

The quarterly and annual data on intermediate consumption for general government are available from GGA data.



METHODS

The method is described in general remarks.

P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES

The quarterly and annual data on GFCF are available from quarterly GGA data.

METHODS

The method is described in general remarks.

D.1 Compensation of employees

SOURCES

The quarterly and annual data on compensation of employees for general government are available from GGA data.

METHODS

The method is described in general remarks.

D.29 Other taxes on production, payable

SOURCES

The quarterly and annual data on other taxes on production paid by general government are available from GGA data.

METHODS

The method is described in general remarks.

D.3 Subsidies

SOURCES

The quarterly and annual data on subsidies paid by general government are available from GGA data. Annual reports on payments of national agricultural and rural development support and support from the European Union on an accrual basis are available from The Agricultural Registers and Information Board (ARIB), a government institution subordinated to the Ministry of Agriculture.

METHODS

The method is described in general remarks. ARIB information is used to distribute total transfers between subsidies and other current transfers.



D.4 Property income, payable

SOURCES

The quarterly and annual data on interests paid by general government are available from GGA data.

METHODS

The method is described in general remarks.

D.51 Taxes on income, wealth etc, payable

SOURCES

The quarterly and annual data on taxes on income paid by general government are available from GGA data. This expenditure covers the income tax imposed on fringe benefits granted to the natural persons.

METHODS

The method is described in general remarks.

D.62 Social benefits other than social transfers in kind

SOURCES

The quarterly and annual data on social benefits paid by general government are available from GGA data.

METHODS

The method is described in general remarks.

D.7 Other current transfers, payable

SOURCES

The quarterly and annual data on other current transfers paid by general government are available mostly from GGA data. Additional information from the Ministry of Finance is used to distinguish VAT own resource and GNI-based own resources as in GGA these are recorded in one entry.

METHODS

The method is described in general remarks.

D.9 Capital taxes, investment grants and other capital transfers, payable

SOURCES

The quarterly and annual data on capital transfers paid by general government are available from GGA data.



METHODS

The method is described in general remarks.

7. Revenue of general government

P.11+P.12+P.131 Market output, output for own final use and payments for the other non-market output

SOURCES

The quarterly and annual data on output for general government are available from GGA data.

METHODS

The method is described in general remarks.

D.2 Taxes on production and imports

SOURCES

Taxes on production and imports mainly consist of VAT and excise duties on alcohol, tobacco, fuel, motor vehicle, import duties, betting and gambling tax, car registration tax, land tax and local taxes on sales and advertising.

Central Government:

Monthly cash data for VAT and other taxes are available, from the Ministry of Finance budget revenue reports and Estonian Tax and Customs Board reports, 20 days after the end of the month.

Local Government:

Monthly cash data on taxes collected by local government are also available from the Ministry of Finance budget revenue reports. The annual land tax is due to be paid in one payment if the amount is not more than 1000 Estonian kroons (due date 31 March). If the amount exceeds 1000 kroons, then at least half (and not less than 1000 kroons) should be paid by 31 March and the other part by 1 October. The actual amount of land tax collected by the Estonian Tax and Customs Board allocated to local government is currently available on a cash basis.

METHODS

VAT and excise duties are time-adjusted on the basis of the provisions of the tax legislation concerning the collection of these taxes. The time-lag used is one month due to the law, where the Value Added Tax returns shall be submitted to the tax authority by the twentieth day of the month following the taxable period. The taxable period is one calendar month. The time-lag for excise duties is one month, where the excise duties returns shall be submitted to the tax authority by the fifteenth day of the month following the taxable period. The taxable period for excise duties is one calendar month.



For some tax categories time-adjustment is not undertaken because the effect of time-adjustment would be insignificant. The time-adjusted and pure cash data do not differ much and the amount of possible time adjustment would be very small. For some taxes the time-lag is of such period (for example three months) and the amounts are so small that the time-adjustment would not be sensible. Considering the even nature of the cash flow of these taxes it has been agreed that no time-adjustment is needed.

D.4 Property income, receivable

SOURCES

Quarterly and annual data on interest paid by general government are available from GGA. Additional information is used for social security funds. Both institutional units in this sub-sector record in one entry both the revaluation of securities and the accrued interest on those securities. The Bank of Estonia collects information about revaluations of securities. This information is used to separate interest from revaluations in the GGA data.

METHODS

Central and local government:

The method is described in general remarks.

Social security funds:

Interest on deposits is recorded based on GGA data. Interest on securities is calculated based on the information in the revenue accounts, which is adjusted based on the information about the volume of the revaluation.

D.5 Current taxes on income, wealth, etc.

SOURCES

Central Government:

The taxes concerned are personal income tax (on the total taxable income including wages and salaries, interest, dividends, capital gains etc.) and corporate tax (on distributed profits). Cash data are available monthly from the Ministry of Finance tax revenue reports for both personal income and corporate tax collections.

Local Government:

The taxes included are the allocated part of personal income tax (56% of actual collected amount) and local taxes related to certain kind of property paid by owners (motor vehicles, boats, animals). Monthly cash data are available from the Ministry of Finance's tax revenue reports.

METHODS

No adjustments are made in the cash data.

For income taxes time-adjustment is not undertaken. For some types of income taxes the time-lag is of such period (for example three months) that the time-adjustment would not be sensible.



Considering the even nature of the cash flow of these taxes it has been agreed that no time-adjustment is needed.

Currently methods of recording income taxes are under investigation, which may lead to the changes in the recording methods.

D.611 Actual social contributions

SOURCES

Taxes included here are social tax and unemployment insurance premium. For social tax monthly cash data are available from the Ministry of Finance's tax revenue reports. Since 2000 the actual social tax is collected directly by central government (Estonian Tax and Custom Board) and later part of this is transferred to the social security funds under the provision of tax law. The total tax rate of 33% is distributed in following parts: 20% to Social Insurance Board (pensions, recorded in central government) and 13% to Health Insurance Fund (social security funds).

Data for unemployment insurance premium are only available from the GGA.

METHODS

Time-adjusted cash data are used for social tax and the time-lag used is one month. The payers of social tax are required to transfer the social tax due to the bank account of the Tax and Customs Board by the tenth day of the month following the taxable period and submit the corresponding tax return to the regional tax centre of the Tax and Customs Board of the payers of social tax by the same date. The taxable period for social tax is also one calendar month.

Unemployment insurance premiums are accrual-based and derived directly from the GGA.

D.7 Other current transfers, receivable

SOURCES

The quarterly and annual data on other current transfers received by general government are available mostly from GGA data. Exceptions are tax-related fees and fees collected by state-budgetary units. For these, monthly cash-based state budget execution reports from the Ministry of Finance are used.

METHODS

The method is described in general remarks.

D.91 Capital taxes

SOURCES

According to the tax legislation in Estonia this category of tax is not applied at present.

***D.92+D.99 Investment grants, other capital transfers, receivable*****SOURCES**

The quarterly and annual data on other current transfers received by general government are available mostly from GGA data.

METHODS

The method is described in general remarks.



IRELAND

Description of Irish practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information (90% criteria)

The 90% criteria set out in Article 3 are fully respected for the following categories of General Government: D4pay, D62pay, D7pay, D9pay, D2rec, D5rec, D611rec and D91rec. Other categories are also estimated each quarter using direct Information but this is currently provided only at aggregate levels and is subdivided using prior year annual proportions. The methodology is currently being improved and in 2012 the majority of quarterly estimates will be calculated using direct information.

2. Compliance with ESA 95 rules

Quarterly estimates are cash based except for most taxes on production, PAYE taxes and social insurance contributions which are adjusted for accruals.

3. Consistency between annual and quarterly data

The system of compilation of the quarterly estimates ensures that for any year the sum of quarters in Table 25 is equal to the corresponding annual total in Table 2. In the estimation of most variables it is usual to ensure that the sum of the quarters of any components of that variable are equal to the corresponding annual value, where available. This is done by realigning the first quarterly estimates so that the sum of the quarters agree with the annual total. For all variables, realignment (i.e. ensuring the sum of four quarters for any year is equal to the corresponding annual value) is also carried out at the end of the estimation process.

4. Revision policy

Revisions to all previous quarters are liable to occur in the Q4 (end-March) and Q2 (end-September) returns. These revisions are made to ensure that Table 25 remains consistent with the version of Table 2 which is part of the EDP transmissions at end-March and end-September of each year. Revisions are also liable to occur in the Q1 return (end-June). This is because there is a national publication of Annual National Accounts in June of each year and a corresponding Table 2 is produced which may differ from the one transmitted at end-March. Table 25 will be revised to match the updated Table 2.



5. General remarks

For Central Government approximately 80% of the data is based on direct quarterly information, while for Local Government most of the data is based on quarterly trend indicators. Local Government units receive the majority of their funding from Central Government and the trend indicators used are largely based on the levels of grants paid each quarter. Beginning In Quarter 1 of 2011, direct information will be collected from Local Authorities.

SOURCES AND METHODS BY CATEGORY

6. Expenditure of General Government

P2 Intermediate consumption

SOURCES

Central government (Weight of P2: 75%)

The Department of Finance provides data on a cash basis for the Revenue and Expenditure of each Department of Central Government each month. The aggregate amounts for Revenue and Expenditure are used and broken down into Irish traditional National Accounts classifications using historical annual proportions. Recently the Department of Finance is able to provide a more detailed breakdown of their aggregates. Steps to incorporate these more detailed data and classify each item separately to its appropriate transaction code in the quarterly estimates are underway. It is hoped that this will be completed by the end of 2011. (This data source will be referred to as *Department of Finance monthly returns* throughout this document.)

Local Government (Weight of P2: 24%)

No direct data are currently obtained.

METHODS

Central government

Estimates for Government Departments are made by applying prior years annual proportions to the aggregate expenditures reported in the Department of Finance monthly returns. There are no quarterly returns available for non-market semi-state enterprises or for extra-budgetary funds except for the Social Insurance Fund. Estimates for these are made based on annual data from previous years trended forward in line with estimates for government departments.

Local Government

In the absence of direct information it is assumed that Intermediate Consumption of Local Authorities moves in line with Compensation of Employees of Local Authority workers. Local Authority quarterly employment and earnings data are used to derive quarterly estimates of Compensation of Employees. These are used to trend annual Intermediate Consumption totals to derive quarterly estimates of Intermediate Consumption. The Employment and Earnings data are collected by the CSO in the Earnings, Hours and Employment Costs Survey (EHECS).



P5+K2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES

Central government (Weight of P5: 30%)

Cash data are obtained from the Department of Finance monthly returns.

Local Government (Weight of P5: 70%)

Information on the capital grants paid by Central Government to Local Authorities and Vocational Education Committees (VECs) are obtained from the Department of Finance monthly returns.

METHODS

Estimates for Central Government are obtained by applying historic proportions to the monthly expenditure totals of Government Departments. For both Local Authorities and VECs, the cash grants paid by Central Government are used as trend indicators to trend the previous year's annual totals data forward for each quarter. This is appropriate since the overwhelming majority of spending by Local Authorities and Vocational Education Committees is financed by their parent Government Department. This is then reconciled to annual totals. Changes in Inventories and Net Acq. of Valuables for each quarter are very small and taken to be the annual total for that year divided by 4.

D1 Compensation of employees

SOURCES

Central government (Weight of D1: 83%)

Cash data are obtained from the Department of Finance monthly returns.

Local Government (Weight of D1: 16%)

Cash data are obtained from the Department of Finance monthly returns. Employment and Earnings data from Earnings Hours and Employment Costs survey (EHECS).

METHODS

For Central Government quarterly estimates are derived from the monthly returns data and then are used as trend indicators to trend data forward for each quarter. This is then reconciled to annual totals. For Local Government EHECS data are used as the trend indicator before reconciliation with annual totals.



D3 Subsidies

Central government (Weight of D3: 100%)

SOURCES

Cash data are obtained from the Department of Finance monthly returns.

METHODS

Estimates are made by applying historical proportions to the aggregate expenditure reported in the Department of Finance monthly returns. This is then reconciled to annual totals.

D4 Property Income

SOURCES

Central government (Weight of D4: 99%)

Data for total Interest Payable are provided by the National Treasury Management Agency (NTMA). This data source covers 99% of all Property Income expenditure.

Local Government (Weight of D4: 1%)

Quarterly estimates are based on annual values divided by 4.

METHODS

The data provided by the NTMA is on an accruals basis is aggregated to provide quarterly estimates. For both sub-sectors, the components are realigned to the annual totals.

D5 Current taxes on income, wealth, etc., payable

SOURCES

Annual data. (This item is very small and no quarterly data are collected).

METHODS

Current taxes on Income and wealth etc. payable by Government for each quarter are taken to be the annual total for that year divided by 4.



D 62 Social benefits other than social transfers in kind

SOURCES

Detailed cash data are obtained from the Department of Finance monthly returns along with non-budgetary data on the Social Insurance Fund.

METHODS

The data from the sources specified above are aggregated to provide quarterly totals. These account for 95% of the total. Annual estimates for Local Authority superannuation, Central Government sick leave payments, Local Government sick leave payments are divided by four to give a quarterly estimate of the remainder.

D 6311+D63121+D63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES

Detailed cash data are obtained from the Department of Finance monthly returns along with non-budgetary data on the Social Insurance Fund.

METHODS

The available monthly data are aggregated to quarterly totals. Information on some remaining benefits in kind is not available except on an annual basis. This includes free medicines available to medical card holders and payments under the drug purchase scheme. Quarterly estimates are made by trending forward the last annual information by appropriate indicators. Estimates of free travel are extracted from monthly returns.

D7 Other current transfers, payable

SOURCES

Central government (Weight of D7: 96%)

Cash data are obtained from the Department of Finance monthly returns and GNI related payments data are taken from Balance of Payments (BoP).

Local Government (Weight of D7: 4%)

Cash data are obtained from the Department of Finance monthly returns and Public Service Estimates (PSE) on grants paid by the Exchequer to Local Authorities and Vocational Education Committees.



METHODS

Data for Central Government are realigned to annual totals. Local Government estimates are made by using the cash grants paid by the Exchequer as trend indicators.

D9 Capital taxes, Investment grants and other capital transfers, payable

SOURCES

Central government (Weight of D9: 95%)

Cash data from the Department of Finance monthly returns. Information on injections into public corporations is obtained from the Department of Finance.

Local Government (Weight of D9: 5%)

Annual data and detailed cash data from Department of Finance monthly returns.

METHODS

For Central Government, data from Department of Finance monthly returns are used as trend indicators to trend forward previous year's values (excluding amounts transferred to banks). For Local Government annual estimates for local improvements are divided by 4. For other Local Government transfer payments, annual estimates are quarterised using cash grants paid by Central Government. To these are added capital injections into public corporations, including banks.

7. Revenue of General Government

P11+P12+P131 market output, output for final use and payments for the other non-market output

SOURCES

Central government (Weight of P11+P12+P131: 66%)

Cash data are obtained from the Department of Finance monthly returns.

Local Government (Weight of P11+P12+P131: 34%)

Detailed cash data are obtained from the Department of Finance monthly returns and annual data.



METHODS

For Central Government, Department of Finance monthly return data are used as trend indicators to trend forward previous year's values. For Local Government, in instances where there is no detailed information on the Department of Finance monthly return, annual data are divided by 4 to give quarterly estimates.

D2 Taxes on production and imports

SOURCES

Central Government (Weight of D2: 92%)

Most taxes are collected by the Revenue Commissioners (Tax Office). Information on these cash tax receipts is reported directly by the Tax Office or is extracted from the Department of Finance's Exchequer Statements. Data on motor vehicle duties is obtained from the Department of Environment, Heritage & Local Government (DoEHLG).

Local Government (Weight of D2: 8%)

Annual information on the amount of commercial property rates collected, including an advance estimate for the current year, is provided by the DoEHLG

METHODS

Central Government

Cash tax revenues are aggregated to give quarterly totals except for receipts of Value Added Tax (VAT) and Excise duties, which are accrued by applying a simple time adjustment to the cash receipts.

In the case of VAT the time-lag is 2 months. Taxes for calendar year n are approximated by taking the actual tax receipts in the 12 month period from March of year n to February of year $n+1$.

For Excise duties the time-lag varies depending on the type of goods involved. For cigarettes a 2 month accrual period is used with the exception of the cash returns for December. This is due to the fact that a shorter grace period is permitted at end of year, with November receipts and much of December receipts falling due in December in addition to the standard October receipts. For Vehicle Registration Tax (VRT) a 1-month accrual period is used while hydrocarbon oils have no time lag, since all excise must be paid in the month in which it is incurred. For other excise a 1-month accrual period applies after December 2001. Prior to this, slightly different rules applied to end of year returns for alcohol.

In 2009, VAT and Excise duties accounted for 83% of total 'Taxes on Production' (D.2).



Local Government

The annual estimates for rates are divided by four and distributed evenly over each quarter.

D4 Property income, receivable

SOURCES

Central government (Weight of D4: 75%)

Data are obtained from the Department of Finance monthly returns. Exchequer Statement data, direct returns from the National Pensions Reserve Fund (NPRF) and the National Treasury Management Agency (NTMA) and Annual non-financial Government Accounts data are used.

Local Government (Weight of D4: 24%)

Annual data.

METHODS

Central Government

Data from Department of Finance monthly returns are used as trend indicators to trend forward estimates for Land Annuities. Data on dividends paid by the Central Bank, National Lottery and commercial semi-state companies are available monthly from the Exchequer Statement. Estimates of Interest earned on the investments of the Social Insurance Fund are made by dividing annual data by 4. The NTMA provides quarterly data on interest earned on the Exchequer deposit account interest. This interest and the property incomes earned on the assets of the National Pension Reserve Fund are reported on an accruals basis.

Local Government

Annual estimates for The Local Government element of D4 are divided by four.



D5 Taxes on income, wealth, et

SOURCES

Central Government (Weight of D5: 100%)

Information on these cash tax receipts is extracted from the Department of Finance's Exchequer Statements and is supplemented with additional information on PAYE receipts obtained directly from the Tax Office. Data on motor vehicle duties is obtained from the Department of Environment, Heritage & Local Government (DoEHLG).

SOURCES

Cash tax revenues are aggregated to give quarterly totals except for Pay As You Earn (PAYE) employees income taxes which are accrued using a simple time adjustment.

Under the Pay As You Earn (PAYE) system, employers deduct income tax at source from employees at each pay period, in accordance with individual tax credit certificates supplied to employers by Revenue. Employers are required to forward the tax deducted on behalf of their employees by the 15th of the month following the month in which the tax was deducted. A 1-month time lag is therefore used to adjust the cash receipts to an accruals basis.

In 2009, receipts of PAYE Income Tax accounted for almost 70% of total 'Current taxes on income and wealth' (D.5).

D611 Actual Social Contributions

SOURCES

Central Government (Weight of D611: 21%)

Data on employees' health contributions are obtained from the Health Service Executive (HSE). Information on the value of pension levies paid by central government employees is obtained from the detailed Department of Finance Monthly Returns.

Local Government (Weight of D611: 2%)

Pension levies paid by local government employees are remitted to the Central Exchequer Account and information on the amounts paid is also obtained from the detailed Department of Finance Monthly Returns.

Social Insurance Fund (SIF) (Weight of D611: 77%)

Information on Social contributions collected is obtained from the Dept. of Social and Family Affairs, which administers the accounts of the Social Insurance Fund.



METHODS

The data from the HSE and Department of Finance Monthly Returns are reported on a cash basis. These are aggregated into quarterly totals without any adjustment. Information on the value of employee Social Contributions paid into the SIF are also reported on a cash basis but these are adjusted and accrued, using a simple time adjustment. Social contributions paid by self employed persons continue to be recorded on a cash basis.

Pay Related Social Insurance (PRSI) Contributions are collected by the Revenue Commissioners, at the same time as income tax, and transferred to the Social Insurance Fund (SIF). Employers deduct the PRSI contributions from their employees' earnings at each pay period and forward these to Revenue by the 15th of the following month, along with the additional PRSI contributions the employers pay on behalf of their employees. A 1-month time lag is therefore also used to adjust employees' and employers' PRSI cash receipts to an accruals basis.

In 2009 the time adjusted amounts accounted for almost 96% of the total PRSI collected (the remainder is contributed by the self-employed).

Apart from the pension levies, quarterly information on superannuation payments made by employees of central and local government is not available. Estimates are made by dividing the annual amounts by four.

D612 Imputed Social Contributions

SOURCES

Central government (Weight of D612: 86%)

Detailed cash data are obtained from the Department of Finance monthly returns along with annual data.

Local Government (Weight of D612: 14%)

Annual data.

METHODS

For Central Government, some data are available from the Department of Finance monthly returns. However, in most instances direct information on quarterly imputed social contributions is not available and estimates are made by dividing annual totals by 4. .



D7 Other current transfers, receivable

SOURCES

Central government (Weight of D7: 67%)

Data taken from Department of Finance monthly returns. Information on receipts under the European Social Fund is obtained from the Department of Enterprise and Employment.

Local Government (Weight of D7: 33%)

METHODS

Estimates for most Central Government transfer receipts are obtained by applying historic proportions to the monthly expenditure totals of Government Departments. These are then combined with an accrued interest estimate of ESF receipts from the European Union.

D91 Capital taxes

SOURCES

Central Government (Weight of D91: 100 %)

Exchequer Statement from the Department of Finance.

METHODS

Receipts of Capital Acquisitions Tax in the monthly Exchequer returns are combined to give quarterly totals.

D92+D99 Investment grants, other capital transfers, receivable

SOURCES

Central government (Weight of D92+D99: 7%)

Exchequer Statement data from Department of Finance and Accruals data from Quarterly Financial Government Accounts

Local Government (Weight of D92+D99: 93%)

Data taken from Annual Non-financial Government Accounts.

METHODS

For Central Government, ERDF and Cohesion Fund receipts are taken from the Exchequer Statement and an accrual adjustment using details on the timing of claims and the associated expenditures which is provided by the Department of Finance. For Local Government, annual data is divided by four to give quarterly estimates.



GREECE

Description of Greek practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

MAIN SOURCES AND METHODS USED FOR THE COMPILATION OF QUARTERLY NON-FINANCIAL ACCOUNTS FOR GENERAL GOVERNMENT (GG)¹⁰

1. Use of direct information

From the first quarter 2010 and onwards the Hellenic Statistical Authority (ELSTAT) has been compiling the General Government Quarterly Non-financial Accounts based mainly on direct data sources. During 2010, ELSTAT followed the same method of compilation for 2009 data and completed that work by end-December 2010, together with the calculation of data for the third quarter of 2010. The revised data for the year 2009 were provided during the December 2010 quarterly data notification along with the 2010 data.

2. Compliance with ESA rules

The basic data are processed so that there is consistency with the concepts of ESA 95.

3. Consistency between annual and quarterly data

The methods used to compile data on a quarterly basis are consistent with the methods used to compile annual data.

4. Revision Policy

The data are revised in principle every April and October each year and in the meantime when it is considered necessary by new data reception.

¹⁰ Last update July 2011



5. General information

□ Register

The official Register of all the bodies, which are classified within the General Government Sector (the Register of General Government Bodies) available on ELSTAT's website, is taken into account.

The Register of General Government Bodies is updated regularly according to specific classification criteria laid down in ESA 95 (paragraph 3.27 and Table 3.1) and in the ESA 95 implementation Manual on Government Deficit and Debt (MGDD).

A major change took place in 2010 regarding the reclassification of public enterprises. ELSTAT carried out a stock-taking exercise to assess the exhaustiveness of the registry. As a result a number of entities were identified and have been reclassified into the General Government sector. ELSTAT is implementing a system in order to keep the register up-to-date and to regularly update the register.

□ Surveys

The Public Sector Survey Section of National Accounts Directorate of ELSTAT conducts direct surveys on quarterly and annual basis. The surveys are conducted online from 2011 and onwards for the following entities:

Extra budgetary funds (EBF- 326 entities surveyed),
Social Security Funds(SSF-43 Social Security Funds surveyed) Public Hospitals (PH-134 Public Hospitals Surveyed).

As regards Local Government an online system of data collection is functioning in the Ministry of Interior.

□ Delimitation of General Government (GG) quarterly non-financial Accounts for Greece

The General Government (GG) quarterly non-financial Accounts are compiled for the following sub-sectors:

General Government (S.13)

- Central Government (S.1311)
- Local Government (S.1313)
- Social Security Funds-Public Hospitals (S.1314)



S1311. Central Government

Central Government is distinguished in:

- S1311.1 Central Government-State
- S1311.2 Extra Budgetary Funds and Public Enterprises

Central Government S1311

In Greece the sub-sector of Central Government is divided in:

- The State (S1311.1)
- Extra Budgetary Funds and Government Enterprises (S1311.2)

The State (S1311.1)

a) Delimitation of Central Government – State (S1311.1)

The State (S1311.1) includes government department and offices – Ministries, Central Authorities and generally all Central Government entities established and managed by Ministries or other Central Authorities, whose revenues and expenditures are fully linked to the State Budget.

b) Data sources

The main data sources are described below:

➤ State Budget Data:

These data are provided on a quarterly basis from the Ministry of Finance and the General Accounting Office (GAO). The State Budget contains all the necessary data for revenues and expenditures on a monthly modified cash basis broken down by specific code numbers, by category for direct and indirect taxes, as well as by the other categories of revenues, such as the various revenues from sales of goods and services or the revenues from Investment grants, non-tax revenues, and receipts from the European Union Funds.

Expenditures cover all payments made during the fiscal year, regardless of the time they have accrued. Expenditures include among others transfers to local governments, social security funds, and other public entities part of the general government.



➤ GAO Monthly Bulletin for the State Budget Execution:

The Budget Directorate of GAO is responsible for the publication of the Monthly Bulletin and this Bulletin is available free dissemination on GAO website (<http://www.minfin.gr/portal/el/resource/contentObject/contentTypes/genericContentResourceObject,fileResourceObject,arrayOfFileResourceTypeObject/topicNames/budgetExecutionBulletin/resourceRepresentationTemplate/contentObjectListAlternativeTemplate>).

The GAO Bulletin refers to data on a cumulative basis and includes the main and analytical categories of cash expenditure and revenue. Data consist of Ministry of Finance budgetary reports on the base of accounting data and are used for budget monitoring purposes. These are based on the accounting records of the actual outturns obtained from the GAO.

Specifically the Bulletin contains on an aggregate basis, Net Revenues and Expenditures of the Ordinary Budget and Revenues and Expenditure of the Public Investment Program (PIP). The outcome (modified cash basis) is the State Budget Deficit, known as Working Balance of the State, on cumulative basis upon the reference period of the year. The Bulletin also includes a table with the receipts- payments that are not included in the calculation of the State Budget Deficit.

➤ Additional unpublished information from GAO:

In order to make the transition from the modified cash basis deficit to ESA 95 accrual deficit and reach definitions and principals of ESA95, ELSTAT requests further information from several divisions of GAO.

➤ Single Payment Authority (SPA) data:

SPA is part of the General Secretariat for Investments and Development of the Ministry for Development, Competitiveness and Shipping and whose main responsibility is to promote the implementation of funding programs. SPA monitors the application of the Investment Incentive Laws and the commitments undertaken towards the European Union. SPA provides ELSTAT with data regarding EU flows (advance payments, total amount collected from payment requests, total requests submitted within the year).

➤ Ministries and Seven Decentralized Administrations data:

ELSTAT requests from the above bodies information (annually and quarterly) concerning stock of receivables and payables.

The Ministry of Defense provides additional information on Military equipment (deliveries).

c) Methods

➤ State Budget Data and Monthly Bulletin:

ELSTAT allocates every unique code number of revenues and expenditure included in the State Budget into the respective ESA95 category (for example D11 – wages, P2 Intermediate Consumption, etc).



In the meantime and in order to achieve quality assurance ELSTAT tries to reconcile the published Working Balance with the analytical monthly data on a cash basis.

ELSTAT examines one by one the receipts- payments that are not included in the calculation of the State Budget Deficit and in case of identifying a transaction as “non-financial” an appropriate adjustment is incorporated.

➤ **EU Flows (Single Payments Authority-SPA):**

ELSTAT receives on a quarterly and annual basis a triangle table from SPA with the recording of EU requests (claims) submitted, total amounts collected from payment requests, as well as EU revenue advances.

➤ **Ministries and Seven Decentralized Administrations Payables-Receivables:**

ELSTAT launches regularly a new questionnaire specifically designed for the collection of receivables/payables to Ministries and Seven Decentralized Administrations accompanied with guidance and instruction rules on how to complete the questionnaire tables. A comparison is made to the figures that GAO gathers, in order to cross check the received data.

➤ **Military expenditure (deliveries):**

The military recording is done on a delivery basis from data received by the Ministry of Defense. Up to year 2010, the cash payments for military equipment were excluded from the Working Balance of the State. In the 1st quarter of 2011 GAO has incorporated this cash expenditure in the Working Balance. ELSTAT introduced a transition item called “Military expenditure (cash payments) excluded from WB” in order to adjust the military expenditure up to the delivery.

➤ **Transition items from the Working Balance to quarterly National Accounts deficit:**

A transition table is produced from ELSTAT including all the adjustments made concerning the sub-sector S1311.1.

Extra Budgetary Funds (EBFs) and Public Enterprises (S1311.2)

The sub-sector includes 307 old EBFs and 19 new government enterprises, i.e., 326 entities in total divided into two categories (situation March 2011):

- Legal entities under Public Law, such as Universities, Museums, the National Opera, National Theatres etc.
- Public enterprises, such as Hellenic Railways Organization (OSE), Athens-Piraeus Electric Railways (ISAP), etc.



The compilation procedure is based mostly on quarterly data collected through questionnaires. Collection of quarterly data through direct survey (similar to the practice for the EDP) with high coverage of EBF and public enterprises takes place. This procedure has been applied in compiling the data for the 2009 and 2010 quarters. Furthermore, in the beginning of 2011 an online system was introduced to facilitate the data collection.

It should be noted that in the beginning of 2011, the questionnaire's breakdown of specific codes and relevant instructions were revised providing more detailed information.

In addition, data for current transfers, grants, calls, share capital increases and other information from GAO are used.

Concerning the consolidation of accounts, improvements have been made in the recording of current transfers (D73) from the state to S1311.2

Local Government (LG) (S1313)

- Municipalities (and communities till 2010)
- Legal Entities of Municipalities
- Municipal Enterprises
- 13 Regions from 2011 onwards

The local government sub-sector comprises all municipalities and communities in accordance with the administrative structure provided for in Greek legislation. The total number of municipalities and communities was 1034. This structure was valid till 2010.

After the new administrative reform of 'Kallikrates', the number of municipalities amounts to 325.

For the LG data until the third quarter of 2010, ELSTAT collected them through direct survey, using specialized questionnaires asking for detailed information as regards revenues and expenditures on quarterly and annual basis.

Since the beginning of 2011, an online system of data collection is functioning in the Ministry of Interior. This is considered to be a major improvement. The implementation of this online system with the electronic database helps to be eliminated the delays during the collection of the questionnaires which used to be collected in paper form.

Additional information is received for the three quarters of 2010 from GAO Directorate D39. The information provided is on quarterly and annual basis, but on a more aggregated basis. The response rate for the GAO questionnaire has been satisfactory and thus the data from GAO were used until the third quarter of 2010 for the compilation of the quarterly accounts. For the fourth quarter of 2010 and onwards data from the new database of the Ministry of Interior are being



used, because the response rate is quite high, at over 91%. The further development of the online system of data collection in the near future will provide the relevant data for Regions and for the LG supervised entities.

Social Security Funds & Public Hospitals (S1314)

The sub-sector includes 43 Social Security Funds and 134 Public Hospitals:

- Social Security Funds (like Social Insurance Institute (IKA), etc)
- Public Hospitals

Collection of quarterly data takes place through survey (similar to the practice for the EDP) with a high coverage for the Social Security Funds and Public Hospitals. The collected information is mainly on cash basis and covers both financial and non financial transactions of SSF. This procedure has been applied for the 2009 and 2010 quarters.

In addition, in January 2011 an online system of data collection for the fourth quarter of 2010 and for the year 2010 was introduced.

It should be noted that in the beginning of 2011, the questionnaire's breakdown of specific codes and relevant instructions were revised providing more detailed information. Major improvements implemented refer to the introduction of data on payables of SSF and PH regarding health expenditure, lump sum payments, etc.

The following adjustments are conducted during the compilation procedure.

- Adjustment for the lump sum payment of TPDY (that is the SSF of employees in the Public Sector)
- Adjustment for the payables of the Social Security Funds to private hospitals, clinics, laboratories and private doctors
- Adjustment for the non-recorded interest receipts on account of bonds that are issued abroad and held in the SSF portfolios
- Accrual adjustment for social contributions
- Adjustment for the liabilities of Public Hospitals (unpaid procurements)
- Incorporation of the payments for past liabilities of Public Hospitals.

In the Annex below it is presented the information as regards sources and methods relative to Taxes, Revenues and Expenditures by category. The Annex is divided in two parts as follows:

- PART I: Sources and methods for Central Government-D2 taxes on products and production.
- PART II: Sources and Methods by sub-sector and by specific revenues and expenditures codes/transactions.



ANNEX

PART I: Sources and methods for Central Government-D2 taxes on products and production.

D.211 VAT type taxes

Sources

Central Government

Monthly cash data are available one month after the end of the month (T+30)

Methods

Central Government

Taxes are recorded on a cash basis in the budget and the data have to be adjusted for consistency with ESA95 rules. A correction is made for the time difference between the payment date and the period to which the tax refers (T+30), based on the "time-adjusted cash registration" method. For any given quarter, revenues related to economic transactions that took place during the previous quarter have to be deducted from the cash-based VAT amount, and similarly revenues in respect of economic transactions taking place during the quarter in process but collected in the following quarter have to be added.

Time lag between the activity date (or the determination date of the amount of the tax) and the due date .

VAT (D.211) 1 month S.1311

The VAT calculated is the total of the VAT paid to the tax authorities. To obtain the VAT recorded as revenue by General Government, the VAT paid to the Institutions of the E.U. is then deducted on a cash basis.

D214 taxes on products

Monthly cash data are available one month after the end of the month

Methods

Central Government

Taxes are recorded on a cash basis in the State Budget and the data have to be adjusted for consistency with ESA95 rules. A correction is made for the time difference between the payment date and the period to which the tax refers based on the "time-adjusted cash registration" method. For any given quarter, revenues related to economic transactions that took place during the previous quarter have to be deducted from the cash-based D214 amount, and similarly revenues in respect of economic transactions taking place during the quarter in process but collected in following quarter have to be added.



Time lag between the activity date (or the determination date of the amount of the tax) and the due date.

D.2141 1 month S.1311 .

Only for tobacco taxes 2 months.

From the 1st of September 2011, the time lag for tobacco will be one month.

D29 other taxes on production

The "time-adjusted cash registration" method is followed while data are obtained from the State Budget Outturn.

PART II: Sources and Methods by sub-sector and by specific revenues and expenditures codes/transactions.

Table : Relative weight of each sub sector of the General Government for the most important categories of transactions for 2010

	S1311.1	S1311.2	S1313	S1314	S13
P2	34.43	14.82	19.35	31.40	100.00
P5+K2	56.70	19.05	21.30	2.95	100.00
P51	56.34	19.21	21.42	3.03	100.00
D1	67.99	6.29	10.33	15.39	100.00
D29		100.00			100.00
D3	100.00				100.00
D4(non consolidated)	94.26	5.03	0.54	0.16	100.00
D41(consolidated)	93.75	5.48	0.59	0.17	100.00
D62	17.20	0.13	0.01	82.67	100.00
D7	70.19	6.68	2.20	20.93	100.00
D92+D99(consolidated)	90.02	3.67	0.32	5.99	100.00

Note: The above table shows the percentage participation of each sub-sector by transaction weight (data are obtained from the EDP Notification of March 2011 and refer to the year 2010).

State S1311.1

◆ **Expenditure codes analysis**

Intermediate consumption (P.2)

Most of the information is received from State Budget data of GAO 70 days after the end of the reference quarter according to the Memorandum of Understanding signed between ELSTAT and GAO.

Several adjustments are made concerning FISIM, payables, Public Investment Programme (PIP), military expenditure (deliveries) as identified by ELSTAT from the received data.

**Gross capital formation (P.5) -****Acquisitions less disposals of non-financial non-produced assets (K2)**

Most of the information is received from State Budget data as described above. Adjustments are made for PIP and payables.

Compensation of employees (D1)

Most of the information is received from State Budget data as described above. Adjustments are made for PIP, payables and compensation of employees of Public Hospitals.

Property income (D4)

Most of the information is received from State Budget data as described above. Adjustments are made for the difference between interest paid and accrued as received from GAO and FISIM.

Social contributions and benefits (D6)

All the information is received from State Budget data.

Current transfers with General Government (D73)

Most of the data is received from State Budget data as described above. Additional information from GAO is used. A consolidation is made with all the sub-sectors of General Government.

Current international cooperation (D74) –**Miscellaneous current transfers (D75)**

Most of the information is received from State Budget data as described above. Additional information from GAO and Ministries is used.

Capital transfers (D9)

Most of the data is received from State Budget data as described above. Additional information from GAO is used. A consolidation is made in transaction D99 with all the sub-sectors of General Government.

◆ Revenues codes analysis**Output (P1)**

In order to calculate the output are needed the components of intermediate consumption, wages, consumption of fixed capital, other taxes on production and other subsidies on production. For the sub sector of Central Government-State most of the data are obtained from the State Budget Outturn, which contains respective code numbers for wages, intermediate consumption etc. Additional data are obtained from the census of payables of Ministries conducted by ELSTAT and for the military procurements expenses obtained from the Ministry of Defence.

Property income (D4)

Most of the data is received from State Budget data as described above.

**Actual social contributions (D611)**

Most of the data is received from State Budget data as described above.

Other current transfers (D7)

Most of the data is received from State Budget data as described above. Additional information from GAO is used.

Investment grants (D92)

Most of the data is received from State Budget data as described above. Additional information from SPA is used.

Other capital transfers (D99)

Most of the data is received from State Budget data as described above. Additional information from GAO is used.

Extra Budgetary Funds & Government Enterprises S1311.2

Entities in S1311.2 are requested to fill in the questionnaire on accrual basis. This corresponds to both private and public law entities that are included in the register. Public law entities are usually recording their accounts on cash basis, so they are usually providing data on the same accounting base.

◆ Expenditures codes analysis**P.2 Intermediate Consumption**

The data are collected through the online questionnaire of ELSTAT's survey that is the main source of data for the compilation of both annual and quarterly accounts of the subsector.

P.5 Gross Capital Formation**K.2 Acquisitions less disposals of non-financial non-produced assets**

The data are collected through the online questionnaire of EL.STAT.'s survey.

D.1 Compensation of employees

The data are collected through the online questionnaire of EL.STAT.'s survey.

D.29 Other taxes on production, payable

The data are collected through the online questionnaire of EL.STAT.'s survey.

D.39 Other subsidies on production, payable



The data are collected through the online questionnaire of EL.STAT.'s survey.

D.4 Property income, payable

The data are collected through the online questionnaire of EL.STAT.'s survey. The whole amount in D4 concerns interest (D41).

D.5 Current taxes on income and wealth, payable

The data are collected through the online questionnaire of EL.STAT.'s survey.

D.62 Social Benefits other than social transfers in kind

The data are collected through the online questionnaire of EL.STAT.'s survey.

D.7 Other current transfers, payable

The data are collected through the online questionnaire of EL.STAT.'s survey.

D.9 Capital transfers, payable

The data are collected through the online questionnaire of EL.STAT.'s survey. Cross-check is made with data from GAO, especially for guarantee calls repayments (D99).

◆ Revenues codes analysis

P.1 Output

The data are collected through the online questionnaire of EL.STAT.'s survey.

D.2 Taxes on products and imports

The data are collected through the online questionnaire of EL.STAT.'s survey.

D.39 Other subsidies on production, receivable

The data are collected through the online questionnaire of EL.STAT.'s survey.

D.4 Property income, receivable

The data are collected through the online questionnaire of EL.STAT.'s survey.

D.61 Social Contributions

The data are collected through the online questionnaire of EL.STAT.'s survey.

D.7 Other current transfers, receivable

The data are collected through the online questionnaire of EL.STAT.'s survey. Concerning Current Transfers within General Government (D73), data are crosschecked with the respective data provided by the General Accounting Office. The necessary consolidation takes place.

D.9 Capital transfers, receivable

The data are collected through the online questionnaire of EL.STAT.'s survey. Cross-check is made with data from GAO, especially for guarantee calls (D99) or other values included



in Other capital Transfers (D99), as well for Investment Grants (D92).

Local Government S1313

The basic source for the quarterly data of Local Government is the database established in the Ministry of Interior.

From the first quarter of 2011, evaluating the signed Memorandum of Understanding with the Ministry of Interior, information is being collected from the online data base of the Ministry of Interior. The database includes information on revenues and expenditure covering all the municipalities and regions. It is scheduled that, within the third quarter of 2011, information for the new municipal bodies will be included.

From the last quarter of 2010 all municipalities (1034 in 2010 and 325 in 2011 and onwards) and all regions (13 from 2011) are obliged to provide their revenue, expenditure and financial data (deposits, loans, payables etc) on a monthly basis. All necessary data enter a specially designed online questionnaire. The questionnaire form that is filled in, is in some cases, analytical. This facilitates the compilation the annual and quarterly data by transaction, according to the framework of the 479/2009 Regulation

The response rate is 100% and the data are available one month after the end of the reference period (month, T+30). It is scheduled that, until the end of 2011, the municipal bodies, established under the new administrative reform of 'Kallikrates', will provide data on quarterly basis.

◆ Expenditure codes analysis

P2 Intermediate consumption

From the first quarter of 2011 as mentioned information from the electronic database of the Ministry of Interior is used. The data are on cash basis.

Furthermore, the P2 transaction is modified by the amount of payables, which is calculated from the information included in the database.

The information is available one month after the end of quarter (T+30).

It is noted that prior to the first quarter of 2011, P2 was calculated by using indices deriving from questionnaires coming from two quarterly surveys, one carried out from the GAO and the other from EL.STAT.

P.5 Gross capital formation,

K.2 Acquisitions less disposals of non-financial non-produced assets

From the first quarter of 2011 as mentioned information from the electronic database of the Ministry of Interior is used. For the P5 calculation, the database provides analytical information.

The data are on cash basis. The information is available one month after the end of quarter (T+30).



Prior to the first quarter of 2011, P5 was calculated by using indices that derived from questionnaires coming from two quarterly surveys, one carried out from the GAO and the other from EL.STAT.

D.1, Compensation of employees.

From the first quarter 2011 information from the online database of Ministry of Interior is used.

It is noted that for D1, the database provides analytical information .The data are on cash basis. The information is available one month after the end of quarter (T+30).

Prior to the first quarter of 2011, D1 was calculated by using indices derived from questionnaires obtained from two quarterly surveys, one carried out from the GAO and the other from EL.STAT.

D.4 Property income, payable.

This item concerns only the interest charge.

Source of this item is the abovementioned online database. Data are on a cash basis.

D.7 Other current transfers, payable.

Basic source of this item is the abovementioned online database and direct information coming from the Ministry of Interior.

D.9 Investment grants, payable.

Basic source of this item is the abovementioned online database.

◆ Revenues codes analysis

P.11 Market output, and payments for the other non-market output.

Basic source of this item is the abovementioned online database.

D.2 Taxes on production and imports

Basic source of this item is the abovementioned database.

The analysis of D.2 in D.214 and D.29 is made by using the annual distribution.

Data are on cash basis.

D.4 Property income, receivable.

The main item is interest receivable (D41).

This item is included in the online database on a cash basis.

D.5 Current taxes on income, wealth, etc.

Basic source of this item is the abovementioned database .

Data are on cash basis.

**D.7 Other current transfers, receivable.**

Basic source of this item is the abovementioned database.

Additional information from the Ministries of Interior and Economy are used.

D.91 Capital taxes.

Basic source of this item is the abovementioned database.

D.92 Investment grants.

Basic source of this item is the abovementioned database.

Social Security Funds-Public Hospitals-S1314**◆ Expenditure codes analysis****P.2 Intermediate Consumption**

The relevant data are collected through the online questionnaire of EL.STAT.'s survey. An adjustment for the liabilities of Public Hospitals is incorporated from data received by official communication with the supervising Ministry of Health and directly by 3 hospitals that are not under its supervision. Moreover, payments for past liabilities of Public Hospitals are incorporated.

P.5 Gross Capital Formation**K.2 Acquisitions less disposals of non-financial non-produced assets**

The relevant data are collected through the online questionnaire of EL.STAT.'s survey.

D.1 Compensation of employees

The relevant data are collected through the online questionnaire of EL.STAT.'s survey regarding the Social Security Funds and through official communication with the General Accounting Office regarding the Public Hospitals.

D.29 Other taxes on production, payable

The relevant data are collected through the online questionnaire of EL.STAT.'s survey.

D.4 Property income, payable

The relevant data are collected through the online questionnaire of EL.STAT.'s survey.

D.62 Social Benefits other than social transfers in kind

The relevant data are collected through the online questionnaire of EL.STAT.'s survey. An adjustment for the payables of the Social Security Funds to private hospitals, clinics, laboratories, private doctors and individuals (lump sum payments) is incorporated from data received directly by the relevant entities.

D.63 Social transfers in kind



The relevant data are collected through the online questionnaire of EL.STAT.'s survey.

D.7 Other current transfers, payable

The relevant data are collected through the online questionnaire of EL.STAT.'s survey. A consolidation is made with Extra Budgetary Funds Sub sector (S.1311.2).

D.9 Capital transfers, payable

The relevant data are collected through the online questionnaire of EL.STAT.'s survey.

◆ **Revenues codes analysis**

P.1 Output

The relevant data are collected through the online questionnaire of EL.STAT.'s survey.

D.2 Taxes on products and imports

The relevant data are collected through the online questionnaire of EL.STAT.'s survey. The analysis of D.2 in D.214 and D.29 is made according to the annual distribution.

D.4 Property income, receivable

The relevant data are collected through the online questionnaire of EL.STAT.'s survey. Regarding D.41 Interest an adjustment for the accrual amount is made using data from Bank of Greece.

D.61 Social Contributions

The relevant data are collected through the online questionnaire of EL.STAT.'s survey. An adjustment for the accrual social contributions is made using the annual accrual adjustment divided by 4, as the needed quarterly data are not available.

D.7 Other current transfers, receivable

The relevant data are collected through the online questionnaire of EL.STAT.'s survey. Regarding the D.73 current transfers within General Government the data are crosschecked with the corresponding amounts given by the General Accounting Office. The necessary consolidation takes place.

D.9 Capital transfers, receivable

The relevant data are collected through the online questionnaire of EL.STAT.'s survey.



SPAIN**Description of Spanish practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

A high percentage of the quarterly data is based on direct information obtained from the various accounting records provided by general government sector agents. This information is supplemented by some estimates, which are especially significant in the case of local government.

2. Compliance with ESA95 rules

The basic data are processed so that they are fully consistent with the concepts of ESA95.

3. Consistency between annual and quarterly data

Paragraph 1c of Article 4 of *Regulation (EC) N° 1221/2002* establishes that the quarterly data and the corresponding annual data shall be consistent. In Spain, this consistency is ensured by the fact that the first estimate of annual data is the basis for elaborating the fourth quarter data and for the revision of the previous three quarters.

For the preparation of quarterly accounts a request is made, to the various units of public administrations, for quarterly reporting on budget implementation to March 31, to June 30 and to September 30, within the month following the period to which they refer. In addition, to meet the obligations under the Excessive Deficit Procedure and the Transmission Programme of National Accounts Data, annual information of each exercise is requested also from the different units, before the end of January of the subsequent year. This information comes from (accumulated) budget implementation of the fourth quarter.

Therefore, according to this practice, the first estimate of annual data is elaborate simultaneously with the data on the last quarter of year. When there are subsequent revisions of annual data (half-finalised and final), quarterly data are revised simultaneously to ensure consistency.



4. Revision policy

In the revision process for the quarterly accounts, two phases are distinguished. The first phase deals with the estimates for the quarters of the current open year, while the second phase deals with the revisions of quarters for closed years, that is, those years for which there already is an annual estimate of the sector accounts.

A. Revision of the current open year

During preparation of the second quarter, the estimate of the first quarter will be revised, if necessary. In preparation of the third quarter estimate, estimates of the first two quarters are revised, where appropriate, and, especially, before 1 April of year $t + 1$, when the first estimation of annual data for year t is known and the fourth quarter is elaborated, a review of the three previous quarters is performed.

B. Revision of closed years

Before 1 October of year $t + 1$, the date on which half-finalised annual data of year t is elaborated, quarterly data are revised to ensure consistency between them.

Before 1 October of year $t + 2$, the final data for year t , annual and quarterly, are estimated.

5. General remarks

The sources and methods used for the formation of the various categories of resources and uses governed by Regulations (EC) No 264/2000 and No 1221/2002 are basically the same for the various sub-sectors that make up the general government sector, with the exception of local government sub-sector, which, in view of its special characteristics, requires a compilation procedure that is completely different from the rest, both in terms of sources and methods.

Central Government sub-sector

The quarterly accounts of the State are compiled using direct information from various administrative records and accounting documents. These include sources such as the Accounting Information Database System (SIC' 2), the Treasury Accounts of the State with the Banco de España and the information from management centres like the Treasury Directory-General, Community Funds Administration Units, ICO or CESCE. The information available is highly developed and highly reliable.

Most of the information for the quarterly accounts of central government bodies comes from accounting information collected in a questionnaire prepared by the IGAE to this end. This information is supplemented by estimates to varying degrees according to the heading considered, as can be seen in the following tables.



Autonomous Communities sub-sector

The quarterly accounts for this sub-sector are compiled from direct information collected in a standardised accounting information questionnaire approved within the Fiscal and Financial Policy Council, a joint body representing the Autonomous Communities and the State. This questionnaire contains the information necessary for meeting the methodological requirements laid down by ESA95, and is consistent with the deadlines laid down in Regulations (EC) No 264/2000 and No 1221/2002.

In addition to this questionnaire, direct information from external administrative sources, as the State, is available. Also, within the scope of this sub-sector, it is necessary to supplement these data with estimates primarily related to certain public sector units. The incidence of these units in the different transactions of the sub-sector is shown in the accompanying tables.

Local Authorities sub-sector

In the sub-sector of the local governments, obtaining direct information with frequency less than one year, and a deadline acceptable, raises many difficulties, which stem from there being more than 9,000 existing units within this sub-sector and in the heterogeneous nature of these. Therefore, compiling of quarterly accounts of this sub-sector is done by combining direct information obtained from certain administrative records, together with estimates, whose relative weight varies according to the rubric of resources or uses, as shown in the accompanying tables.

In particular, for preparation of quarterly accounts of the local governments the following direct information is available:

- the quarterly summary of revenues by taxes assigned and concerted;
- information provided by the management units on funds received from the European Union;
- information on taxes partly transferred by the State in favor of local corporations;
- direct information on transfers, both granted and received, with other sub-sectors of the general government sector.

This information provides, approximately, 61% of the resources and 12% of uses.

These data are supplemented by individual estimates of the various items comprising each of the transactions. To this end, it analyses the opening credits set out in the general budgets of local corporations and their rate of change over the previous year, the time series of the various rubrics of uses and resources in recent years, the indirect information provided by related statistics, and factors such as devolution, regulatory changes, etc. are also taken into account.

Social Security sub-sector

The direct information available on Social Security provides 100% coverage. These data are obtained from the closure of the budgets of the Social Security System, Mutual Schemes for Industrial Accidents and the National Employment Institute and FOGASA.



Analysis by Categories

The following tables, which refer to financial year 2008, offer two kinds of information:

1. The relative weight of the various sub-sectors of general government under each item of income or expenditure laid down in Regulations (EC) No 264/2000 and No 1221/2002;
2. The amount in absolute and percentage terms of the sources used for compiling these items. These percentages refer to the first time that estimates of the first, second and third quarters are produced. For the data for the fourth quarter and subsequent revisions, sources of information are more complete, since the available information coincides with the annual data elaborated and submitted under the Excessive Deficit Procedure and the ESA95 Transmission Programme, under the terms stated in the *EDP Inventory of Sources and Methods*.

6. Expenditure of general government

D.1 Compensation of employees

Sub-sector	Relative Share (%)
Central government	20%
State government	61%
Local government	17%
Social security funds	2%
Total General government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	22.584	70.268	0	2.661	95.513	80,7%
Coverage adjustments	519	1.728	20.627	0	22.874	19,3%
TOTAL	23.103	71.996	20.627	2.661	118.387	100,0%



P.2 Intermediate consumption

Sub-sector	Relative Share (%)
Central government	18%
State government	46%
Local government	34%
Social security funds	2%
Total General government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	9.678	24.282	0	1.466	35.426	58,9%
Coverage adjustments	1.074	3.108	20.514	0	24.696	41,1%
TOTAL	10.752	27.390	20.514	1.466	60.122	100,0%

D.29 Other taxes on production, payable

Sub-sector	Relative Share (%)
Central government	17%
State government	40%
Local government	38%
Social security funds	4%
Total General government	100%



SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	42	99	0	14	155	48,0%
Coverage adjustments	13	31	124	0	168	52,0%
TOTAL	55	130	124	14	323	100,0%

D.3 Subsidies, payable

Sub-sector	Relative Share (%)
Central government	20%
State government	35%
Local government	14%
Social security funds	31%
Total General government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	2.403	4.202	0	3.726	10.331	85,9%
Coverage adjustments	0	61	1.634	0	1.695	14,1%
TOTAL	2.403	4.263	1.634	3.726	12.026	100,0%



D.4 Property income, payable

Sub-sector		Relative Share (%)				
8 Central government		77%				
State government		16%				
Local government		7%				
Social security funds		0%				
Total General government^(*)		100%				

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General Government ^(*) (S.13)	%
Direct information	14.376	2.698	0	1	17.075	91,4%
Coverage adjustments	36	215	1.357	0	1.608	8,6%
TOTAL	14.412	2.913	1.357	1	18.683	100,0%

(*) Sector S.13 data equal the sum of sub-sector data (without consolidation between sub-sectors)

D.41 Interest, payable

Sub-sector		Relative Share (%)				
Central government		83%				
State government		17%				
Local government		0%				
Social security funds		0%				
Total General government^(*)		100%				

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General Government ^(*) (S.13)	%
Direct information	14.372	2.697	0	1	17.070	91,4%
Coverage adjustments	36	215	1.350	0	1.601	8,6%
TOTAL	14.408	2.912	1.350	1	18.671	100,0%

(*) Sector S.13 data equal the sum of sub-sector data (without consolidation between sub-sectors)



D.62 Social benefits other than social transfers in kind

Sub-sector	Relative Share (%)
Central government	10%
State government	2%
Local government	1%
Social security funds	88%
Total General government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	12.884	2.971	0	118.835	134.690	99,4%
Coverage adjustments	3	1	760	0	764	0,6%
TOTAL	12.887	2.972	760	118.835	135.454	100,0%

D.6311+D.6312+D.6313 Social transfers in kind related to expenditure on products supplied to households via market producers

Sub-sector	Relative Share (%)
Central government	5%
State government	91%
Local government	2%
Social security funds	2%
Total General government	100%



SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	1.395	26.037	0	702	28.134	97,5%
Coverage adjustments	0	195	517	0	712	2,5%
TOTAL	1.395	26.232	517	702	28.846	100,0%

D.7 Other current transfers, payable

Sub-sector	Relative Share (%)
Central government	72%
Autonomous Communities	16%
Local authorities	12%
Social Security	0%
Total General Government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	12.637	2.225	0	34	14.896	83,0%
Coverage adjustments	241	572	2.229	0	3.042	17,0%
TOTAL	12.878	2.797	2.229	34	17.938	100,0%



P.5+K.2 Gross capital formation and net acquisitions of non-financial non-produced assets

Sub-sector	Relative Share (%)
Central government	29%
State government	41%
Local government	28%
Social security funds	1%
Total General government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	11.672	15.722	0	432	27.826	63,1%
Coverage adjustments	1.253	2.451	12.537	0	16.241	36,9%
TOTAL	12.925	18.173	12.537	432	44.067	100,0%

P.51 Gross fixed capital formation

Sub-sector	Relative Share (%)
Central government	29%
State government	42%
Local government	28%
Social security funds	1%
Total General government	100%



SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	11.312	15.499	0	412	27.223	63,7%
Coverage adjustments	1.228	2.337	11.936	0	15.501	36,3%
TOTAL	12.540	17.836	11.936	412	42.724	100,0%

D.9 (D.92E+D.99E) Capital transfers

Sub-sector	Relative Share (%)
Central government	47%
State government	45%
Local government	7%
Social security funds	0%
Total General government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	6.394	5.808	0	4	12.206	82,5%
Coverage adjustments	609	866	1.108	0	2.583	17,5%
TOTAL	7.003	6.674	1.108	4	14.789	100,0%



7. Revenue of general government

P.11+P.12+P.131 Market output, output for own final use and payments for other non-market output

Sub-sector	Relative Share (%)
Central government	20%
State government	36%
Local government	43%
Social security funds	1%
Total General government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	2.438	4.184	0	87	6.709	47,8%
Coverage adjustments	375	936	6.030	0	7.341	52,2%
TOTAL	2.813	5.120	6.030	87	14.050	100,0%

D.2 Taxes on production and imports, receivable

Sub-sector	Relative Share (%)
Central government	36%
State government	44%
Local government	20%
Social security funds	0%
Total General government	100%



SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	39.362	47.489	8.202	0	95.053	87,9%
Coverage adjustments	0	0	13.030	0	13.030	12,1%
TOTAL	39.362	47.489	21.232	0	108.083	100,0%

D.211 Value added type taxes

Sub-sector	Relative Share (%)
Central government	47%
State government	43%
Local government	10%
Social security funds	0%
Total General government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	26.065	23.921	5.653	0	55.639	100,0%
Coverage adjustments	0	0	0	0	0	0,0%
TOTAL	26.065	23.921	5.653	0	55.639	100,0%



D.4 Property income, receivable

Sub-sector	Relative Share (%)
Central government	57%
State government	10%
Local government	9%
Social security funds	24%
Total General government^(*)	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General Government ^(*) (S.13)	%
Direct information	7.233	1.138	0	3.088	11.459	89,5%
Coverage adjustments	93	132	1.126	0	1.351	10,5%
TOTAL	7.326	1.270	1.126	3.088	12.810	100,0%

(*) Sector S.13 data equal the sum of sub-sector data (without consolidation between sub-sectors)

D.5 Current taxes on income, wealth, etc., receivable

Sub-sector	Relative Share (%)
Central government	66%
State government	26%
Local government	8%
Social security funds	0%
Total General government	100%



SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	77.140	30.902	7.349	0	115.391	98,1%
Coverage adjustments	0	0	2.193	0	2.193	1,9%
TOTAL	77.140	30.902	9.542	0	117.584	100,0%

D.611 Actual social contributions

Sub-sector	Relative Share (%)
Central government	2%
State government	0%
Local government	0%
Social security funds	98%
Total General government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	3.299	0	0	130.546	133.845	100%
Coverage adjustments	0	0	0	0	0	0,0%
TOTAL	3.299	0	0	130.546	133.845	100,0%



D.612 Imputed social contributions

Sub-sector	Relative Share (%)
Central government	90%
State government	5%
Local government	4%
Social security funds	1%
Total General government	100%

D7. Other transfers receivable

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	8.300	478	0	71	8.849	95,6%
Coverage adjustments	3	1	405	0	409	4,4%
TOTAL	8.303	479	405	71	9.258	100,0%

Sub-sector	Relative Share (%)
Central government	33%
State government	25%
Local government	28%
Social security funds	15%
Total General government	100%



SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	2.307	1.666	5	1.099	5.077	67,4%
Coverage adjustments	177	206	2.068	0	2.451	32,6%
TOTAL	2.484	1.872	2.073	1.099	7.528	100,0%

D.91 Capital taxes

Sub-sector	Relative Share (%)
Central government	1%
State government	57%
Local government	42%
Social security funds	0%
Total General government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	59	2.774	80	0	2.913	60,1%
Coverage adjustments	0	0	1.936	0	1.936	39,9%
TOTAL	59	2.774	2.016	0	4.849	100,0%



D.92+D.99 Investment grants, other capital transfers, receivable, except D.995

Sub-sector	Relative Share (%)
Central government	26%
State government	57%
Local government	17%
Social security funds	0%
Total General government	100%

SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	897	2.347	100	14	3.358	76,9%
Coverage adjustments	238	134	634	0	1.006	23,1%
TOTAL	1.135	2.481	734	14	4.364	100,0%

D.995 Capital transfers from general government to relevant sectors representing taxes and social contributions assessed but unlikely to be collected

Sub-sector	Relative Share (%)
Central government	76%
State government	9%
Local government	0%
Social security funds	15%
Total General government	100%



SOURCES	Central government (S.1311)	State government (S.1312)	Local government (S.1313)	Social security funds (S.1314)	General government (S.13)	%
Direct information	-5.269	-606	0	-1.023	-6.898	100,0%
Coverage adjustments	0	0	0	0	0	0
TOTAL	-5.269	-606	0	-1.023	-6.898	100,0%

The quarterly amount of the heading D.995 is determined applying to the assessed and declared amounts for taxes and social contributions of each quarter, but not collected, the latest annual coefficient available¹.

¹ This annual rate is determined by a model developed by the INE, in accordance with Article 3 of EC Regulation No 2516/2000.

¹ The "Cassa Depositi e Prestiti"(CDDPP) is an extra-budgetary Central Government unit. From December 2003, CDDPP is classified outside the Sector S.13



FRANCE

Description of French practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

We use direct indicators for tax revenue, contributions received, benefits paid and current expenditure (compensation of employees, intermediate consumption and interest). The amounts covered by direct sources are set out in the annex.

	% OF DIRECT INFORMATION
Taxes	95%
Of which: D2 Taxes on Production and imports	94%
Of which: D211: VAT	100%
Of which: D5: Current taxes on income and wealth	97%
Of which: D91: Capital Taxes	100%
D611: Actual Social Contributions	90%
D62: Social benefits, other than social transfers in kind	85%

2. Compliance with ESA 1995

The quarterly accounts are compiled in conformity with ESA 95.

3. Consistency between annual and quarterly accounts

Two methods are used to ensure that quarterly data are consistent with annual data.

Calibration: Where infra-annual indicators (direct or indirect) are available, they are calibrated across the annual accounts. The calibration equation is then used to compile the quarterly accounts, so as to correct any bias. The annual accounts are



actually based on more exhaustive methods. The annual discrepancy between the two estimates is spread over the quarters in order to smooth out the trends which are adjusted for working days and seasonal variations (to avoid “step-like” progressions).

Smoothing: If no infra-annual indicator (a forecast or statistical model) is available, the account is compiled in such a way as to respect the annual target, while having the smoothest possible quarterly developments.

It should be noted that the gross quarterly accounts data based on infra-annual indicators are not smoothed out: that is done by seasonal adjustment. As a result, certain tax revenues show major peaks and troughs.

4. Revision policy

The quarterly accounts are the subject of two publications, which become available 45 and 90 days respectively after the end of the quarter. Each version of the accounts includes revisions for the entire period; these revisions become progressively less important with the passing of time. They are caused by the replacement of extrapolations by observed indicators, to gross indicator revisions and, sometimes, to revised methodology. Although quarterly data can be amended in this way in each publication, beginning with the start of the series, that is not the case for the gross annual data obtained from them. Approximately on 15th May, the data for the new annual national accounts are incorporated with the publication of the first quarter. Thus, in May 2010, the gross quarterly accounts of general government were calibrated on the annual accounts for the years 1993-2007 (definitive), 2008 (semi-definitive) and 2009 (provisional).

Sources and methods by category

5. General remarks

The quarterly accounts are compiled using a fixed methodology. An attempt is made to link an indicator with each national account aggregate. If there is a suitable indicator, it is calibrated across the annual accounts aggregate (an econometric equation, estimated annually, of the type: $\text{annual account} = a \cdot \text{indicator} + b$). This equation aims to adjust the indicator for any bias, especially inadequate coverage.

If no indicator is available, the Economic Budgets forecast provided for by the Finance Bill or the one in the Social Security Accounts Report (RCSS) is used as an annual target, since the latter is smoothed out each quarter.

If there is no forecast, and therefore no information, the account is based on a smoothed-out annual extrapolation produced from a statistical model which includes no information on the period under consideration. Other expenses concerning local government are used.



6. Expenditure of general government

P2 Intermediate consumption

SOURCES

We use the estimates made by the Directorate-General for Public Finance (DGFIP). For the general budget, they are based on the auxiliary expenditure accounts, namely the 40 000 budget expenditure lines, to which the Directorate for Public Finance assigns a national

METHODS

Calibration/benchmarking

P5+K2 Gross capital formation and acquisitions less disposals of non-financial non-produced assets

SOURCES

Infra-annual sources are only available for gross fixed capital formation (P51), which accounts for 96% of the aggregate. Our indicators are as follows:

- the producer price of household equipment.
- monthly housing starts and starts on various types of non-residential building (offices, commercial premises, schools, hospitals, etc) decided by the public administration.
- the Public Works Directorate's quarterly value barometer of major maintenance work, which distinguishes housing and non-residential building.
The monthly construction index published by the Department for Monitoring and Statistics (SOeS) of the Ministry of Ecology, Energy, Sustainable Development and the Sea, which operates a price indicator for the building sector.
- the value of public works, communicated by the National Federation of Public Works.
VAT Indices for the following sector activity: computer equipment and architecture, engineering and Inspection.

METHODS

GFCF (P51)

Where an infra-annual indicator exists, calibration/benchmarking is applied on a product-by-product basis. For household equipment, the value indicator is constructed as a product of the GFCF (in volume), which is smoothed out, and of the producer price for household equipment.

For GFCF in the form of new construction, applying period grids to operational start-ups gives "building equivalents" for each type of building. GFCF in the form of major maintenance work is evaluated using quarterly value barometers, distinguishing between housing and non-residential buildings. Both indicators are then weighted by their share in GFCF in general government



construction in the base year. The indicator for GFCF in the form of construction is the sum of building equivalents for the non-residential sector (offices, colleges, hospitals, etc.) plus the indicator for major maintenance work on non-residential buildings. Calibration is initially applied to volume. The value indicator of GFCF is the GFCF in volume multiplied by the price indicator.

- P52, K2.

Annual target smoothing is obtained using statistical models.

D1 COMPENSATION OF EMPLOYEES

SOURCES

The source for D11 and D121 is the same as for P2.

For D122, the indicators are the pensions paid to former agents of the State and actual employees' contributions received by the State via Ministry of Finance.

METHODS

- Calibration/benchmarking for D11 and D121.
- Imputed social contributions are equal to State civil pensions less receipts for civil pensions and the corresponding compensation paid.

$D122 = D623 - \text{receipts} - \text{compensation}$

D623 and receipts are obtained by calibration/benchmarking, and compensation by smoothing out an annual target obtained via a statistical model.

D2 Taxes on production and imports, payable

SOURCES

General government income (cf. income).

METHODS

Taxes on wages and labour (D291) paid by general government are obtained via two separate calibrations, which separate taxes from contributions (transport payment and the National Housing Aid Fund). Other taxes on production (D292) are calibrated across the tax on buildings.

D3 Subsidies

SOURCES

- forecast

METHODS

Smoothing.

***D4 Property income, payable*****SOURCES**

For D41, the source is the same as for P2. We use only interest paid by the State.

The remainder is estimated from the Economic Budgets.

METHODS

Calibration/benchmarking for D41 paid by the State and smoothing for the remainder.

D5 Current taxes on income, wealth, etc., payable**SOURCES**

Economic budgets.

METHODS

Smoothing.

D62 Social benefits other than welfare transfers in kind**SOURCES**

The main funds (unemployment, health, family and old age) provide the paid quarterly amounts directly.

In the case of funds which do not provide infra-annual information, the targets are the RCSS forecasts.

Employers' direct benefits (D623) are measured using a direct indicator provided by the French Ministry of Finance, which enters the pensions paid to former agents of the State.

METHODS

Calibration/benchmarking at a highly disaggregated level and smoothing of targets.

D6311+D63121+D63131 Social transfers in kind related to expenditure on products provided to households via market producers**SOURCES**

General government expenditure (D1, D29, D39, P2).

For expenditure on market health, the indicators are the statistics on reimbursements provided by the national health insurance funds.

Identifiable market expenditure on housing is calibrated using housing benefit provided by the National Family Benefits Fund.

METHODS

Calibration/benchmarking at a disaggregated level. Direct indicators for expenditure on market health and property services are available.

***D7 Other current transfer, payable*****SOURCES**

Economic budgets.

METHODS

Smoothing.

D9 Capital taxes, investment grants, other capital transfers, payable**SOURCES**

Economic budgets.

METHODS

Smoothing.

7. Revenue of general government***P11+P12+P131 Market output, output for final use and payments for other non-market output*****SOURCES**

Estimated as a difference between non market production and general government production.

METHODS

Calibration/benchmarking

D2 Taxes on production and imports**SOURCES**

The fiscal income indicators are provided by three main bodies: the Directorates-General for Public Finance, Taxes and Customs. The rates have been provided by the DG for Public Finance since September 2003. The series began in 1997 (cf. P2). The transport payment and the National Housing Aid Fund are income data provided by the Central Agency of Social Security Organisations, while the data on guaranteed insurance wages are obtained from the Employment Insurance Fund.

The three VAT indicators are shifted by two months for Customs receipts and by one month for other receipts, so that recording is done on an accruals basis, not on a cash basis. The total is then calibrated. The distinction between VAT collected by the State and by the European Union is made using the corresponding apparent rates.

Taxes and duties on imports (D212) received by general government are smoothed. Taxes on



products (D214) are estimated on a product-by-product basis. General government receives the amount of taxes on products less what is received by the rest of the world, which is smoothed.

We have direct indicators for the tax on petroleum products and registration duties. Taxes on products in the corresponding branches are calibrated across these indicators. For certain products, the tax on products in volume is measured from quarterly production (in volume). Various price indicators then make it possible to compile the accounts in volume terms. The value indicator obtained in this way is calibrated and fixed to obtain the accounts of the taxes on products in value. The amount of taxes on other products is very small. The volume is then obtained by smoothing the annual series. The value is estimated by multiplying the volume by the smoothed annual price.

Taxes on wages and labour (D291) received by general government are obtained by two separate calibrations, which separate taxes from contributions (transport payment, guaranteed insurance wages and the National Housing Aid Fund). Other taxes on production (D292) are calibrated and fixed on all tax receipts provided by the DGFIP or the Directorate-General for Taxes.

D39 Other subsidies on production, receivable

SOURCES

Economic budgets.

METHODS

Smoothing

D4 Property income, receivable

SOURCES

The Public Accounting Directorate provides since 1998 the compensation in respect of the State guarantee granted to savings banks as well as the Levies on the reserve and guarantee fund of the National Savings Fund and on the Popular Savings Reserve Fund for the non fiscal part of resources. These resources are part of D.42.

METHODS

Data regarding the levies on the reserves and guarantee funds are exhaustive and therefore not adjusted by the calibrating/benchmarking technique. The remaining part of the aggregate is smoothed.

D5 Current taxes on income, wealth, etc., payable

SOURCES

The fiscal income indicators are provided by three main bodies: the Directorates-General for Public Finance and Taxes, and the Central Association of Social Security Organisations. The indicators relate to amounts actually collected.



METHODS

Current taxes on income and assets are calibrated by paying institutional sector. General government income is the amount paid by all institutional sectors.

Taxes on income (D51) paid by the rest of the world are obtained by calibration across a composite indicator, being the sum of non-market profits and a fixed part of the tax on income from securities (IRVM).

Income taxes paid by all corporations are calibrated across a tax on benefits Indicator (paid and received).

The amount of income taxes paid by households is obtained by calibration across a composite indicator. This indicator is the sum of:

- receipts from generalised social welfare contributions (CSG), the contribution to the welfare debt repayment levy (CRDS) and the social levy of 2% on various types of income (employment, replacement, inheritance and investment) collected via the Central Association of Social Security Organisations, the Directorate-General for Public Finance and the Directorate-General for Taxes,
- a fixed part of IRVM,
- net income tax revenue (gross income less income tax reductions).

Tax paid by general government are obtained by smoothing an annual target (cf. expenditure).

Other current taxes (D59) are obtained by calibrating across an indicator aggregating several separate indicators. This involves mainly taxes (dwelling tax, part of the tax on unbuilt land), part of the tax on vehicle registration certificates, part of the vehicle tax and of the solidarity tax on high net worth.

D611 Actual social contributions

SOURCES

The social security funds publish the value of employers' and employees' contributions which they have received.

These data are generally centralised by the Central Agency of Social Security Organisations and published monthly. The indicators used are based on the amounts actually paid into social security funds.

For agricultural workers, the Agricultural Mutual Fund provides the value of employers' and employees' contributions. Other special schemes applying to employees are obtained by smoothing out the corresponding annual series.

Indicators of contributions to supplementary schemes are obtained by aggregating contributions to the two main funds which manage complementary pension schemes.

For non wage-earners not working in agriculture (mainly craftsmen and the professions), the



indicators are the contributions received by one of the main funds under specific schemes for non wage-earners.

METHODS

In order to obtain the data on an accruals basis, contributions received by funds are shifted by one month. Actual social security contributions are calibrated on a case-by-case basis where there is an infra-annual indicator. Otherwise, the targets set out in the RCSS are smoothed.

D612 Imputed social contributions

Cf. D122 (D612=D122)

D7 Other current transfers, receivable

SOURCES

Economic budgets.

METHODS

Smoothing.

D91 Capital taxes

SOURCES

An income indicator for free transfers serves to calibrate capital taxes paid by households. It is communicated by the Directorate-General for Public Finance.

METHODS

Calibration/benchmarking

D92+D99 Investment grants, other capital transfers, receivable

SOURCES

Economic budgets.

METHODS

Smoothing.



ITALY

Description of Italian practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The priority of ISTAT National Accounts Direction (the DNA) is to use direct information wherever possible to estimate the quarterly aggregates of the General Government non-financial accounts. Generally, quarterly data for all these aggregates are collected by the Ministry of Economy and Finance (MEF) on a cash basis for all public sector bodies. Moreover, this Ministry records some information on an accrual basis for some items of expenditure (notably in the case of Interest and Social benefits other than social transfers in kind). The “Cassa Depositi e Prestiti¹” supplies the DNA quarterly information on its transactions in interest (payable and receivable) on an accrual basis.

The coverage of direct information is therefore very high (nearly 100%) but, unfortunately, in some cases the cash data do not have a significant quarterly pattern from an economic point of view. The results obtained using this kind of data can be misleading on the study of economic phenomena related to the General Government (GG) activities. To avoid mistakes in interpreting quarterly results, the DNA has decided to use either a mathematical method or some kind of indirect information for the estimate of the aggregates in which the problem arises. In spite of the use of indirect information or mathematical method, the percentage of direct information implemented in the quarterly estimates of unconsolidated GG accounts is very high. Consistent with Article 3 of *Regulation 264/2000*, the 90% criteria is met for taxes data (D.2, D.5, D.91) and for Actual Social Contributions (D.611) and social benefits (D.62).

The Ministry of Health collects direct information on an accrual basis from quarterly flows accounts compiled by Local Public Sector Health Units. Moreover a lot information is collected from the Operative System of public bodies' transactions² (SIOPE). At the quarterly level SIOPE data are used as integration of other sources above mentioned because they are still at an initial stage and data collected need to be analysed in order to check their reliability.

2. Compliance with ESA 95 rules

² The Financial Act for year 2003, (Law 289, December 2002, Art. 28 (points 3, 4 and 5)) states, in order to respect the constraints required in point 104 of the EU institutive Treaty, that government units should be obliged to adopt a standardized system of codification for revenues and expenditure, both on a cash and on an accrual basis.



When it is necessary, basic data are rectified to obtain consistency with ESA95 concepts (for instance by shifting monthly data of taxes in order to eliminate the time lag between accrual and assessment/cash time of recording). In this way indicators are obtained and used in the estimate.

The statistical approach used consists of estimating items by applying quarterly indicators to annual benchmarks. In this way the DNA establishes the quarterly outcomes consistent with the annual ones.

To apply the quarterly indicators to annual benchmarks, a regression model is estimated for each figure. This underlying model is subject to adjustment once a year when some new annual constraints (National Accounts estimates) are disposable.

3. Consistency between annual and quarterly data

The Italian quarterly national accounts system includes elements of both approximations of annual compilation techniques and quarterly disaggregated statistical methods. The choice of the techniques used depends on available information.

In the methodology implemented by DNA two cases are distinguished:

(case 1) the same information is available for both annual and quarterly data;

(case 2) the available quarterly information is given by one or more related series as indicators.

In case 1, the infra-annual information is elaborated in the same way as the annual ones and statistical methods are used only to achieve consistency with the annual figures in the sense that annual data have to be equal to the sum (or the mean) of the four quarters.

In case 2, statistical methods are used:

- to give to the unknown quarterly series the same pattern as the related series;
- to obtain quarterly estimates in a correct statistical framework when the annual data are not known yet;
- to achieve equality between the annual data and the sum (or the mean) of the four quarters.

To fill the gap between the annual (exhaustive) and the quarterly (partial) information, some adjunctive techniques are used such as the specification of a regression model for each series that has to be disaggregated.

. The statistical methods used are Chow-Lin³ (1971) or Fernandez⁴ (1981)

³ CHOW, G., AND LIN, A. L. (1971), "Best linear unbiased interpolation, distribution and extrapolation of time series by related series", *The Review of Economics and Statistics*, 53, 4, 372-375.

⁴ Fernandez, P. E. B. (1981). A methodological note on the estimation of time series, *The Review of Economics and Statistics*, 63, 3, 471-478.



The statistical methods used are Chow-Lin⁵ (1971) or Fernandez⁶ (1981) and are implemented for all quarterly estimation in DNA⁷. These methods were chosen by the study commission “Commissione di studio sul trattamento dei dati ai fini dell’analisi congiunturale” appointed by Istat.

Before applying the disaggregation methods, an annual regression between the indicators and their subject is carried out and the appropriateness of the models are verified through diagnostic test statistics. Where necessary, in order to minimise the prevision error, dummies are added in the regression model. Then the specified model is used in the disaggregation procedure.

The mathematical method implemented when there is no information is Denton⁸. Such a method guarantees the consistency with annual data by construction.

4. Revision policy

Standard revisions

At each release, current and previous years’ quarters are allowed to change. When new annual data become available the quarters of the last four/five years may change.

Extraordinary revisions

When a special event occurs - e.g. new sources are available or new methods are implemented - the whole time series can be revised (benchmark).

Sources and Methods by Category

5. General remarks

Quarterly data on General Government are collected by the Ministry of Economy and Finance on a cash basis for all the public sector bodies. Some other direct information, as stated earlier, is provided on an accrual basis by the MEF itself and by other public sector bodies. Generally all these pieces of information are available for different public sector bodies and easily imputable to the sub-sectors of General Government and other information is supplied by SIOPE.. There are quarterly data on the State⁹ and the CDDPP¹⁰ for Central Government (CG); on the Municipalities, the Provinces, the Regions and the Local Public Health Units for Local Government (LG) and finally on the Social Security Funds (SSF). Other quarterly data supplied by the MEF for other public sector bodies are available. However, this information is not shared between Central and Local Government and it is on a cash basis.

⁵ CHOW, G., AND LIN, A. L. (1971), “Best linear unbiased interpolation, distribution and extrapolation of time series by related series”, *The Review of Economics and Statistics*, 53, 4, 372-375.

⁶ Fernandez, P. E. B. (1981). A methodological note on the estimation of time series, *The Review of Economics and Statistics*, 63, 3, 471-478.

⁷ See final report “Commissione di studio sul trattamento dei dati ai fini dell’analisi congiunturale” (Istat - October 2005).

⁸ DENTON, F. T. (1971), “Adjustment of Monthly or Quarterly Series to Annual Totals: an Approach Based on Quadratic Minimization”, *Journal of American Statistical Association*, n. 66, pp. 99-102.

⁹ Note that the State is only a public body belonging to Central Government.

¹⁰ From December 2003, CDDPP is outside the Sector S.13.



6. Expenditure of general government

P.2 Intermediate consumption

SOURCES

Central Government

For the State, quarterly information on a quasi-accrual basis (commitments) is supplied by the MEF to Istat.

Local Government

Quarterly information for P.2 by main bodies¹¹ belonging to Local Government is collected by the MEF on a cash basis.

Moreover to integrate this information, SIOPE data are also used.

Information on an accrual basis for Local Public Health Units is collected by the Ministry of Health.

Social Security Funds

Quarterly information on the value of goods and services used as input by Social Security Funds is collected and published by the MEF on a cash basis.

METHODS

Central Government

The available accrual information is used as indicator in the disaggregation procedure and a quarterly estimate of P.2 is obtained for the State.

Local Government

The quarterly information on a cash basis for main local bodies¹², except for Local Health Units, is used as indicator in the statistical method to obtain the quarterly estimate of intermediate consumption payable by these bodies. For Local Health Units, the data on an accrual basis are used to obtain the final estimate.

Social Security Funds

The quarterly information for SSF is used as indicator in the disaggregation procedure to obtain the quarterly estimate of intermediate consumption payable by these bodies.

¹¹ The public bodies here identified as “main bodies” are Municipalities and Provinces, Regions and Local Public Health Units.

¹² See footnote 9.



General Government

P.2 for GG on a quarterly basis is the result of the disaggregation method. In this procedure the indicator is given by the previous estimates. The P.2 for GG is adjusted for the value of services provided by financial intermediaries¹³ (FISIM).

P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES

K.2 Acquisitions less disposals of non-financial non-produced assets¹⁴

No systematic source available on a quarterly basis exists, but it is possible to collect information on the amount of transactions and the moment when transactions occur by the sale contract.

*P.5 Gross fixed capital formation*¹⁵

Sources on expenditure side are exhaustive. The available information is on a cash basis. However, in this case, cash data are very similar to accrual because public administrations often make their payments according to the progress in construction works made during the year.

Information on sales of fixed capital is available when the amounts are significant. This kind of information gives the possibility of establishing the moment at which transactions (e.g. public auctions) occur and the related amounts.

Central Government

Quarterly information for P.5 for the State is collected by the MEF on a cash basis.

Local Government

Quarterly information for P.5 for main bodies¹⁶ belonging to Local Government is gathered by the MEF on a cash basis.

Social Security Funds

For P.5 the available sources on a quarterly basis are separable into sales and purchases. This information is on a cash basis and is published by the MEF.

To fill the gap left by the previous sources, other quarterly MEF data for other public bodies are

¹³ For the methodology of estimation of Financial Intermediation Services Indirectly Measured (FISIM) see “Quarterly National Accounts Inventory -Sources and methods of Italian”, Quarterly National Accounts (Istat - February 2008)

¹⁴ K2 can be negative or positive according to transactions occurred in the year and for sub-sectors.

¹⁵ P51 can be negative or positive according to transactions occurred in the year and for sub-sectors.

¹⁶ See footnote 9.



available. This information is not shared between Central and Local Government and it is on a cash basis.

METHODS

K.2 Acquisitions less disposals of non-financial non-produced assets

If information is not available, the quarterly estimate of K.2 is made through the mathematical method. Otherwise, the amount of each transaction is imputed at the moment in which the transaction occurs (it has been the case, for instance, of UMTS licences accrued in December of year 2000).

P.5 Gross fixed capital formation

When the necessary information is available, the amounts of the public auctions (and similar transactions) are directly attributed to the quarter in which they accrued.

Central Government

The cash information (net of the known amounts of public auctions and similar) is used as an indicator in the statistical method to obtain a quarterly estimate of P.5 for the State.

Local Government

The quarterly data (net of the known amounts of public auctions and similar) for main local bodies is used as indicator in the disaggregation procedure to obtain P.5 on an infra-annual basis for these bodies.

Social Security Funds

Sales and purchases are estimated individually on a quarterly basis by using the available information and the procedure of disaggregation is carried out. The amounts of public auctions (and similar transactions) are elaborated separately.

General Government

The quarterly data obtained as described above are added and used as an indicator in the statistical method to estimate the infra-annual data of fixed capital formation for GG.

D.1 Compensation of employees

SOURCES

Central Government

Monthly data on compensation of employees collected by the MEF are available for the State on an accrual basis. This information covers the main part of the total amounts payable by the State to its employees.

Local Government



For main local bodies (Municipalities and Provinces, Regions, Local Public Health Units and Universities) quarterly data on a cash basis are available in the MEF publication. Such data are supported by Siope that supplied more detailed information about the components of D.1.

The source for infra-annual data, on accrual basis, for Local Public Health Units is the quarterly flows account supplied by Ministry of Health

Social Security Funds

The MEF gathers quarterly information on compensation of employees on a cash basis for SSF.

METHODS

Central Government

The monthly data for the State are available in a breakdown that allows estimation of wages and salaries for the main categories of employees. In order to extend these figures to the whole population, per capita data are calculated, on a quarterly basis: the result is multiplied by the quarterly employment of the State and this amount is used as indicator in the statistical procedure to obtain the quarterly estimate of compensation of employees payable by the State.

Local Government

The infra-annual information for main local bodies is used as an indicator in the disaggregation procedure method to obtain the quarterly estimate of compensation of employees payable by these bodies. The original information is deeply analysed in order to verify that there are no accounting problems (e.g. payments for arrears) and it is eventually time-adjusted.

Social Security Funds

The quarterly information available for SSFs has not been used so far. For the time being the quarterly estimate is obtained by the mathematical procedure without using direct information. Original data have to be better analysed in order to eliminate any not immediately explainable irregularities.

General Government

The results of the previous estimates are added to produce an infra-annual indicator for total General Government. This indicator is introduced in the temporal disaggregation technique to obtain the quarterly estimate of D.1.

D.29 Other taxes on production, payable

SOURCES

Central Government

Quarterly data for D.29 paid by CG are collected by the MEF but such information does not show an infra-annual pattern significant from an economic point of view.



Local Government

Available sources on a quarterly basis are not economically significant.

Social Security Funds

Sources on a quarterly basis are not available.

METHODS

General Government

The quarterly estimate of D.29 payable by GG is obtained using information supplied by the MEF and integrating it with the amounts of compensation of employees payable by GG. In fact, the main tax payable by General Government (99% of the total) is the regional tax on productive activity (IRAP). Then the indicator is used in a statistical procedure.

D.3 Subsidies

SOURCES

Central Government

Sources on a quarterly basis on subsidies paid by GG are collected by the MEF. The quarterly data are available for D.31 and D.39. In the DNA only a part of the available direct information is used in the procedure to estimate D.3 because the use of all information can be misleading if some analysis on a quarterly basis has to be carried out.

Local Government

Quarterly data for LG are collected by the MEF but, like CG, the DNA uses only a part of the direct information.

METHODS

General Government

When the direct information is significant from an economic point of view, it is used as an indicator in the statistical procedure. For the residual amounts, not so significant from an economic point of view, the analysis is carried out by industries with mathematical methods.

Local Government

The infra-annual information for main local bodies is used as indicator in estimation procedure to obtain the quarterly estimate, only when the direct information is significant.



D.4 Property income, payable

SOURCES

D.41 Interest

Central Government

Monthly data on interest payable by both the State and the CDDPP are available on an accrual basis. In both cases the sources are the same as the ones used for the calculation of annual data. These data consist of interest on postal savings collected by the CDDPP and data on internal and foreign debt prepared by the Ministry of Economy and Finance (MEF) for the State on the basis of a methodology agreed upon with Istat aimed at strictly applying the ESA95 rules.

On a cash basis the following data are available: interest on State bonds paid to Social Security Funds and interest paid by the State on loans contracted to finance other Ministries. This information is collected and published by the MEF.

Local Government

Cash data on interest payable by Local Authorities (Municipalities and Provinces and Regions) are available both for the total expenditure and for the part payable to the CDDPP on a quarterly basis. These data are collected and published by the Ministry of Economy and Finance.

Social Security Funds

Cash data on interest paid by Social Security Funds is collected by the MEF and available on a quarterly basis. It is possible to distinguish this amount in the part paid to the State, the part paid to other public bodies and the part paid to sectors other than General Government.

D.45 Rent

Information for D.45 payable is not available on a quarterly basis.

METHODS

D.41 Interest

Central Government

Interest payable by the State to sectors other than General Government is divided by type as shown in the following table 1.

Each type of interest is estimated on a quarterly basis following the procedure below:

- 1) monthly interest on internal debt is added to obtain quarterly data (their sum gives the annual amount);
- 2) monthly interest on foreign debt is added to obtain quarterly data (their sum gives the annual amount);
- 3) there is no quarterly information for interest on Treasury bonds payable to the CDDPP:



then the Denton mathematical method is used to obtain a quarterly estimate; in this case the amount is very low and, finally, is consolidated at Central Government level.

Table 1 Interest payable by the State to sectors other than GG

Interest payable by the State	
1	Interest on internal debt
2	Interest on foreign debt
3	Interest on Treasury bonds payable to the CDDPP
4	Interest on Treasury bonds payable to Social Security Funds
5	Interest payable on loans contracted to finance other Ministries
6	Postal savings certificates
7	Interest payable on mortgages loans and treasury current accounts
8	Total interest payable

- 4) using the available direct information the statistical method is implemented to obtain a quarterly estimate of interest on Treasury bonds payable to Social Security Funds;
- 5) cash information is used in a temporal disaggregation method to obtain an infra-annual estimate of interest payable on loans (the source is very similar to the one used for the annual calculation: the method is used only to obtain consistency with annual data);
- 6) the CDDPP supply direct information on an accrual basis for postal savings certificates at a quarterly level.

The quarterly data related to interest payable on mortgages loans and treasury current accounts, on an accrual basis, are provided by the CDDPP.

Finally the quarterly total amount of consolidated interest¹⁷ payable by the State is obtained by adding the results of points 1-7. This information is used as an indicator in the statistical procedure.

¹⁷ That is net of interest paid to the CDDPP and Social Security Funds.



1999Q1-2003Q4

Interest payable by the CDDPP¹⁸ to sectors other than General Government is estimated on a quarterly basis following the pattern of table 2 shown below.

Table 2 Interest payable by the CDDPP to sectors other than GG

Interest payable by the CDDPP to sectors other than GG	
1	Interest on postal savings
2	Other interest
3	Total

- (1) Information on a monthly basis is provided by the CDDPP for interest on postal savings. The source of this information is the same as the data used in the annual estimate. To obtain a quarterly estimate, monthly data are added to obtain quarterly data and the statistical method is used only to reach total consistency with annual data.
- (2) The “other interest” is estimated by using the available direct information in the statistical method.

The sum of the values from (1) and (2) provides the quarterly estimate of interest payable by the CDDPP to sectors other than GG.

Local Government

The method to calculate interest payable by Local Authorities (Municipalities, Provinces, and Regions) is based on the elimination of the part payable to GG bodies from the amounts of interest payable by local bodies. This quarterly information (cash basis) is used as an indicator in the statistical procedure.

The mathematical method is used to estimate quarterly data on interest for Local Public Health Units.

Social Security Funds

To obtain D.41 payable by SSF on a quarterly basis, the available information on interest due by Social Security Funds to sectors other than GG is used as an indicator in the statistical procedure.

General Government

The results of the previous estimates are added to produce an infra-annual indicator for total General Government. This indicator is used in the temporal disaggregation technique to obtain

¹⁸ See footnote 19.



the quarterly estimate. The D.41 payable by GG is adjusted for the value of services provided by financial intermediaries¹⁹(FISIM).

D.45 rent

The lack of specific information requires the use of the mathematical method to estimate D.45 payable on a quarterly basis. The relative importance of rents is negligible, so the size of the eventual estimation error is very low.

D.5 Current taxes on income, wealth, etc., payable

SOURCES

Local Government and Social Security Funds

Sources on a quarterly basis for current taxes on income and wealth paid by GG are not available. .

METHODS

General Government

The infra-annual estimate of D.5p is obtained using the quarterly results on property income receivable (D.4r) as an indicator in the procedure of disaggregation. The total amount of these taxes is principally generated by interest on deposits and securities held by GG units. This amount, however, is not relevant.

D.62 Social benefits other than social transfers in kind

SOURCES

General Government

Information on D.62 on an accrual basis is available for the whole General Government. This kind of information is produced by the Ministry of Economy and Finance on a monthly basis. 90% of data supplied by experts of the Ministry is based on direct information, the residual part is estimated by Ministry itself using statistical methods.

1991Q1-2001Q4

Central Government

In Central Government the amounts concerned are of two types: (1) imputed Social Contributions; (2) other Social Benefits. The former consists of the payment of retirement or survivors' pensions to ex-employees or their survivors, the payment of family allowances, subsidies and other direct benefits. Each of these parts is quarterly disaggregated separately because the basic information for each one is of a different nature.

¹⁹ See footnote 22.



(1) Imputed Social Contributions

Quarterly cash data are available from the Ministry of Economy and Finance relating to payment of retirement or survivors' pensions to ex-employees

Information is available for subsidies and other benefits in the quarterly publication made by the Ministry of Economy and Finance entitled *Relazione Trimestrale di Cassa* (literally 'quarterly cash report', normal abbreviation being RTC).

No direct data are available for family allowances, so a simple calculation is made to obtain the quarterly indicator that is the average amount of the allowances multiplied by the numbers of beneficiaries. However, the amount involved is negligible (0.1 % of the total).

(2) Other Social Benefits

Other Social Benefits include assistance pensions paid for civil disability and war pensions. Quarterly data are available; they are published by Ministry of Economy and Finance in the RTC.

Local Authorities

From the Ministry of Economy and Finance, quarterly cash data are available for benefits paid by Municipalities, Provinces and Regions as 'Transfers to Households'. The Local Government data also include social benefits in kind (information to separate them is not available).

Social Security Funds

Social Security Funds benefits include both Social insurance and Social assistance benefits. From the Ministry of Economy and Finance, quarterly cash data are available for benefits paid by Social Security Funds as 'Transfers to Households'. In addition, data on payments, due to decisions of law, of amounts accrued in the past but occurred in the quarter are provided by the Ministry of Economy and Finance.

METHODS

General Government

No statistical methods are implemented in the estimation of DNA.

1991Q1-2001Q4

Central Government

Quarterly data on Social benefits other than social transfers in kind are calculated by using the Chow-Lin procedure; the time series used as indicators are the total of the items described above for which quarterly data are provided.

For civil disability and war pensions, significant delays exist until the costs associated with these



pensions are recorded in State budget²⁰ It follows that the expenses recorded in the State budget and the effective or real expenses involved widely differ. Budget flows are therefore rectified by using the quarterly balance of Treasury accounts: the necessary data are available in the RTC.

Local Authorities

Quarterly data on Social benefits other than social transfers in kind are estimated by using the Chow-Lin procedure.

The infra-annual pattern identifiable for the 'Transfers to households' item (see sources above) is used as indicator for social benefits other than social transfers in kind of the Local Administrations. It must be noted that such social benefits do not exceed 0.7% of the total item for each year for General Government as a whole.

Social Security Funds

After subtracting the amounts accrued in the past from the data on a cash basis, quarterly data on Social benefits other than social transfers in kind are calculated by using the Chow-Lin procedure.

D.6311+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES

Central Government

Sources on a quarterly basis are not available.

Local Government

The weight of D.631 in Local Government is about 99% of the total. In particular, more than 94% of quarterly information is related to Local Public Health Units - such data are collected on an accrual basis by the Ministry of Health. The MEF, each quarter, supply the remaining part (about 5%) of information related to the other bodies of Local Government

Social Security Funds

Sources on a quarterly basis are not available.

METHODS

Local Government

The available information on an accrual basis is used to estimate the aggregate in the statistical method

General Government

The result of the previous estimate is used as an indicator in the procedure of disaggregation to

²⁰ It should be noted that since the end of 1998 civil disability pension payments fall in the responsibility of Social Security Funds. It follows that the problem of the pension time lag no longer exists.



obtain the quarterly estimate of the D.631part for GG.

D.7 Other current transfer, payable

SOURCES

D.71 net non-life insurance premium

Sources on a quarterly basis are not available.

D.74 Current international cooperation

Direct information on D.74 is collected by the MEF on a cash basis (100% of the total amount).

D.75 miscellaneous current transfers

Central Government

Quarterly information for miscellaneous current transfers payable by the State is collected by the MEF on a cash basis. These data are distinguished into transfers to Households and to Non-Profit Institutions Serving Households, transfers to Corporations and transfers to the Rest of World. Except for data concerning D.75 payable to the Rest of the World (GNP based fourth own resources), this information has not always a quarterly economic significant pattern.

Local Government

Quarterly information for D.75 payable by main bodies²¹ belonging to Local Government is collected by the MEF on a cash basis. The breakdown of the available sources is the same as that for Central Government.

Social Security Funds

The available quarterly information on transfers to Corporations is not meaningful from an economical point of view.

To fill the gap left by the previous sources, quarterly MEF information for remaining public bodies is available. This information is not shared between Central and Local Government and it is on a cash basis.

METHODS

D.71 net non-life insurance premium

The lack of information requires the use of a mathematical method to estimate D.71 payable on a quarterly basis. The amount of net non-life insurance premium is relatively negligible.

²¹ See note 20.



D.74 Current international cooperation

No estimation method is used because the source is the same of annual data²².

D.75 miscellaneous current transfers

Central Government

Concerning miscellaneous current transfers payable by the State to the Rest of the World no estimation method is used, while the remaining part of D.75 quarterly estimate for the State is elaborated applying the mathematical method.

Local Government

In both cases of Municipalities & Provinces and of Regions, the available information is used as indicator in the statistical procedure to obtain a quarterly estimate.

The mathematical method is used to estimate D.75 for local public health units.

Social Security Funds

The quarterly estimates for SSF are achieved implementing the mathematical procedure.

General Government

The infra-annual data for the remaining public bodies are used in the disaggregation procedure to obtain the quarterly estimate of D.75.

D.8 Adjustment for the change in the net equity of households in pension funds reserves

This item is not estimated for the compulsory pension funds managed by General Government.

D.9 Capital taxes, investment grants and other capital transfers, payable

SOURCES

Central Government

Quarterly information for capital transfers payable by the State is collected by the MEF on a cash basis. These data are distinguished into current transfers to Households and to Corporations. This information can be shared between D.92 and D.99.

²² The sum of the quarterly information on an annual basis gives the yearly amounts estimated by the DNA.



Infra-annual information on investment grants to the Rest of World payable by the Central Government is supplied by the MEF.

Local Government

Quarterly information for D.9 payable by Regions & Municipalities and Provinces is collected by the MEF on a cash basis. The breakdown of the available source data is capital transfers to corporation and capital transfers to households.

To fill the gap left by the previous sources, quarterly MEF information for remaining public bodies is available. This information is not shared between Central and Local Government and it is on a cash basis.

METHODS

Central Government

D.92 and D.99 can be estimated separately using the existing information in the statistical method to obtain consistency with annual data for the State.

No estimation method is used to obtain quarterly D.92 to the Rest of the World.

Local Government

In both the cases of Regions & Municipalities and Provinces the quarterly estimate is obtained using the available information as an indicator in the procedure.

General Government

The quarterly data for the remaining public bodies are used in the statistical procedure to obtain a quarterly estimate of D.9.

7. Revenue of general government

P.11 + P.12 + P.131 Market output, output for own final use and payments for the other non-market output

SOURCES

Central Government

Quarterly cash information on P.11 and P.131 are available, while for P.12 there are no infra-annual sources. However the data for P.11 and P.131 are not economically significant on a quarterly basis.



Local Government

Information on P.11 and P.131 are collected by the MEF on a cash basis for Regions, Municipalities and Provinces and Local Public Health Units.

Social Security Funds

Sources on a quarterly basis for P.11 and P.131 are available. These sources are not significant from an economic point of view on an infra-annual basis.

To fill the gap left by the previous sources, quarterly MEF information for remaining public bodies is available. This information is not shared between Central and Local Government. It is on a cash basis.

METHODS

Central Government

Revenues for State Lotteries are used as an indicator in the estimation procedure to obtain the quarterly series of the aggregate P.11+P.131+P.12 because income from State Lotteries represents the main part of this aggregate for the State.

Local Government

The infra-annual estimate of P.11+P.12+P.131 is obtained using the available quarterly cash data as an indicator in the estimation approach for Municipalities and Local Public Health Units. The quarterly estimate for Regions is reached through the mathematical method because the existing information does not have a significant quarterly pattern from an economic point of view.

Social Security Funds

The mathematical method is implemented to obtain the quarterly estimate of P.11+P.131 because the results reached using the available direct information are highly misleading for studying the infra-annual economic pattern of P.11 and P.131.

General Government

The quarterly data for the remaining public bodies are used in the statistical procedure to obtain a quarterly estimate of P.11+P.12+P.131 for all of the General Government Sector.

D.2 Taxes on production and imports

SOURCES

Central Government

Monthly data on taxes collected by the State are available, on both a cash basis and an assessment basis, produced by the Ministry of Economy and Finance.

Local Government

Cash data on some taxes collected by Local Authorities are available from SIOPE information. Other local taxes are part of taxes paid to Central Authorities so they are disaggregated together.



For the other taxes information on the tax base are available.

METHODS

Central Government

D.2 (excluding VAT)

In the disaggregated of D.2 the Italian approach uses the pattern of annual tax receipts to provide the structure under which the quarterly pattern of tax receipts is to be estimated. The first goal is then to establish the quarterly pattern of tax receipts and to place it in the structure of tax receipts known from the annual detailed results. Confirming to this detailed annual structure means that, to establish the quarterly pattern for taxes in a satisfactory way, it is necessary to select various types of taxes – the biggest in terms of revenue – and to obtain for these the quarterly raw data.

Having the pattern of significant accrual receipts allows the quarterly total D.2 to be estimated by using the sum of the relevant taxes disaggregated as an indicator. Whenever it is necessary, the cash and the assessment data are adjusted before placing them in the model. In particular two relevant cases are faced: when there is a need to correct anomalies in the raw data, and to reach consistency with ESA95 concepts.

In the first case this means that outliers are removed if they are not due to actual changes in tax bases or in tax rates. Sometimes, especially in the cash data, a quarter could show an unexpected amount because of a shift of the revenue into the following quarter, for example caused by an holiday occurring at the end of March (first quarter) that obliges taxpayers to pay some taxes in April (second quarter).

In the second case, these quarterly based indicators are also made consistent with the accrual principle by using additional information: in general, the adjustment to an accrual basis is established on the legal position with regard to the time allowed for payment or declaration of the underlying tax. This means that a time-shifting of assessment data to the underlying economic period when such assessed amounts accrued should be realised.

Once adjusted, quarterly accrual data are obtained for the significant tax revenue categories by applying the quarterly disaggregation method. Finally an indicator for total D.2 is constructed by adding the quarterly figures obtained. This indicator establishes the quarterly pattern of D.2 (excluding VAT). It is then applied to annual results in the statistical method to establish the definitive results.

Quarterly conversion

As indicated, the pattern of quarterly tax revenues levied by Central Government bodies is based on the application of quarterly indicators to the corresponding annual tax benchmark. The following table describes the major cases that apply within Central Government.



ANNUAL TAX HEADING	QUARTERLY INDICATOR	SOURCE	OPERATION NOTE ⁽¹⁾
Mineral oils and derivatives	Tax on manufacture of mineral oils	Assessment-monthly	Time Shift
Electricity	Tax on electricity + devolution to local authorities (from 1989)	Assessment monthly	Time Shift
Methane gas	Coefficient multiplied by sales	Assessment monthly	Time Shift
Tobacco	Tax on tobacco consumption	Assessment-monthly	Time Shift
Duty stamp tax	Stamp	Assessment-monthly	Time Shift
Registration and stamp subrogation tax	Insurance	Assessment-monthly	Time Shift
Registration tax	Register tax added to tax on deeds at the vehicle licensing authority	Assessment-monthly	Time Shift

Note (1): The quarterly indicator used is equal to the sum of the relevant three-month. Time shifting applies as this tax is normally paid within 1 month. [Accruals = assessment data of the quarter plus the months following and minus the first month of the quarter.]

VAT receipts (quarterly)

In the database implemented by Ministry of Economy and Finance, VAT receipts are recorded on a monthly basis and are distinguished into:

- those due on a monthly basis (detailed by the month in which they are accrued);
- those due on a quarterly basis (detailed by the quarter in which they are accrued);
- those due on an annual basis (yearly settlements of VAT);

Also recorded in the database, monthly are:

- pre-payments of VAT due on an annual basis;
- other various small payments associated with VAT receipts. These are very specific items of negligible amount.

The Italian National Accounts Department records each payment in the appropriate quarter:

1. the VAT due for each month of the year, but paid in different months, is attributed to the appropriate month;
2. the VAT due for each quarter of the year, but paid in a different quarter, is attributed to the appropriate quarter;
3. pre-payments are attributed to the fourth quarter because they are payments in advance for the economic activity carried out in the last quarter;
4. various small payments are attributed to the quarters in which they are paid;



5. the annual settlements of VAT are distributed into the year according to the quarterly distribution of the result of the four points above.

Finally VAT refunds are deducted by the result of the points 1 - 5 above. Considering that VAT refunds are significant from an economic point of view only on annual basis, they are estimated on quarterly basis proportionally to VAT receipts.

As a result of this operation, the sum of quarterly data is a very significant proxy of the total amount recorded in the annual national accounts: it represents a percentage near to 100% of the annual value of National Accounts gross VAT. The final consistency with annual figure is obtained, as usual, by using the estimation procedure.

Local Government

The general approach for Local Authorities under D.2 is similar to the description made above for Central Government.

Quarterly conversion

As indicated, the pattern of quarterly tax revenues levied by Local Government bodies is based on the application of quarterly indicators to an equivalent annual tax benchmark.

The following describe the major cases that apply within Local Government:

Local Government D.2 taxes (excluding VAT type taxes)

ANNUAL TAX HEADING	QUARTERLY INDICATOR	SOURCE	OPERATION / NOTE	QUARTERLY CONVERSION METHOD
Regional taxes on productive activities	Taxable base	ISTAT internal sources and Mef	Note ⁽²⁾	Quarterly breakdown
Municipal Property taxes	Taxable base	ISTAT internal sources	Note ⁽³⁾	Denton ²³
Local Oil mineral tax	Tax on manufacture of mineral oils	Assessment-monthly	Time shift	statistical method

Note (2): For this tax two kinds of indicators are used: one for the tax paid by General Government units and NPISH and one for the tax paid by market producers. The first indicator uses the information supplied by the MEF integrating with the amounts of compensation of employees payable by General Government of employees of non-market activity; the second one uses the information supplied by the MEF integrating with the value added of market activity, which are the best indicators of the tax base.

Note (3): The indicators are value added by industries of economic activity on which the tax is levied.

²³ See footnote 16.



D.39 Other subsidies on production, receivable

General Government does not collect D.39.

D.4 Property income, receivable

SOURCES

All the available quarterly information is collected by the MEF on a cash basis. Some additional accrual information is available for the CDDPP for the period 1999Q1-2003Q4)²⁴.

Central Government

Quarterly data are available for consolidated interest and other income from capital accrued by the State. Information on a large part of dividends paid by the State is also available.

Local Government

Infra-annual information on income from capital accrued by Regions, Municipalities and Provinces and Local Public Health Units is collected by the MEF. Nevertheless only quarterly data for Municipalities and Provinces can be used to estimate D.4 receivable. While information on the Regions and Local Public Health Units exists, it is not used because it is not economically significant on a quarterly basis.

Social Security Funds

Quarterly cash data on consolidated interest and other income from capital is available for SSFs but an analysis of results achieved using this information showed a quarterly pattern that was not significant from an economic point of view.

METHODS

Central Government

The infra-annual pattern of D.4 for the State is calculated as the difference between income from capital and dividends paid by the State. The result of this operation is used as indicator in the statistical method .

Local Government

Quarterly data on Municipalities and Provinces are used as an indicator of the infra-annual pattern of D.4 in the estimation procedure. Instead the mathematical method is used for the Regions and Local Public Health Units because the available information is not meaningful from an economic point of view. This procedure is followed because the amount of D.4 for these latter public bodies is very negligible.

²⁴ See footnote 18.



Social Security Funds

The Denton method is used also to estimate D.4 for SSFs on a quarterly basis because the cash information produces inconsistent results.

General Government

The quarterly data for the remaining public bodies are used in the statistical method to obtain a quarterly estimate of D.4 for the General Government sector. The D41 receivable for GG are adjusted for the value of services provided by financial intermediaries²⁵(FISIM).

D5 Current taxes on income, wealth, etc.

SOURCES

Central Government

Monthly data on taxes collected by the State are available. These consist of a Summarised Treasury Account (STA) on a cash basis and the tax report figures (TRF) on an assessment basis. These data are produced by the Ministry of Economy and Finance.

Current taxes on income and wealth paid to Central Government fall within the following categories²⁶. (which are those shown as National Accounts entries) - (see the following table):

ANNUAL TAX HEADING	QUARTERLY INDICATOR	SOURCE
Personal Income tax	Personal Income tax	Assessment-monthly TRF
Corporations tax	Corporations tax	Assessment-monthly TRF
Withholding tax on income from deposits	Interest and revenue from capital + income from other capital different from dividends	Assessment-monthly TRF
Withholding tax on company dividends	Tax on companies and bonds	Assessment-monthly TRF
Capital gains tax on shares	Capital gains tax on shares	Assessment-monthly TRF

Local Authorities

Up to now, information for mainly local taxes is obtainable from the TRF bulletin, so assessment data are available for them.

METHODS

Central Government and Local Government

Quarterly data for 'Current Taxes on Income and Wealth' are produced by using the following method:

²⁵ See footnote 21.

²⁶ Only a few illustrative examples are shown.



- Phase 1: The total item is broken down according to the type of tax, and the taxes selected were those that contributed the highest amount to the total item (their sum accounts for over 95% of it).
- Phase 2: Indicators are available for these selected taxes from MEF information.
- Phase 3: The indicators are processed to make them conform to the concept of accrual.
- Phase 4: The statistical method is used to obtain the quarterly data.

D.611 Actual social contributions

SOURCES

Social Security funds

Quarterly cash data are available for the Actual Social Contributions paid to Social Security Funds. These data are collected by a quarterly survey made by the Ministry of Economy and Finance. They consist of contributions paid by employers, employees, self-employed and non-employed persons.

Usually the payment of contributions takes place one month after the work that gives rise to the liability is carried out. To obtain data in accordance with the accruals principle, the original data have to be time-shifted by one month. For this use, monthly information is provided to ISTAT from the main social security funds. Since 1996, the Actual Social Contributions collected by the Social Security Funds have been near to the total (over 99.9%) of Actual Social Contributions paid to General Government as a whole.

METHODS

Social Security funds and other public bodies

Quarterly disaggregation of Actual Social Contributions are produced by using the following method:

- Phase 1: Calculation of total quarterly shifted Actual Social Contributions collected by Social Security Funds by using direct information.
- Phase 2: Utilisation of quarterly wages and salaries paid by government units as an indicator for Actual Social Contributions collected by State and other public bodies²⁷.
- Phase 3: The optimal indirect method is used to produce the final data. Before applying the method, an annual regression is carried out between the indicator and its subject, and statistical tests are carried out to check the appropriateness of the identified model.

²⁷ The ASC paid by employees to the State and to the other institutions except Social Security Funds were relevant until 1995. In 1996 INPDAP, a Social Security Fund, was created in order to collect the contributions of civil servants.



D.612 Imputed social contribution

SOURCES

Central Government

Quarterly data on pensions provided by the State to their own employees are collected by the MEF. This information is on a cash basis.

Local Government and Social Security Funds

Sources on a quarterly basis are not available.

METHODS

Central Government

Imputed social contributions paid by the State represent about 97% of the D.612 value for Central Government. Then the same data on pensions provided by the State are used by the DNA as an indicator in the statistical procedure to estimate D.612 for Central Government .

General Government

The results obtained for Central Government are used as indicator in the statistical procedure to achieve the quarterly estimate of total D.612 paid by General Government.

D.7 Other current transfers, receivable

SOURCES

D.72 Non-life insurance claims

Sources on a quarterly basis are not available.

D.74 Current international cooperation

Direct information on D74 is collected by the MEF on a cash basis (100% of the total amount) for total General Government.

D.75 Miscellaneous current transfers

Central Government

Quarterly information for miscellaneous current transfers receivable by the State is collected by the MEF on a cash basis. These data are distinguished into transfers from Households and Non-Profit Institutions Serving Households, transfers from Corporations and transfers from the Rest of World.



Local Government

Quarterly information for D.75 receivable by main bodies²⁸ belonging to Local Government is collected by the MEF on a cash basis. The breakdown of the available sources is the same of the Central Government.

Social Security Funds

The quarterly information collected by the MEF on transfers from Corporations and Households is not meaningful from an economic point of view. However, the amount of D.75r for SSFs is relatively negligible .

To fill the gap left by the previous sources, quarterly MEF information for remaining public bodies is available. This information is not shared between Central and Local Government and is on a cash basis.

METHODS

D.72 Non-life insurance claims

The lack of information requires the use of a mathematical method to estimate D.72 on a quarterly basis. However, the amount of non-life insurance claims is relatively negligible.

D.74 Current international cooperation

No estimation method is used because the sum of the quarterly data is equal to the annual estimate.

D.75 Miscellaneous current transfers

Central Government

The available quarterly information is used as indicator in the estimation procedure to estimate the infra-annual pattern of D.75 for the State.

Local Government

In the case of Regions the available information is used as indicator in a statistical procedure to obtain a quarterly estimate.

The mathematical method is used to estimate D.75 for both Local Public Health Units and Municipalities and Provinces.

Social Security Funds

The Denton method is also used to estimate D.75 for Social Security Funds.

²⁸ See note 19.



General Government

The infra-annual data for the remaining public bodies is used in the statistical procedure to obtain the quarterly estimate of D.75r.

D.91 Capital taxes

SOURCES

Central Government

For this type of taxes, there are two direct sources of data, both published monthly by the Ministry of Economy and Finance: one is on an assessment basis and the other on a cash basis. For these taxes the cash data are always preferred as a source.

Local Government

All the cash available data are comprehensive of the part collected by both Central and Local Authorities.

METHODS

Central Government and Local Government

Quarterly data for Capital Taxes are produced by using the following method:

- Phase 1: The total item is broken down according to the type of tax.
- Phase 2: The indicators are processed to make them conform to the concept of accrual.
- Phase 3: The statistical method is used to obtain the quarterly data.

D92+D99 Investment grants, other capital transfers

SOURCES

D.92 Investment grants

Quarterly information for investments grant received by General Government is collected by the MEF on a cash basis. These data are not shared between Local and Central Government.



D.99 Other capital transfers

Central Government

Quarterly information for other capital transfers receivable by the State is collected by the MEF on a cash basis. These data are distinguished into transfers from Households, transfers from Corporations and transfers from the Rest of World.

Local Government

Quarterly information for D.99 receivable by Regions & Municipalities and Provinces is collected by the MEF on a cash basis. The source data are broken down into capital transfers from Corporations and capital transfers from Households.

To fill the gap left by the previous sources, quarterly MEF information for remaining public bodies is available. This information is not shared between Central and Local Government and is on a cash basis.

METHODS

D.92 Investment grants

No estimation method is used because the sum of the quarterly data is equal to the annual estimate.

D.99 other capital transfers

General Government

The quarterly data for General Government is obtained using the mathematical method because the available information does not give a meaningful infra-annual pattern from an economic point of view.

8. Future Developments

For the time being tests on SIOPE quarterly flows accounts are being carried out to check their quality and their exhaustiveness. At the end of this process more information will be available to make the estimates of General Government unconsolidated accounts fully consistent with ESA95 rules.



CYPRUS

Description of Cypriot practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The 90% criteria set out in Article 3 of *Commission Regulation (EC) 264/2000* is fully respected for taxes data (D.2, D.5, D.91), actual social contributions (D.611) and social benefits (D.62).

All requirements are met for the transactions covered by *European Parliament and Council Regulation (EC) 1221/2002*.

2. Compliance with ESA 95 rules

Basic data are transformed to fully comply with ESA95 concepts.

3. Consistency between annual and quarterly data

Central Government

The sources of quarterly data for the central government sub-sector have the same degree of information as the annual data. The same volume of information is available for all types of revenue and expenditure of central government (800 revenue codes and 9000 expenditure codes). All the transactions are codified according to ESA95 definitions.

In order to achieve compliance with the accrual principle, the deposits and advances accounts held in the Central Bank of Cyprus are additionally monitored. This provides additional information for the transactions of central government that have not been allocated in the specified quarter due to the fact that the National Treasury's "cut off day" is the last day of each of the accounting periods.

The accrual principle is also used on a quarterly basis for the recording of imports of military equipment. All cash-based expenditure of the so called "defence fund" provided from budgetary information, is ignored and instead we use the delivery approach method of recording the imports of military equipment from the trade statistics.

To conclude we can say that for the central government sub-sector the annual data is simply the sum of the quarterly figures.



Local Government

Due to the lack of quarterly data for the Local Government sub-sector, the quarterly data for this sub-sector are based on a “best estimates” approach. Along with final annual data for year t-1, all local authorities provide their budgeted figures for the current year t. These data are taken into consideration and provide the basis of quarterly estimation of the sub-sector.

Moreover, the local government sub-sector is heavily financed by the state budget through capital and current transfers. Taking into account these transfers, under the assumption that the annual inter-dependence and detailed characteristics between these two sub-sectors also exist on a quarterly basis, the quarterly figures obtained from their budgeted accounts are readjusted for year t.

Social Security Funds

The methods used to compile data on a quarterly basis are consistent with the methods used to compile annual figures.

4. Revision policy

For the data that are based on direct information (central government and social security funds) there will be no need for the accounts to be revised as consistency is guaranteed between annual and quarterly data.

All the details of the general government accounts, revenue and expenditure, can be found in the Cyprus Statistical Service website between 30 to 45 days after the end of each quarter.

5. General remarks

SOURCES AND METHODS BY CATEGORIES

The sources and methods used for the formation of various categories used in the quarterly accounts are based on the Regulations (EC) No 264/2000 and No 1221/2002.

Central Government subsector

For the central government sub-sector, data are available on a monthly basis in an electronic form, from the National Treasury. The data are analysed and the appropriate ESA95 code is allocated to each transaction.

For additional information see point 3, “Consistency between annual and quarterly data”.

Local Government subsector

Local Government consists of 33 municipalities and 298 community boards.

For additional information see point 3, consistency between annual and quarterly data

Social Security Fund subsector

The Social Security Funds sub-sector consists of 7 different funds: the general contributions fund; the supplementary fund; the unemployment benefit fund; the redundancy fund; the holiday



fund; the social security fund; and the insolvency fund.

For each accounting period the National Treasury prepares, for each individual fund, the expenditure and revenue accounts. These accounts are provided to the statistical service 15 days after the closing of each monthly accounting period in an electronic form.

6. Expenditure of general government

The following table shows the relative weights of central, local and social security sub-sectors for the year 2009. The table was compiled under Regulations (EC) № 264/2000 and № 1221/2002.

Cyprus 2009	Central Government (S.1311)	State Government (S.1312)	Local Government (S.1313)	Social security funds (S.1314)	General Government (S.13)
Intermediate consumption (P.2)	89.5%	-	9%	1.5%	100%
Gross capital formation + acquisitions less disposals of non-financial assets (P.5 + K.2)	84%	-	16%	-	100%
<i>of which: Gross fixed capital formation (P.51)</i>	84%	-	16%	-	100%
Compensation of employees (D.1)	95.2%	-	4.8%	-	100%
Other taxes on production (D.29)	100%	-	-	-	100%
Subsidies, payable (D.3)	100%	-	-	-	100%
Property income (D.4)	94.6%	-	5.3%	0.1%	100%
<i>Of which: Interest (D.41)</i>	94.6%	-	5.3%	0.1%	100%
Current taxes on income, wealth, etc (D.5)	-	-	-	-	-
Social benefits other than social transfers in kind (D.62)	50%	-	-	50%	100%
Social transfers in kind related to expenditure on products supplied to households via market producers (D.633 + D.63121 + D.63131)	100 %	-	-	-	100 %
Other current transfers (D.7)	95.2 %	-	1.4 %	3.4%	100 %



Cyprus 2009	Central Government (S.1311)	State Government (S.1312)	Local Government (S.1313)	Social security funds (S.1314)	General Government (S.13)
Adjustment for the change in net equity of households in pension funds reserves (D.8)	-	-	-	-	-
Capital taxes + investments grants + other capital transfers, payable (D.91 + D.92 + D.99)	100 %	-	-	-	100 %

P.2 Intermediate consumption

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF P2 (%)
Central Government (S.1311)	89.5%
Local Government (S.1313)	9%
Social Security Funds (S.1314)	1.5%

SOURCES

Central Government (weight of P.2: 89.5%)

For central government information is received on a monthly basis from the National Treasury in an electronic form. Usually the data are received two weeks after the end of the month. The data source is on a cash basis and is transformed into accruals.

Local Government (weight of P.2: 9%)

Data are derived from their budgeted amounts for the year t+1 adjusted as indicated in paragraph 3 “Consistency with annual data”.

Social security (weight of P.2: 1.5%)

Information is collected from the National Treasury on a monthly basis.



METHODS

Central Government

At the end of each quarter, the monthly reports that are received from the National Treasury are combined into a quarter. Then the information is analysed and the correct ESA95 code is allocated to each item in the report. Accrual adjustment is implemented for the purchases of military equipment and other types of expenditure as indicated by the advances accounts. See point 3, “Consistency between annual and quarterly data”.

Local Government

Estimation is made based on the annual budgeted accounts of year t. See point 3, “Consistency between annual and quarterly data”.

Social security funds

The quarterly accounts are prepared using the monthly figures. The sources and methodology used for the quarterly accounts are the same that are used for the annual accounts in order to ensure that the system of quarterly accounts is based on the best practice in annual accounts.

P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF P.5+K.2 (%)
Central Government (S.1311)	84%
Local Government (S.1313)	16%
Social Security Funds (S.1314)	0%

SOURCES AND METHODS

Central Government (weight of P.51: 84%)

This category is compiled using the same sources and methods as Intermediate consumption (P.2).



Local Government (weight of P.5+K.2: 16%)

Same sources and methods as P.2.

Social Security Funds

Not applicable.

D.1 Compensation of employees

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.1 (%)
Central Government (S.1311)	95.2%
Local Government (S.1313)	4,8%
Social Security Funds (S.1314)	0%

SOURCES

Central Government (weight of D.1: 95.2%)

Two sub series are distinguished within compensation of employees: wages and salaries (D.11) and Employer's Social Contribution (D.12) .

For central government information is received on a monthly basis from the National Treasury in an electronic form. Usually the data are received two weeks after the end of each monthly accounting period.

Local Government (weight of D.1: 4.8%)

The same method is used as in the case of P.2.

Social security funds

Not applicable.



METHODS

Central Government

At the end of each quarter, the monthly reports that are received from the National Treasury are combined into a quarter. Then the information is analysed and the correct ESA95 code is allocated to each item in the report.

Local Government

Estimated according to the budgeted amounts of year t.

D.29 Other taxes on production, payable

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.29 (%)
Central Government (S.1311)	100%
Local Government (S.1313)	-
Social Security Funds (S.1314)	-

SOURCES AND METHODS

Central Government (weight of D.29: 100%)

For central government information is received on a monthly basis from the National Treasury in an electronic form. Usually the data are received two weeks after the end of the month.

Local Government and Social Security Funds

Not applicable.

D.3 Subsidies

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.3 (%)
Central Government (S.1311)	100%
Local Government (S.1313)	-
Social Security Funds (S.1314)	-



SOURCES AND METHODS

Central Government (weight of D.3: 100%)

For central government information is received on a monthly basis from National Treasury in an electronic form. Usually the data are received two weeks after the end of the month. At the end of each quarter, the monthly reports that are received from the National Treasury are combined into a quarter. Then the information is analysed and the correct ESA95 code is allocated to each item in the report.

Local Government and Social security funds

Not applicable.

D.4 Property income, payable

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.4 (%)
Central Government (S.1311)	94.6%
Local Government (S.1313)	5.3%
Social Security Funds (S.1314)	0.1%

SOURCES

Central Government (weight of D.4: 94.6 %)

For central government information is received on a monthly basis from the National Treasury in an electronic form. Usually the data are received two weeks after the end of the month.

Local Government (weight of D.4: 5.3 %)

Data are collected on an annual basis (previous year) from municipalities & community boards.

Social Security Funds (weight of D.4: 0.1%)

Information is collected from the National Treasury of the Ministry of Finance on a monthly basis. See general remarks.

METHODS

Central Government

At the end of each quarter, the monthly reports that are received from the National Treasury are combined into a quarter. Then the information is analysed and the ESA95 code is allocated to



each item in the report. The data used are the actual ones and need no revision

The interest is consolidated in terms of total General Government.

Local Government

Estimation is made based on the budgetary accounts for the year t. See point 3, “Consistency between annual and quarterly data”.

Social security funds

This category concerns only interest (D.41). The same method as with P.2 is applied.

D.5 Current taxes on income, wealth, etc., payable

SOURCES AND METHODS

Central Government, Local Government and Social Security Funds

Not applicable.

D.62 Social benefits other than social transfers in kind

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.62 (%)
Central Government (S.1311)	50%
Local Government (S.1313)	-
Social Security Funds (S.1314)	50%

SOURCES AND METHODS

Central Government (weight of D.62: 50%)

For central government information is received on a monthly basis from the National Treasury in an electronic form. Usually the data are received two weeks after the end of the month

At the end of each quarter, the monthly reports that are received from the National Treasury are combined into a quarter. Then the information is analysed and the correct ESA95 code is allocated to each item in the report.

Local Government

Not applicable.



Social security funds (weight of D.62: 50%)

Information is collected from the National Treasury of the Ministry of Finance on a monthly basis. See general remarks. The same method as with P.2 is applied.

D.633+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D633+D63121+D63131 (%)
Central Government (S.1311)	100%
Local Government (S.1313)	-
Social Security Funds (S.1314)	-

SOURCES AND METHODS

Central Government (weight of D.633+D.63121+D.63131: 100%)

For central government information is received on a monthly basis from the National Treasury in an electronic form. Usually the data are received two weeks after the end of the month. At the end of each quarter, the monthly reports that are received from the National Treasury are combined into a quarter. Then the information is analysed and the correct ESA95 code is allocated to each item in the report.

Local Government and Social Security Funds

Not applicable

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.7 (%)
Central Government (S.1311)	95.2%
Local Government (S.1313)	1.4%
Social Security Funds (S.1314)	3.4%



SOURCES AND METHODS

Central Government (weight of D.7: 95.2%)

For central government information is received on a monthly basis from the National Treasury in an electronic form. Usually the data are received two weeks after the end of the month. At the end of each quarter, the monthly reports that are received from the National Treasury are combined into a quarter. Then the information is analysed and the correct ESA95 code is allocated to each item in the report.

In terms of total General Government, current transfers are consolidated.

Local Government (weight of D.7: 1.4%)

Estimated, based on the historical annual figures

Social Security Funds (weight of D.7: 3.4%)

The information is collected from the National Treasury of the Ministry of Finance on a monthly basis. See general remarks.

D.9 Capital taxes, investment grants and other capital transfers, payable

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.91+D.92+D.99 (%)
Central Government (S.1311)	100%
Local Government (S.1313)	-
Social Security Funds (S.1314)	-

SOURCES AND METHODS

Central Government (weight of D.9:100%)

For central government information is received on a monthly basis from the National Treasury in an electronic form. Usually the data are received two weeks after the end of the month.

At the end of each quarter, the monthly reports that are received from the National Treasury are combined into a quarter. Then the information is analysed and the correct ESA95 code is allocated to each item in the report.

As a result of consolidation the D.9 total is reduced on both revenue and expenditure side. Due to the consolidation adjustment this value is equal on both sides.

Local Government and Social Security Funds

Not applicable.



7. Revenue of general government

Cyprus 2009	Central government (S.1311)	State Government (S.1312)	Local Government (S.1313)	Social security funds (S.1314)	General Government (S13)
Market output + output for own final use + payments for the other non-market output (P.11 + P.12 + P.13)	80.5 %	-	19.5 %	-	100 %
Taxes on Production and imports (D.2)	97.9 %	-	2.1 %	-	100 %
of which: VAT (D.211)	100 %	-	-	-	100 %
Other subsidies on production, receivable (D.39)	-	-	-	-	-
Property income (D.4)	53 %	-	1.4 %	45.6%	100 %
Taxes on income and wealth (D.5)	98,4 %	-	1.6 %	-	100 %
Actual Social Contributions (D.611)	-	-	-	100 %	100 %
Imputed social contributions (D.612)	-	-	-	-	-
Other current transfers (D.7)	63 %	-	30.2 %	6.8 %	100 %
Capital Taxes (D.91)	100 %	-	-	-	100 %
Investments grants + other capital transfers, receivable (D.92 + D.99)	22 %	-	78 %	-	100 %



P.11 + P.12 + P.13 Market output + output for own final use + payments for the other non-market output

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF P.11+P.12+P.13 (%)
Central Government (S.1311)	80.5%
Local Government (S.1313)	19.5%
Social Security Funds (S.1314)	-

SOURCES AND METHODS

Central Government (weight of P.11+P.12+P.131: 80.5%)

This category is compiled using the same sources and methods as Intermediate Consumption (P.2).

Local Government (weight of P.11+P.12+P.131: 19.5%)

Since no data are collected on a quarterly basis, the projection of the amount for the whole year is distributed, in a smoothed way, over the quarters of the year.

Social security funds

Not applicable.

D.2 Taxes on production and imports

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.2 (%)
Central Government (S.1311)	97.9%
Local Government (S.1313)	2.1%
Social Security Funds (S.1314)	-

SOURCES AND METHODS

Central Government (weight of D.2: 97.9%)

Taxes on production and imports consists of VAT and excise duties on alcohol, tobacco, fuel,



motor vehicle, import duties, betting and gambling tax, car registration tax, land tax and local taxes on sales and advertising.

Local Government (weight of D.2: 2.1 %)

Estimation is based in the historical figures which are then divided in to quarters using the approach described in paragraph 3.

Social Security Funds

Not applicable.

D.211 Value added type taxes

Not applicable.

D.39 Other subsidies on production, receivable

Not applicable.

D.4 Property income, receivable

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.4 (%)
Central Government (S.1311)	53%
Local Government (S.1313)	1.4%
Social Security Funds (S.1314)	45.6%

SOURCES AND METHODS

Central Government (weight of D.4: 53%)

For central government information is received on monthly basis from the National Treasury in an electronic form. Usually the data is received two weeks after the end of each monthly accounting period. Property income receivable by Central Government consists of interest D.41, distributed income of corporations D.42 and rent D.45. The data are analysed, transformed and allocated to the correct ESA95 heading. Interest is consolidated in terms of total General Government.

Local Government (weight of D.4: 1.4%)

There are no data available on a quarterly basis. The information is taken from the budgeted amount of the year t and then is divided into quarters.



Social security funds (weight of D.4: 45.6%)

Information is collected from the National Treasury of the Ministry of Finance on a monthly basis. See general remarks.

D.5 Taxes on income and wealth

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.5 (%)
Central Government (S.1311)	98.4%
Local Government (S.1313)	1.6%
Social Security Funds (S.1314)	-

SOURCES

Central Government (weight of D.5: 98.4%)

The same source as for Intermediate consumption P.2.

Local Government (weight of D.5: 1.6 %)

Estimated using the approach described in paragraph 3.

Social security funds

Not applicable.

METHODS

Central Government

This category consists of two elements: taxes on income (D.51) and other current taxes (D.59). The data are analysed, transformed and allocated to the correct ESA95 heading. See also paragraph 3, central government.

Local Government

See paragraph 3, local authorities.



D.611 Actual social contributions

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.611 (%)
Central Government (S.1311)	-
Local Government (S.1313)	-
Social Security Funds (S.1314)	100%

SOURCES

Central Government and Local Government

Not applicable.

Social security funds (weight of D.611:100%)

Information is collected from the National Treasury on a monthly basis. See general remarks.

METHODS

Social security funds

The same procedure is followed as for P.11+P.12+P.131.

D.612 Imputed social contributions

Not applicable.

D.7 Other current transfers, receivable

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.7 (%)
Central Government (S.1311)	63%
Local Government (S.1313)	30.2%
Social Security Funds (S.1314)	6.8%



SOURCES

Central Government (weight of D.7: 63%)

The data are taken from the National Treasury on a monthly basis.

Local Government (weight of D.7: 30.2 %)

Information is available from the government budget.

Social security funds (weight of D.7: 6.8%)

Information is collected from the National Treasury on a monthly basis. See general remarks.

METHODS

Central Government

Other current transfers receivable (D.7) for Central Government consists of: current transfers within General Government (D.73), current international cooperation transfers(D.74), miscellaneous current transfers (D.75). The data are analysed, transformed and allocated to the correct ESA95 heading.

Current transfers within General Government are consolidated in terms of the General Government Sector.

Local Government

Data are collected every quarter from the state budget on a monthly basis.

Social Security Funds

The same procedure is followed as for P.11+P.12+P.131.

D.91 Capital taxes

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.91 (%)
Central Government (S.1311)	100%
Local Government (S.1313)	-
Social Security Funds (S.1314)	-

SOURCES

Central Government (weight of D1: 100%)

The data are taken from the National Treasury on a monthly basis.

Local Government and Social Security Funds

Not applicable.



METHODS

Central Government

The data are analysed, transformed and allocated to the correct ESA95 heading. Capital transfers within General Government are consolidated in terms of total General Government.

D.92+D.99 Investment grants, other capital transfers, receivable

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D92+D99 (%)
Central Government (S.1311)	22%
Local Government (S.1313)	78%
Social Security Funds (S.1314)	-
SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.92+D.99 (%)
Central Government (S.1311)	22%
Local Government (S.1313)	78%
Social Security Funds (S.1314)	-

SOURCES

Central Government (weight of D.92+D.99: 22%)

The data are taken from the National Treasury on a monthly basis.

Local Government (weight of D.92+D.99: 78%)

Same as current transfers receivable (D.7)

Social Security Funds

Not applicable

METHODS

Central Government

Capital transfers consists of two parts: Capital Taxes (D.91) and Capital Transfers (D.99) & Investment Grants (D.92). The data are analysed, transformed and allocated to the correct ESA95 heading. Capital transfers within General Government are consolidated in terms of General Government Sector.

Local Government

Same as current transfers (D.7) (also see General Remarks)



LATVIA

Description of Latvian practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

In the use of direct information for quarterly general government revenue and expenditure transaction categories we are trying to comply with the 90% criteria set out in Article 4, but still some improvement is needed

2. Compliance with ESA95 rules

The general practice of compilation of non-financial accounts uses cash basis. The only exception is information derived from statistical surveys concerning reclassified enterprises, where the accrual principle is used.

3. Consistency between annual and quarterly data

The sources for quarterly data are integrated with the sources of annual data. The methods used to compile data on a quarterly basis are consistent with the methods used to compile annual data. The data on a quarterly basis are more aggregated than the annual data.

4. Revision policy

In general, quarterly data are revised when the new annual data become available, i.e., the quarterly data reported earlier in the same year are revised according to the new annual data.

5. General remarks

At present the complete quarterly non-financial accounts for the general government sector have not been compiled. The basic data system being used is mainly on a cash basis, both for revenue and expenditure, and it does not allow a full respect of ESA95 requirements regarding accrual accounting.

Quarterly data for general government sub-sectors – central government, local government and social security funds - are available in the *Official monthly report of the Treasury on General Government Consolidated Budget Execution* and, since March 2007, quarterly financial reports of central government budget institutions and local governments are available. Finalised data on current year are available from the *Annual Report on Central Government Budget Execution and*



on *Local Government Budgets of the Republic of Latvia, Ministry of Finance*. This provides more detailed information, for example, the financial balance of general government budget, balance sheets of central and local governments' budget institutions.

Additional information on units reclassified to the general government sector has been gathered from the statistical surveys 2-FAP (quarterly data) and 1- finances (annual data), which includes profit and loss account and balance sheet data. The classifications used for reclassified enterprises differ from Budget Reporting of units in other sub-sectors of general government. Items from balance sheets and profit and loss accounts of enterprises reclassified to the general government sector are reclassified according to classifications used in S.13. Basic data are on an accrual basis.

6. Expenditure of general government

The relative weight of each sub-sector of general government for the various expenditure categories is shown in the table above.

Reference Year 2010

	Central Government (S.1311)	Local Government (S.1313)	Social Security Funds (S.1314)	General Government (S.13)
<i>P.2 Intermediate Consumption</i>	64.00%	35.71%	0.29%	100%
<i>P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets</i>	30.47%	69.53%	0.00%	100%
<i>D.1 Compensation of employees</i>	54.03%	45.49%	0.48%	100%
<i>D.29 Other taxes on production, payable</i>	69.48%	30.46%	0.06%	100%
<i>D.3 Subsidies</i>	94.42%	5.58%		100%
<i>D.4 Property income, payable</i>	66.13%	16.03%	17.84%	100%
<i>D.5 Current taxes on income, wealth, etc., payable</i>	99.77%	0.23%		100%
<i>D.62 Social benefits other than social transfers in kind</i>	5.94%	4.60%	89.46%	100%
<i>D.6311+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers</i>	84.10%	15.90%		100%



Reference Year 2010

	Central Government (S.1311)	Local Government (S.1313)	Social Security Funds (S.1314)	General Government (S.13)
<i>D.7 Other current transfers, payable</i>	82.79%	15.00%	2.21%	100%
<i>D.9 Capital taxes, investment grants and other capital transfers, payable</i>	99.50%	0.50%		100%

P.2 Intermediate Consumption

SOURCES

Central Government

Direct cash data about central government are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey.

Local Government

Direct cash data about local government are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey.

Social Security Funds

Direct cash data about social security funds are obtained from the Treasury monthly report.

METHODS

Budgetary data has been calculated using direct cash information, but data concerning reclassified enterprises are based on the accruals principle.

P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES

Central Government

Direct cash data about central government are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey. The Ministry of Economics provide aggregate information on the privatisation process.



Local Government

Direct cash data about local government are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey.

Social Security Funds

Direct cash data about social security funds are obtained from the Treasury monthly report.

METHODS

Budgetary data have been calculated using direct cash information, but data concerning reclassified enterprises are based on the accruals principle.

D.1 Compensation of employees

SOURCES

Central Government

Direct cash data about central government are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey.

Local Government

Direct cash data about local government are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey.

Social Security Funds

Direct cash data about social security funds are obtained from the Treasury monthly report.

METHODS

Budgetary data have been calculated using direct cash information, but data concerning reclassified enterprises are based on the accruals principle.

D.29 Other taxes on production, payable

SOURCES

Central Government

Direct cash data are obtained from the Treasury monthly report.

**METHODS**

Data have been calculated using direct cash information.

D.3 Subsidies**SOURCES****Central Government and Local Government**

Direct cash data are obtained from the Treasury monthly report.

METHODS

Data are calculated using direct cash information.

D.4 Property income, payable**SOURCES****Central Government and Local Government**

Direct cash data are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey

Social Security Funds

Direct cash data are obtained from the Treasury monthly report.

METHODS

Budgetary data have been calculated using direct cash information, but data concerning reclassified enterprises are based on the accruals principle.

D.5 Current taxes on income, wealth, etc., payable**SOURCES****Central Government and Local Government**

Direct cash data are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey

METHODS

Budgetary data have been calculated using direct cash information, but data concerning reclassified enterprises are based on the accruals principle.



D.62 Social benefits other than social transfers in kind

SOURCES

Central Government, Local Government and Social Security Funds

Direct cash data are obtained from the Treasury monthly report.

METHODS

Budgetary data have been calculated using direct cash information.

D.6311+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES

Central Government

Quarterly data for D.6311+D.63121+D.63131 are not available. Estimation for the current year is made based on annual data from the Ministry of Healthcare and Ministry of Welfare.

Local Government

Quarterly data for D.6311+D.63121+D.63131 are not available. Estimation for the current year has been made based on annual data from statistical survey.

METHODS

Data have been calculated using estimations on annual data.

D.7 Other current transfers, payable

SOURCES

Central Government and Local Government

Direct cash data are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey

Social Security Funds

Direct cash data are obtained from the Treasury monthly report.

METHODS

Budgetary data have been calculated using direct cash information, but data concerning reclassified enterprises are based on the accruals principle.

D.8 Adjustment for the change in net equity of households in pension funds reserves

No adjustment for the change in net equity of households in pension funds reserves is made.



D.9 Capital taxes, investment grants and other capital transfers, payable

SOURCES

Central Government, Local Government and Social Security Funds

Direct cash data are obtained from the Treasury monthly report.

METHODS

Data are calculated using direct cash information.

7. Revenue of general government

The relative weight of each sub-sector of general government for the various revenue categories is shown in the table.

Reference Year 2010

	Central Government (S.1311)	Local Government (S.1313)	Social Security Funds (S.1314)	General Government (S.13)
<i>P.11+P.12+P.131 Market output, output for final use and payments for the other non market output</i>	59.94%	40.02%	0.04%	100%
<i>D.2 Taxes on production and imports</i>	93.29%	6.71%		100%
<i>D.4 Property income, receivable</i>	58.24%	5.91%	35.85%	100%
<i>D.5 Current taxes on income, wealth, etc.</i>	32.71%	67.29%		100%
<i>D.611 Actual social contributions</i>	100.00 %			100%
<i>D.612 Imputed social contributions</i>	100.00 %			100%
<i>D.7 Other current transfers, receivable</i>	39.05%	58.35%	2.60%	100%
<i>D.91 Capital taxes</i>	100.00%			100%
<i>D.92+D.99 Investment grants, other capital transfers, receivable</i>	60.08%	39.92%		100%



P.11+P.12+P.131 Market output, output for final use and payments for the other non-market output

SOURCES

Central Government and Local Government

Direct cash data are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey

Social Security Funds

Direct cash data about social security funds are obtained from the Treasury monthly report.

METHODS

Budgetary data have been calculated using direct cash information, but data concerning reclassified enterprises are based on the accruals principle.

D.2 Taxes on production and imports

SOURCES

Central Government, Local Government

Direct cash data are obtained from the Treasury monthly report.

METHODS

Data are calculated by applying the time-adjusted method to cash.

D.39 Other subsidies on production, receivable

Not applicable.

D.4 Property income, receivable

SOURCES

Central Government, Local Government

Direct cash data are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey

Social Security Funds

Direct cash data about social security funds are obtained from the Treasury monthly report.

**METHODS**

Budgetary data have been calculated using direct cash information, but data concerning reclassified enterprises are based on the accruals principle.

D.5 Current taxes on income, wealth, etc.**SOURCES**Central Government, Local Government

Direct cash data are obtained from the Treasury monthly report.

METHODS

Data are calculated by applying the time-adjusted method to cash.

D.611 Actual social contributions**SOURCES**Social security Funds

Direct cash data are obtained from the Treasury monthly report.

METHODS

Data are calculated by applying the time-adjusted method to cash.

D.612 Imputed social contributions**SOURCES**Social security Funds

Quarterly data are obtained from statistical survey.

METHODS

Data are on an accruals basis.

D.7 Other current transfers, receivable**SOURCES**Central Government, Local Government

Direct cash data are obtained from the Treasury monthly report and additional information about reclassified enterprises has been added from the statistical survey

Social Security Funds

Direct cash data about social security funds are obtained from the Treasury monthly report.

**METHODS**

Budgetary data have been calculated using direct cash information, but data concerning reclassified enterprises are based on the accruals principle.

D.91 Capital taxes**SOURCES**

Central Government

Direct cash data are obtained from the Treasury monthly report.

METHODS

Data use direct cash information.

D.92+D.99 Investment grants, other capital transfers, receivable**SOURCES**

Central Government, Local Government

Direct cash data are obtained from the Treasury monthly report.

METHODS

Data use direct cash information.



LITHUANIA**Description of Lithuanian practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The 90% criteria set out in Articles 3 and 4 of the *Commission Regulation (EC) 264/2000* are fully respected.

2. Compliance with ESA95 rules

The general practice of public accounting is on a cash basis. Data provided by the State Social Insurance Fund and Public Sector Health institutions are on an accruals basis. Accrual adjustments are made for current expenditure (D.41, P.2, D.1, D.3, and D.6), VAT and excise duties (time-adjusted cash). Eurostat's methodological requirements for consolidation and allocation of FISIM are applied.

3. Consistency between annual and quarterly data

Data sources for quarterly data are integrated with the sources for annual data. The methods used to compile data on a quarterly basis are consistent with the methods used to compile annual data.

4. Revision policy

Quarterly data are always revised when final annual data are available. Quarterly data are fully consistent with annual data as well as with EDP data. Back series are revised in line with revisions to other ESA aggregates. Quarterly data are published at the website of Statistics Lithuania.

5. General Remarks

The following general data sources are used:

Central Government sub-sector (S.1311)

Quarterly reports provided by the Ministry of Finance on revenue and expenditure of Central Government. Data sets are structured and based on budgetary accounting principles and on economical and functional classification (on a cash basis).



Quarterly reports on revenue and expenditure of extra-budgetary funds: the Guarantee Fund, the 1990 Blockade fund, the Savings Restitution Account, the Privatisation Fund, the Fund for Decommissioning of Ignalina Nuclear Power Station and the Reserve (Stabilisation) Fund.

Quarterly reports on revenue and expenditure, provided by other units, classified within Central Government sub-sector - Turto Bankas and Turto Fondas.

Quarterly statistical survey data on revenue and expenditure of Public Sector Health institutions.

Annual report provided by Lithuanian National Radio and Television (LRT). Quarterly data are then estimated from annual data.

State Tax Inspectorate database data sources are used for the calculation of D.29 pay and D.5 pay.

Insurance Supervisory Commission of the Republic of Lithuania and statistical survey on activity of insurance companies (data sources are used for estimation of D.71, D.72 and D.44).

Local Government sub-sector (S.1313)

Quarterly reports provided by the Ministry of Finance on revenue and expenditure of Local Government. Data sets are structured and based on budgetary accounting principles and on economical and functional classification (on a cash basis).

Quarterly statistical survey data on revenue and expenditure of Public Sector Health institutions.

State Tax Inspectorate database data sources are used for the calculation of D.29 pay and D.5 pay.

Social Security Fund sub-sector (S.1314)

Quarterly reports on revenue and expenditure provided by Social Security Funds: State Social Insurance Fund (SSIF), Compulsory Health Insurance Fund (CHIF), Lithuanian Labour Exchange and the Lithuanian Labour Market Training Authority (LLE&LLMTA).

State Tax Inspectorate database data sources are used for the calculation of D.29 pay.

Labour cost statistical survey data.



6. Expenditure of general government

The percentages presented below have been calculated on the basis of 2008 figures.

Lithuania (2008)	Central government (S.1311)	Local government (S.1313)	Social Security Fund (S.1314)
Intermediate consumption (P.2)	67.0%	30.9%	2.1%
Gross capital formation, acquisitions less disposals of non-financial non-produced assets (P.5+K.2)	59.6%	39.5%	1.0%
Gross fixed capital formation (P.51)	58.8%	40.2%	1.0%
Compensation of employees (D.1)	53.2%	44.6%	2.2%
Wages and salaries in cash and in kind (D.11)	52.1%	45.6%	2.2%
Social contributions (D.12)	56.2%	41.7%	2.0%
Actual social contributions (D.121)	50.6%	47.0%	2.3%
Imputed social contributions (D.122)	95.3%	4.6%	0.1%
Other taxes on production, payable (D.29)	64.1%	35.9%	0.0%
Subsidies (D.3)	82.9%	8.7%	8.0%
Subsidies on products (D.31)	90.2%	9.8%	0.0%
Subsidies on production (D.39)	63.6%	6.1%	30.3%
Property income, payable (D.4)	94.0%	5.8%	0.2%
Current taxes on income, wealth, etc., payable (D.5)	94.4%	5.6%	0.0%
Social benefits other than social transfer in kind and social transfers in kind related to expenditure on products supplied to households via market producers, payable (D.62+D.6311+D.6321+D.6231)	17.5%	3.5%	79.0%
Social benefits other than social transfers in kind (D.62)	19.1%	1.9%	79.0%
Other current transfers, payable (D.7)	60.7%	3.2%	36.1%
Capital taxes, investment grants and other capital transfers, payable (D.9)	96.6%	0.2%	3.2%



P.2 Intermediate consumption

Central Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Quarterly reports contain detailed information about expenditure for goods and services, such as expenditure on utilities, materials and supplies, transport services, rent, repair services, training and etc. Data are analysed, transformed and allocated to the appropriate ESA95 heading. There are some items of wages and salaries in kind (meals, drinks, uniforms and etc.) included in expenditure for purchases of goods and services in the primary data source. The adjustments are done and such wages and salaries in kind are treated as D.11 according to ESA95 requirements. Minor reclassifications are made from P.2 to D.75.

Local Government

SOURCES

Data sources are described in General Remarks.

METHODS

The same method is applied as for Central Government intermediate consumption.

Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Data information is obtained. The data are analysed, transformed and allocated to the appropriate ESA95 heading.

P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

P.51 Gross fixed capital formation

Central Government, Local Government and Social Security Funds

SOURCES

Data sources are described in General Remarks.



METHODS

Direct information is available for the main components of GFCF as well as for K.2. Data are analysed and allocated to the appropriate ESA95 heading. In addition, Own Account Capital formation (software) is added

D.1 Compensation of employees

D. 11 Wages and salaries in cash and in kind

Central Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Data are analysed, transformed and allocated to the correct ESA95 heading. Wages and salaries include the values of any social contributions, payable by employees to the Social Security Fund, income taxes payable to tax authorities on behalf of employees and the various items of wages and salaries in kind, distinguished from expenditure for purchases of goods and services (meals, drinks, uniforms, etc.).

Local Government

SOURCES

Data sources are described in General Remarks.

METHODS

The same method applied as for Central Government wages and salaries.

Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. The data are analysed and allocated to the correct ESA95 heading.

D. 12 Social contributions

D. 121 Actual social contributions



Central Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. This item covers payments made by employers to Social Security Funds.

Local Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. This item covers payments made by employers to Social Security Funds.

Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. This item covers payments made by employers to Social Security Funds.

D.122 Imputed social contributions

Central Government, Local Government, Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is available for Central and Local Government. Quarterly data on imputed social contributions for Social Security Funds are estimated using the results of the Labour cost statistical survey.



D.29 Other taxes on production, payable (not applicable)

Central Government, Local Government, Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Other taxes on production consist of taxes on real property, motor vehicles, contributions to the Guarantee Fund, taxes on pollution etc. Other taxes on production payable by the general government sector are negligible.

D.3 Subsidies

Central Government

SOURCES

Data sources are described in General Remarks.

METHODS

Data are analysed, transformed and allocated to the correct ESA95 heading. Subsidies mainly consist of subsidies for agriculture (payments for milk and related products, payments for development of livestock etc.) and transport. Subsidies on products (D.31) consist only of other subsidies on products (D.319), since there are no import subsidies (D.311). Data sources are available on a cash basis, accrual adjustments are made every quarter.

Local Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Data are analysed and allocated to the correct ESA95 heading. Subsidies mainly consist of subsidies to transport companies and companies related to waste management and waste water management

Social Security Funds

SOURCES

Data sources are described in General Remarks.



METHODS

Direct information is available. There are only subsidies on production (D.39). This item involves subsidies payable for the employment of handicapped persons, persons who have been unemployed for long periods or on the costs of training schemes organised by enterprises.

D.4 Property income, payable

Central Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is available. Data on Interest (D.41 pay) for Central Government are adjusted from a cash to an accruals basis. The small amount of rent (D.45 pay) are on a cash basis. Eurostat's methodological requirements for consolidation and allocation of FISIM are applied.

Local Government

SOURCES

Data sources are described in General Remarks.

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METHODS

Direct information is available. Data on Interest (D.41 pay) for Local Government are on a cash basis.

Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is available. Data on Interest (D.41 pay) for Social Security Funds are on an accrual basis.

D.5 Current taxes on income, wealth, etc., payable

Central Government, Local Government, Social Security Funds

SOURCES

Data sources are described in General Remarks.



METHODS

Direct information is available. Current taxes on income, wealth, etc. payable by general government are negligible.

D.62 + D.6311 + D.63121 + D.63131 Social benefits other than social transfer in kind and social transfers in kind related to expenditure on products supplied to households via market producers, payable

D.6311 + D.63121 + D.63131 Social transfers in kind and social transfers in kind related to expenditure on products supplied to households via market producers

Central Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is available. Data are analysed and allocated to the correct ESA95 heading. The item involves transport compensation for certain passenger categories (pupils, pensioners, handicapped persons) and transfers in kind for unemployed persons.

Local Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is available. Data are analysed and allocated to the correct ESA95 heading. The item involves compensations for meals at schools, heating and hot water for low income households and support for public transport costs for pupils, students, pensioners and handicapped persons.

Social Security Funds

SOURCES

Data sources are described in General Remarks.



METHODS

Direct information is available. Data are analysed, transformed and allocated to the correct ESA95 heading. This item involves compensation for medication, prosthetics and treatment in private sector health institutions and sanatoriums (the part paid by households is excluded).

D.62 Social benefits other than social transfers in kind

Central Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is available. Data are analysed and allocated to the correct ESA95 heading. Social benefits other than social transfers in kind (D.62) for Central Government consist only of social assistance benefits in cash. The item involves payments that are not made under a social insurance scheme but are instead directly payable government units to households.

Local Government

SOURCES

Data sources are described in General Remarks.

METHODS

The same method is applied as for Central Government.

Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is available. Social benefits other than social transfers in kind (D.62) consist mainly of social security benefits in cash ((99.9% in 2008). These benefits are provided under social security schemes. The item involves benefits for sickness and disability, pensions, survivors, payments for maternity leave, unemployment etc. Data are available on an accrual basis.



D.7 Other current transfers, payable

Central Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. The data are analysed, transformed and allocated to the correct ESA95 heading. Quarterly data on net non-life insurance premiums (D.71 pay) are estimated from annual figures. The annual amount is negligible. Minor reclassifications are made from P.2 to D.75. Eurostat's methodological requirements for consolidation are applied.

Local Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Data are analysed, transformed and allocated to the correct ESA95 heading. Eurostat's methodological requirements for consolidation are applied.

Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Data are analysed, transformed and allocated to the correct ESA95 heading. Eurostat's methodological requirements for consolidation are applied.

D.9 Capital taxes, investment grants and other capital transfers, payable

Central Government, Local Government and Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. The data are analysed, transformed and allocated to the correct ESA95 heading. Eurostat's methodological requirements for consolidation are applied.



7. General government revenue

The percentages presented below have been calculated on the basis of 2008 figures.

Lithuania (2008)	Central government (S.1311)	Local government (S.1313)	Social security funds (S.1314)
Market output, output for own final use, payments for other non-market output (P.11+P.12+P.131)	79.5%	18.9%	1.6%
Market output, output for own final use (P.11+P.12)	100%	0%	0%
Payments for other non-market output (P.131)	77.7%	20.5%	1.7%
Taxes on products (D.21)	99.6%	0.4%	0%
VAT (D.211)	100%	0%	0%
Taxes on production (D.29)	31.0%	69.0%	0%
Property income, receivable (D.4)	71.7%	22.1%	6.1%
Current taxes on income, wealth, etc (D.5)	46.0%	32.8%	21.2%
Taxes on income (D.51)	46.1%	32.7%	21.3%
Other current taxes (D.59)	25.5%	74.5%	0%
Actual contributions (D.611)	0%	0%	100%
Imputed contributions (D.612)	95.3%	4.6%	0.1%
Other current transfers, receivable (D.7)	23.9%	60.3%	15.8%
Capital transfers, receivable (D.9)	44.5%	54.1%	1.4%
Capital taxes (D.91)	0%	100%	0%
Investment grants and other capital transfers (D.92+D.99)	44.6%	54.0%	1.4%

P.11+P.12+P.131 Market output, output for final use and payments for the other nonmarket output

Central Government

SOURCES

Data sources are described in General Remarks.



METHODS

Quarterly data are analysed, transformed and allocated to the correct ESA95 heading. The item involves market output (P.11), output for own final use (software) (P.12) and payments for services (P.131) rendered by Central Government and Public Sector Health Institutions (the institutions have revenue from the rental of buildings, from administrative fees and charges etc.).

Local Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Quarterly data are analysed, transformed and allocated to the correct ESA95 heading.

Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Quarterly data are analysed, transformed and allocated to the correct ESA95 heading. The item involves payments for services rendered by Social Security Funds.

D.2 Taxes on production and imports

Central Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. The data are analysed and allocated to the correct ESA95 heading. Cash data are time-adjusted for VAT and excise duties. A time lag of 1 month is applied. When taxes are paid once a year or irregularly, it is assumed that the cash received is equal to the amounts accrued.

Local Government

SOURCES

Data sources are described in General Remarks.



METHODS

The same method applies as for Central Government.

Social Security Funds

Not applicable.

D.4 Property income, receivable

Central Government

SOURCES

Data sources are described in General Remarks.

METHODS

Property income receivable by Central Government consists of: interest (D.41), distributed income of corporations (D.42), property income attributed to insurance policy holders (D.44) and rent (D.45). The data are analysed, transformed and allocated to the correct ESA95 heading. An accrual adjustment for Interest (D.41) is made. Quarterly data on property income attributed to insurance policyholders (D.44) are estimated from annual figures. Eurostat's methodological requirements for consolidation and allocation of FISIM are applied.

Local Government

SOURCES

Data sources are described in General Remarks.

METHODS

The same method is applied as for Central Government.

Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Data are analysed and allocated to the correct ESA 95 headings. Interest (D.41) is on an accrual basis. Eurostat's methodological requirements for consolidation are applied.



D.5 Current taxes on income, wealth, etc.

Central Government, Local Government and Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Data are analysed and allocated to the correct ESA95 heading.

D.611 Actual contributions

Central and Local Government

D.611 is not applicable for Central and Local Government.

Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. The data are analysed, transformed and allocated to the correct ESA95 heading.

D.612 Imputed contributions

Central Government and Local Government, Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

D.612 corresponds to the flow for D.122. See the description of imputed social contributions (D.122).



D.7 Other current transfers, receivable

Central Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Data are analysed, transformed and allocated to the correct ESA95 heading. Eurostat's methodological requirements for consolidation are applied.

Local Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Data are analysed, transformed and allocated to the correct ESA95 heading. Eurostat's methodological requirements for consolidation are applied.

Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Data are analysed, transformed and allocated to the correct ESA95 heading. Eurostat's methodological requirements for consolidation are applied.

D.9 Capital transfers, receivable

D.91 Capital taxes

Central Government and Social Security Funds

Not applicable₂

Local Government

SOURCES

Data sources are described in General Remarks.

**METHODS**

Direct information is obtained. Item D.91 only includes inheritance tax.

D.92 + D.99 investment grants and other capital transfers

Central Government (weight of D92 + D99: 30,6 %)

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Quarterly data are analysed and allocated to the correct ESA95 heading. Eurostat's methodological requirements for consolidation are applied.

Local Government

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Quarterly data are analysed and allocated to the correct ESA95 heading. Eurostat's methodological requirements for consolidation are applied.

Social Security Funds

SOURCES

Data sources are described in General Remarks.

METHODS

Direct information is obtained. Quarterly data are analysed and allocated to the correct ESA95 heading. Eurostat's methodological requirements for consolidation are applied.



LUXEMBOURG Description of Luxembourgish practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information (90% criteria)

The use of direct information is largely dominant for the sub-sectors of central government and social security funds, whereas for local government, indirect information predominates.

Year 2009 % of direct information

Revenue	
D.2 – Taxes on production and imports	100.0 %
of which: D.211 – VAT	100.0 %
D.4 – Property income, receivable	75.1 %
D.5 – Current taxes on income, wealth, etc.	100.0 %
D.611 – Actual social contributions	98.2 %
D.7 – Other current transfers, receivable	95.9 %
D.9 – Capital transfers, receivable	97.8 %
D.91 – Capital taxes	100.0 %
Expenditure	
P.2 – Intermediate consumption	87.3 %
P.5 + K.2 – Gross capital formation	69.6 %
D.1 – Compensation of employees	88.2 %
D.29 – Other taxes on production	83.5 %
D.3 – Subsidies, payable	89.3 %
D.4 – Property income, payable	47.0 %
D.62 – Social benefits other than social transfers in kind	85.8 %
D.631 – Social benefits in kind	89.9 %
D.7 – Other current transfers, payable	95.0 %
D.9 – Capital transfers, payable	99.2 %



2. Compliance with ESA 95 rules

Basic data are transformed and adjusted to fully comply with ESA95 concepts and rules.

3. Consistency between annual and quarterly data

In Luxembourg, the compilation of annual and quarterly general government accounts is carried out by Unit MAC2 - Sector Accounts, part of Macroeconomic Statistics Department of STATEC. This ensures that quarterly accounts and annual accounts are automatically coordinated as they use the same basic data.

4. Revision policy

Revisions occur mainly due to the notifications in the framework of the excessive deficit procedure (March and September) and due to the publication of annual national accounts. As a consequence, quarterly data has to be adjusted to these revisions. Furthermore, minor revisions are included in every quarterly transmission, following the availability of definitive data.

5. General remarks

STATEC currently uses the following main data sources:

Central government:

Monthly data on central government revenue and expenditure by budgetary article and by exercise are collected by the General Finance Inspection (Inspection Générale des Finances - IGF) and are available 15 to 31 days after the end of the month.

In addition, monthly data on taxes are collected by the 3 tax administrations and are available 15 to 31 days after the end of the month.

Local government:

For the time being, we don't dispose of viable direct infra-annual information for local government (except for local taxes collected by central government and the transfers from central government to local government).

Social Security Funds:

Monthly data on social security funds (recorded on an accrual basis) are transmitted by the General Social Security Inspection (Inspection Générale de la Sécurité Sociale - IGSS) with a 3-month delay. In addition, transfers from central government to social security funds are used.

For all sub-sectors:

Monthly employment and wage statistics, as well as social contributions of employees and employers by branch and by sector, provided by the General Social Security Inspection, are available with a 4-month delay.

Methods differ, depending on variables and sub-sectors:



Central government:

Data on main tax receipts are monthly available, quarterly and annual figures (time adjusted cash principle) are calculated directly on the basis of these monthly figures.

Expenditure of central government is available on a monthly basis and quarterly data are directly estimated on the basis of these monthly figures (monthly figures referring to the preceding exercise, but recorded during the first 3 months of the current exercise, are integrated into the last quarter of the previous exercise).

The budgetary exercise fits with the civil year: The exercise starts on the 1st of January and ends on the 31st of December of the same year.

Only services ordered or authorized by the responsible authority during the year giving the denomination to the exercise are considered as belonging to an exercise.

Nevertheless, operations related to the liquidation and the payment mandates of expenditures, as well as the carrying out and the accomplishment of ordered, authorized and initiated services, can be extended to the 30th of March of the following year (before 1999 it was until the 31st of April). On this date, the exercise will definitely be closed.

The monthly expenditure statistics distinguish for the first 3 months of the year between the expenditure referring to the current year and the expenditure referring to the previous year.

Local government:

Quarterly estimates are based on annual accounts of local administrations and on the infra-annual evolution of the main revenues and expenditures of central government.

Social Security Funds:

Quarterly estimates are partly calculated directly on the basis of monthly figures and partly based on annual accounts of social security funds and on the infra-annual evolution of the main revenues and expenditures of central government.

6. Expenditure of general government

The percentages presented below have been calculated on the basis of year 2009 figures.

P2 Intermediate consumption

SOURCES

Central government (Weight of P2: 61.8 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise are collected by the General Finance Inspection (Inspection Générale des Finances - IGF) and are available 15 to 31 days after the end of the month. The data covers the central budget and the special funds, but not the public establishments, although belonging to the central government sector.



Local government (Weight of P2: 33.4 %)

For the time being, we don't dispose of viable direct infra-annual information on intermediate consumption for local government.

Social Security Funds (Weight of P2: 4.8 %)

For the time being, we don't dispose of direct infra-annual information on intermediate consumption for social security funds.

METHODS

Central government

Quarterly data are directly estimated on the basis of monthly figures (monthly figures referring to the preceding exercise, but recorded during the first 3 months of the current exercise, are integrated into the last quarter of the previous exercise).

Local government

Quarterly estimates are based on annual budgets (and accounts) of municipalities and on the infra-annual evolution of intermediate consumption of central government.

Social Security Funds

Quarterly intermediate consumption for social security funds is estimated as the annual figure allocated to the quarters according to the monthly evolution of hospital expenditures. These expenditures are transmitted by the 'Caisse nationale de santé (CNS)' and are available with a delay of approximately 40 days.

P5+K2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES

Central government (Weight of P5 and K2: 58.4 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise collected by the General Finance Inspection.

Local government (Weight of P5 and K2: 41.2 %)

For the time being, we don't dispose of viable direct infra-annual information on gross capital formation for local government.

Social Security Funds (Weight of P5 and K2: 0.4 %)

For the time being, we don't dispose of direct infra-annual information on gross capital formation for social security funds.



METHODS

Central government

The same methods are applied as for intermediate consumption.

Local government

Quarterly estimates are based on annual budgets (and accounts) of municipalities and on the infra-annual evolution of intermediate consumption of central government.

Social Security Funds

The same methods are applied as for local government.

D1 Compensation of employees

SOURCES

Central government (Weight of D1: 73.9 %)

For the current year, compensation of employees is estimated on the basis of monthly data (recorded on an accrual basis) transmitted with a 1-month delay by the General Inspection of Finance (Inspection Générale des Finances - IGF). For previous years, the monthly data are adjusted to the annual accounts.

For the annual accounts, data on wages and salaries as well as on social contributions coming from the General Social Security Inspection (IGSS) are the main source. These data give information on salary costs, contributions from employers, contributions from employees and gross salary by status of employee and by branch (Nace classification), as well as by sector and sub-sector for the whole economy.

Local government (Weight of D1: 23.1 %)

See under « Central government ».

Social Security Funds (Weight of D1: 3.0 %)

See under « Central government ».

METHODS

Central government

Quarterly estimates on compensation of employees for central government are based on monthly data on employment and wages coming from the General Social Security Inspection, by branch and by sub-sector. After the closing of the budgetary exercise, quarterly figures are adjusted to the final annual figures.



Local government

The same methods are applied as for central government.

Social Security Funds

The same methods are applied as for central government.

D29 Other taxes on production, payable

SOURCES

Central government (Weight of D29: 5.3 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise collected by the General Finance Inspection.

Local government (Weight of D29: 92.2 %)

For the time being, we don't dispose of viable direct infra-annual information on other taxes on production for local government.

Social Security Funds (Weight of D29: 2.6%)

For the time being, we don't dispose of direct infra-annual information on other taxes on production for social security funds.

METHODS

Central government

The same methods are applied as for intermediate consumption.

Local government

The annual amounts are allocated to the quarters according to the evolution of the previous year.

Social Security Funds

The same methods are applied as for central government.

D3 Subsidies, payable

SOURCES

Central government (Weight of D3: 95.0 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise collected by the General Finance Inspection.



Local government (Weight of D3: 5.0 %)

For the time being, we don't dispose of viable direct infra-annual information on subsidies for local government.

Social Security Funds (Weight of D3: 0.0 %)

For the time being, we don't dispose of direct infra-annual information on subsidies for social security funds.

METHODS

Central government

The same methods are applied as for intermediate consumption.

Local government

The same methods are applied as for intermediate consumption.

Social Security Funds

The annual amounts are allocated to the quarters according to the monthly evolution of subsidies, payable, for central government.

D4 Property income, payable

SOURCES

Central government (Weight of D4: 72.8 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise collected by the General Finance Inspection.

Local government (Weight of D4: 27.0 %)

For the time being, we don't dispose of viable direct infra-annual information on property income for local government.

Social Security Funds (Weight of D4: 0.2 %)

For the time being, we don't dispose of viable direct infra-annual information on property income for social security funds.

METHODS

Central government

Estimations of the current year are based on the quarterly evolution of the previous year applied to the estimated annual accounts of the current year. Previous years are calculated on the basis of monthly data transmitted by the General Inspection of Finance, adjusted to the annual accounts.



Local government

Quarterly estimates are based on annual budgets (and accounts) of municipalities and on the infra-annual evolution of intermediate consumption of central government.

Social Security Funds

The annual amounts are allocated to the quarters according to the monthly evolution of property income, payable, for central government.

D5 Current taxes on income, wealth, etc., payable

On the expenditure side, the current taxes on income, wealth, etc. are equal to zero for central government, local government and social security funds.

D62 Social benefits other than social transfers in kind

SOURCES

Central government (Weight of D.62: 15.0 %)

For central and local government, monthly data transmitted by the General Inspection of Finance are used.

Local government (Weight of D.62: 0.2 %)

See under « Central government ».

Social Security Funds (Weight of D.62: 87.3 %)

Monthly data on social security funds are transmitted by the General Social Security Inspection (Inspection Générale de la Sécurité Sociale -IGSS) with a 3-month delay.

METHODS

Central government

For central and local government, social benefits other than social transfers in kind are estimated for the current year on the basis of monthly data transmitted by the General Inspection of Finance. For previous years, the monthly data are adjusted to the annual accounts.

Local government

See under « Central government ».

Social Security Funds

For social security funds, social benefits are estimated on the basis of monthly data transmitted by the General Social Security Inspection, adjusted to the annual accounts.



D631 Social benefits in kind

SOURCES

Central government (Weight of D631: 3.2 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise collected by the General Finance Inspection.

Local government (Weight of D631: 0.9 %)

For the time being, we don't dispose of viable direct infra-annual information on social benefits in kind for local government.

Social Security Funds (Weight of D631: 95.9 %)

For the time being, we don't dispose of viable direct infra-annual information on property income for social security funds.

METHODS

Central government

Same methods as applied to central and local government for D62.

Local government

Same methods as applied to central and local government for D62.

Social Security Funds

For social security funds, social benefits in kind are estimated on the basis of the monthly evolution of hospital expenditures as well as medical honoraries provided by the 'Caisse nationale de santé (CNS)'.

D7 Other current transfers, payable

SOURCES

Central government (Weight of D7: 96.1 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise collected by the General Finance Inspection.

Local government (Weight of D7: 3.1 %)

For the time being, we don't dispose of viable direct infra-annual information on other current transfers for local government. Transfers to central government (D73) are directly taken from monthly central government data.

Social Security Funds (Weight of D7: 0.7 %)

For the time being, we don't dispose of direct infra-annual information on other current transfers for social security funds. Transfers to central government (D73) are directly taken from monthly central government data.



METHODS

Central government

Quarterly estimates on other current transfers payable for central government are based on monthly data on current transfers coming from the General Inspection of Finance. After the closing of the budgetary exercise, quarterly figures are adjusted to the final annual figures.

Local government

For the current year, in order to estimate the current transfers payable of a quarter, the evolution of current transfers receivable of the central government subsector is applied to the amount of current transfers payable of the local government subsector calculated for last year's corresponding quarter.

For the previous years, current transfers payable of the annual accounts are distributed over the quarters according to the distribution of current transfers receivable of central government.

Social Security Funds

Same method as applied to “Other current transfers, payable” for local government.

D9 Capital transfers, payable

SOURCES

Central government (Weight of D9: 94.8 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise collected by the General Finance Inspection.

Local government (Weight of D9: 2.3 %)

For the time being, we don't dispose of viable direct infra-annual information on investment grants and other capital transfers for local government. The transfers to central government (D9) are directly taken from monthly central government data.

Social Security Funds (Weight of D9: 2.9 %)

For the time being, we don't dispose of direct infra-annual information on investment grants and other capital transfers for social security funds. The transfers to central government (D9) are directly taken from monthly central government data.

METHODS

Central government

Same methods as applied to central government for current transfers payable.



Local government

Same methods as applied to local government and social security funds for current transfers payable.

Social Security Funds

Same methods as applied to local government and social security funds for current transfers payable.

7. Revenue of general government

P11 + P12 + P131 Market output, output for own final use and payments for other non-market output

SOURCES

Central government (Weight of P1: 44.7 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise collected by the General Finance Inspection.

Local government (Weight of P1: 52.0 %)

For the time being, we don't dispose of viable direct infra-annual information on market output, output for own final use and payments for the other non-market output for local government.

Social Security Funds (Weight of P1: 3.3 %)

For the time being, we don't dispose of direct infra-annual information on market output, output for own final use and payments for the other non-market output for social security funds.

METHODS

Central government

Output for central government is estimated for the current year on the basis of monthly data transmitted by the General Inspection of Finance. After the closing of the budgetary exercise, quarterly figures are adjusted to the final annual figures.

Local government

The amounts of the annual accounts are distributed over the quarters according to the distribution of output for central government.

Social Security Funds

Same methods as applied to local government.



D2 Taxes on production and imports

SOURCES

Central government (Weight of D.2: 99.0 %)

Taxes on production and imports are collected by two different tax administrations:

The customs and excise administration (Administration des Douanes et Accises) which collects most taxes on products.

The registry and public property administration (Administration de l'Enregistrement et des Domaines) which collects the VAT, the stamp taxes, registry taxes and subscription taxes, as well as other central government receipts (rents, service charges etc.).

Both administrations provide monthly statistics on a cash basis for nearly all types of taxes, 15 to 31 days after the end of the month.

Furthermore, the registry and public property administration provides monthly statistics based on monthly, quarterly and annual VAT returns and covering information on turnover and the VAT due for payment. This statistic has a delay of about four months.

Local government (Weight of D.2: 1.0 %)

The main taxes on production and imports collected by local government are taxes on real estate and taxes on gambling and public amusement. Direct monthly cash data are only available for the gambling tax.

METHODS

Central government

The annual time adjusted cash data are calculated by the tax administration. The quarterly estimates are calculated on the basis of monthly cash data using the “best fitting” time delay between the assessment and the payment of the tax. The quarterly data are adjusted to the annual data.

The annual and quarterly time adjusted cash data are calculated on the basis of monthly cash payments taking into account a delay of 0.5 to 3 months.

For VAT, the annual time adjusted cash data are calculated on the basis of information about the “year of economic origin (or assessment)” of the current payments and the amounts still due for payment by type of company (active, bankrupt, being dissolved, etc.). The quarterly data are estimated on the basis of the monthly and quarterly assessed VAT from the turnover statistics.

Local government

The annual cash data are time adjusted and then allocated to the quarters.



D39 Other subsidies on production, receivable

On the revenue side, other subsidies on production, receivable, are equal to zero for central government, local government and social security funds.

D4 Property income, receivable

SOURCES

Central government (Weight of D4: 38.1 %)

Same sources as used for D4 on the expenditure side.

Local government (Weight of D4: 7.5 %)

Same sources as used for D4 on the expenditure side.

Social Security Funds (Weight of D4: 54.4 %)

Same sources as used for D4 on the expenditure side.

METHODS

Central government

Same methods as applied to D4 on the expenditure side.

Local government

Same methods as applied to D4 on the expenditure side.

Social Security Funds

Same methods as applied to D4 on the expenditure side.

D5 Current taxes on income, wealth, etc.

D.51 represents 95.6 % of D.5 and D.59 represents 4.4 % of D.5.

SOURCES

Central government (Weight of D.5: 88.9 %)

The taxes included are, amongst others, taxes on wages and salaries (Impôts sur les salaires), taxes on individual or household income (Impôt sur le revenu des personnes physiques), the corporate income tax (Impôts sur le revenu des collectivités) and some other less important taxes (see annex 1).

The income taxes are collected by the direct tax administration (Administration des Contributions Directes). Monthly data for nearly all types of taxes are available on a cash basis, 15 to 31 days after the end of the month.



Local government (Weight of D.5: 11.1 %)

The taxes included are the local trade tax (Impôt commercial) and other less important taxes.

The local trade tax is collected by the direct tax administration (Administration des Contributions Directes), together with the corporate income tax. Monthly cash data are available, 15 to 31 days after the end of the month.

METHODS

Central government

Pay-as-you-earn taxes on salaries are recorded at the time when activities, transactions or other events occur which create the liabilities to pay. Income taxes of companies and self-employed persons (part of D.51) and other current taxes (D.59) are recorded at the time when the liability is created.

The quarterly estimates are calculated on the basis of monthly cash data using a time delay between 1 and 3 months. The quarterly data are adjusted to the annual data.

Local government

See central government.

D611 Actual social contributions

SOURCES

Central government (Weight of D.611: 2.3 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise collected by the General Finance Inspection.

Social Security Funds (Weight of D.611: 97.7 %)

Monthly employment and wage statistics provided by the General Social Security Inspection contain information on gross wages/salaries and social contributions.

METHODS

Central government

To estimate the actual social contributions received by central government during the current year, the evolution of the compensation of employees during the previous year is applied to the amount of actual social contributions calculated for the corresponding quarter of the previous year.

For previous years, the annual actual social contributions received by the special pension fund (Fonds des pensions) are distributed according to the previous year's compensation of employees



paid by central government in order to provide monthly and quarterly statistics. These quarterly data are then adjusted to the annual accounts.

Social Security Funds

Actual social contributions are calculated on the basis of monthly employment and wage statistics and are then adjusted to the annual accounts.

D612 Imputed social contributions

SOURCES

Central government (Weight of D612: 94.9 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise collected by the General Finance Inspection. Furthermore, the General Finance Inspection transmits monthly data about pension expenditure of central and general government.

Local government (Weight of D612: 1.3 %)

For the time being, we don't dispose of viable direct infra-annual information on imputed social contributions for local government.

Social Security Funds (Weight of D612: 3.9 %)

For the time being, we don't dispose of viable direct infra-annual information on imputed social contributions for social security funds.

METHODS

Central government

Quarterly imputed social contributions are calculated on the basis of monthly pensions and monthly actual social contributions.

Local government

Quarterly estimates are based on annual budgets (and accounts) of municipalities and on the infra-annual evolution of imputed social contributions of central government.

Social Security Funds

Same method as applied to local government.

D7 Other current transfers, receivable

SOURCES

Central government (Weight of D7: 4.2 %)

Same sources as used for D7 on the expenditure side.



Local government (Weight of D7: 19.9 %)

Same sources as used for D7 on the expenditure side.

Social Security Funds (Weight of D7: 75.9 %)

Same sources as used for D7 on the expenditure side.

METHODS

Central government

Same methods as applied to D7 on the expenditure side.

Local government

For the current year, in order to estimate the current transfers receivable of a quarter, the evolution of current transfers payable of the central government subsector is applied to the amount of current transfers receivable of the local government subsector calculated for last year's corresponding quarter.

For the previous years, the current transfers payable of the annual accounts are distributed over the quarters according to the distribution of current transfers payable of central government.

Social Security Funds

For the current year, the evolution of the last two years is applied to the corresponding quarter of the previous year. For the previous years, the annual amounts are allocated to the quarters according to the preceding years.

D91 Capital taxes

SOURCES

The inheritance duty tax is the only tax collected in this category. This tax is collected by the central government.

Central government (Weight of D.91: 100.0 %)

The data collected by central government are monthly available on a cash basis from the registry and public property administration (Administration de l'Enregistrement et des Domaines).

METHODS

Central government

The coverage of the tax is 100 % and the amount collected is available on a monthly cash basis. The quarterly estimates are calculated using a time delay of 1 month. The quarterly data are adjusted to the annual data.



D92 + D99 Investment grants and other capital transfers, receivable

SOURCES

Central government (Weight of D9: 19.6 %)

Monthly data on central government revenue and expenditure by budgetary article and by exercise collected by the General Finance Inspection.

Local government (Weight of D9: 74.0 %)

For the time being, we don't dispose of viable direct infra-annual information on investment grants or other capital transfers concerning local government.

Social Security Funds (Weight of D9: 6.5 %)

For the time being, we don't dispose of direct infra-annual information on investment grants or other capital transfers concerning social security funds.

METHODS

Central government

The same method as for "Other current transfers, receivable" for central government is applied.

Local government

For the current year, in order to estimate the capital transfers receivable of a quarter, the evolution of capital transfers payable of the central government subsector is applied to the amount of capital transfers receivable of the local government subsector calculated for last year's corresponding quarter.

For the previous years, the capital transfers receivable of the annual accounts are distributed over the quarters according to the distribution of capital transfers payable of central government.

Social Security Funds

The same method as for "Other current transfers, receivable" for social security funds is applied.

Annex 1: List of taxes

Frequencies

M = monthly, Y = annual



Sources

AED: Administration de l'Enregistrement et des Domaines

ADA: Administration des Douanes et des Accises

ACD: Administration des Contributions Directes

MA: Ministry of Agriculture

ML: Municipality of Luxembourg

CGA / LGA: Central / Local government administrations

GIS: Groupe des industriels sidérurgiques (iron industry)

			Source	Frequ.
TRD2		Taxes on production and imports		
TRD21		Taxes on products		
TRD211		Value Added type Taxes (VAT)		
	D21101	TVA (hors TVA ressources propres TVA de l'UE)	AED	M
	D21102	TVA Ressources propres TVA versée à l'UE	AED	M
TRD212		Taxes and duties on imports excluding VAT		
TRD2121		Import duties		
	D212102	Droits de douane (versés à l'UE)	ADA	M
TRD2122		Taxes on imports excluding VAT and import duties		
TRD2122A	D2122A01	Prélèvements agricoles importés	ADA	M
TRD2122C	D2122C01	Taxe de consommation sur l'alcool (partie sur importations)	ADA	M
	D2122C02	Droits d'accises autonomes sur certaines huiles minérales	ADA	M
	D2122C03	Droits d'accises sur les huiles minérales	ADA	M
	D2122C04	Produit de la contribution sociale prélevée sur les carburants	ADA	M
	D2122C05	Redevance de contrôle sur le fuel domestique	ADA	M
	D2122C06	Droits d'accises sur les gaz liquéfiés	ADA	M
	D2122C07	Droits d'accises sur les benzols	ADA	M
	D2122C08	Droits d'accises sur les tabacs (partie sur importations)	ADA	M
	D2122C09	Droits d'accises sur les alcools étrangers	ADA	M
	D2122C10	Droits d'accises sur les bières (partie sur importations)	ADA	M
	D2122C14	Surtaxe sur les boissons confectonnées (alcopops)	ADA	M
	D2122C15	Accise "Kyoto"		



TRD214		Taxes on products, except VAT and import taxes		
TRD214A	D214A01	Droits d'accises sur les alcools indigènes	ADA	M
	D214A03	Taxe de coresponsabilité sur le lait: taxe supplémentaire	MA	Y
TRD214C	D214C01	Taxe de consommation (partie sur la production nationale)	ADA	M
	D214C02	Droits d'accises sur les bières indigènes	ADA	M
	D214C03	Droits d'accise sur le tabac (partie sur la production nationale)	ADA	M
	D214C04	Surtaxe sur les mutations immobilières	ML	Y
	D214C05	Droits d'enregistrement	AED	M
	D214C06	Droits d'hypothèques	AED	M
	D214C07	Hypothèques salaires	ADA	Y
TRD214E	D214E01	Taxe sur les amusements publics (nuits blanches)	LGA	Y
TRD214F	D214F01	Prélèvements sur les jeux de casino (partie Etat central)	CGA	M
	D214F02	Prélèvements sur les jeux de casino (partie communes)	LGA	M
	D214F03	Taxe sur le loto	ACD	M
	D214F04	Taxes et prélèvement sur les paris relatifs aux épreuves sportives	ACD	M
TRD214G	D214G01	Taxe sur les assurances	AED	M
TRD214H	D214H04	Taxe due pour la construction dans les secteurs centraux	ML	M
	D214H06	Taxe de séjour	LGA	Y
	D214H07	Taxe sur les cabarets	ADA	M
TRD214L	D214L01	Produit de la contribution spéciale à l'assurance dépendance sur l'électricité	ADA	Y
	D214L02	Redevances sur achats de courant	ADA	Y
	D214L03	Ristournes concédées par la société électrique de l'Our	ADA	Y
	D214L04	Taxe de consommation sur le gaz naturel	ADA	M
	D214L05	Taxe de prélèvement sur l'eau	ADA	M
TRD29		Other taxes on production		
TRD29A	D29A01	Impôt foncier	LGA	Y
	D29A02	Taxe sur les résidences secondaires	LGA	Y
TRD29B	D29B01	Taxe sur véhicules automoteurs (part payée par les entreprises)	ADA	M
	D29B02	Taxe d'immatriculation des navires	AED	Y
TRD29H	D29H03	Taxe d'abonnement sur les titres de société	AED	M
	D29H04	TVA reclassée en autres impôts sur la production	AED	M



TRD5		Current taxes on income, wealth, etc.		
TRD51		Taxes on income		
TRD51A	D51A01	Impôt retenu sur les traitements et salaires	ACD	M
	D51A02	Impôt retenu sur certains revenus échus à des contribuables non-résidents	ACD	Y
	D51A03	Impôt sur le revenu des personnes physiques fixé par voie d'assiette	ACD	M
	D51A04	Impôt solidarité majoration personnes physiques	ACD	M
	D51A05	Impôt retenu sur les revenus de capitaux	ACD	M
	D51A06	Impôt sur les tantièmes	ACD	M
	D51A07	Impôt retenu sur revenus épargne (non résidents)	ACD	M
	D51A08	Retenu libératoire nationale sur les intérêts	ACD	M
	D51A09	Contribution à la crise	ACD	M
TRD51B	D51B01	Impôt sur le revenu des collectivités	ACD	M
	D51B02	Impôt de solidarité sur le revenu des collectivités	ACD	M
	D51B03	Impôt commercial communal	ACD	M
TRD59		Other current taxes		
TRD59A	D59A01	Impôt sur la fortune	ACD	M
	D59A02	Impôt foncier	LGA	Y
TRD59F	D59F01	Droits de timbre	AED	M
	D59F02	Recettes concernant les départements des affaires étrangères	CGA	Y
	D59F03	Timbres de chancellerie	LGA	Y
	D59F04	Taxe sur les chiens	LGA	Y
	D59F05	Taxe sur véhicules automoteurs (part payée par les ménages)	ADA	M
	D59F06	Taxe bateaux ou navires de plaisance	ADA	M
TRD91		Capital taxes		
TRD91A	D91A01	Droits de succession	AED	M



HUNGARY

Description of Hungarian practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The 90% criteria set out in Article 3 is fully respected for taxes data (D.2, D.5 and D.91), actual social contributions (D.611) and social benefits other than social transfers in kind (D.62).

For the other categories the coverage of direct information is high, most of the data are available from the Treasury.

2. Compliance with ESA95 rules

Basic data are transformed to comply with ESA95 concepts. The government accounting system is based on cash basis.

Central government consists of the central government units, extra-budgetary funds, and non-profit institutions and corporations classified in this sub-sector.

Local government consists of local government units, non-profit institutions and corporations classified in this sub-sector.

Monthly data are available for Central Government and for Social Security Funds. For Local Government there are quarterly data. These data are adjusted to accruals.

3. Consistency between annual and quarterly data

The compilation of quarterly and annual government accounts is done by the same department in the Hungarian Central Statistical Office. The same methods are used, but the data sources are different.

Inconsistency may appear due to two features of the data sources:

- the coverage of the units is not fully on a quarterly basis. Quarterly data are not available for non-profit institutions and some corporations classified into general government. These data are estimated on the basis of the previous years' data or the planned figures of the given year;

- the quarterly data are more aggregated than the annual ones. Estimations should be used to disaggregate them. These estimations are based on previous years' annual data and on planned data.



4. Revision policy

In general, quarterly data are revised twice: after the calculation of the preliminary (month t+9) and the final (t+15) annual figures, along with the compilation of EDP notification.

Furthermore, revisions or corrections may occur at the first three quarters of the current year due to updated or more accurate information for these quarters.

5. General remarks

The Hungarian Central Statistical Office compiles the quarterly non-financial government accounts permanently in every quarter from 2004. Backwards data (1999-2003) were compiled in 2006, taking into account the actual annual data, monthly and quarterly budgetary information on expenditure and revenue of the budgetary institutions, balance of quarterly financial accounts and any other big transactions which were implemented at that time.

From 2004, the following data sources are used:

Central government:

Monthly reports on the revenue and expenditure of the central budget, the central budgetary institutions and the extra-budgetary funds are available from the Hungarian State Treasury. In the second quarter the institutions compile their half-year balance sheet and budget report, which are controlled and totalled by the Treasury and used in the second quarter.

Data on non-profit institutions and some corporations classified as central government are estimated on the basis of the previous year's annual figures or planned data.

Local government:

Quarterly reports on the revenue and expenditure of local government are available from the Treasury, which collects them from the institutions.

In the second quarter, the institutions compile their half-year balance sheet and budget report, which are controlled and totalled by the Treasury and used in the second quarter.

Data on non-profit institutions and corporations classified as local government are estimated on the base of previous year's annual figures.

Social Security funds:

Monthly reports (except the first two months of the year) on revenue and expenditure are collected directly from the two social security funds (Pension fund and Health Insurance fund)



6. Expenditure of general government

P.2 Intermediate consumption

SOURCES

See General remarks.

METHODS

Most of the data are available from direct cash data; estimation is needed for the figures of the non-profit institutions classified as general government. Further estimation is needed to separate some aggregated figures into intermediate consumption and other categories, which is based on the previous annual data. Cash data are adjusted for delays in payment according to changes in the stock of payables for goods and services. The data source for this information is the quarterly balance sheet calculated by the National Bank of Hungary.

P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES AND METHODS

P.51 Gross fixed capital formation

Cash data from the budgetary reports are changed for accrual data derived from the HCSO quarterly investment statistics survey. These data are on an accrual basis and contain only new fixed assets purchased⁴¹. The other elements of GFCF are estimated.

P.52 Changes in inventories

There are no quarterly data for this item, it is negligible.

K.2 acquisitions less disposals of non-financial non-produced assets

There are no quarterly data, estimation is based on previous annual figures.

D.1 Compensation of employees

SOURCES

See General remarks.

METHODS

Estimation is needed for the missing quarterly figures (e.g. wages in kind), and for the figures of the non-profit institutions and corporations classified in general government. Estimates are

⁴¹ For imports they also include improvements to existing assets.



based on previous annual figures.

Direct cash data are time-adjusted with a one month delay.

D.29 Other taxes on production, payable

SOURCES AND METHODS

This category was first included in the 2009 compilation of annual accounts, due to the more detailed data sources. Tax- and fee payments are recorded separately from other transactions and classified as either D.29 or P.2 as appropriate. Quarterly data are not available, estimation is based on previous annual figures.

D.3 Subsidies

SOURCES

Central Government (Weight of D.3: 86.1%).

The following different kinds of subsidies exist:

- subsidies for transport companies;
- agricultural subsidy;
- subsidies for companies employing disabled people;
- complementary agricultural subsidies to EU funds (top-up);
- subsidies on payroll or work force.

Direct monthly information is available on subsidies for transport companies from the Treasury.

The other subsidies are recorded in the reports as "Other current transfers". Cash data are received from the Agricultural and Rural Development Agency and from the Tax Office.

Local Government (Weight of D.3: 13.9%)

The subsidies are not reported separately, but they are included in the line "Other current transfers" in the local government quarterly report.

METHODS

Central Government

Subsidies for transport companies and for companies to employ disabled people are time-adjusted by one month. The complementary agricultural subsidies are recorded on an accrual basis, i.e., the annual planned data are taken into account and smoothed over the four quarters.



Local Government

Calculation is based on the previous annual figures.

D.4 Property income, payable

This item concerns only interest expenditure, other property income items do not exist.

SOURCES

Central Government (Weight of D.4: 96.7%)

Quarterly accrual data are available from the accounting system of the Government Debt Management Agency Ltd.

Local Government (Weight of D.4: 3.3%)

Quarterly cash data are received from local government report and accrued by the National Bank of Hungary.

Social Security Funds

Data for this sub-sector are negligible.

METHODS

Central Government

1. Basically, the interest of a debt instrument on accrual basis for a given time period is the net interest on cash base (in case of discount Treasury bills, the discount is considered as interest) plus the difference between the accrued interest at the end and at the beginning of the time period. The accrued interest at the beginning of the examined time period concerns the time before, while the accrued interest at the end of the period concerns this time period.

2. In the case of government bonds this amount is modified, because the issue price is different from the sum of the face value and the accrued interest at the time of the issuance (this latter is not necessarily zero, because bond series are reopened). This discount or premium, which is considered interest cost or revenue, is broken down evenly throughout the whole life of the instrument, and the part that falls on the examined time period is added to the interest of the instrument on accrual basis as calculated in section 1 in order to obtain the total interest on an accrual base.

D.5 Current taxes on income, wealth, etc., payable

This item is not significant, it includes taxes on income paid by corporations classified as central government. Their planned data are available and the tax payable is estimated.



D.62 Social benefits other than social transfers in kind

SOURCES

Central Government (Weight of D.62: 23.5%)

Monthly cash data are available from the Treasury.

Local Government (Weight of D.62: 3.5%)

Social transfers in cash and in kind are not separated in the local government reports.

Social Security Funds (Weight of D.62: 73%)

This item mainly consists of pensions paid by the National Pension Fund and social benefits (e.g. sick pay, maternity benefits) paid by health insurance. Cash data are obtained from the Central Administration of National Pension Insurance and from the National Health Insurance Authority.

METHODS

Central Government

Cash data are used and assumed equal to the accrual.

Local Government

The split of social transfers into cash and in kind is based on previous annual data. Cash data are used and assumed equal to the accrual.

Social Security Funds

Cash data are used and assumed equal to the accrual.

D.631 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES

Central Government (Weight of D.631: 22.4%)

Monthly cash data are obtained from the Treasury.



Local Government (Weight of D.631: 1.3%)

See D.62.

Social Security Funds (Weight of D.631: 76.3%)

Data are obtained from the National Health Insurance Authority on a monthly cash basis.

METHODS

Direct cash data are used as accruals.

D.7 Other current transfers, payable

SOURCES

See General remarks.

Central government (Weight of D.7: 84%)

In the monthly reports current transfers are divided into two parts: current transfers outside the legal government (aggregated data) and inside the legal government by sub-sectors. Transfers outside the legal government include subsidies paid to corporations (so reclassification is needed, see D.3 remarks) and current international cooperation.

Local government (Weight of D.7: 14.9%)

Quarterly reports include current transfers outside the legal government divided by counterpart sector (D.74 also) and inside the legal government by sub-sectors.

Social Security Funds (Weight of D.7: 1.1%)

Data are negligible.

METHODS

Data within general government are consolidated. D.74 data are estimated based on previous annual figures.

D.8 Adjustment for the change in net Equity of households in pension funds reserves

Not applicable.



D.9 Capital taxes, investment grants and other capital transfers, payable

SOURCES

See General remarks. D.91 Capital taxes payable are not applicable.

Central government (Weight of D.9: 68.3%)

In the monthly reports capital transfers are divided into two parts: capital transfers outside the legal government (aggregated data) and inside the legal government by sub-sectors.

Local government (Weight of D.9: 31.7%)

Quarterly reports include capital transfers outside the legal government divided by counterpart sector (to EU and other rest of the world also) and inside the legal government by sub-sectors.

Social Security Funds

There are no quarterly data.

METHODS

Data are on a cash basis, and consolidated within general government.

7. Revenue of general government

P.1+P.12+P.13 Market output, output for final use and payments for the other non-market output

SOURCES

See General remarks. Data on output for own final use are not available quarterly.

METHODS

There is no estimation of output for own final use because the amounts are negligible. Cash data are adjusted using changes in stocks of receivables. The data source for this information is the quarterly balance sheet, calculated by the National Bank of Hungary.

D.2 Taxes on production and imports

SOURCES

See General remarks.



METHODS

Central Government (Weight of D.2: 84,2%)

Regularly paid taxes are time-adjusted. A one month time-adjustment is applied to excise duties, cultural contribution, gambling tax, tax on corporations for use of vehicles, innovation tax, rehabilitation contribution, and training levy.

In the case of VAT, tax payments are also adjusted by one month, and reimbursement is recorded on the basis of the tax declaration from the Tax Office.

In the case of tax with monthly advance payments and fill-up obligation by the end of the year (simplified corporation tax), the annual planned data are smoothed over the four quarters, and the actual cash revenue is used at the end of the year.

Taxes paid by households and corporations for licences and stamp duties are recorded in the data sources in aggregated form, which have to be divided into taxes on production (D.2), other current taxes (D.5) and inheritance and gift taxes (D.91). This subdivision is based on the proportion of previous years' figures. Data are recorded on cash basis.

For the other taxes cash data are used.

Local Government (Weight of D.2: 14.9%)

Some local tax figures are reported in aggregated form, they include D.2 and D.5 taxes as well. They are separated on the basis of previous years' data.

Local government taxes are paid twice a year. The annual planned data are smoothed over the four quarters, and the actual cash revenue is used at the end of the year.

Social Security Fund (Weight of D.2: 0.9%)

A three month time-adjustment is applied for taxes on public-financed medical products and taxes on sales representative employed by medical corporations.

D.39 Other subsidies on production, receivable

Not applicable.

D.4 Property income, receivable

SOURCES

See General remarks.

METHODS

D.41 Interest receivable is recorded on an accrual basis, cash data are accrued by the National Bank of Hungary.



D.42 Dividends are recorded mainly in the second quarter, at the time they are due to be paid and examined by the 'superdividend' test regarding the year concerned.

D.45 Rents are recorded on a cash basis.

D.5 Current taxes on income, wealth, etc.

SOURCES

See General remarks.

METHODS

Central Government

Personal income tax advances are time-adjusted by one month, while the final tax liability is recorded on a due-for-payment basis.

In the case of corporation tax, which has monthly advance payments and a fill-up obligation by the end of the year, the annual planned data are smoothed over the four quarters, and the actual cash revenue is used at the end of the year. The final tax liability is recorded on a due-for-payment basis.

Taxes paid by households and corporations for licences and stamp duties are recorded in the data sources in aggregated form, so have to be divided into taxes on production (D.2), other current taxes (D.5) and inheritance and gift taxes (D.91). This subdivision is based on the proportion of previous years' figures. Data are recorded on cash basis.

Local Government

Some local tax figures are reported in aggregated form: they include D.2 and D.5 taxes as well. They are separated on the basis of previous years' data.

Local government taxes are paid twice a year. The annual planned data are smoothed over the four quarters, and the actual cash revenue is used at the end of the year.

D.611 Actual social contributions

SOURCES

Central Government (Weight of D.611: 8%)

Social contributions financing unemployment benefits are paid to the Labour Market Fund, which is part of Central Government. Monthly cash data are obtained from the Treasury.

Social Security Funds (Weight of D.611: 92%)



Monthly cash data are obtained from the Central Administration of National Pension Insurance and from the National Health Insurance Authority.

METHODS

Cash data are time-adjusted with a one-month delay to obtain accrual data.

D.612 Imputed social contributions

SOURCES

There is no quarterly data on this item.

METHODS

Estimations are based on the previous annual figures.

D.7 Other current transfers, receivable

SOURCES

Central government (Weight of D.7: 76.9%)

Monthly reports include current transfers from inside the legal government sector by sub-sectors, from outside the legal government, from the EU and from other foreigners, and revenue from fines and penalties.

Local government (Weight of D.7: 17.6%)

Quarterly reports include current transfers from inside the legal government sector by sub-sectors, from outside the legal government divided by counterpart sector and from other foreigners, and revenue from fines and penalties.

Social Security Funds (Weight of D.7: 5.5%)

Monthly reports include current transfers from central government and revenue from fines and penalties.

METHODS

D.72 Non-life insurance claims are not available on a quarterly basis; there is no estimation on this.

D.73 Current transfers within general government are consolidated.

D.74 Transfers from the EU are recorded according to the Eurostat decision on the treatment of transfers from the EU budget to the Member States. Accrual adjustments are made for some large infrastructure projects and closing EU programmes. The expected reimbursement from EU is estimated and recorded as revenue in the years when the expenditure occurs.

D.75 Miscellaneous current transfers are recorded on a cash basis.



D.91 Capital Taxes

SOURCES

See General remarks.

This item consists of taxes on inheritance, gifts and land protection contribution.

Central Government (Weight of D.91: 70.4%)

Local Government (Weight of D.91: 29.6%)

METHODS

Taxes on inheritance and gifts are recorded in aggregated form with other stamp duties. The subdivision is based on the proportion of previous years' figures, and data are recorded on cash basis.

D.92+D.99 Investment grants, other capital transfers, receivable

SOURCES

See General remarks.

Central government (Weight of D.92+D.99: 55.8%)

Monthly reports include capital transfers from inside the legal government sector by sub-sector, from outside the legal government, from the EU and from other foreigners.

Local government (Weight of D.92+D.99: 40.6%)

Quarterly reports include capital transfers from inside the legal government sector by sub-sector, from outside the legal government divided by counterpart sector and from other foreigners.

Social Security Funds (Weight of D.7: 3.6%)

Data are negligible.

METHODS

Transfers from the EU are recorded according to the Eurostat decision on the treatment of transfers from the EU budget to the Member States. Accrual adjustments are made for some large infrastructure projects and closing EU programmes. The expected reimbursement from EU is estimated and recorded as revenue in the years when the expenditure occurs. Other data are recorded on a cash basis and consolidated within general government sector.



MALTA**Description of Maltese practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information (90% criteria)

The 90% criterion is fully respected for the expenditure (P.2, P.5, K.2, D.1, D.29, D.3, D.4, D.5, D.631, D.7 and D.9) and revenue (P.1, D.2, D.39, D.4, D.5, D.61, D.7 and D.9) categories for General Government.

2. Compliance with ESA95 rules

Basic data are transformed in full compliance with ESA95 rules.

3. Consistency between annual and quarterly data

As quarterly data from the Treasury's Departmental Accounting System (DAS) is used for the Budgetary Central Government, the annual data will by definition be equivalent to the aggregate of the four quarters. On the other hand, the results obtained from the management accounts of local councils and from the questionnaires to extra-budgetary units may be revised to ensure consistency between annual and quarterly data.

4. Revisions

There is no pre-determined revision policy for quarterly non-financial transactions for the time being. For the budgetary central government any revisions will be limited to accruals templates. For the local councils and extra-budgetary units the quarterly non-financial accounts will be revised using the annual audited statements of the individual councils and entities for each respective year.

5. General remarks

Data for all General Government Sector quarterly revenue and expenditure categories are compiled by aggregating the cash and accruals data, with data from Extra-Budgetary Units and Local Councils.



For the Budgetary Central Government (part of S.1311), direct information is used as much as possible through the use of the Treasury's Departmental Accounting System (DAS). As this accounting system incorporates all the government revenue and expenditure and financial transactions, the National Statistics Office (NSO) were granted online (read-only) access to this system. DAS is the primary data source and the data are available in real time. Final source data on the operations of central government are received at the end of the second week after the end of each month, except data for the last month of the fiscal year, which are available between two to three months after the end of the fiscal year.

All accounts and transactions for the Budgetary Central Government have been assigned an ESA95 code.

The data for Central Government are intrinsically based on the Government's cash accounting standards.

At the beginning of 2005, the Treasury launched an exercise across the Budgetary Central Government to capture accruals data. This was the result of a structured plan through which all the accounting officers were given specific training on the correct compliance with this initiative.

Indeed the Treasury Department has developed a database, and all the entities of the Budgetary Central Government (Ministries and Departments) are required to provide **quarterly** accruals data. Data are requested for the stock position of the accrued expenditure, accrued income, debtors, creditors, deferred income and prepayments. This information is monitored by the Accounting Methodology and Compliance Unit at the Treasury. The standards used are the Malta Government Accounting Standards, which in turn are based on the International Public Sector Accounting Standards. Consistency across the whole Budgetary Central Government sub-sector is thus ensured.

The National Statistics Office has online access (read only) to this database and uses the quarterly accrual figures in order to adjust the cash data as necessary.

Quarterly data for Extra-Budgetary Units (EBUs, part of S.1311) are obtained from the Financial Data Reporting System (FDRS). FDRS was launched in January 2010 by the Ministry of Finance, the Economy and Investment and is geared towards attaining real time financial data pertaining to Government Entities. This will enable the surveillance of the budget implementation and the formulation of budget policy governing the administration of public funds as part of government's ongoing fiscal consolidation. The Public Finance Unit within the NSO has access to this system. The main templates used are the monthly template, whereby entities are required to submit the income statement, and the quarterly EBU template, whereby EBUs are required to submit their balance sheet with counterpart information and other data. The templates are to be submitted within 22 calendar days following the end of the respective period.



As from 2004, all Local councils have been asked to submit quarterly financial reports to the NSO. Their data are then analysed and compiled in line with the ESA95 format.

Final audited financial data for local councils and extra budgetary units are available on an annual basis from their respective financial statements, which include the Profit and Loss Account, Cash Flow Statement and the Balance Sheet. These annual statements are accruals-based.

The ESA95 adjustments performed in EDP Table2A, to explain the transition between the public accounts budget and the general government sector, are reproduced in the quarterly non-financial accounts.

6. Expenditure of general government

The weight of each sub-sector in the total amount of each category refers to the definitive annual account for the year 2009.

P.2 Intermediate consumption

Central Government (weight of P.2: 93.3%)

Local Government (weight of P.2: 6.7%)

SOURCES

The sources are described in the general remarks.

METHODS

The intermediate Consumption aggregate is made up of Operational and Maintenance Expenses for all the Government's Ministries and Departments, the Programmes and Initiatives and Contributions to Government Entities categories.. Other components are the recurrent expenditure element from the Capital Expenditure category, the accruals adjustment, the inclusion of flows from the treasury clearance fund (below the line account) and the FISIM estimate.

P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

Central Government (weight of P.5 + K.2: 92.7%)

Local Government (weight of P.5 + K.2: 7.3%)

SOURCES

The sources are described in the general remarks.



METHODS

An adjustment for own final use software is compiled.

D.1 Compensation of Employees

Central Government (weight of D.1: 99.5%)

Local Government (weight of D.1: 0.5%)

SOURCES

The sources are described in the general remarks.

METHODS

The wages and salaries (D.11) and actual social contributions (D.121) for central government are extracted from the centralised system of the Treasury Department, at quarterly intervals. From 2004 the wages and salaries of Central Government employees have been paid every 4 weeks, and therefore an accruals adjustment has become necessary every quarter. Adjustments for wages in kind are made at a later stage, since this involves adjustments to intermediate consumption (e.g. fringe benefits).

D.29 Other taxes on production, payable

Other taxes on production for general government are not applicable.

D.3 Subsidies

Central Government (weight of D.3: 100.0%)

SOURCES

The sources are described in the general remarks.

METHODS

In Malta there are no import subsidies (D.31). Other subsidies on products (D.319) are obtained from government accounts. A large proportion of these subsidies are for the Agriculture Support Scheme. Other subsidies on production (D.39) are mostly given as a Public Service Obligation and as guaranteed earning agreement with the Public Transport Association. Included under D.39 are: training grants and schemes; assistance to agriculture, farmers and fishermen; and interest subsidies on house loans

Local councils do not incur any expenditure on D.3.



D.4 Property income, payable

Central Government (weight of D4: 100.0%)

SOURCES

The sources are described in the general remarks.

METHODS

Property Income on the expenditure side for S.1311 consists of interest (D.41) and Rent (D.45). D41 is made up of the interest, on an accruals basis, of Malta Government Stocks, Treasury Bills and foreign borrowing. Adjustments for stock premium proceeds and FISIM are incorporated.

The contribution of the Local Government sub-sector to D.4 is negligible.

D.5 Current taxes on income, wealth etc., payable

Central Government (weight of D5: 100.0%)

SOURCES

The sources are described in the general remarks.

METHODS

Mainly relate to a specific Extra Budgetary Unit.

D.631 Social benefits in kind

Central Government (weight of D.631: 100.0%)

SOURCES

The sources are described in the general remarks.

METHODS

The direct provision of pharmaceutical products represents around 99% of this category. Other services classified under D.631 include expenditure on school transport, homes for the elderly and specialised Prosthetic/Orthotic Service.

D.7 Other current transfers, payable

Central Government (weight of D.7: 100.0%)

SOURCES

The sources are described in the general remarks.



METHODS

Under the transaction Current International Cooperation (D.74) the items recorded are international memberships of EU, UN and other organisations, participation fees and organisation of international meetings. Miscellaneous current transfers (D.75) are the transfers to individuals, to NPISH and to non-government institutions. For the quarterly non-financial accounts, if a transfer is made only once a year and it covers the whole year, the expenditure will be apportioned amongst all the four quarters.

D.9 Capital taxes, investments grants and other capital transfers, payable

Central Government (weight of D9: 100.0%)

SOURCES

The sources are described in the general remarks.

METHODS

This category consists of capital transfers to public and private corporations, as well as to households.

7. Revenue of general government

P.1 Output

Central Government (weight of P.1: 97.8%)

Local Government (weight of P.1: 2.2%)

SOURCES

The sources are described in the general remarks.

METHODS

Government Ministries and Departments may engage in market activities and generate revenue; with the main activities being rental of buildings, admissions to various buildings, court, passport and registry fees, services to third parties as well as hospital fees charged to non-residents.

The market output of local councils consists of income raised under council byelaws for the use of facilities, advertising on street furniture, tender documents and permits to use skips. Revenue is also collected from cultural activities, publications, fees from courses, media charges and other general income.

For the extra-budgetary units, their market output consists mainly of sale of new vacant premises from the Housing Authority, development permit fees from the Planning Authority and examination and registration fees from the University of Malta.

When coding each of the revenue transactions in line with ESA95 methodology, care was taken to distinguish revenue from taxes (D.2) from sales of services (P.11). For this purpose it was determined that when the fee charged reflected the actual service provided, this would be a P.11 transaction.



D.2 Taxes on production and imports

Central Government (Weight of D.2: 100%)

SOURCES

This item mainly consists of VAT, excise duties on alcohol, tobacco and petroleum products and duty on documents. Data for all D.2 taxes are available monthly on a cash basis from the centralised departmental accounting system. No taxes are collected to date by the Local Government sub-sector.

METHODS

Quarterly data are extracted from the centralised cash-based source (DAS). As far as VAT data is concerned, the quarterly figures are accruals adjusted using the time-adjusted method of one month.

An accruals adjustment based on realistic balances is effected for the other D2 type taxes.

Quarterly data are extracted from the centralised cash-based source (DAS). As far as VAT data are concerned, the quarterly figures are adjusted using the time-adjusted method with a lag of one month.

D.39 Other subsidies on production, receivable

Not Applicable

D.4 Property income, receivable

Central Government (Weight of D.4: 99.9%)

Central Government (Weight of D.4: 0.1%)

SOURCES

The sources are described in the general remarks.

METHODS

Property Income on the revenue side for the General Government sector consists of interest (D.41), dividends (D.421), withdrawals from income of quasi corporations (D.422) and Rent (D.45).

As data for extra-budgetary units are cash-based, this is supplemented with an accruals adjustment for the interest receivable. Further adjustments are made for FISIM, interest received but not recorded in the Government's Consolidated Fund, and the recording of 'superdividends'.



D.5 Current Taxes on Income and Wealth

Central Government (Weight of D.5: 100 %)

SOURCES

This item consists mainly of income tax, corporation tax, capital gains tax, and payments by households for licences (sporting, driving, and motor vehicle and TV licences).

No taxes are collected to date by the Local Government sub-sector.

METHODS

All cash revenue data are available. As far as personal and corporate income taxes are concerned, these are time-adjusted by two months.

The accrued quarterly estimates of other D.5 taxes are set equal to the cash revenues.

D.611 Actual social contributions

Central Government (Weight of D.611: 100%)

SOURCES

Central Government Actual Social Contributions cover the National Insurance Contributions and the cash data are available from the monthly DAS database.

In Malta there is no Social Security Funds sub-sector.

METHODS

Social Security Contributions are time-adjusted by two months.

D.612 Imputed social contributions

Central Government (Weight of D.612: 100%)

SOURCES

Imputed social contributions are theoretically paid by government as an employer, and are equal to the benefits.

METHODS

Data are on a cash basis.

***D.7 Other current transfers, receivable***

Central Government (Weight of D.7: 70.7%)

Local Government (Weight of D.7: 29.3%)

SOURCES

The sources are described in the general remarks.

METHODS

On the resource side, D75 consists mainly of court, administrative and miscellaneous fines. D.74 includes EU funds to cover recurrent expenditure.

D.91 Capital taxes

Central Government (Weight of D.91: 100 %)

SOURCES

Capital taxes mostly consist of Inheritance Taxes, as well as duty on Documents covering Data for capital taxes are obtained on a cash basis quarterly from the Departmental Accounting System.

METHODS

The accrued data are set equal to the cash data provided.



NETHERLANDS

Description of Dutch practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

Direct sources are available for the State, local government authorities and social security funds. No direct sources are available for schools and other non-profit organizations controlled and financed by government. The criterion of 90 percent coverage by direct sources for the transactions taxes (D2, D5, D91) and actual social contributions (D611) is fulfilled.

2. Compliance with ESA95 rules

The source data are transformed to comply with ESA95 concepts. This includes, among other things, transformation of source variables to ESA95 transaction categories and cash-accrual adjustments where feasible. Consolidation of transactions between government units with respect to the transactions interest (D.41), current transfers (D.7) and capital transfers (D.9) is carried out. Quasi-corporations are deconsolidated from the legal units to which they belong.

3. Consistency between annual and quarterly data

Consistency between quarterly and annual data is a major concern within Statistics Netherlands. Many measures are taken to facilitate consistency. Annual and quarterly data are being compiled by the same staff. Data processing and the balancing procedures are – as far as possible – analogous. The same information systems, and the same levels of detail for transaction categories and (sub)sector partitions, are used for both annual and quarterly data. Conceptual consistency is of course ensured by applying the same ESA95 rules

In March of year T , preliminary annual government finance data (ESA table 0200) and the EDP notification for the year $T-1$ are compiled. These annual data are derived from quarterly data for year $T-1$ as a sum of the four quarters.

When revised annual data become available in due course (see below), quarterly data are revised in order to restore consistency with annual data. Discrepancies between the sum of old quarterly data and new annual data are mainly removed by automatic procedures (proportional smoothing and the Denton technique, for the latter see the Quarterly National Accounts Manual by the IMF). Main discrepancies are first attributed by subsector experts to a quarter if possible. Subsequently, the Denton computer algorithm adjusts the quarters according to Denton: i.e. removing the discrepancies



while simultaneously satisfying all constraints in National accounts (e.g. budget identity). Then, the results are assessed by the staff, who can adjust old quarterly patterns in case of implausible results. These new quarterly patterns are the new input for the computer programme that computes again quarterly data satisfying all constraints. The procedure is repeated several times before the results are considered to be good. This refitting process concerns the whole quarterly sector accounts of which quarterly government finance statistics is an essential part. The process is carried out in July and August every year after the annual data on $T-1$, $T-2$ and $T-3$ have been determined and published in the National accounts publication of July.

The quarterly data for the last three years are not consistent with the annual GFS results and quarterly national accounts in the short period of mid July up to the end of September. That is because the quarterly data for government finance statistics (and all other parts of sector accounts) can only be adjusted to the annual figures after the annual estimations for the previous year are finished. Since the latter estimations are finished in the beginning of July and almost immediately published, there is a short period where the quarterly results do not add up to the annual results.

4. Revision policy

Quarterly estimates of a current year are revised for the first time before the compilation of the fourth quarter of the year in question starts. The revised first three quarters of a current year are published simultaneously with the fourth quarter at the end of March. Thus, the most recent information can be taken into account to obtain the best estimate on the year $T-1$ based on quarterly figures. The first release of the annual data on $T-1$ is thus at the end of March of T .

The revision of quarterly data is further done with the same frequency as the annual revisions. The annual data are revised three times. The revised annual data are published in the National accounts in July of year T . It contains new estimates on the year $T-1$ (second time), year $T-2$ (third time) and year $T-3$ (fourth time and also last update).

The quarterly data on the reporting years $T-1$, $T-2$ and $T-3$ are adapted to the annual data when these estimates are finished and published in July. Since levels of estimates might have changed, also the first quarter of the current year might be revised. The revised quarters are sent to Eurostat in September and published at the end of September or the beginning of October.

Furthermore, about every five to ten years a benchmark revision is done. New data sources, concepts, definitions and classifications as well as corrections of errors can then be incorporated in National accounts and Government Finance Statistics (GFS).

5. General remarks

The quarterly GFS is an integral part of National accounts although quarterly GFS is compiled by a different department. This ascertains consistency with quarterly national accounts (GDP estimates) and quarterly sector accounts. Procedures and publication scheme are the same. The quarterly non-financial accounts are also fully consistent with the quarterly financial accounts.

The strong emphasis in both regulations 264/2000 and 1221/2002 on direct information has led Statistics Netherlands to give priority to improving of the structural source situation when



developing quarterly sector accounts for general government. Thus, Statistics Netherlands has focused on new national legislation and negotiations with individual government institutions, rather than paying attention to the development of sophisticated estimation methods for the transitional period. For example, quarterly financial reporting by local public authorities has been imposed by law since 2004, see below. Since the development of quarterly sector accounts for general government around about the end of last millennium, the compilation process and the availability of data sources have changed. This means that the quality of the time series till 2005 is less than the quality of the figures after 2005. It might also be that some changes in the quarterly patterns of the figures have occurred. Since 2006 the compilation process and the availability of sources have been stable. This country page describes the sources and methods from 2006 on.

For quarterly and annual government accounts, Statistics Netherlands discriminates the following 11 sub-subsectors for general government:

- Central government covers:
 - the "State", i.e. ministries, including some budget funds (e.g. the Municipal Budget Fund and the Infrastructure Fund) and state agencies (e.g. the prison system, state building system, central police services). Two state agencies and a part of a third state agency are considered to be engaged in market production, and thus are excluded from the government sector;
 - Public corporate organisations, i.e. organisations established by government and funded by obliged payments by corporations which each carry out general economic policy for a specific branch of trade;
 - Universities (public);
 - Non-profit institutions (NPI's), which are controlled and financed by (other) government units and have a national function (example is Prorail which provides the railway infrastructure).
- Local government includes:
 - Municipalities, excluding the 'quasi-corporations' (e.g. public transport, energy supply);
 - Provinces;
 - Communal arrangements (mostly cooperation between municipalities for joint provision of public services);
 - Public Water Boards;
 - Schools (i.e. schools that are financed directly by the ministry of Education, contrary to a small part of the schools that are financed and controlled by municipalities and therefore incorporated in the accounts of municipalities);
 - Non-profit institutions (NPI's), which are controlled and financed by (other) government units and have a local function. Examples of such institutions are museums, public libraries, employment agencies, police districts.
- Social security funds include:
 - Executive and supervising bodies: Health Care Insurance Board (CVZ), Executive body Employment Insurance (UWV), Social Insurance Bank (SVB), Central Administration Office Special Medical cost (CAK), Dutch Health Care Authority (NZA);



- Social security funds: Disablement Insurance Fund (AOK), Disablement Insurance Act (WIA/Aof), Fund for unemployment (WW), Executive Fund of the Government (UFO), Health Care Insurance Act (ZVW), General Old Age Pensions Act (AOW), Surviving Relatives Act (ANW), Exceptional Medical Health Act (AWBZ).

Below we give some characteristics of these subsectors, including the amounts of expenditure and revenue and the percentages as an indicator of the relative importance for the estimates on the general government sector (see table). Furthermore, we briefly describe the main sources for these sub-sectors. The description focuses on the situation for the reporting year 2009.

Table showing breakdown of general government expenditure and revenue into sub-sectors, provisional data for 2009 (sub-sectors are shaded grey if no direct sources are available)

EXPENDITURE (€bn)

		GG	State	Univ	PCO	NPO	Mun.	CA	Prov.	PWB	schools	NPO	SSF
Intermediate Consumption	<i>P.2</i>	47.7	12.6	1.4	0.1	2.4	15.3	2.0	1.1	1.2	4.6	3.7	3.2
Gross Capital Formation, Acquisitions less disposals of non-financial non-produced assets	<i>OP5AK2</i>	22.5	4.7	0.8	0.0	1.5	9.7	0.7	1.5	1.1	2.0	0.6	0.0
Compensation of employees	<i>D.1</i>	57.1	12.6	3.1	0.1	1.9	11.0	3.4	0.8	0.5	15.4	6.8	1.6
Other Taxes on Production	<i>D.29</i>	0.6	0.1	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.1	0.0	0.0
Subsidies payable	<i>D.3</i>	8.6	4.2	0.0	0.1	0.0	0.6	1.1	0.5	0.0	0.0	0.0	2.0
Property Income ¹	<i>D.4</i>	12.6	10.8	0.0	0.0	0.2	1.3	0.0	0.1	0.3	0.1	0.0	0.1
Current Taxes on Income, Wealth, etc	<i>D.5</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social benefits other than social transfer in kind and social transfers in kind related to expenditure on products supplied to households via market producers	<i>D.60</i>	129.0	21.0	0.2	0.0	0.1	7.4	0.9	0.0	0.0	1.1	0.8	97.4
Other current transfers ¹	<i>D.7</i>	8.2	92.6	0.1	0.0	0.7	8.9	0.5	1.7	0.0	0.1	0.0	0.8
Adjustment for the change in net equity of households in pension funds reserves	<i>D.8</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital transfers payable ¹	<i>D.9</i>	7.5	12.4	0.0	0.0	0.0	1.6	0.3	1.1	0.0	0.0	0.0	0.0
Total general government expenditure	<i>OTE</i>	293.7	171.0	5.6	0.3	6.7	56.0	9.0	6.9	3.3	23.4	12.1	105.1

¹ For D.4, D.7, D.9, the sum of the subsectors do not add up to the GG total due to consolidation



REVENUE (€bn)		GG	State	Univ	PCO	NPO	Mun.	CA	Prov.	PWB	Sch- ools	NPO	SSF
Output	<i>P.10</i>	21.0	3.4	2.0	0.0	0.7	9.5	2.4	0.1	0.2	1.1	1.1	0.5
Taxes on Production and Imports	<i>D.2</i>	67.8	62.9	0.0	0.2	0.0	3.3	0.0	0.3	0.9	0.0	0.2	0.0
Other subsidies on production receivable	<i>D.39</i>	0.7	0.0	0.0	0.0	0.3	0.2	0.1	0.0	0.0	0.0	0.1	0.0
Property income receivable ¹	<i>D.4</i>	18.0	14.8	0.0	0.0	0.1	1.9	0.0	0.9	0.2	0.2	0.0	0.2
Current Taxes on Income, Wealth, etc.	<i>D.5</i>	67.7	64.3	0.0	0.0	0.0	1.1	0.0	1.1	1.2	0.0	0.0	0.0
Social contributions receivable	<i>D.61</i>	83.4	1.9	0.2	0.0	0.1	0.7	0.2	0.0	0.0	0.8	0.3	79.0
Other current transfers receivable ¹	<i>D.7</i>	2.3	2.1	3.2	0.0	3.6	32.1	6.0	3.5	0.1	21.2	10.4	17.2
Capital taxes	<i>D.91</i>	1.8	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital transfers receivable ¹	<i>D.9N</i>	0.2	0.4	0.2	0.0	1.9	2.4	0.4	1.9	0.4	0.6	0.0	0.0
Total general government revenue	<i>OTR</i>	262.9	151.8	5.6	0.3	6.7	51.2	9.1	7.9	3.0	23.9	12.2	96.9
Net lending (+) / Net borrowing (-)	<i>B.9</i>	-30.8	-19.2	0.0	0.0	0.0	-4.8	0.1	1.0	-0.3	0.4	0.2	-8.2

¹ For D.4, D.7, D.9, the sum of the sub-sectors do not add up to the GG total due to consolidation



EXPENDITURE - contribution of sub-sub-sector to GG (%)

		<i>GG</i>	<i>State</i>	<i>Univ</i>	<i>PCO</i>	<i>NPO</i>	<i>Mun.</i>	<i>CA</i>	<i>Prov.</i>	<i>PWB</i>	<i>schools</i>	<i>NPO</i>	<i>SSF</i>
Intermediate Consumption	<i>P.2</i>	47.7	26%	3%	0%	5%	32%	4%	2%	3%	10%	8%	7%
Gross Capital Formation, Acquisitions less disposals of non-financial non-produced assets	<i>OP5AK2</i>	22.5	21%	3%	0%	6%	43%	3%	7%	5%	9%	3%	0%
Compensation of employees	<i>D.1</i>	57.1	22%	5%	0%	3%	19%	6%	1%	1%	27%	12%	3%
Other Taxes on Production	<i>D.29</i>	0.6	9%	3%	0%	2%	39%	7%	2%	9%	21%	8%	1%
Subsidies payable	<i>D.3</i>	8.6	49%	0%	1%	0%	7%	13%	6%	0%	0%	0%	23%
Property Income	<i>D.4</i>	12.6	84%	0%	0%	1%	10%	0%	1%	3%	1%	0%	0%
Current Taxes on Income, Wealth, etc	<i>D.5</i>	0.0											
Social benefits other than social transfer in kind and social transfers in kind related to expenditure on products supplied to households via market producers	<i>D.60</i>	129.0	16%	0%	0%	0%	6%	1%	0%	0%	1%	1%	75%
Other current transfers	<i>D.7</i>	8.2	74%	0%	0%	8%	13%	0%	3%	0%	1%	0%	0%
Adjustment for the change in net equity of households in pension funds reserves	<i>D.8</i>	0.0											
Capital transfers payable	<i>D.9</i>	7.5	70%	0%	0%	0%	19%	3%	7%	0%	0%	0%	0%
Total general government expenditure	<i>OTE</i>	293.7	58%	2%	0%	2%	19%	3%	2%	1%	8%	4%	36%



REVENUE - contribution subsector to GG (%)													
		GG	State	Univ	PCO	NP O	Mun.	CA	Prov.	PWB	schools	NP O	SSF
Market output, output for own final use and payments for other non-market output	<i>P.10</i>	21.0	16%	10%	0%	3%	45%	11%	0%	1%	5%	5%	2%
Taxes on Production and Imports	<i>D.2</i>	67.8	93%	0%	0%	0%	5%	0%	0%	1%	0%	0%	0%
Other subsidies on production receivable	<i>D.39</i>	0.7	0%	0%	0%	44%	23%	13%	0%	0%	0%	20%	0%
Property income receivable	<i>D.4</i>	18.0	82%	0%	0%	0%	10%	0%	5%	1%	1%	0%	0%
Current Taxes on Income, Wealth, etc.	<i>D.5</i>	67.7	95%	0%	0%	0%	2%	0%	2%	2%	0%	0%	0%
Social contributions receivable	<i>D.61</i>	83.4	2%	0%	0%	0%	1%	0%	0%	0%	1%	0%	95%
Other current transfers receivable	<i>D.7</i>	2.3	55%	0%	1%	12%	8%	1%	1%	0%	16%	4%	0%
Capital taxes	<i>D.9I</i>	1.8	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Capital transfers receivable	<i>D.9N</i>	0.2	50%	0%	0%	0%	23%	0%	27%	0%	0%	0%	0%
Total general government revenue	<i>OTR</i>	262.9	58%	2%	0%	3%	19%	3%	3%	1%	9%	5%	37%
Net lending (+) / Net borrowing (-)	<i>B.9</i>	-30.8	62%	0%	0%	0%	15%	0%	-3%	1%	-1%	-1%	27%

For the **Dutch State**, direct sources are generally available on an administrative level. The Ministry of Finance reports on a quarterly basis the cash revenue and cash expenditure by budget item. Interest paid and received related to financing is reported on an accrual basis. In general, a budget item is heterogeneous in terms of ESA95 transaction categories. Only by exception a budget item corresponds to one single transaction category (for instance interest paid on State debt). To describe the ESA95 transactions of the State, a breakdown of each budget item is necessary. On an annual basis, additional information is available to establish this breakdown. For the estimation of quarterly data, the breakdown for the latest year examined has been used as a key for the new quarters. For a given year T , it means that the transformation to ESA95 categories is based on $T-2$ annual accounts. In the course of year T , annual information on $T-1$ becomes available and the conversion into ESA categories is then based on $T-1$ annual accounts. This might lead to some small disturbances in the quarterly patterns, which can be restored in the next revision of quarterly data. In addition, the Tax



Authority reports on a monthly basis the cash receipts of each tax levied by the State. Additional information is used such as from the Budget Memorandum and the Provisional Accounts of the State which also enables to make cash accrual adjustments

The quarterly cash information reported by the Ministry of Finance does not cover all revenue and expenditure of the Dutch State. The so called state *agencies* are not included. They are more or less independent bodies with a very specific operational task. For example, one agency ('Rijksgebouwendienst') is responsible for managing real estate owned and used by government. Agencies are responsible for their own bookkeeping. They use accrual accounting systems. Information from the state agencies is obtained from a quarterly questionnaire sent to the 10 largest agencies, thus covering about 70 percent of their expenditure. State agencies make up a small part of total expenditure and revenue of the State.

Universities (part of S.1311) **and schools** (part of S.1313) only report on an annual basis. Some quarterly information can be obtained from indirect sources. For example, universities and schools are mainly financed by the Dutch State. Information on State contributions is available from the Ministry of Finance (on a cash basis). Also information on compensation of employees is available from the Labour Force Survey. However, on a quarterly basis no information on intermediate consumption and gross fixed capital formation (which both make up a large part of the expenditures) is available. Estimations on these variables are based on extrapolations and expert's guesses.

Public corporate organizations (part of S.1311) **and other non-profit institutions** (part of S.1311 and S.1313) do not supply quarterly data. The first group contains less than 20 units and its contribution to the general government aggregates is negligible. The latter group is very heterogeneous and contains many institutions. Their expenditures and revenues generally concern a limited number of transactions which are rather predictable. Given the merit and cost ratio, efforts of Statistics Netherlands have not yet concentrated on these groups of institutions. Estimates are based on extrapolations of available annual estimations and on information on contributions from the State. For some groups, also budgets are available.

For the sub-sector **Local government** (S.1313), we distinguish 6 sub-subsectors. No source data are available for schools and other non-profit organizations (see above). Data sources are available for four sub-subsectors: **municipalities**, **communal arrangements**, **provinces** and **public water boards**. In close cooperation with the Ministry of Interior Affairs, new legislation has been made requiring municipalities, communal arrangements and provinces to report data on ESA95 based transactions and balance sheet items on a quarterly basis. Implementation of the new law started from the reporting year 2004 onwards. For the quarterly data on public water boards, Statistics Netherlands entered into an agreement with the Union of Water Boards (UVW). Since 2009 this agreement has been replaced by a new regulation ("Regeling Beleidsvoorbereiding en -verantwoording Waterschappen" by the State Secretary of Transport and Infrastructure) that provides for data deliveries to Statistics Netherlands and carries penalties in accordance to the Public Water Board Law (Art. 98a). The financial information on municipalities, communal arrangements and provinces is presented in a matrix-format (the Iv3-matrix). In relation to the flows, two matrices are used. In the matrices, a classification is presented of functions (current revenue and expenditure) and changes of balance sheet items (capital and financial revenue and expenditure) crossed with



economic categories. The economic transactions are classified mainly according to ESA95, though the information on transactions is not very detailed (e.g. the counterpart information is generally limited to the State). Although the classification is according to ESA95, the accrual based accounting rules slightly differ from ESA95; they also leave room for interpretation, sometimes leading to heterogeneous aggregates. For example, superdividends and capital injections into public companies are not registered in the Iv3 according to ESA95.

The quality of the data on local government authorities was not sufficient during the first few years of the compilation of these data. Currently, the quarterly data on municipalities, communal arrangements, provinces and public water boards can still not be immediately incorporated in the estimates. That is because these local government units do not have rules that prescribe infra-annual accrual recording. For example, taxes for the full year are recorded predominantly in the first quarter whereas gross fixed capital formation is mainly recorded in the fourth quarter. Hence, Statistics Netherlands has to make adjustments on the source data to convert them into accrual data. Adjustments are based on budget data and on assumptions. Before 2004, these local public authorities only supplied quarterly balance sheet data. This information served as a basis to compile quarterly (and preliminary annual) net lending/net borrowing for the sub-sector local government before 2004.

Information on **social security funds** (S.1314) is provided by three executive bodies. These bodies cover almost all transactions in annual reports. All three bodies publish either a quarterly or a monthly bulletin. The infra-annual data mainly concern the major items social contributions and social benefits. Quarterly bulletins might not be timely available to meet statistical reporting deadlines. In these cases, previous quarterly reports are used which in most cases contain a forecast for the full reporting year. Cash data from the Tax Authority are also used for social contributions. For the scheme Health Care Insurance Act, data from insurance companies collected by the Dutch Central Bank are used as part of the social contributions and benefits are rerouted through the government accounts.

For completeness, we recall that the sub-sector of **State government** (S.1312) does not exist in the Netherlands.

To summarize, Statistics Netherlands uses the following direct sources for quarterly non-financial GFS:

- monthly cash based taxes from the Tax authority (available less than one month after the month to be reported);
- quarterly non-financial data from the State (one and a half month after a quarter) and information from the Budget Memorandum and the Provisional Account (two months after the year);
- quarterly questionnaires on the main revenue and expenditure of ten large state agencies (one and a half month after a quarter);
- budget reports (delivery date 15 November *T-1*), quarterly information on municipalities, provinces, communal arrangements and public water boards (delivery data one month after a quarter);



- monthly and quarterly reports from three executive bodies of social security funds (various dates);
- aggregated data from the Central Bank concerning financial statements from insurance companies to estimate revenue and expenditure of the new Health Care Insurance Act (two months after a quarter);

In certain cases, specific additional information may be available, for example relating to important single events (e.g. on superdividends or capital injections). If this is the case, this information may be used in combination with the general methods described below. Moreover, during the balancing process adjustments may be made which overrule first estimates compiled according to the methods presented below.

6. Expenditure of general government

P2 Intermediate consumption

SOURCES

We refer to section 5 with the direct sources.

METHODS

We refer to the description of section 5.

For the State, the amounts of intermediate consumption and compensation of employees is mixed up due to heterogeneous budget articles (see section 5). Hence, intermediate consumption is determined as the sum of intermediate consumption and compensation of employees from the State accounts minus the compensation of employees from the Labour Force Survey.

Additionally, for all sectors a correction for FISIM is added to the figures from the direct sources.

P5+K2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES

We refer to section 5 with the direct sources.

METHODS

Figures on gross fixed capital formation from direct sources are compared to data on the total production of construction firms. If large inconsistencies appear for the first three quarters, the data from the construction firms are used in the general government estimates. As explained in section 5, this is due to the fact that the quarterly pattern of the general government data might not be correct. However, the estimate of gross fixed capital formation for the sum of the four quarters should equal the source data from general government.

Acquisitions less disposals of non-financial non-produced assets mostly relates to sale and purchase of land by municipalities. Data on these transactions are available in the data source of municipalities.



D1 Compensation of employees

SOURCES

Labour Force Survey data are mainly used to estimate compensation of employees on a quarterly basis aside from the direct sources.

METHODS

As the Dutch Labour Force Survey is only compiled for industries and not for institutional sectors, the figures on the NACE classes of public administration and education are converted into an estimate for the general government sector. For this calculation, direct sources mentioned in section 5 are used.

D29 Other taxes on production, payable

SOURCES

We refer to section 5 with the direct sources.

METHODS

We refer to the description of section 5.

D3 Subsidies, payable

SOURCES

We refer to section 5 with the direct sources.

METHODS

We refer to the description of section 5.

Quarterly data on subsidies might be adjusted to production data from quarterly national accounts to have accrual estimates. It may only concern shifts between quarters; the sum of the four quarters are taken as the first annual estimate.

D4 Property income, payable

SOURCES

We refer to section 5 with the direct sources.

METHODS

We refer to the description of section 5.

D5 Current taxes on income, wealth, etc., payable

Not applicable for the Dutch GFS.

D62 Social benefits other than social transfers in kind

SOURCES

We refer to section 5 with the direct sources.



METHODS

We refer to the description of section 5.

Aside from direct data sources, one needs to make an imputation for unfunded employee social benefits (D623) which is equal to imputed social contributions (D612). The estimation of D623 is based on an extrapolation of the last annual estimate.

D6311+D63121+D63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES

We refer to section 5 with the direct sources.

METHODS

Data on transfers in kind from direct sources - mostly cash - have to be transformed into accrual data. For the cash-accrual adjustments, budget information (the State) and forecasts are used.

D7 Other current transfers, payable

SOURCES

We refer to section 5 with the direct sources.

METHODS

We refer to the description of section 5.

D8 Adjustment for the change in net equity of households in pension funds reserves

This transaction category is not applicable for the Netherlands.

D9 Capital taxes, investment grants and other capital transfers, payable

SOURCES

We refer to section 5 with the direct sources.

METHODS

We refer to the description of section 5.

7. Revenue of general government

P11+P12+P131 Market output, output for final use and payments for the other non-market output

SOURCES

We refer to section 5 with the direct sources.

**METHODS**

We refer to the description of section 5.

D2 Taxes on production and imports**SOURCES**

We refer to section 5 with the direct sources.

METHODS

For the *Dutch State*, monthly cash-based data of the Tax Authority are used. In general, they are transformed to accrual data by the method of one-month adjusted cash. For example, VAT cash receipts are shifted one month backwards to reflect the usual delay. Some taxes are also adjusted to production data from quarterly national accounts. However, it is done in such a way that the annual amounts as sum of the four quarters are equal to the one-month adjusted cash data. This concerns for example excises on tobacco and environmental taxes.

For local government authorities, tax data from the direct sources are distributed proportionally over the quarters as the tax base relates to full calendar years. Budget data are used to redistribute the source data over the quarters.

For the other government units, annual national accounts data (for the most recent year available) are divided by four.

D39 Other subsidies on production, receivable**SOURCES**

We refer to section 5 with the direct sources.

METHODS

We refer to the description of section 5.

D4 Property income, receivable**SOURCES**

We refer to section 5 with the direct sources.

METHODS

We refer to the description of section 5. Information from public corporations such as news releases are used to correct for superdividend (= withdrawal of equity).



D5 Current taxes on income, wealth, etc.

SOURCES

We refer to section 5 with the direct sources.

METHODS

For the *Dutch State*, monthly cash-based data of the Tax Authority are used. In general, they are transformed to accrual data by the method of one-month adjusted cash. For example, wage tax cash receipts are shifted one month backwards to reflect the usual delay. However, taxes for which a one month adjusted cash does not result into a better accrual recording, are recorded fully on cash basis. This concerns corporation tax, income tax and dividend tax.

For local government authorities, tax data from the direct sources are distributed proportionally over the quarters as the tax base relates to full calendar years. Budget data are used to redistribute the source data over the quarters.

D6 Social contributions

SOURCES

We refer to section 5 with the direct sources.

METHODS

For social contributions, data from the Tax Authority are the main source rather than monthly and quarterly reports of the social security funds. Cash data are transformed into accrual data by using the one-month adjusted cash method. For the scheme Health Care Insurance Fund, data from the Dutch Central Bank on insurance companies are used since the social contributions levied by insurance companies are rerouted to the general government sector.

The figures for the category D612 are in the Dutch national accounts by convention equal to D623 and D122. We refer to the description under D.62 for sources and methods used.

D7 Other current transfers, receivable

SOURCES

We refer to section 5 with the direct sources.

METHODS

We refer to the description of section 5.

D91 Capital taxes

SOURCES

We refer to section 5 with the direct sources.

METHODS

In fact, capital taxes in the Netherlands only involve inheritance tax. Cash data are obtained from the Tax Authority. One month adjusted cash does not result into a better accrual recording. Hence, the



capital taxes are recorded fully on cash basis.

D92+D99 Investment grants, other capital transfers, receivable

SOURCES

We refer to section 5 with the direct sources.

METHODS

We refer to the description of section 5.



AUSTRIA**Description of Austrian practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The sources and methods requirements given in article 4 are met.

2. Compliance with ESA95 rules (General data availability)

Data are adjusted to comply with ESA95 rules.

Estimates are used to complete missing information for the current quarter. Especially in the first quarter, several estimations for S.1314 have to be made, which will be revised when data becomes available in the second quarter.

For some data sources, different information gets available over the course of the year. Thus several revisions of past quarters have to be made:

Central Government:

The monthly closing of accounts is available at the end of the following month.
All data are given on a cash basis.

State and Local Governments:

Due to retroactive accounting, there is only a preliminary closing of accounts available for the first quarter. Data get more stable for the second and third quarters, but in the fourth quarter data are only preliminary again, since the closing of the year's accounts takes place after the transmission date (1 February). This last quarter is available only in the second quarter of the following year.

All data are given on an accrual basis.

Social Security Funds:

In addition to some monthly data, there is also a preliminary closing of accounts available in the second, third and fourth quarters. Thus in the first quarter, the yearly tender has to be included as the data source.

All data are given on an accrual basis.

Other Legal Units:

For other units (chambers, funds, universities, spin-offs, etc.) no quarterly data are available. Therefore the values in the first to third quarters are estimated, and with the availability of the closing of accounts in the fourth quarter, all values are revised by quarters of the yearly figures.

All data are given on an accrual basis.



3. Consistency between annual and quarterly data

The annual accounts are central for all figures about the general government sector in Austria. Thus the quarterly figures are adjusted to the annual results when these become available.

The pattern of principal adjustments follows the availability of data in the course of time:

due to availability of first preliminary results for the social security funds, adjustments for the first quarter are made simultaneously with the completion of the second quarter for some transactions concerning S. 1314.

1. Due to availability of the final closing of annual accounts of the central government, all quarters of a year are adjusted to the annual results simultaneously with the completion of the fourth quarter of the same year.
2. Due to availability of the final closing of annual accounts of the state and local governments, all quarters of a year are adjusted to the annual results simultaneously with the completion of the second quarter of the following year.
3. Due to availability of the closing of annual accounts of the social security funds and other government units, adjustments for all quarters of a year are made three times:
 - a) preliminary results: available in each March of the following year;
 - b) final results: partly available in each September of the following year;
 - c) final results: completely available in each March of the second following year

4. Revision policy

Resuming the explanations above, revisions take place in the following intervals:

1. September (current year): first quarter of current year (S.1314)
2. March of the following year: all 8 quarters of the two previous years (all sub-sectors)
3. September of the following year: all 4 quarters of the previous year (all sub-sectors)

Revisions do not depend on the national publication policy but on the availability of data and legal transmission obligations.

5. General remarks

Since a quarterly processing of all 2,358 Austrian local governments is technically not possible at the moment, a sample of 151 local governments is chosen according to cut off principles (size and types of municipality).

The data of this sample are processed and expanded quarterly. With the completion of the fourth quarter, annual results for all local governments are available, and the expanded figures of the first to third quarters are adjusted to the annual figures.



EXPANSION OF LOCAL GOVERNMENT DATA

Expansion of quarterly data of the current year

The basic principle of the expansion of local government data is a linear regression. Data for the past seven years are taken into account as well as the data of the current year.

In a first step a time series is built from the past years together with an approximation of the current year and a regression line is computed. In a second step, the value of the sample data is multiplied by a trend factor. A limitation function is applied to avoid outliers.

Expansion of quarterly data of past years

In every September, the “expansion value” of the sample data for the past years is computed as the discrepancy between the annual value of the local government population and the quarterly value of the sample. This “expansion value” is distributed according to the pattern of the sample data and then is added to the data.

This manual describes the sources and methods used for the Austrian STPFS data compilation process ongoing from the first quarter of 2001.

The weight percentage below is referring to an average of 2008 and 2009 figures.

GENERAL SOURCES

Central Government

The figures for each quarter are the aggregation of monthly figures from the database of the Federal Ministry of Finance [BVI].

State Governments (excluding Vienna)

Quarterly figures from the book-keeping systems of the 8 state governments (excluding Vienna) are obtained. In the fourth quarter some adjustments are necessary, since the closure of accounts has not been completed by the time when the data have to be transmitted.

Local Governments (including Vienna)

Quarterly figures from the book-keeping systems of municipalities (sample survey) and Vienna are obtained. The figures of the sample are expanded as described above; in the fourth quarter some adjustments are necessary, since closure of the accounts has not been completed for the sample of municipalities when the data have to be transmitted. For Vienna, the data obtained for the fourth quarter are near to completion, so very few adjustments are needed.

Social Security Funds

Monthly information is available for social contributions (D.611). For the D.62, D.63 and D.4 figures, for the second to fourth quarters the preliminary closing of annual accounts is used, in the first quarter only the tender is available. For other transactions various indicators are used for estimation.



Other Government Units

No quarterly information is available. For estimation the annual time series is used.

GENERAL METHODS

Cultural institutes abroad (Central Government)

Although Austrian cultural institutes do not belong to the general government sector, fixed capital formation and the remaining net lending/net borrowing balance is transferred to the central government. Fixed capital formation of the cultural institutes abroad is added to the capital transfers (D.92), the remaining part of the balance is added to the current transfers (D.74).

Re-integrated of spin-offs (Central, State and Local Governments)

The quarterly amount derived from the monthly figures is completed by figures for spin-offs, which have been separated from the government budget, but belong to sector S.13 according to ESA95 rules. Since for some spin-offs only annual data are available, for the first to third quarters estimates based on the previous year are made combined with quarterly information on net allowances from central government to these units.

Quasi-corporations (Central, State and Local Governments)

Quasi-corporations neither belong to the general government sector, but the balance is transferred to the central government as well. Social payments and capital transfers are transferred directly to D.6 and D.9, the remaining balance is transferred to D.3/D.4.

Financial intermediation services indirectly measured (FISIM) (all government units)

For all government sub-sectors, a value for FISIM is computed within the generation of income account. This value is added to the intermediate consumption (P.2) and interest (D.41) receivable (or subtracted from the interest payable) of each sub-sector.

Adjustment of payments for civil servants in spin-offs (Central government / Vienna)

For spin-offs of government units, payments for civil servants are in transit for the government units. All payments are paid by the government unit first, then transfers of the same amount are received from the spin-offs. Those items in transit are subtracted on both the expenditure side (P.2, D.1, D.29) and the receivable side (D.73, P.131) of the government accounts.

In the following part of the manual, only those sources and methods are given which differ from the general sources and methods.



6. Expenditure of general government

P.2 Intermediate consumption

Central Government (weight: 30 %): The expenditure for the acquisition of the “Eurofighter” military planes (initial costs, operating expenses, training costs) are adjusted in time according to the accrual principle.

State Governments (weight: 12%): No special sources and methods used.

Local Governments (weight: 28%): No special sources and methods used.

Social Security Funds (weight: 6%): No special sources and methods used.

Other Government Units (weight: 24%): No special sources and methods used.

P.51 Gross fixed capital formation

SOURCES

No special sources used.

METHODS

Central Government (weight: 11%)

To the figures for P.5111 the balance of debts due is added.

Imputed self-provided software is added to the P.5121 figures. The estimate is based on a business survey and indicated by the figures for purchased software. The figures are offset against P.12 on the revenue side.

The expenditure for the acquisition of the “Eurofighter” military planes (initial costs, operating expenses, training costs) are adjusted in time according to the accrual principle.

State Governments (weight: 19%)

Imputed self-provided software is added to the P.5121 figures (see above).

Local Governments (weight: 47%)

For Vienna, imputed self-provided software is added to the P.5121 figures (see above).

Social Security Funds (weight: 4%)

The estimate is based on two indicators: The production value of relevant construction branches ordered by the public sector and relevant turnover indices of short term business statistics.

Other Government Units (weight: 20%):

No special methods used.



P.53 Acquisitions less disposals of valuables

Central Government (weight: 100 %): In 2007, the restitution payments for five Klimt paintings were added as acquisition of valuables (negative expenditure, with offsetting entry in D.99).

K.2 Acquisitions less disposals of non-financial non-produced assets

Central Government (weight: 48 %): In 2007, the revenue from the sale of the “Attersee” lake to the Austrian Federal Forests Company was reclassified as negative K.2 (with offsetting entry in D.421).

State Governments (weight: 2%): Data of the regional estate company are reclassified as K.12 instead of K.2.

Local Governments (weight: 31%): No special sources and methods used.

Social Security Funds (weight: 4%): No special sources and methods used.

Other Government Units (weight: 14%): No special sources and methods used.

D.1 Compensation of employees

SOURCES

No special sources used.

METHODS

Central Government (weight: 36%):

Imputed social contributions (D.122) are computed according to the wage-share method. The figures are offset against D.612 on the revenue side.

The salaries for civil servants are time-adjusted according to the accrual principle.

State Governments (weight: 23%):

For one State Government, an adjustment has to be made to allocate the wage and salary payments according to the accrual principle. This is because for officials in the fourth quarter only two monthly payments are entered, for the first quarter of the following year four monthly payments are entered in the return.

For imputed social contributions see above.

The salaries for civil servants are time-adjusted according to the accrual principle.

Local Governments (weight: 18%):

For imputed social contributions see above.

Social Security Funds (weight: 7%):

The total administration expenditure, which mainly consists of personal costs, is used for indicator.



Other Government Units (weight: 16%):

No special methods used.

D.29 Taxes on production and import

SOURCES

No special sources used.

METHODS

Central Government (weight: 30%):

No special methods used.

State Government (weight: 25%):

No special methods used.

Local Governments (weight: 22%):

No special methods used.

Social Security Funds (weight: 7%):

The estimate is based on the annual value; the quarterly pattern is formed according to the employers' contributions to family assistance payments ("Ausgleichsfonds für Familienbeihilfen").

Other public authorities (weight: 17%):

No special methods used.

D.31 Subsidies on products

Central Government (weight: 12%):

The quarterly figures are completed by payments according to the law of health and social benefits (Gesundheits- und Sozialbereich-Beihilfengesetz, "GSGB") to the social security funds (offset against D.7).

Reclassification of the eco-bonus in 2009.

State Governments (weight: 87%):

Reclassifications of sponsoring shares for regional hospital companies (offset against D.9).

Local Governments (weight: 1%):

No special sources and methods used.



D.39 Other subsidies on production

Central Government (weight: 40%):

Reclassification of payments for the Austrian federal railway company (offset against D.9).

Tax refunds that are paid as a bonus are added to the source data (offset against D.7 rec).

State Governments (weight: 13%):

Reclassification of payments to the Carinthian Energy holding company as a capital transfer (offset against D.9).

Local Governments (weight: 21%):

Reclassification of subsidies for the Viennese hospital company (offset against D.7 rec).

Social Security Funds (weight: 1%):

No special sources and methods used.

Other Government Units (weight: 26%):

No special sources and methods used.

D.41 Interest

SOURCES

Central Government

Additional information from the Austrian Federal Financing Agency (Österreichische Bundesfinanzierungsagentur, ÖBFA)

METHODS

Central Government (weight: 93 %):

The quarterly figures are completed by the following adjustments:

- consolidation of interest payments to funds of the central government sector
- income from currency exchange contracts (offset on the revenue side)
- gains from issues (offset on the revenue side)
- interest from public ownerships (offset on the revenue side)
- interest from bonds and securities (offset on the revenue side)
- interest from loans passed to public units classified in S.11
- (“Rechtsträgerfinanzierung”, offset on the revenue side)
- accrual adjustment of interest payments from the “ÖBFA” (quarterly data available)
- accrual adjustment of interest payments for the acquisition of the military planes „Eurofighter“.

State Governments (weight: 3%):

Consolidation of interest payments to the central government sector.



Reclassification of interest payments due to the assumption of credit of a regional bank.

Local Governments (weight: 1%):

Consolidation of interest payments to the central government sector.

Social Security Funds (weight: 1%):

The estimate uses the extraordinary expenditure of pension funds as an indicator, because their main part is formed by interest.

Other Government Units (weight: 1%):

No special sources and methods used.

D.5 Current taxes on income, wealth, etc., payable

Vienna (weight: 100%):

No special sources and methods used.

D.62 Social benefits other than social transfers in kind

SOURCES

No special sources used.

METHODS

Central Government (weight: 29%):

Tax refunds that are paid as an allowance are added to the source data (offset against D.7 receivable).

Reclassification of the federal fund for hardship compensation.

Civil servants' salaries are time-adjusted according to the accrual principle.

State Governments (weight: 4%):

Civil servants' salaries are time-adjusted according to the accrual principle.

Local Governments (weight: 4%):

No special sources and methods used.

Social Security Funds (weight: 61%):

The monthly information only contains figures for pension payments, supplementary, accident and nursing benefits. For pension payments, supplementary and accident benefits the 13th and 14th payments are added, respectively, to the second and third quarters, since they are paid off in April and September.

Since for all other payments only the tender is available in the first quarter, the sickness and



child benefits are estimated. The estimate is based on the ratio of the cases of illness, respectively the birth rate of the previous and actual year. These figures are revised with the completion of the second quarter, when a preliminary closing of accounts is available.

Other Government Units (weight: 1%):

No special sources and methods used.

D.631 Social benefits in kind

Central Government (weight: 3%):

No special sources and methods used.

State Governments (weight: 7%):

No special sources and methods used.

Local Governments (weight: 0.3%):

No special sources and methods used.

Social Security Funds (weight: 56%):

No special sources and methods used.

Other Government Units (weight: 34%):

No special sources and methods used.

D.7 Other current transfers, payable

SOURCES

Central Government:

Information from the Ministry of Finance (BMF) about EU own resources.

METHODS

Central Government (weight: 62%):

Offset of the payments according to the law of health and social benefits (Gesundheits- und Sozialbereich-Beihilfengesetz, GSGB) to social security funds (from D.39).

Tax refunds which are paid as a saving bonus are added to the source data (offset against D.7 receivable).

Accrual adjustment of payments to the pension insurance funds.

Accrual adjustment of the taxation of accident benefits.

Accrual adjustment of the EU own resources.



State Governments (weight: 10%):

Consolidation of funding allocations from central to state governments.

Between the D.73 and D.75 figures, the consolidation adjustment is carried out: The difference between D.73 expenditure and revenue figures is computed at the general government level, and then shifted from D.73 to D.75.

Local Governments (weight: 10%):

Reduction of the source data by the allowances of central government for the Viennese hospital company (items in transit).

No special methods used.

Social Security Funds (weight: 15%):

In the first quarter, the D.73 value is estimated based on the quarterly pattern of past years. In other quarters the payments from the Social Security Funds to the State Hospital Funds (“Landeskrankenanstalten fonds”) are used as an indicator.

In estimating D.74, the annual value is divided into the quarters according to the quarterly pattern of total pension payments.

The D.75 figures are estimated according to the quarterly pattern of past years.

Other Government Units (weight: 4%):

No special methods used.

Consolidation

The D.7 total is reduced on both revenue and expenditure sides by intra-governmental transfers (D.73). Due to the consolidation adjustment, this value is equal on both sides.

D.9 Capital transfers

SOURCES

Central Government

Additional information from the Austrian Export Credit Agency (“Österreichische Kontrollbank”)

METHODS

Central Government (weight: 42%):

The quarterly figures are completed by information on liabilities and loan write-offs in respect to foreign trade promotion. Since only annual reports are available, the figures are quartered.



Tax refunds which are paid as an insurance or investment bonus are added to the source data (offset against D.7 receivable).

In 2004, in the course of the spin-off of the Austrian railways, the debt cancellation by central government is added to the source data.

In 2006, the reimbursement of unemployment insurance contributions is added to the source data.

In 2007, the restitution payments for five Klimt paintings have been added as capital transfer (offsetting entry in P.53).

Reclassification of the eco-bonus in 2009.

Reclassification of payments for the Austrian federal railway company (offset in D.9).

Between the D.92 and D.99 figures, the consolidation adjustment is carried out: The difference between the inter-governmental part of expenditure and revenue figures of D.92 and D.99 is computed on general government level, and then shifted from D.99 to D.92.

State Governments (weight: 20%):

Reclassifications of sponsoring shares for regional hospital companies (offset against D.31).

Reclassification of payments to the Carinthian Energy holding company as capital transfers (offset against D.39).

Reclassification of the assumption of debt of a regional bank.

Write-offs of housing loans are added to the source data.

Local Governments (weight: 28%):

No special sources and methods used.

Social Security Funds (weight: 0.2%):

No special sources and methods used.

Other Government Units (weight: 10%):

No special sources and methods used.

Consolidation

The D.9 total is reduced on both revenue and expenditure side by the intra-governmental transfers. Due to the consolidation adjustment, this value is equal for both sides.



7. Revenue of general government

P.11+P.12+P.131 Market output, output for own final use and other non-market output

SOURCES

Central Government (weight: 6%):

Information on imputed service-fees for the supporting loan for Greece (BMF).

State Governments (weight: 9%):

No special sources used.

Local Governments (weight: 38%):

No special sources used.

Social Security Funds (weight: 19%):

No special sources used.

Other Government Units (weight: 28%):

No special sources used.

METHODS

Central Government

Imputed service-fees for the supporting loan for Greece are added to the source data.

Central / State / Local Governments

Offset of the imputed self-provided software from P.5121 figures (see above).

Reclassification of contributions of beneficiaries of the Viennese Health Fund from P.131 to D.7.

Reclassification of revenues of hospitals from P.131 to D.7.

D.21 Taxes on products

SOURCES

Central Government

Additional information from the Austrian Ministry of Finance on EU own resources and under-compensation of VAT for farmers and foresters.

METHODS

Central Government (weight: 71%):

The collective federal taxes are sub-divided to central, state and local governments according to the Austrian financial compensation law. (For the weights, collective taxes are assigned to the central government.)

To complete the quarterly figures, the following adjustments are processed:



- time-adjustment for VAT and excise duty (to meet the accrual principle);
- shift of the VAT under-compensation from D.21 to D.29;
- deduction of EU own resources.

These adjustments are offset with the cash adjustment in D.73.

State Governments (weight: 13%):

The reported figures for the shares of collective federal taxes are replaced by the computed shares according to central government figures.

Local Governments (weight: 16%):

The reported figures for the shares of collective federal taxes are replaced by the computed shares according to central government figures.

Other Government Units (weight: 0.1%):

No special sources and methods used.

D.29 Other taxes on production

METHODS

Central Government (weight: 57%):

The collective federal taxes are sub-divided to central, state and local governments according to the Austrian financial compensation law. For the weights, collective taxes are assigned to the central government.

To complete the quarterly figures, the VAT under-compensation is shifted from D.21 to D.29.

This adjustment is offset with the cash adjustment in D.73.

State Governments (weight: 1%):

The reported figures for the shares of collective federal taxes are replaced by the computed shares according to central government figures.

Local Governments (weight: 37%):

The reported figures for the shares of collective federal taxes are replaced by the computed shares according to central government figures.

Other Government Units (weight: 4%):

No special sources and methods used.



D.4 Property income, receivable

METHODS

Central Government (weight: 38%):

The quarterly figures are completed by the following adjustments:

- income from currency exchange contracts (offset from the expenditure side);
- gains from issues (offset from the expenditure side);
- interest from public ownerships (offset from the expenditure side);
- interest from bonds and securities (offset from the expenditure side);
- interest from loans passed to public units classified in S.11;
- “Rechtsträgerfinanzierung”, offset from the expenditure side.

State Governments (weight: 21%):

No special sources and methods used.

Local Governments (weight: 10%):

No special sources and methods used.

Social Security Funds (weight: 11%):

No special sources and methods used.

Other Government Units (weight: 20%):

No special sources and methods used.

D.4N Property income other than interest, receivable

SOURCES

Central Government:

Additional information from the Austrian National Bank (profits and losses)

METHODS

Central Government (weight: 40%):

The quarterly figures are completed by the following adjustments:

For D.421 the second quarter figures are completed by the share of profit of the Austrian National Bank;

Offsetting entry for the revenue of the sale of the “Attersee” lake to the Austrian Federal Forests Company in 2007 (reclassification as negative K.2).



State Governments (weight: 9%):

Reclassification of dividends of a regional holding company as a sale of shares.

Reclassification of dividends from the Carinthian Energy holding as capital transfer (offset against D.9).

Reclassification of dividends from a regional bank as capital transfer (offset against D.9).

Reclassification of capital invested in a company for regional development (offset against F.5).

Local Governments (weight: 40%):

No special sources and methods used.

Social Security Funds (weight: 1%):

No special sources and methods used.

Other Government Units (weight: 9%):

No special sources and methods used.

D.5 Current taxes on income, wealth, etc.

SOURCES

Central Government:

Additional information from the Austrian National Bank (dividends)

METHODS

Central Government (weight: 70%):

The collective federal taxes are sub-divided to central, state and local governments according to the Austrian financial compensation law. For the weights below, collective taxes are assigned to the central government.

To complete the quarterly figures, the following adjustments are processed:

- time adjustment for income tax (to meet the accrual principle);
- tax refunds are re-added to the figures (offset with D.39, D.624, D.75 and D.92 on the expenditure side);
- addition of dividends of the Austrian National Bank.

These adjustments are offset with the cash adjustment in D.73.

State / Local Governments (weight: 13%):

The reported figures for the shares of collective federal taxes are replaced by the computed shares according to central government figures.

Local Governments (weight: 13%):

The reported figures for the shares of collective federal taxes are replaced by the computed shares according to central government figures.



Other Government Units (weight: 3%):

No special sources and methods used.

D.611 Actual social contributions

SOURCES

No special sources used.

METHODS

Central Government (weight: 15%):

The actual social contributions for civil servants are time-adjusted according to the accrual principle.

State Governments (weight: 1%):

The actual social contributions for civil servants are time-adjusted according to the accrual principle.

Local Governments (weight: 1%):

No special sources and methods used.

Social Security Funds (weight: 83%):

The figures consist of contributions to the health, retirement pension and accident insurances, as well as e.g. contributions to the laws concerning continued remuneration, insolvency insurance, bad weather compensation, night work or heavy labour.

For the first quarter, the contributions to the health insurance of pensioners, self-employed and trades people have to be estimated. The estimates are revised in the second quarter, when information becomes available.

Other Government Units (weight: 0.1%):

No special sources and methods used.

D.612 Imputed social contributions

SOURCES

No special sources used.

METHODS

Central Government (weight: 53%):

The figures are offset from D.122 on the expenditure side (see above).

State Governments (weight: 27%):

The figures are offset from D.122 on the expenditure side (see above).

Local Governments (weight: 15%):

The figures are offset from D.122 on the expenditure side (see above).



Social Security Funds (weight: 6%):

The quarterly figures are computed as the difference between social contributions of the actual employees and pension payments for pensioners of the social security funds. The trend of the pension payments total is used as an indicator.

D.7 Other current transfers

SOURCES

No special sources used.

METHODS

Central Government (weight: 7%):

In D.73, the adjustments made in D.2 and D.5 are offset in a cash adjustment.

Reclassification of the federal fund for hardship compensation.

Reclassification of a debt cancellation due to export promotion in 2007.

State Governments (weight: 16%):

In D.73, the adjustments made in D.2 and D.5 are offset in a cash adjustment.

Local Governments (weight: 5%):

In D.73, the adjustments made in D.2 and D.5 are offset in a cash adjustment.

Consolidation of funding allocations of state to local governments.

Reclassification of subsidies for the Viennese hospital company (offset against D.39).

Reclassification of contributions of beneficiaries of the Viennese Health Fund from P.131 to D.7.

Reclassification of revenues of hospitals from P.131 to D.7.

Social Security Funds (weight: 37%):

The estimate of the D.73 figures is based on counterpart information (intra-governmental transfers) by the central government.

Other Government Units (weight: 35%):

No special methods used.

Consolidation

The D.7 total is reduced on both the revenue and expenditure sides by intra-governmental transfers (D.73). Due to the consolidation adjustment, this value is equal for both sides.



D.91 Capital taxes

SOURCES

Central Government (weight: 71%):

The reported figures for the shares of collective federal taxes are replaced by the computed shares according to central government figures.

State Governments (weight: 15%):

The reported figures for the shares of collective federal taxes are replaced by the computed shares according to central government figures.

Local Governments (weight: 14%):

The reported figures for the shares of collective federal taxes are replaced by the computed shares according to central government figures.

METHODS

Central, State and Local Government

The D.91 figures exclusively exist of the inheritance and gift tax. This is a collective federal tax and is subdivided to central and state governments and Vienna according to the Austrian financial compensation law.

D.92 + D.99 Investment grants and other capital transfers

SOURCES

Central Government (weight: 4%):

No special sources used.

State Governments (weight: 36%):

No special sources used.

Local Governments (weight: 40%):

No special sources used.

Social Security Funds (weight: 2%):

No special sources used.

Other Government Units (weight: 17%):

No special sources used.

METHODS

Central Government:

Reclassification of the eco-bonus in 2009.



State Governments:

Reclassification of dividends from the Carinthian Energy holding as capital transfer (offset against D.421).

Reclassification of dividends from a regional bank (offset against D.421).

Local Governments:

Reclassification of the sale of shares of a regional bank.

Consolidation of funding allocations of state to local governments.

Social Security funds:

Bad debt of social contributions is subtracted from the source data.

Consolidation

The D.9 total is reduced on both revenue and expenditure sides by intra-governmental transfers. The consolidation adjustment value is equal on both sides.



POLAND**Description of Polish practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The 90% criteria set out in Article 3 of *Commission Regulation (EC) No 264/2000* is fully respected for tax data (D.2, D.5, D.91) and also for Actual Social Contributions (D.611) and Social Benefits (D.62).

According to Regulation No 1221/2002 our priority is to use directly obtained information for quarterly non-financial accounts for General Government every time it is possible. Therefore the requirements stated in Article 4 are met for almost all categories. An exception is data for Gross Fixed Capital Formation (P.51).

2. Compliance with ESA95 rules

The accounts are fully compatible with ESA95 rules.

3. Consistency between annual and quarterly data

The quarterly data are adjusted to bring them into line with the annual data, which are available later.

4. Revision policy

As soon as annual data become available the quarterly data reported earlier are revised.

5. General remarks

Due to the specificity of activity of units classified in the general government sector, categories of non-financial accounts are calculated separately for each type of institutions and then aggregated for the whole sector. Methodology of calculation is identical to methodology used in the process of compilation of annual national accounts.

In order to assure high quality of government statistics in June 2004 the General Government Statistics Working Group (GGSWG) was established by the President of Central Statistical Office (CSO). Its members are representatives of the Central Statistical Office, the Ministry of Finance and the National Bank of Poland. During the meetings members of GGSWG worked out methods for compilation of general government sector accounts, in compliance with requirements of the European Union. Elaborated methods were implemented in general government statistics by CSO for the first time in 2005, making possible revision of data to achieve consistency with ESA95 rules.



The basic data source is Budgetary Reporting for which statements of central and local government units are collected and aggregated by the Ministry of Finance. Budgetary Reporting is based on budgetary classification. This classification consists of three levels: titles, chapters and paragraphs. The names of titles, chapters and paragraphs enable a decision between which units the transactions take place.

All revenue and expenditure of general government units are codified into ESA95 transactions (key to transition from budgetary classification and profit and loss accounts to ESA95 classification).

Algorithm of transition from cash to accrual data:

For revenue

Stocks of accounts receivable from year n - Stocks left to payment total from year n-1 +
Overpayments from year n-1

For expenditure

Stocks of accounts payable from year n + expenditures which have not expired on the end of
the year n + stocks of liabilities on the end of the year n – stock of liabilities on the end
of year n-1

Budgetary reports are on mixed basis. The mixed basis means that data source include cash values as well as information needed to obtain accruals.

Information not reflected in the Budgetary Reporting is obtained for the following units:

- Public universities (CSO survey F-01/s),
- Institutions of culture (CSO survey F-02/dk),
- Health care institutions (MZ-03),
- National Road Fund (profit and loss account)
- Railway Fund (profit and loss account),
- Polish Academy of Sciences and its dependent units (**profit and loss account**),
- Local Fund for Environmental Protection and Water Management (profit and loss account).

METHODS

As mentioned above some data are available on a cash basis and this is adjusted to an accrual basis. In order to make this adjustment we use the data on claims and liabilities from budgetary reporting.

The general rules described above apply to all items of revenue and expenditure referred to in *Commission Regulation (EC) No 264/2000* and *European Parliament and Council Regulation No 1221/2002*. However, for some of them, additional sources and specific methods are used. In these cases they are described below.



For the calculation of taxes (both indirect and direct) CSO uses cash receipts and a one month time-adjustment is applied.

Law cancellations are treated as capital transfers. All information needed for the adjustment of cash data on taxes to accrual is obtained from the Ministry of Finance.

Interest is registered in the State Budget on cash basis. The calculation of the servicing costs of Treasury securities is based on a security-by-security database. Using this information, accrual adjustments are made.

6. Expenditure of general government

The tables for sections 6 and 7 show the relative weights of sub-sectors of General Government in the annual accounts for 2008.

P.2 Intermediate consumption

The main sources of data on intermediate consumption are described in the general remarks. For Social Security Funds information is provided by the Social Insurance Institution (ZUS) and Social Agricultural Insurance Institution (KRUS) and National Health Fund. Additionally information from Ministry of Defence is used for the F-16 aircraft F-16 and an adjustment is made for FISIM.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF P.2 IN %
Central Government (S.1311)	42.8
Local Government (S.1313)	53.6
Social Security Funds (S.1314)	3.6

P.5+K.2 Gross capital formation, acquisitions less disposals of non-produced assets

For item K.2 Poland has derogation to year 2011.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF P.5+K.2 IN %
Central Government (S.1311)	41.6
Local Government (S.1313)	57.8
Social Security Funds (S.1314)	0.6

D.1 Compensation of employees

The main sources of data on compensation of employees are described in the general remarks. For Social Security Funds information is provided by the Social Insurance Institution (ZUS), Social Agricultural Insurance Institution (KRUS) and National Health Fund.



SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.1 IN %
Central Government (S.1311)	40.9
Local Government (S.1313)	56.0
Social Security Funds (S.1314)	2.2

D.3 Subsidies

The main sources of data on subsidies are described in the general remarks. Additionally information is used from from the Agency for Restructuring and Modernisation of Agriculture and the Agricultural Market Agency.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.3 IN %
Central Government (S.1311)	88.6
Local Government (S.1313)	11.4
Social Security Funds (S.1314)	0.0

D.4 Property income, payable

In addition to the sources of data described in the general remarks in the calculation of property income, information is used from the Ministry of Finance on domestic and foreign debt of the State Treasury due to treasury securities.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.4 IN %
Central Government (S.1311)	94.2
Local Government (S.1313)	5.8
Social Security Funds (S.1314)	0.0

D.62 Social benefits other than social transfers in kind

In the calculation of social benefits other than social transfer in kind, data are used from the Social Insurance Institution (ZUS), and the Social Agricultural Insurance Institution (KRUS) and direct information from the Ministry of Finance, which collects data on benefits paid from the Central and Local Government budget.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.62 IN %
Central Government (S.1311)	11.3
Local Government (S.1313)	5.4
Social Security Funds (S.1314)	83.3



D.6311+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

In the calculation of social transfers in kind related to expenditure on products supplied to households via market producers, data are used from National Health Fund, Social Insurance Institution, Social Agricultural Insurance Institution, with additional information from budgetary reporting.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.6311+D.63121+D.63131 IN %
Central Government (S.1311)	4.5
Local Government (S.1313)	19.1
Social Security Funds (S.1314)	76.4

D.7 Other current transfers

The main sources of data on other current transfers are described in the general remarks.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.7 IN %
Central Government (S.1311)	77.1
Local Government (S.1313)	4.3
Social Security Funds (S.1314)	18.6

D.9 Capital taxes, investment grants and other capital transfers, payable

In the calculation of capital transfers budgetary data from the Ministry of Finance are used, together with additional information on capital injections obtained from Ministry of the Treasury, Ministry of Economy and Ministry of Infrastructure.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.9 IN %
Central Government (S.1311)	59.7
Local Government (S.1313)	38.1
Social Security Funds (S.1314)	2.2

7. Revenue of general government

P.11+P.12+P.131 Market output, output for final use and payments for the other non-market output

See general remarks.



SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF P.1 IN %
Central Government (S.1311)	45.7
Local Government (S.1313)	54.3
Social Security Funds (S.1314)	0.0

D.2 Taxes on production and imports

See general remarks.

The table below shows the relative weights of the sub-sectors of Taxes on Production and Imports of General Government in the annual accounts for 2002.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.2 IN %
Central Government (S.1311)	91.6
Local Government (S.1313)	8.4
Social Security Funds (S.1314)	0.0

D.4 Property income

SOURCES

In addition to the sources of data described in the general remarks, information is used from the Ministry of Finance on domestic and foreign debt of the State Treasury due to treasury securities.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.4 IN %
Central Government (S.1311)	49.6
Local Government (S.1313)	38.6
Social Security Funds (S.1314)	11.8

D.5 Current taxes on income, wealth, etc.

The sources are described in the general remarks.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.5 IN %
Central Government (S.1311)	60.3
Local Government (S.1313)	39.7
Social Security Funds (S.1314)	0.0



D.611 Actual social contributions

The data are available from the Social Insurance Found.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.611 IN %
Central Government (S.1311)	0.0
Local Government (S.1313)	0.0
Social Security Funds (S.1314)	100.0

D.612 Imputed social contributions

SOURCES

Not applicable.

D.7 Other current transfers, receivable

SOURCES

The sources are described in the general remarks.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.7 IN %
Central Government (S.1311)	6.1
Local Government (S.1313)	52.3
Social Security Funds (S.1314)	41.6

D.91 Capital taxes

SOURCES

All Capital Taxes are collected by Local Government. Direct information is available from budgetary reports published by the Ministry of Finance.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.91 IN %
Central Government (S.1311)	0.0
Local Government (S.1313)	100.0
Social Security Funds (S.1314)	0.0

***D.92+D.99 Investment grants, other capital transfers, receivable*****SOURCES**

In the calculation of Capital Transfers budgetary data from the Ministry of Finance and additional information about social contribution not collected are used.

SUB-SECTOR OF GENERAL GOVERNMENT	WEIGHT OF D.92+D.99 IN %
Central Government (S.1311)	43.8
Local Government (S.1313)	70.4
Social Security Funds (S.1314)	-14.2



PORTUGALDescription of Portuguese practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The General Government (GG) quarterly budget report covers almost all the necessary data for the compilation of quarterly non-financial accounts for the General Government sector (QNFAGG).

Quarterly data are compiled for the following sub-sectors:

Central Government:

- State and Civil Servant's Pension Scheme (CGA - *Caixa Geral de Aposentações*);
- Autonomous Services and Funds of Central Government (SFA) and non-market public sector corporations classified in the central government sub-sector due to the application of the 50% criterion;
- Non-profit institutions classified in central government.

Regional Government

- Regional Government;
- Autonomous Services and Funds of Regional Government;
- Non-market public sector corporations classified in regional government due to the application of the 50% criterion.

Local Government

- Municipalities;
- Civil parishes – "*Freguesias*";
- Districts;
- Autonomous Services of Local Government;
- Non-market public enterprises included in Local Government due to the application of the 50% criterion.

Social Security Funds

- Social Security – General Scheme.



The 90% criteria for direct information established in Article 3 of *Reg. 264/2000* is fully fulfilled, since only a small part is being estimated for Local Government sub-sector: some municipalities that don't provide information in a specific quarter and, for the other sub-sectors, since only quarterly transfers received are available, the other flows are estimated.

Data on taxes (D.2, D.5 and D.91), social benefits (D.62) and actual social contributions (D.611) are obtained from direct information.

In some cases, it is necessary to introduce adjustments in order to achieve more consistent figures, either in terms of the time of recording or in valuation. Nevertheless, for these adjustments direct information is also available.

2. Compliance with ESA95 rules

In order to obtain quarterly accounts for General Government according to ESA95 concepts, some adjustments are made to direct information.

One of the main adjustments is related to the change of cash into accrual data. For Central Government, Regional Government, Local Government and Social Security Funds, source data are in a cash basis. However, for State and autonomous services and funds, Ministry of Finance (MF), through Budget General Directorate (DGO), leads an additional quarterly questionnaire that brings the cash basis used closer to an accrual basis, by deducting the payments relative to previous quarters' from the expenditure paid in the current quarter, and adding the commitments of the present quarter which has been already assumed but not yet paid. This same questionnaire is carried out by Regional Finance Secretariats of Azores and Madeira for the Regional Government sub-sector. These additional questionnaires on expenditures produce corrections mainly in categories P.2, D.1, P.5 and D.7. Finally, for Local Government, the indebtedness values implicit in the information collected in the debt questionnaire and in the financial figures reported by the Bank of Portugal (BP) are incorporated in order to approach accrual values. In the near future (possibly 2011), it is expected that quarterly information on municipalities will be transmitted on an accrual basis, according to the Official Plan of Local Authorities Accounting (POCAL).

On the other hand, there are also further adjustments that are made in taxes and social contributions in order to ensure consistency with ESA95 concepts. For taxes, a "time-adjustment" procedure is used, in order to allocate the tax to the quarter that the activity occurred, thus giving rise to the tax liability. Social contributions are also time-adjusted and a correction to data source is made in order to consider the receipts of contributions in the same quarter as salaries.

3. Consistency between annual and quarterly data

In Portugal, the compilation of quarterly and annual macro-aggregates (quarterly and annual accounts) is carried out by different units of the Department of National Accounts. The work performed by these units is co-ordinated, in such a way that quarterly accounts respect annual accounts when available and they use the same methods of annual accounts whenever it is possible.

A new benchmark year for 2006 was recently introduced¹ and quarterly non-financial

¹ The 2006 and 2007 annual national accounts were published in June 2009.



accounts for general government are now compiling as well according to this reference benchmark.

Concerning the General Government sector, there is an autonomous team that compiles all the data related to Government statistics. The conceptual approach is to use methods as close as possible to the ones used in annual national accounts. When further details are not available in quarterly terms, estimation using annual figures is applied, such as the use of structures to breakdown specific accounting items.

The information sources of quarterly compilation are not the same as those used in annual accounts, apart from public sector enterprises classified in the General Government sector. In such cases, quarterly profit and loss accounts are requested, which are on an accrual basis. For the rest of the units/sub-sectors, most of the data used are provided by DGO, under the form of databases with budget accounting information.

For Central Government (State and SFA, only), DGO provides information for distinct units with further details on expenditure and revenue, allowing for a direct classification into ESA95 categories. Whenever a breakdown is needed, to get consistency between annual and quarterly data, some simplifications are applied, based on annual budget or in the last available final annual account. Furthermore, since the scope of GG is not the same for public and national accounting, this unit disaggregation allows us to select only the ones that belong to General Government sector. For public enterprises, Civil Servant's Pension Scheme and non-profit institutions classified in Central Government, direct information is received from profit and loss accounts.

Data on current expenditure and revenue for the whole Regional Government sub-sector is reported by Regional Finance Secretariats of Azores and Madeira. Although without a fully unit distinction (it is aggregate by budget items) this information has a sufficient breakdown level to classify ESA95 categories. In public enterprises classified into the Regional Government sub-sector, consistency with annual accounts is achieved by using direct information from quarterly profit and loss accounts.

As far as Local Government is concerned, information is reported, by DGO, in a quarterly basis by municipality. Whenever data for a certain municipality are not available (reported), an estimate is made for their expenditure and revenue based on the value reported in that quarter for total municipalities. For the other sub-sectors of Local Government, only information on transfers received is available. Therefore, the remaining ESA95 categories are estimated mostly according to the last final annual account available, then giving the municipalities' infra-annual periodicity.

For Social Security Funds quarterly budget information about Social Security Scheme is received from the Social Security Financial Management Institute (IGFSS - *Instituto de Gestão Financeira da Segurança Social*). For some expenditure (e.g., D.1, P.2, and P.5) the aggregation level is too high, so, each quarter, these transactions are disaggregated with the detail of the last annual account of the Social Security Scheme. In the October EDP notification, the quarterly data for year t and $t+1$ are updated with the annual account of year t . Nevertheless, quarterly detailed information is used for pensions and other social transfers in kind, actual social contributions, amounts received/paid from Social European Fund and some other transfers from GG. Despite all the difficulties raised during the process of quarterly compilation, an effort is made to consider always the same detail as that of annual accounts.



4. Revision policy

Considering the points described in the previous paragraphs, it follows that two major types of revision may occur: those related with updated or more accurate information on a quarterly basis and those that integrate annual data and therefore assure consistency with annual accounts (in two distinct moments - half-finalised annual accounts and final annual accounts). The revision policy implies the integration of the most up-to-date basic data available at each moment. Therefore, revisions on basic data are integrated every quarter.

The major revisions in the quarterly compilation come however from the second type described above. The availability of half-finalised annual data for transactions that have been estimated during the first three quarters accordingly to the budget, or by infra-annual pattern of the last annual account available, forces revisions of the previous quarters' estimations. Also, for all categories, the quarterly compilation of that year is revised so that the sum of the four quarters equals the annual amount. This occurs in EDP notifications in t+3m and t+9m (4th and 2nd quarters).

Another revision is made when a final annual account becomes available. However, this procedure should not imply substantial revisions in the quarterly compilation. Besides the quarterly consistency with annual figures, the main differences are in the modification of structures that are used in some items of expenditures and revenue that help to break down into ESA95 categories.

5. General remarks

Currently, almost all the information that is received is direct. Even some details that is needed to classify transactions according to ESA95 rules, such as dividends, military equipment, debt assumptions, capital injections, loans and guarantees, are provided by DGO on a quarterly basis.

A fact that will probably change the methods described in this document is the introduction of the new public accounting scheme, based on the corporate accounting plan (hence fully complying with the accrual principle).

The Official Plan of Public Accounting (POCP) using the accrual basis of recording is currently being implemented in the General Government.

The data on POCP for SFA are only available in the final version of annual national accounts. For the compilation of the half-finalised and quarterly accounts, data are on a cash basis and the conversion of cash into accrual is done as described above.

DGO is still working on the collection of this new kind of data for the State and therefore they will only be available in the medium term.

In Local Government it is expected that in the first quarter of 2011 there will be quarterly accrual data for municipalities. The General Directorate of Local Municipalities developed a software application that enables the report of POCAL in a quarterly basis.



6. Expenditure of general government²

The weight of the sub-sector given in sections 6 and 7 are for the year 2007.

For compilation of quarterly non-financial accounts of General Government the sources used for all ESA95 expenditure categories are:

<p><u>Central Government</u></p>	<p>For State and autonomous services and funds data are reported by DGO. These data are on a cash basis, according to budget items of expenditure and revenue and by public unit. For non-profit institutions and public enterprises classified in central government, Statistics Portugal asks directly for quarterly profit and loss accounts data. The same type of source is used for Civil Servant's Pension Scheme (CGA - <i>Caixa Geral de Aposentações</i>). Regarding health, Health National Service (SNS - <i>Serviço Nacional de Saúde</i>) reports the quarterly financial statement, on an accrual basis, consolidating all the information for the health sector.</p> <p>A quarterly questionnaire on expenditure, lead by MF, allowing the identification of payments in current quarter that concerns past ones and commitments already taken but not yet paid is also taken into account. This information is used essentially to compile categories P.2, D.1, P.5 and D.7, and also, in a lower scale, categories D.39, D.41 and D.92.</p> <p>Ministry of Defence provides quarterly data for military equipment.</p> <p>Some complementary information, such as capital injections, debt assumptions, dividends, loans and guarantees are provided by the MF, on a quarterly basis as well.</p> <p>Statistics Portugal receives accrued interest information from Portuguese Government Debt Agency (IGCP - <i>Instituto de Gestão da Tesouraria e do Crédito Público</i>), which is compiled on a quarterly basis according to ESA95 guidance.</p>
<p><u>Regional and Local Government</u></p>	<p>For Regional Government (regional government, and regional government autonomous services and funds) the Regional Finance Secretariats of Azores and Madeira report data on a cash basis, according to aggregate items of expenditure and revenue. For public enterprises in the scope of GG profit and losses accounts are provided.</p> <p>Also available is information about payments that are due in the current quarter as well as responsibilities (commitments) that have already been assumed (taken) in previous quarters but not yet paid. Further information is provided regarding financial assets and other specific transfers.</p> <p>Direct data for Local Government are reported by DGO on a cash basis, according to items of expenditure and revenue by municipalities. For other sub-sectors of Local Government only information about transfers received is available.</p>
<p><u>Social Security Funds</u></p>	<p>The Social Security Financial Management Institute (IGFSS - <i>Instituto de Gestão Financeira da Segurança Social</i>) sends the information to Statistics Portugal on a quarterly basis. Data are in aggregate levels of expenditure and revenues. In addition, specific information on pensions and other social transfers in kind, actual social contributions, amounts received/paid from Social European Fund and other transfers from General Government, are also available.</p>

² For all ESA95 categories of expenditure, other sub-sectors of Local Government rather than municipalities are estimated according to the description in section 3.



P.2 Intermediate consumption

SOURCES

Central Government (weight of P.2: 62.0%)

Regional and Local Government (weight of P.2: 35.5%)

Social Security Funds (weight of P.2: 2.4%)

METHODS

The methods used to compute quarterly figures for intermediate consumption are similar to those used for annual accounts. For each sub-sector, whether data comes from items of expenditure or profit and loss account, the classification as intermediate consumption is direct for most of the cases, allowing the application of the methods of annual accounts in a more accurate way.

Moreover, since data for State and SFA is disaggregated by unit, it is possible to identify a functional classification and then provide a correct individual/collective classification to intermediate consumption. For other sub-sectors functional classification is made according to last final annual account.

Nevertheless, some adjustments are made to each sub-sector. For instance, a cash-accrual adjustment is made in both State and SFA sub-sectors (using the quarterly questionnaire on expenditure described above in sources) by deducting expenditures paid in the current quarter but concerning past ones, and adding commitments of the quarter that were not yet paid.

Regarding military equipment expenditure that, according to ESA95 rules, must be classified as intermediate consumption, data are adjusted by either deducting pre- or post-payments registered in the State budget or adding the value of the equipment actually received.

The payments of shadow tolls (cash basis) are made in specific quarters by the public corporation that manages the Portuguese roads (EP - *Estradas de Portugal, SA*). The annual value is smoothed according to an econometric model to obtain quarterly figures as a proxy of accrual basis data.

The same cash-accrual adjustment to intermediate consumption is made in Regional Government, using detailed information about payments that are due to the current quarter as well as responsibilities (commitments) that have been already assumed (taken) in previous quarters but not yet paid.

For municipalities, intermediate consumption is obtained directly from sources.

In order to get an accrual approach, an estimate of the local governments' financing needs is validated by incorporating the indebtedness' values implicit in the information collected by the debt questionnaire and by the financial figures reported by BP. The disaggregation of this value is made according to the structure of the last final annual account that incorporates data of the official accounting plans, and affects intermediate consumption. Still, for municipalities, a part of P.2 concerning output produced for own final use is estimated (about 4%) using the structures of the latest final annual account.

An economic classification is available for social security scheme. As the information is aggregated some simplifications are needed in order to classify intermediate consumption.



P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES

Central Government (weight of P.5 + K.2: 33.2%)

Regional and Local Government (weight of P.5 + K.2: 66.3%)

Social Security Funds (weight of P.5 + K.2: 0.5%)

METHODS

For each sub-sector, whether data comes from items of expenditure or from profit and loss account, the classification into P.5, P.51 or K.2 is direct for most of the cases and allows distinguishing between different types of fixed assets, namely between the acquisition of land and gross fixed capital formation. In general, since the information available is provided from public accounts on a cash basis, this allows us to apply the accrual principle accordingly to the public finance accounting system. In this situation, one can only record the value of acquisition of fixed assets when ownership is fully transferred to public bodies; if this is not the case, for instance as in military expenditure where there are advance payments, other adjustments are made.

In order to get closer to the accrual principle an adjustment cash-accrual for State and SFA sub-sector needs to be made (using the quarterly questionnaire on expenditure described above in sources), deducting expenditure paid in the current quarter but concerning past ones, and adding commitments of the quarter that were not yet paid.

Regarding military equipment expenditure that, according to ESA95 rules, must be classified in gross fixed capital formation, data are adjusted by deducting advanced or post payments registered in the State budget and adding the value of the equipment actually received.

For Regional Government, the same cash-accrual adjustment to gross fixed capital formation is made, using detailed information about past expenditure paid in the current quarter and future expenses assumed in the present quarter but not yet paid.

In order to get an accrual approach, an estimate of the local governments' financing needs is validated by incorporating the indebtedness' values implicit in the information collected by the debt questionnaire and by the financial figures reported by the BP. The disaggregation of this value is made according to the structure of the last final annual account, which incorporates data of the official accounting plans, and affects gross fixed capital formation. Finally, a part of P.51 concerning output produced for own final use is estimated (about 5%) using the structures of the latest final annual account.

For social security schemes the information on acquisition of fixed assets is too aggregate and some simplifications are needed in order to classify by types of assets. For this propose, we use the structure of IGFSS's latest annual account, normally available in t+9m.



D.1 Compensation of employees

SOURCES

Central Government (weight of D.1: 81.6%)

Regional and Local Government (weight of D.1: 16.6%)

Social Security Funds (weight of D.1: 1.8%)

METHODS

The methods used to compute quarterly figures for compensation of employees are similar to those used for annual accounts. Each component of compensation of employees is treated individually. According to items of expenditure or from profit and loss accounts, the classification is direct in the following ESA95 categories: wage and salaries (D.11), employers' actual social contributions (D.121), and employers' imputed social contributions (D.122); in the case of Social Security Funds, a breakdown is made based in structures from IGFSS's latest annual account.

Since data from State and SFA come disaggregated by unit, it is possible to identify a functional classification and then give a correct individual/collective classification to each component of compensation of employees. For other sub-sectors functional classification is made according to the latest final annual account.

Concerning 13th month payments and holiday bonuses, these are registered in the moment at which they are paid; that is, when they become expenditure in public units' budget. This record takes into account the ESA95 rule, § 4.12.

Nevertheless, D.122 ESA95 category results from other adjustments, especially in the State sub-sector, via CGA. The current transfer given by State sub-sector to CGA unit is partially reclassified as D.122, since part of this amount is effectively imputed social contributions from civil servants.

In State and SFA sub-sectors a cash-accrual adjustment is made; that is, by deducting expenditures related to compensation of employees expenditures that are due to the current quarter and then, adding responsibilities (commitments) that have been already assumed (taken) in previous quarters but not yet paid. The same adjustment is made for Regional Government.

D.29 Other Taxes on Production

Other taxes on production do not exist in Portugal, since all units belonging to the General Government universe are exempt from such taxes.

D.3 Subsidies

SOURCES

Central Government (weight of D.3: 76.5%)

Regional and Local Government (weight of D.3: 15.3%)

Social Security Funds (weight of D.3: 8.2%)



METHODS

The methods used to compute quarterly figures for subsidies are similar to those used for annual accounts. According to either items of expenditure or profit and loss accounts, the classification into ESA95 subsidies (D.39) is straightforward. Some reclassifications into D.319 are made afterwards.

For the State sub-sector, the compensatory transfers for public corporations not belonging to GG scope are annually estimated according to the budget and then divided equally by the quarters, as a proxy of accrual basis data, i.e., the amounts are due over the entire year but only paid at the end of it. The remaining subsidies paid are recorded in quarterly non-financial accounts when the payments are made. However, a cash-accrual adjustment is carried out in each quarter based on the additional questionnaire.

The main public units that manage European Funds are classified in the autonomous services and funds sub-sector. These public units are, as follows:

<u>Public Institution</u>	<u>European Fund Managed</u>
Institute for financing Agriculture and Fishing (IFAP - Instituto de Financiamento da Agricultura e Pescas)	European Agricultural Guidance and Guarantee Fund – Guarantee ³ and Orientation ⁴ Section
Institute of Employment and training (IEFP - <i>Instituto de Emprego e Formação Profissional</i>)	European Social Fund

Through information provided by DGO, it is possible to identify, on a quarterly basis, the amounts of subsidies related to the revenue received from these European Funds as well as the amounts of each national counterpart. Whenever the level of detail does not allow this disaggregation, structures from the latest final annual national accounts are used to breakdown different ESA95 categories. The treatment for these amounts is thereby consistent with annual national accounts.

Regarding the European Social Fund, the Social Security Scheme is responsible for its management. Additional information allows identifying the subsidies paid to the final beneficiaries, which is consistent with the annual national accounts treatment.

For Regional and Local government subsidies are usually granted once a year in relation to events that occur at some time during that year, thus not interfering with the correct appliance of ESA95 rules in annual terms. As no further information is available to distribute subsidies on an accrual basis over the four quarters, it has been decided to record the amounts when the payment is made. However, a cash-accrual adjustment is made in Regional Government, considering information in the quarterly additional questionnaire.

D.4 Property income, payable

SOURCES

Central Government (weight of D.4PAY: 97.2%)

Regional and Local Government (weight of D.4PAY: 2.8%)

³ Currently European Agricultural Guarantee Fund - EAGF

⁴ Currently European Agricultural Rural Development Fund - EAFRD



METHODS

The methods used to compute quarterly figures for Property income (payable) are similar to those used for annual accounts. Classification is direct into ESA95 categories Interest (D.41) and Rents (D.45) using the mentioned sources, whereas for accrued interest, additional information provided by IGCP is used in order to obtain an accurate value.

IGCP is the entity responsible for the management of the Portuguese central government debt and the execution of the central borrowing program, and calculates figures for interest on a quarterly basis fully according to ESA95 rules.

In the State budget, interest payments are recorded on a cash basis for all debt instruments, with the exception of interest on saving certificates, which are recorded as its capitalised amount. The methodology used for converting interest from cash to accrual basis is made instrument-by-instrument at the individual level. For any kind of instrument, including financial derivatives, the interest paid in a year n in public accounts is reduced by the interest arising in year $(n-1)$, and paid in year n and increased by that incurred in year n but payable in $(n+1)$.

Interest is consolidated within the GG sector.

D.5 Current taxes on income, wealth, etc., payable

SOURCES

Central Government (weight of D.5PAY: 32.6%)

Regional and Local Government (weight of D.5PAY: 0.2%)

Social Security Funds (weight of D.5PAY: 67.2%)

METHODS

Current taxes on income, wealth, etc., payable (D.5) became available with the introduction of benchmark year 2006. For some cases, details of available data do not allow for direct classification into D.5. Thus, a structure from annual accounts is used to breakdown items of public accounts expenditure where these amounts are classified in.

D.62 Social benefits other than social transfers in kind

SOURCES

Central Government (Weight of D.62: 32.4%)

Regional and Local Government (Weight of D.62: 2.8%)

Social Security Funds (Weight of D.62: 64.8%)



METHODS

According to available data for QNFAGG, it is possible to disaggregate social benefits other than social transfers in kind (D.62) into: social security benefits in cash (D.621); unfunded employee social benefits (D.623); and social assistance benefits in cash (D.624). There are no private funded social benefits (D.622) in the Portuguese General Government's accounts.

Social security benefits in cash (D.621) arise either from State sub-sector, through CGA payments, or Social Security Scheme, through all its social benefits paid to families, e.g., pension entitlements, unemployment subsidy, guaranteed minimum income.

Generally, unfunded employee social benefits (D.623) are calculated according to the equality in D.122, D.623 and D.612. Nevertheless, D.623 differs in State sub-sector due to payments made either by CGA and or by a public unit managing an health and social system granted to civil servants (*ADSE - Assistência na Doença aos Servidores Civis do Estado*).

Social assistance benefits in cash (D.624) arise from direct sources of budget expenditure items for all subsectors.

D.6311+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES

Central Government (weight of D.631: 90.6%)

Regional and Local Government (weight of D.631: 7.9%)

Social Security Funds (weight of D.631: 1.5 %)

METHODS

Since is not possible to break D.631 down into D.6311, D.63121 and D.63131 in QNFAGG, the compilation is made at an aggregated level.

The major component of this category is related to medical treatment, surgery, hospital accommodation and medical appliances. It is possible to obtain quarterly figures on an accrual basis provided by Health National Service.

For the State sub-sector the information received allows for direct reclassifications into D.631, in particular for transfers made by the Ministry of Education to households and to non-profit institutions serving households.

Cash-accrual adjustments, with less expression, are made in autonomous services and funds using quarterly data from additional questionnaires on expenditures.

The amounts classified in this category for Regional Government are provided separately by Regional Finance Secretariats of Azores and Madeira, and these concern transfers made for regional health system.

In Local Government, figures are available from municipalities' direct data.

Regarding Social Security Funds, it is necessary to breakdown some items of expenditure to obtain the figures using structures from IGFSS's last available annual account.



D.7 Other current transfers, payable

SOURCES

Central Government (weight of D.7PAY: 53.7%)

Regional and Local Government (weight of D.7PAY: 15.5%)

Social Security Funds (weight of D.7PAY: 30.8%)

METHODS

With the information received it is possible to compile sub-categories of "Other current transfers payable (D.7)" for all sub-sectors. The consistency is assured with annual national accounts.

Net non-life insurance premiums (D.71) are obtained either by direct information on expenditure items or from profit and loss accounts. An additional adjustment is made related to property income attributed to insurance policy holders (D.44).

Current transfers within GG (D.73) are consolidated within the sector. The data reported allow for classification by counterpart, identifying the units to which the transfers are made, and making possible adjustments between public and national accounts. In this category an adjustment for cash-accrual is also made in State, SFA and Regional Government, through the appropriation of data from quarterly questionnaires on expenditure. These amounts, however, are not significant.

Current international cooperation (D.74) is obtained directly from sources and there are not significant adjustments.

Miscellaneous current transfers (D.75) are obtained by direct data, applying converters to the budget expenditure items or to profit and loss accounts. Following ESA95 guidance, GNI-based fourth own resource is classified in this sub-category and quarterly figures are perfectly identified.

D.8 Adjustment for the change in net equity of households in pension funds reserves

Does not exist in Portugal.

D.9 Capital taxes, investment grants and other capital transfers, payable

SOURCES

Central Government (weight of D.9PAY: 70.4%)

Regional and Local Government (weight of D.9PAY: 27.4%)

Social Security Funds (weight of D.9PAY: 2.2%)

METHODS

The values for investment grants and capital transfers are registered in public accounts in line with ESA95 rules, since direct data allows distinguishing between these sub-categories.



Furthermore, Statistics Portugal receives quarterly information such as capital injections, debt assumptions, loans and guarantees, which allows for detailed analysis and correct quarter allocation.

Investment grants (D.92) are obtained by direct conversion of budget items and they are allocated to each sector/sub-sector counterpart. This category is consolidated within GG. Also, from additional questionnaire on expenditures we can make a cash-accrual adjustment; the amounts, although, are not significant.

With the introduction of the benchmark year 2006, the EU flows based in structural funds began to be recorded directly to the final beneficiaries and in consequence the revenue and the expenditure recorded by the intermediary GG units were annulled. This treatment mostly affects the category D.92. In fact, most of the flows intermediated by public units conceding financial aids to other entities, based on revenue received from structural funds, are investment grants. The SFA's involved in this flows are:

<u>Public Institution</u>	<u>European Fund Managed</u>
Institute for financing Agriculture and Fishing (IFAP - <i>Instituto de Financiamento da Agricultura e Pescas</i>)	European Agricultural Guidance and Guarantee Fund – Guarantee and Orientation Section
Institute for supporting small and medium enterprises (IAPMEI - <i>Instituto de Apoio às Pequenas e Médias Empresas</i>)	European Regional Development Fund
Foundation for Science and technology (FCT - <i>Fundação de Ciência e Tecnologia</i>)	European Regional Development Fund
Tourism of Portugal (TP - <i>Turismo de Portugal</i>)	European Regional Development Fund

Other capital transfers (D.99) are classified through the appropriation of the databases provided and mainly from additional information about capital injections, debt assumptions, loans, and guarantees received by MF in a quarterly basis.



7. Revenue of general government

For compilation of quarterly non-financial accounts of General Government the sources used for all ESA95 revenue categories are:

<p><u>Central Government</u></p>	<p>For State and autonomous services and funds data are reported by DGO. This data are on a cash basis, according to budget items of expenditure and revenue and by public unit only for SFA. For non-profit institutions classified in central government and public corporations classified in central government, Statistics Portugal asks directly for quarterly profit and loss accounts data. The same type of source is used for Civil Servant's Pension Scheme (CGA - <i>Caixa Geral de Aposentações</i>). Regarding health, Health National Service (SNS - <i>Serviço Nacional de Saúde</i>) report us a quarterly financial statement on an accrual basis, which consolidates all the information for the health sector.</p> <p>Tax General Directorate provides monthly cash receipts for taxes.</p>
<p><u>Regional and Local Government</u></p>	<p>For Regional Government (regional government and regional government autonomous services and funds) the Regional Finance Secretariats of Azores and Madeira report data on a cash basis, according to aggregate items of expenditure and revenue. For public enterprises classified into GG, profit and loss accounts are provided.</p> <p>Direct data for Local Government is reported by DGO on a cash basis, according to items of expenditure and revenue by municipalities. For other sub-sectors of Local Government only information about transfers received is available.</p>
<p><u>Social Security Funds</u></p>	<p>The Social Security Financial Management Institute (IGFSS - <i>Instituto de Gestão Financeira da Segurança Social</i>) sends the information to Statistics Portugal with a quarterly periodicity. Data are in aggregate levels of expenditure and revenues. In addition, specific information on pensions and other social transfers in kind, actual social contributions, amounts received/paid from Social European Fund, and some other transfers from GG is also available.</p> <p>Monthly information about actual social contributions is provided by IGFSS.</p>

P.11+P.12+P.131 Market output, output for final use and payments for the other non-market output

SOURCES

Central Government (weight of P.11+P.12+P.131: 60.7%)

Regional and Local Government (weight of P.11+P.12+P.131: 38.6%)

Social Security Funds (weight of P.11+P.12+P.131: 0.7%)



METHODS

All three sub-categories: P.11; P.12 and P.131; are compiled in QNFAGG.

For the State sub-sector, the budget revenue items are aggregated by Ministries rather than by individual units. However, market output and payments for other non-market output are classified in different items, which allow the reallocation of those amounts. Additionally, taxes received by the Ministries of culture, health and education are reclassified into P.131.

Education (schools and universities) and health are classified in autonomous services and funds, and payments for other non-market output are perfectly identified. The same procedure applies for other sub-sectors.

Some borderline cases (yet, with a small relative weight) require special attention. In particular, for amounts that are classified as production in the public accounts while in national accounts are considered as taxes. For these cases we have adopted a similar treatment to the one used in annual national accounts; that is, to reclassify identifiable specific items to taxes or, whenever it is not possible, to apply the structure of the latest final annual national account available.

Direct data for P.12 concerning public corporations classified in Central Government are provided by accounting official plans, which enables correct classification. For Local Government an estimate is made for municipalities, using structures of P.2 and P.51 that concern output for own final use in total of P.2 and P.51 of the latest final annual national account and applied to municipalities' quarterly P.2 and P.51. The sum is equal to P.12.

D.2 Taxes on production and imports

SOURCES

Central government (Weight of D.2: 85.3%)

Regional and Local Government (Weight of D.2: 11.2%)

Social Security Funds (Weight of D.2: 3.5%)

METHODS

Data for taxes on production and imports are received directly by budget items of revenue. However, values from General Directorate of Taxes are also taken into account for accrual adjustments and breakdowns.

In this ESA95 category, VAT is the most important tax, representing 57.3% of total D.2 in 2007.

The VAT amount is based on cash receipts (from budget), but a quarterly time-adjustment is made in compliance with *Reg. (CE) 995/2001* and annual national accounts. This procedure reflects the average time difference (1.5 months) between the cash tax receipt and the moment when the activity took place, thus generating the tax liability. In QNFAGG, the adjustment is based on deducting $\frac{3}{4}$ of the revenue from the first two months of the quarter and adding $\frac{3}{4}$ of the revenue from the first two months of the next quarter.

Furthermore, part of VAT is transferred to other units by General Directorate of Taxes according to some percentages fixed by law. Nevertheless, the detailed received information



allows for identification of the amounts, as well as to whom they have been transferred to.

The sub-sectors that receive VAT from General Directorate of Taxes are Regional Government and Social Security Funds. In addition, an autonomous service and fund related to tourism (TP - *Turismo de Portugal*) also receives VAT. These amounts are quarterly identified and no additional adjustments are made.

The amount that the State transfers to the EU is deducted from total amount of VAT, on a cash basis.

Concerning taxes on oil/crude products, tobacco, alcoholic drinks and alcohol, there is a national law which states that the tax collection is made one month after the product has been introduced into the market for consumption. For this reason the time-adjustment in the quarterly compilation of these specific taxes is to remove the tax revenue of the first month of the current quarter and add those of the first month of the next quarter. For the cases of tax on tobacco, alcoholic drinks and alcohol, an additional reclassification using the structure of latest annual national accounts available is made to distinguish between taxes on products, except VAT and import taxes (D.214) and taxes on imports, excluding VAT and import duties (D.2122).

For other taxes, in similar terms with the method used in the annual accounts, there is no reason to consider any difference between the accrued amounts and the cash amounts. Therefore, there is no adjustment due to the conceptual basis of valuation.

The main taxes for the Local Government sub-sector are VAT, the real estate tax (IMI - *Imposto Municipal sobre Imóveis*) and the real estate ownership transfer tax (IMT - *Imposto Municipal sobre Transacções*). Real estate tax is collected differently according to a threshold amount; that is, if it is below that threshold then tax is paid once a year, otherwise it may be paid once or twice a year. Considering that the relevant feature on this tax is the ownership that persists over time, the total cash receipts are spread equally over the four quarters. The allocation to each quarter of the current year is being calculated with an estimate based on the latest annual value.

For the same reasons, this method is also been applied to motor vehicles tax, although it has a lower weight in the local taxes of this category.

Some reclassifications between D.2 and D.5 are made in order to get consistency with annual national accounts, which, in absence of details, are made using structures of annual national accounts.

D.39 Other subsidies on production, receivable

SOURCES

Central Government (weight of D.39R: 80.9%)

Regional and Local Government (weight of D.39R: 18.5%)

Social Security Funds (Weight of D.39R: 0.6%)

METHODS

Generally, the amounts of subsidies received by GG sub-sectors are from the European Social Fund. After the treatment made to this structural fund in Social Security Schemes (who manage it) the amounts allocated to other sub-sectors are determined.



D.4 Property income, receivable

SOURCES

Central Government (weight of D.4REC: 59.4%)

Regional and Local Government (weight of D.4REC: 23.8%)

Social Security Funds (weight of D.4REC: 16.8%)

METHODS

Basic data received from sources described above allow for direct classification into sub-categories of D.4.

No additional adjustment is made for interest (D.41). As in public accounts, interest is generally recorded in the month where it has accrued, ensuring the full appliance of the accrual principle. These amounts are consolidated within the sector.

Dividends (D.421) are calculated converting directly revenue items of sub-sectors budgets. For the State sub-sector the direct source provides net dividends, thus a correction to add capital tax is made. Extraordinary dividends received are deducted from resources according to additional data provided by the MF.

Withdrawals from the income of quasi-corporations (D.422) only exist for municipalities and they come directly from sources.

There are no reinvested earnings on direct foreign investment (D.43) in the Portuguese GG accounts.

Property income attributed to insurance policy holders (D.44) arises from the adjustment made to insurance premiums'.

Almost all rents (D.45) are registered in Local Government (municipalities) and they are available as a direct source (99.4% of total D.45 receivable).

D.5 Current taxes on income, wealth, etc.

SOURCES

Central government (Weight of D.5REC: 92.6%)

Regional and Local Government (Weight of D.5REC: 7.4%)

METHODS

The sources available allow for direct classification into sub-categories, such as taxes on income (D.51) and other current taxes (D.59). Taxes on income include: D.51A - Personal Income Tax (PIT) (IRS - *Imposto sobre o rendimento das pessoas singulares*), D.51B - Corporations Income Tax (CIT) (IRC - *Imposto sobre o rendimento das pessoas colectivas*) and D.51D - Taxes on winnings from lottery or gambling. Other current taxes (D.59) are decomposed by: Current taxes on capital - D.59A, Payments by households for licenses -



D.59D and Other current taxes n.e. - D.59F. The quarterly data has a level of detail that makes possible this disaggregation.

Quarterly accounts use the same approach as annual national accounts, i.e., the income taxes are registered in quarterly accounts according to cash tax receipts (in compliance with *Reg. (CE) 995/2001*). According to the nature of the collection of these taxes (mainly monthly deductions at source for PIT or quarterly prepayments for CIT), no time-adjustment is made to attribute the cash receipt to the moment when the activity took place. There is not enough information about the reimbursements, pre-payments or later deductions made after the tax collection and therefore the allocation of these flows to the time they are generated is not possible.

The amounts considered for Central Government are obtained after the transfers to Regional and Local Government (Regional Governments of Madeira and Azores and municipalities), according to regulations fixed by national law.

From Regional and Local Government data the amounts of these taxes received from Central Government can be identified.

Some reclassifications are made to D.59F (from D.214) in order to get more accurate figures. Final annual accounts structures are applied to quarterly total amounts of taxes D.214 for State and Regional Government.

For motor vehicles tax from corporations an infra-annual correction is made, in the same way that is done to other taxes on production; that is, an estimation of annual value is carried according to the latest annual half-finalised account and then spread equally over the four quarters. The relevant feature on this tax is the same as explained previously, i.e., the ownership that persists over time and not only when the receipts are registered.

D.611 Actual social contributions

SOURCES

Central Government (Weight of D.611: 13.7%)

Regional and Local Government (weight of D.611: 0.1%)

Social Security Funds (Weight of D.611: 86.2%)

METHODS

The amount considered in Central Government is obtained directly from the State budget, namely a specific revenue item concerning contribution of public employees for health scheme (ADSE) and from Civil Servants' Pension Scheme (CGA) accounts.

For ADSE and CGA no time-adjustment is considered to attribute cash receipt to the moment when the activity took place.

Regarding Social Security Funds, the scheme covering mainly non-public sector employees, the information is provided on a cash basis by IGFSS and it is the same used for the annual accounts receipts, although the collection of contributions under this scheme is mainly done through monthly deductions at the source. A time adjustment is considered necessary to attribute the cash receipt to the moment when the activity took place. Hence, contributions



are time-adjusted, deducting revenue of the first month of the current quarter, and adding revenue of the first month of the following quarter. This information has a monthly basis and is provided by IGFSS.

D.612 Imputed social contributions

SOURCES

Central Government (weight of D.612: 86.8%)

Regional and Local Government (weight of D.612: 13.1%)

Social Security Funds (weight of D.612: 0.1%)

METHODS

To ensure consistency of values between categories D.612 and D.122, the same sources and methods are applied in quarterly compilation. Generally, imputed social contributions are calculated according to the match between D.122, D.623 and D.612.

D.7 Other current transfers, receivable

SOURCES

Central Government (weight of D.7REC: 71.3%)

Regional and Local Government (weight of D.7REC: 17.6%)

Social Security Funds (weight of D.7REC: 11.1%)

METHODS

Using the information received it is possible to compile, for all sub-sectors, sub-categories of Other current transfers receivable (D.7), such as Non-life insurance claims (D.72), Current transfers within GG (D.73), Current international co-operation (D.74) and Miscellaneous current transfers (D.75). The consistency is assured with annual national accounts.

When the annual value for non-life insurance claims (D.72) becomes available (this amount is given by sector S.12), the allocation to each quarter is made according to infra-annual structure of D.71. For current quarters, since this information is not available, we apply the D.71 quarterly evolution to the amount of D.72 in the same quarter of the previous year.

Current transfers within GG (D.73) are consolidated in the sector. The data allows the classification by counterpart, identifying the units from which the transfers are made, and making possible scope adjustments between public and national accounts.

For current international co-operation (D.74), an additional correction is made concerning the payments of European Social Fund and European Agricultural Guidance and Guarantee Fund – Guarantee and Orientation Section, which are intermediated by Social Security Scheme and IFAP, respectively. These transfers are recorded from the Rest of the World directly to the final beneficiaries, conducting to the annulment of these amounts in the GG accounts.

Miscellaneous current transfers (D.75) are obtained by direct data, applying converters to the budget revenue items or to profit and loss accounts, with identification of counterpart.



D.91 Capital taxes

SOURCES

Central Government (weight of D.91REC: 90.3%)

Regional and Local Government (weight of D.91REC: 9.7%)

METHODS

Amounts for D.91 are obtained directly from budget revenue items of State and Regional Government sub-sectors. No adjustment to data is made, since the time of recording is the same as the appearance of the tax liability.

D.92+D.99 Investment grants, other capital transfers, receivable

SOURCES

Central Government (weight of D.9REC: 54.6%)

Regional and Local Government (weight of D.9REC: 45.3%)

Social Security Funds (weight of D.9REC: 0.1%)

METHODS

Investment grants and capital transfers in public accounts are registered according to ESA95 rules, since direct data allow distinguishing between these sub-categories.

Investment grants (D.92) are obtained by direct classification of budget items and they are allocated to each sector/sub-sector counterpart. This category is consolidated within GG according to ESA95 rules.

With the introduction of benchmark year 2006, flows based in structural funds were annulled from public accounts. The major annulment of structural funds' intermediation has been in category D.92. In fact, most of the flows received by public sector units from European Funds are classified in this transaction. The SFA involved in this flows are:



<u>Public Institution</u>	<u>European Fund Managed</u>
Institute for financing Agriculture and Fishing (IFAP - <i>Instituto de Financiamento da Agricultura e Pescas</i>)	European Agricultural Guidance and Guarantee Fund – Guarantee and Orientation Section
Institute for supporting small and medium corporations (IAPMEI - <i>Instituto de Apoio às Pequenas e Médias Empresas</i>)	European Regional Development Fund
Foundation for Science and technology (FCT - <i>Fundação de Ciência e Tecnologia</i>)	European Regional Development Fund
Tourism of Portugal (TP - <i>Turismo de Portugal</i>)	European Regional Development Fund

Other capital transfers (D.99) are classified through the appropriation of direct sources and the annulment of funds' intermediation is made in this category as well.



ROMANIA**Description of Romanian practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The requirement for the use of direct information set out in Article 3 and Article 4 of the *Commission Regulation (EC) No 264/2000* and in *European Parliament and Council Regulation 1221/2002* Article 4 are met.

2. Compliance with ESA95 rules

Basic data for the taxes are reported on a cash basis and transformed in compliance with ESA95 concepts.

Central government consists of the central government units, non-profit institutions that are controlled and mainly financed by central government and special fund and grants from EU.

Grants from EU are recorded for the level of amount allowed to users. This means the same amount is used for both revenue and expenditure.

Monthly data are available for Central Government, Local Government and for Social Security Funds. These data are adjusted to accruals.

3. Consistency between annual and quarterly data

The annual and the quarterly data sources are described in general remarks. The methods based on the direct information available at the quarterly level are the same as for the annual.

4. Revision policy

In general, quarterly data are revised when new annual data become available, i.e., the quarterly data reported earlier in the same year will be revised according to the annual data. At the end of the year, the sum of the four quarters must be equal to the annual amount, but the last one is determinant. This seems the best way to reconcile the annual and quarterly figures.

5. General remarks

Since 1995 full quarterly non-financial accounts for the general government sector have been compiled in Romania. The basic data system being used is on a cash basis, both for revenue and expenditure. Annual data are adjusted in order to accord with ESA95 requirements



regarding accrual accounting.

From 2003 onwards the figures of major corporations are collected by the Ministry of Finance.

From 2006 the Ministry of Public Finance introduced a new book-keeping system for government accounting, which provides quarterly and annual data for all general government institutions on an accrual basis. New budgetary economic and functional (COFOG) classification has been developed in accordance with the IMF's GFS Manual is developed.

6. Expenditure of general government

P.2 Intermediate consumption

SOURCES

Central Government

The quarterly data on intermediate consumption for state institutions are available from the Ministry of Public Finance, which provides monthly cash reports on the state budget execution.

Local Government

The quarterly data on intermediate consumption for all local government units are available from monthly cash reports on the local budget execution collected by the Ministry of Public Finance.

Social Security Funds

The quarterly data on intermediate consumption for social security funds are available from quarterly reports on budget execution collected by the Ministry of Public Finance.

P.5 Gross fixed capital formation

SOURCES

The quarterly data on GFCF are available from quarterly cash reports on the execution of central and local government's budget as well as the social security funds.

K.2 Acquisitions less disposals of non-financial non-produced assets

There are no data available for quarterly accounts.

D.1 Compensation of employees

SOURCES

Central Government

The quarterly data on compensation of employees for state institutions units are available from the Ministry of Public Finance provided quarterly cash reports on the central budget and local budget execution.

Social Security Funds



The quarterly data on compensation of employees for social security funds are available from quarterly cash reports on budget execution of Health Social Insurance Fund, Unemployment Fund and State social security budget.

D.29 Other taxes on production, payable

Since 2004 this transaction appears in the annual and quarterly accounts due to the reclassification of units from S.11 to S.13 sector. The main data source used is the Profit and Loss Account of each unit

D.3 Subsidies

SOURCES

Quarterly data on subsidies paid by general government are available from the quarterly cash reports on state budget execution provided by the Ministry of Public Finance; data for subsidies paid by local government units are available from quarterly cash reports on the local budget execution also collected by the Ministry of Public Finance.

D.4 Property income, payable

SOURCES

Data sources are the following: State Budget, Local Budget, Self Financed Institutions subordinated to ministries, Self Financed Institutions subordinated to Local Government, Social Security. Quarterly data are available on a cash basis from quarterly budget execution reports. The annual data are available from the same sources. The state and local governments' budget execution reports are made by the Ministry of Public Finance.

D.41 Interest

Central Government

The methodology for calculating accrued interest is based on ESA95 rules, the simple method is used. For government securities, the accrual interest is calculated taking into account the discount.

Local Government

Based on the data reported by local authorities for external debt, the interest accrued is calculating using the simple method, while for accrued interest on domestic debt is made an estimation using the average debt stock and interest rate.

Social Security Funds

The methodology used for calculation of accrued for social security funds is the same as for central government.



D.62 Social benefits other than social transfers in kind

SOURCES

Data for social benefits are available on a cash basis from quarterly budget execution reports of the state, local governments, Health Social Insurance Fund, Unemployment Fund and State social security budget.

D.6311+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES

Central Government

The quarterly data on social transfers in kind related to expenditure of central government are available from the Ministry of Public Finance provided monthly cash reports on the state budget execution.

Local Government

The quarterly data on social transfers in kind related to expenditure of local government are available from monthly cash reports on the local budget execution collected by the Ministry of Public Finance.

Social Security Funds

The quarterly data on social transfers in kind related to expenditure of social security funds are available from quarterly cash reports on budget execution of Social Security Funds.

D.7 Other current transfers, payable

SOURCES

Quarterly data are available on a cash basis from the central and local government and social security quarterly budget execution reports. The annual data are available from the same sources.

D.9 Capital taxes, investment grants and other capital transfers, payable

SOURCES

Capital transfers paid to the Rest of the world come from Balance of Payments data. For other capital transfers, including Investment Grants (between General Government sub-sectors and grants paid to other institutional sectors) the quarterly data are available from monthly cash reports on the execution of state and local governments' budget.

7. Revenue of general government

P.11+P.12+P.131 Market output, output for own final use and payments for the other non-market output

SOURCES



Central Government

Data on output for own final use are not available. The quarterly data on market output and payments for the other non-market output for state institutions are available from the Ministry of Public Finance provided monthly cash reports on the state budget execution. The data for the rest of central government institutions (mentioned in the general remarks) are available on an annual basis.

Local Government

Data on output for own final use are not available. The quarterly data on market output and payments for the other non-market output for all local government units are available from monthly cash reports on the local budget execution collected by the Ministry of Public Finance.

Social Security Funds

Data on output for own final use are not available. The quarterly data on payments for the other non-market output for social security funds are available from quarterly cash reports on budget execution of social security funds.

D.2 Taxes on production and imports

SOURCES

Taxes on production and imports mainly consist of VAT and excise duties on alcohol, tobacco, fuel, energy, vehicle, import duties, betting and gambling tax, and car registration tax.

Central Government monthly cash data for VAT and other taxes are available from the Ministry of Finance budget revenue reports

Local Government Monthly cash data of taxes collected by local governments are also available from the Ministry of Finance budget revenue reports.

D.39 Other subsidies on production, receivable

In Romania, General Government does not collect D.39 subsidies.

D.4 Property income, receivable

SOURCES

The sources are the same described already under expenditure item D.4.

D.5 Current taxes on income, wealth, etc.

SOURCES

Central Government

The taxes concerned are personal income tax (on the total taxable income including wages and salaries, interest, dividends, capital gains etc.) and corporate tax (on distributed profits). Cash data are available monthly from the Ministry of Public Finance tax revenue reports for both personal income and corporate tax collections.



Local Government

The taxes included are the allocated part of personal income tax and VAT and local taxes related to certain kind of property paid by owners (motor vehicles). The monthly cash data are available from the Ministry of Public Finance tax revenue reports.

D.611 Actual social contributions

SOURCES

Monthly cash data are available from the Ministry of Public Finance tax revenue reports.

D.612 Imputed social contribution = Employers' imputed social contribution D.122 - representing military pensions

SOURCES

The data are available from state budget execution.

D.7 Other current transfers, receivable

SOURCES

All the sources are the same as described already under expenditure item D.7.

D.91 Capital taxes

SOURCES

According to the tax legislation this category of tax at present consists of inheritance taxes. There are no data available.

D.92+D.99 Investment grants, other capital transfers, receivable

SOURCES

D.92 Investment grants

Quarterly information for investments grant received by GG is collected by the Ministry of Finance on a cash basis.

D.99 Other capital transfers

Quarterly information for other capital transfers receivable by the State is collected by the Ministry of Finance on a cash basis.

Capital transfers received from the Rest of the world are sourced from Balance of Payments data. For other capital transfers including Investment Grants (between General Government sub sectors and grants received from other institutional sectors) quarterly data are available from monthly cash reports on the execution of central and local government and social security budget.



SLOVENIA**Description of Slovenian practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

All quarterly data on taxes, social contributions, together with quarterly government finance statistics of central budget, local budgets, Pension and disability fund and Health insurance fund, are obtained as direct information from basic sources. These sources are identical on an annual and quarterly basis. Data on other quarterly general government categories are obtained by different kind of adjustments.

Components and aggregates are estimated according to the main data sources by direct methods. When the individual components are not completely covered by available data sources, final quarterly values are estimated by extrapolation of the previous year figures according to available data in the main data source. In a few cases, where only annual or semi-annual information is available, quarterly disaggregation is estimated linearly and according to current prices and volume changes. If there are no relevant price and volume indicators previous year data are repeated into the current year.

2. Compliance with ESA95 rules

Basic GFS data are transformed via detailed bridge tables to comply with ESA95 concepts and definitions.

3. Consistency between annual and quarterly data

Annual data sources are central for all figures on general government sector accounts. Quarterly data are obtained either directly from quarterly data sources. For some transactions (e.g. GFS categories) these are identical to the annual data sources, for others indicators are used that are benchmarked to the annual figures. This ensures that both datasets are consistent.

4. Revision policy

Quarterly sectoral accounts are always in line with annual data and are therefore also revised accordingly. The first complete annual data release is published in the first half of September. This first annual publication includes also possible routine revisions to previous years. Any major revisions to annual data are incorporated also in backward quarterly data.



Data are published no later than 90 days after the end of the quarter in the form of the First Release giving the most important aggregates of general government as well as short comments on the data presented. Complete quarterly sectoral accounts for general government are available on the same day at the SI-STAT data portal:

http://www.stat.si/pxweb/Database/Economy/03_national_accounts/20_03252_nonfin_sector_acc/20_03252_nonfin_sector_acc.asp.

5. General remarks

The process of estimating components and aggregates for the general government sector is divided into three different steps. The first step includes estimation of all components of output uses and resources together with social transfers in kind of market products directly to households via market producers. The second step includes estimation of taxes and social security contributions. All other components of the general government sector are estimated within the third step.

The main data source for quarterly, as well as annual accounts, compilation for the general government sector is detailed budgetary statistics for central and local government level and for social security funds (Health Social Security Fund and Pension Social Security Fund). *Budgetary Statistics* is prepared by the Ministry of Finance and it shows transactions of current and financial accounts in line with the economic transactions and recommendation of the International Monetary Fund. Data are entirely available in the Statistical Office within 15 days after the end of the quarter at the basic level of accounts as used in budgetary statistics. Compilation is based on a detailed bridge tables from transactions in public accounts to categories and components in national accounts. Secondary data sources are various administrative and statistical data sources which are used for compilation of output components, individual taxes and social security contributions, FISIM allocation and for some other transactions and components in national accounts. For the most important public funds forecast data for the current year are available and used in grossing up adjustments to budgetary statistics. These data are updated in the middle of the year with the accounting data for the first half of the year. This is mostly relevant for interest and for other property income of important public funds (Slovenian Restitution Fund and Capital Fund).

All methods and sources for the adjustment of cash values to obtain accrual figures in national accounts are the same in quarterly and annual accounts. For general government these are explained in detail in EDP Reporting Tables every year, which also include planned figures and all relevant adjustment from data in public accounts to ESA95 principles as part of the deficit (B.9) forecast for the current year. If necessary, all these adjustments are incorporated in quarterly accounts work. FISIM allocation to user sectors is estimated quarterly with all relevant data supplied by the Bank of Slovenia and there is no difference between the annual and quarterly approach. Due to some specific data sources and methods, particularly for gross fixed capital formation, profit taxes of corporations and households income tax, final national accounts figures are estimated at $t+15$ months and this is the reason that publishing in September each year also includes routine revisions of some data for year $t-2$.



6. Expenditure of general government

P.2 Intermediate consumption

SOURCES

Monthly GFS data.

METHODS

Purchases of goods and services in data sources demand several conceptual corrections as well as exhaustiveness adjustments to transfer this component into intermediate consumption in line with the principles in national accounts.

For conceptual adjustment in the first step, purchases of goods and services in the data sources are reduced for gross insurance premiums and increased by insurance service charges. In the second step, intermediate inputs in data sources are reduced for all payments that are classified in national accounts as gross wages and salaries (particularly cash reimbursement on business travel), other taxes on production (payroll tax, registration taxes for transport vehicles and land use tax), claims and penalties and current international cooperation (payments of annual subscriptions to international organisations). In the third step, an adjustment is necessary for all purchases of military goods that are according to national accounts gross fixed capital goods and not military equipment. Also FISIM service payments allocated to the general government sector are included in intermediate consumption.

Exhaustiveness adjustments are necessary due to cash payments in data sources for direct budgetary users. Data for these adjustments are prepared by the Ministry of Finance within the work on EDP reporting. Also small exhaustiveness adjustment is necessary for non-reporting.

P.5+K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

P.5 Gross capital formation

In budgetary data sources gross fixed capital formation amounts to approximately 71% of the total as cash data on capital formation of “direct budgetary units at central and local level and of social security funds”. For all other general government units the simple method of grossing up in the same proportion as in the previous year (quarter) is applied.

In annual final estimates gross capital formation figure is based on the Annual Statistical Survey. These estimates are finalised approximately one year after the end of the year. Therefore, first estimates are based on adjusted cash data according to annual accounting data, which are for the previous year for all general government units available in May next year. For “May” estimation adjustment to cash data is mostly necessary for purchases of assets via financial leasing. For this purpose the National Accounts Department conducts a special Annual Survey of leasing companies collecting data on financial leasing and operating leasing operations (separately all transactions regarding passenger cars are collected). Quarterly gross capital formation is estimated with extrapolation of previous year quarter data with index of these flows in budgetary cash data. Estimates for the fourth quarter are reconciled if necessary with purchases via financial leasing. Stocks of financial leasing



flows are already available, in March for the previous year, in the database for compiling quarterly financial accounts by the Bank of Slovenia.

K.2 Acquisitions less disposals of non-produced non-financial assets

These transactions are in quarterly data sources covered completely and exhaustively

D.1 Compensation of employees

SOURCES

Monthly GFS data, data from statistical survey on wages and employment.

METHODS

For some activities, compensation of employees are estimated with the GFS cash data, which are – with one-month time lag - adjusted to accrual figures, for the remaining activities compensation of employees are estimated according to wage/salary statistics and Statistical register of employment.

D.29 Other taxes on production, payable

SOURCES

Monthly GFS data.

METHODS

Use of time-adjusted cash data.

D.3 Subsidies

SOURCES

Monthly GFS data.

Direct use of GFS data.

Quarterly data sources cover 94.0% of the final estimates. Accrual adjustment is necessary for subsidies in agriculture according to annual forecast data of the Agency for Agricultural Markets and Rural Development.

D.4 Property income, payable

SOURCES

Monthly GFS data.

METHODS

On the expenditure side, property income only covers interest payable. For this component an accrual adjustment is necessary and it consists of accrual adjustment to cash payments data and also an adjustment for indexation as part of revaluation due to inflation of financial instruments. The majority of interest payable and adjustments are necessary for interest in the central budget, which are paid on general government debt. From 2002 interest payments



between sub-sectors and within each sub-sector are consolidated. Consolidation is done with data of financial accounts for relevant financial instruments issued by one sub-sector and held by the other.

D.5 Current taxes on income, wealth, etc., payable

SOURCES

No data sources are available (the amount is very small).

METHODS

Quarterly data are estimated with the same quarterly pattern as a year before.

D.62 Social benefits other than social transfers in kind

SOURCES

Monthly GFS data.

METHODS

Cash data are used (no time adjustment is applied). Direct data represent 98% of the aggregate.

D.6311+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES

Monthly GFS data.

METHODS

Cash data are used (no time-adjustment is applied). Direct data represent 98% of the aggregate.

D.7 Other current transfers, payable

SOURCES

Monthly GFS data.

METHODS

Direct use of cash data.

Other current transfers payable according to data sources are estimated at 92.0% of the final figure. These transactions are divided into D.74 Current international cooperation (7.4% of the total, coverage in data sources 100%) and D.75 Miscellaneous current transfers (including GNI contributions and UK rebate).



D.8 Adjustment for the change in net equity of households in pension funds reserves

No adjustment for the change in net equity of households in pension funds reserves is made in national accounts.

D.9 Capital taxes, investment grants and other capital transfers, payable

SOURCES

Monthly GFS data.

METHODS

These transactions are covered exhaustively in quarterly data sources and are divided into D.92 and D.99 flows. Relevant adjustments are mostly to D.99 Other capital transfers, according to work on EDP notification tables are necessary for specific transactions (i.e. taxes and social security contributions unlikely to be collected, called guarantees, debt cancellation, etc.).

7. Revenue of general government

P.11+P.12+P.131 Market output, output for final use and payments for the other non-market output

SOURCES

Monthly GFS data.

METHODS

Cash data are used.

D.2 Taxes on production and imports

SOURCES

Monthly GFS data.

Tax Administration and Customs Administration provide accrual data on VAT, import duties and taxes and excise duties.

METHODS

VAT, import duties and taxes as well as excise duties are recorded on an accrual basis.

Other taxes on products and taxes on production are recorded on a cash basis,

Other taxes on products and taxes on production are recorded on a cash basis, without any time-adjustment being applied. The exception is payroll tax, for which a one month time-adjustment is used (from 1 January 2009 this tax is no longer levied).



D.39 Other subsidies on production, receivable

The general government sector receives no other subsidies on production.

D.4 Property income, receivable

SOURCES

Monthly GFS data.

METHODS

Interest receivable according to data sources are adjusted for FISIM and for transactions within and between sub-sectors. For non-coverage in data sources a significant (52%) adjustment is made for interest receivable and this is necessary for main public funds at central level.

Other property income in budgetary statistics (69.6% of the final figure) is adjusted for main public funds (Slovenian Restitution Fund and Capital Fund) according to forecast data.

D.5 Current taxes on income, wealth, etc.

SOURCES

Monthly GFS data.

METHODS

Household income tax data for year t consist of monthly pre-payments and final annual payments, which start in $t+4$ months and finish in $t+15$ months. Cash data for monthly pre-payments are time-adjusted by one month. At a quarterly level an annual settlement is added to current cash data in the same proportions as in the previous year.

Corporate income tax is based on the time-adjusted cash method. Cash data in year t are used and net amount of annual final payments due to this year are added – this means that the net amount of annual final payment paid in year t for year $t-1$ is deducted and net amount of annual final payment paid in year $t+1$ for year t is added. Until final data sources from the Ministry of Finance become available, estimations have to be done. Usually in June of the current year data for corporate income tax for previous year are available and then estimations can be corrected and improved by using actual data.

Data on other current taxes (D.59) are recorded on a cash basis.

In 2008 the unit of public Radio and TV of Slovenia was included in the general government sector as a non-market unit and because of that, from 2008, onwards household payments for public radio and TV are shown as a D.59 tax.

D.611 Actual social contributions

SOURCES

Monthly GFS data.

METHODS

Cash data from the GFS data are time-adjusted by one month and amounts assessed but unlikely to be collected are added.



D.612 Imputed social contributions

SOURCES

No data sources are available.

METHODS

Annual data are distributed to quarters according to gross wages and salaries.

D.7 Other current transfers, receivable

SOURCES

Monthly GFS data.

METHODS

This component is, in quarterly data sources, covered at 88.6% and is estimated for domestic transactions and for current international cooperation (42.9% of the total, of which 91.0% are EU flows). A non-coverage adjustment is done according to previous year data.

D.9 Capital transfers, receivable

SOURCES

Monthly GFS data.

METHODS

Direct use of cash data (no time adjustment).



SLOVAK REPUBLICDescription of Slovak practice, Year 2010

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

Quarterly data of categories that cover CR (EC) 264/2000 are based on direct information from administrative sources. Use of 90% criteria is fully respected for all categories.

Concerning EP and CR 1221/2002, quarterly data are based on direct information from basic sources as well.

2. Compliance with ESA95 rules

The State Treasury and DataCentrum provide the main data sources for STPFS data compilation. The source data are on a cash basis; therefore some adjustments to accruals are needed. All data are compiled in compliance with ESA95 rules.

3. Consistency between annual and quarterly data

Both quarterly and annual data for general government are compiled according to the same methodology and are based on the same data sources; therefore both datasets are fully consistent with each other.

4. Revision policy

There are three kinds of revisions of STPFS data:

- **Quarterly:** Data for previous quarters are improved according to additional information, which is obtained later than at t+90 days of the relevant quarter; the depth of these revisions is *up to 3 quarters* depending on the quarter of given year;
- **March and September:** Data are usually revised twice a year to harmonise with EDP corresponding tables. The revisions reflect Eurostat recommendations related to EDP notification. The general depth of these revisions is *up to 16 quarters*;
- **Major revisions:** Major revisions are performed occasionally when methodological changes are implemented to the accounts. These revisions are applied to the *whole time series*.

All revisions are in compliance with revisions of quarterly financial accounts for general government.



5. General remarks

The Statistical Office of the Slovak Republic (SO SR) is responsible for non-financial accounts compilation.

All units classified to the general government sector provide data about their revenue and expenditure and about other transactions. Data are available from the accounting statements for revenue and expenditure, balance sheets, and profit and loss statements.

Revenue and expenditure data are available quarterly, in most cases balance sheets are available annually and profit and loss statements are available once a year (situation as of latest years).

Data from cash-based revenue and expenditure accounting statements are used as the main data source for STPFS data compilation.

The revenue and expenditure of every unit classified in the general government sector is broken down by the detailed budgetary classification. For some items the data are adjusted to accrual values (especially taxes and social contributions). The main source of information for further adjustments, corrections and changes are additional information from the State Closing Account, which is available annually.

The above-mentioned data sources are collected by The State Treasury (all units classified in S.1311 and S.1314 and Higher Territorial Units classified in S.1313) and Data Centrum (Municipalities classified in S.1313). Preliminary data are available 50 days after the reference quarter (t+50); definitive data are available at t+75 days. Possible data corrections are solved usually at t+85 days.

Some data for central government revenues and expenditure are listed in *The State Budget Fulfilment* which is provided by The Ministry of Finance. The data are available monthly and are obtained approximately 8 days after the reference month. Data are not so detailed and are on a cash basis. These data are used for flash estimates.

6. Expenditure of general government

All tables showing percentage shares of government expenditure and revenue refer to the situation for the year 2009 as at April 2010.

P.2 Intermediate consumption

The table below shows the relative weight of each sub-sector of General Government within the category P.2.

Sub-sector of general government	Weight of P.2 (%)
<i>Central Government (S.1311)</i>	60.2
<i>Local Government (S.1313)</i>	36.7
<i>Social Security Funds (S.1314)</i>	3.1



The statement on revenue and expenditure is the only data source for P.2 data compilation; the source is detailed and does not require any data adjustments.

P.5+K.2 Gross capital formation and acquisitions less disposals of non-financial non-produced assets

The relative weight of each sub-sector of General Government within the aggregate P.5 + K.2 is shown in the following table:

Sub-sector of general government	Weight of P.5+K.2 (%)
Central Government (S.1311)	38.9
Local Government (S.1313)	59.8
Social Security Funds (S.1314)	1.3

Data are compiled annually as well as quarterly from the statement on revenue and expenditure.

P.51 Gross fixed capital formation

The relative weight of each sub-sector of General Government within the category P.51 is shown in the following table:

Sub-sector of general government	Weight of P.51 (%)
<i>Central Government (S.1311)</i>	37.9
<i>Local Government (S.1313)</i>	60.8
<i>Social Security Funds (S.1314)</i>	1.3

Data are compiled annually as well as quarterly from the statement on revenue and expenditure.

D.1 Compensation of employees

The relative weight of each sub-sector of General Government within the category D.1 is shown in the following table (source: annual account of 2002):

Sub-sector of general government	Weight of D.1 (%)
<i>Central Government (S.1311)</i>	58.3
<i>Local Government (S.1313)</i>	39.4
<i>Social Security Funds (S.1314)</i>	2.3

Data are compiled annually and quarterly. The data source is the statement on revenue and expenditure.



D.29 Other taxes on production, payable

The relative weight of each sub-sector of General Government within the category D.29pay is shown in the following table:

Sub-sector of general government	Weight of D.29pay (%)
<i>Central Government (S.1311)</i>	79.5
<i>Local Government (S.1313)</i>	9.5
<i>Social Security Funds (S.1314)</i>	11.0

D3 Subsidies

The relative weight of each sub-sector of General Government within the category D.3 payable is given in the following table:

Sub-sector of general government	Weight of D.3pay (%)
<i>Central Government (S.1311)</i>	79.7
<i>Local Government (S.1313)</i>	20.3
<i>Social Security Funds (S.1314)</i>	0.0

Subsidies are compiled on annual and quarterly level; the statement of revenue and expenditure is the main data source for its compilation.

D.4 Property income, payable

The relative weights of each sub-sector of unconsolidated General Government within the category D.4pay are:

Sub-sector of general government	Weight of D.4pay (%)
<i>Central Government (S.1311)</i>	96.6
<i>Local Government (S.1313)</i>	3.4
<i>Social Security Funds (S.1314)</i>	0.0

Data are compiled annually and quarterly. FISIM is included; data are consolidated within the general government sector. The statement of revenue and expenditure is the main data source for D.4pay compilation. Data on a cash basis are adjusted to accruals.



D.5 Current taxes on income, wealth, etc., payable

The relative weights of each sub-sector of General Government within the category D.5pay are as follows:

Sub-sector of general government	Weight of D.5pay (%)
<i>Central Government (S.1311)</i>	96.0
<i>Local Government (S.1313)</i>	3.5
<i>Social Security Funds (S.1314)</i>	0.5

Data are compiled annually and quarterly on an accrual basis. The main data source is the profit and loss statement. Whereas the data source is not available at quarterly level, quarterly data have to be estimated and adjusted consequently when the annual data source is available.

D.62 Social benefits other than social transfers in kind

Share of each sub-sector of the general government sector within the category D.62:

Sub-sector of general government	Weight of D.62 (%)
<i>Central Government (S.1311)</i>	35.0
<i>Local Government (S.1313)</i>	0.5
<i>Social Security Funds (S.1314)</i>	64.5

Data are compiled annually and quarterly from the revenue and expenditure of given subject of general government.

D.6311+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

The relative weights of each sub-sector of General Government within the category D.6311+D.63121+D.63131 are:

Sub-sector of general government	Weight of D.6311+D.63121+D.663131 (%)
<i>Central Government (S.1311)</i>	0.0
<i>Local Government (S.1313)</i>	0.0
<i>Social Security Funds (S.1314)</i>	100.0

Data for this category are compiled annually and quarterly. The statement of revenue and expenditure is the main data source for their compilation.



D.7 Other current transfers, payable

The relative weights of each sub-sector of unconsolidated General Government within the category D.7pay are as follows:

Sub-sector of general government	Weight of D.7pay (%)
<i>Central Government (S.1311)</i>	71.7
<i>Local Government (S.1313)</i>	8.1
<i>Social Security Funds (S.1314)</i>	20.2

Data for other current transfers payable are compiled annually and quarterly. The main data source is the statement on revenue and expenditure, which is detailed, but data require some additional adjustments. The adjustments are based on The State Closing Account and on other additional information from The Ministry of Finance. Data for D.71pay are compiled from the data sources obtained from bank accounting statements and are adjusted using additional information from results of the statistical surveys. Data are consolidated within the general government sector.

D.8 Adjustment for the change in net equity of households in pension funds reserves

This item is not calculated for General Government sector.

D.9 Capital taxes, investment grants and other capital transfers, payable

The relative weights of each sub-sector of unconsolidated General Government within the category D.9pay are:

Sub-sector of general government	Weight of D.9pay (%)
<i>Central Government (S.1311)</i>	91.8
<i>Local Government (S.1313)</i>	8.1
<i>Social Security Funds (S.1314)</i>	0.1

Data are compiled annually and quarterly and are consolidated within the general government sector. The main data source is the statement on revenue and expenditure. In some cases additional information is needed, especially when reimbursable financial grants (financial transactions) are reclassified as capital transfers (non-financial transactions). These cases involve consultation with the Ministry of Finance.



7. Revenue of general government

P.11+P.12+P.131 Market output, output for final use and payments for the other non-market output

The relative weights of each sub-sector of General Government within the category P.11+P.12+P.131 are:

Sub-sector of general government	Weight of P.11+P.12+P.131 (%)
<i>Central Government (S.1311)</i>	40.8
<i>Local Government (S.1313)</i>	57.4
<i>Social Security Funds (S.1314)</i>	1.8

Data are compiled annually and quarterly. The main data source for P.11 and P.131 is the statement on revenue and expenditure. The main data source for P.12 is the profit and loss statement, which is available once a year, so quarterly data are estimated and consequently adjusted according to annual data.

D.2 Taxes on production and imports

The table below shows the relative weight of each sub-sector of General Government within the category D.2:

Sub-sector of general government	Weight of D.2rec (%)
<i>Central Government (S.1311)</i>	94.5
<i>Local Government (S.1313)</i>	5.5
<i>Social Security Funds (S.1314)</i>	0.0

Data are compiled annually and quarterly. The main data source is the statement on revenue and expenditure, which contains very detailed information on a cash basis. Annual data for D.211 and D.214 are compiled on an accrual basis. Cash data are adjusted by data obtained from The Tax Directorate and The Customs Directorate. Accrual treatment at a quarterly level is analysed.

D.39 Other subsidies on production, receivable

This item is not calculated for the General Government sector.



D.4 Property income, receivable The relative weights of each sub-sector of General Government within the category

The share of each sub-sector of the general government sector within the category D4rec:

Sub-sector of general government	Weight of D.4rec (%)
<i>Central Government (S.1311)</i>	94.8
<i>Local Government (S.1313)</i>	4.7
<i>Social Security Funds (S.1314)</i>	0.5

Data are compiled annually and quarterly. FISIM is included; data are consolidated within the general government sector. The statement of revenue and expenditure is the main data source for D.4rec compilation. Data on a cash basis are adjusted to accruals.

D.5 Current taxes on income, wealth, etc.

Here are the relative weights of each sub-sector of General Government within the category D.5rec:

Sub-sector of general government	Weight of D.5rec (%)
<i>Central Government (S.1311)</i>	54.8
<i>Local Government (S.1313)</i>	45.2
<i>Social Security Funds (S.1314)</i>	0.0

Data are compiled annually and quarterly. The main data source is the statement on revenue and expenditure, which contains very detailed information on a cash basis. Data for D.51 are recalculated to accruals by The Financial Policy Institute (monthly). Accruals of D.59 are estimated.

D.611 Actual social contributions

Here are the relative weights of each sub-sector of General Government within the category D.611:

Sub-sector of general government	Weight of D.611 (%)
<i>Central Government (S.1311)</i>	1.8
<i>Local Government (S.1313)</i>	0.0
<i>Social Security Funds (S.1314)</i>	98.2

Data are compiled annually and quarterly from revenue and expenditure of subjects of the general government sector. As the source is on a cash basis, data are adjusted to accruals.



D.612 Imputed social contributions

The relative weights of each sub-sector of General Government within the category D.612 are:

Sub-sector of general government	Weight of D.612 (%)
<i>Central Government (S.1311)</i>	71.3
<i>Local Government (S.1313)</i>	26.8
<i>Social Security Funds (S.1314)</i>	1.9

Data are compiled annually and quarterly. The main data source is the statement on revenue and expenditure.

D.7 Other current transfers, receivable

The relative weights of each sub-sector of unconsolidated General Government within the category D.7 are:

Sub-sector of general government	Weight of D.7rec (%)
<i>Central Government (S.1311)</i>	44.3
<i>Local Government (S.1313)</i>	23.4
<i>Social Security Funds (S.1314)</i>	32.3

Data for other current transfers are compiled annually and quarterly. The main data source is the statement on revenue and expenditure, which is detailed, but data require some adjustments. The adjustments are based on The State Closing Account and other additional information from the Ministry of Finance. Data for D.72rec are compiled from the data sources obtained from bank accounting statements and are adjusted using additional information from results of the statistical surveys. Data are consolidated within the general government sector.

D.91 Capital taxes

Here are the relative weights of each sub-sector of General Government within the category D.91:

Sub-sector of general government	Weight of D.91 (%)
<i>Central Government (S.1311)</i>	100.0
<i>Local Government (S.1313)</i>	0.0
<i>Social Security Funds (S.1314)</i>	0.0

Capital taxes are no longer levied. The data presented in STPFS table are capital taxes from previous years and are on a cash basis.



D.92+D.99 Investment grants, other capital transfers, receivable

The relative weights of each sub-sector of unconsolidated General Government within the aggregate D.92+D.99 are:

Sub-sector of general government	Weight of D.92+D.99 (%)
<i>Central Government (S.1311)</i>	31.0
<i>Local Government (S.1313)</i>	69.0
<i>Social Security Funds (S.1314)</i>	0.0

Data are compiled annually and quarterly and are consolidated within the general government sector. The main data source is the statement on revenue and expenditure.



FINLAND**Description of Finnish practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

The 90% criterion is fully respected for data on taxes (D.2, D.5, D.91), social benefits (D.62) and actual social contributions (D.611).

For other transactions the amount of direct information varies from 0% to 100% by transaction. The amount of direct information is mentioned by transaction and by sector in the paragraph on “Sources”.

2. Compliance with ESA95 rules

The basic data are transformed to comply with ESA95 concepts.

3. Consistency between annual and quarterly data

The methods used to compile quarterly indicators are consistent with the methods used to compile annual data. The consistency between annual S.13 data and quarterly S.13 data is ensured with methods described in *Quarterly National Accounts Manual — Concepts, Data Sources, and Compilation* (by Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle /ch6).

4. Revision policy

Revisions will mostly be due to annual National Accounts (as it is common for annual National Accounts figures to be revised, because we want the figures of the two systems to be consistent), but also in some cases where quarterly data are insufficient for first estimates (examples could be time adjustments as well as absence of the latest month, especially the fourth quarter of the year). Definitive figures are produced two years after the end of the statistical year.

5. General remarks

Data on the general government sector are formed with the indicator method by benchmarking the indicators to annual National Accounts. The indicators are formed by summing up the general government sub-sectors central government, local government and social security funds by transaction in accordance with the ESA95 accounting system.

Indicators for the general government sector are built up by adding all sub-sectors to the S.13



indicator by transaction. Every S.13 indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation.

Central government

The central government book-keeping system includes quarterly data, based on monthly business accounts. In principle, it is possible to process short-term indicators in more or less the same way as annual data for National Accounts. Annual National Accounts and quarterly accounts have a common key between business accounts and ESA transactions. In consequence, the coverage of direct data for central government estimates is mainly 100%. If there are no quarterly indicators available a trend estimate is used.

The basis for recording entries in the central government's book-keeping varies. Taxes, as well as some other items, such as certain interest items, are recorded on a cash basis, although the accrual basis is followed as a rule. Time adjustments for taxes are compiled in the same way as in annual National Accounts.

Local government

Quarterly data are collected from municipalities through a sample survey. This collection was revised in 2001. Data from the revised quarterly financial statistics of municipalities are available as of the year 2001. The quarterly financial statistics of municipalities cover about 80 per cent of the main expenditure items of local government. The data content of the statistics are identical to those of the financial statement estimates of municipalities that are used in the calculation of preliminary National Accounts. The data of joint municipal boards, representing 20% of local government's data, are an estimate. The structure and development of the data of joint municipal boards is assumed to follow those of municipalities.

The data are used as an indicator for the local government sector. If there are no quarterly indicators available a trend estimate is used.

Social security funds

The data sources for social security funds are the Social Insurance Institution of Finland and the Insurance Supervision Authority. The data are used as an indicator for the social security funds sector. The coverage of this data source varies by transaction. If there are no quarterly indicators available a trend estimate is used.



6. Expenditure of general government

The reference year for the weights in sections 6 and 7 is 2009

P.2 Intermediate consumption

SOURCES

Central government (Weight of P.2: 32%)

An indicator for central government's intermediate consumption can be derived from the business accounts of central government's book-keeping system – the coverage of direct data is almost 100%. The basis for recording intermediate consumption in central government's book-keeping is assumed to be accrual in every quarter.

Local government (Weight of P.2: 65%)

There are no quarterly data available direct on the intermediate consumption of local government for the years 1998 to 2000. Direct data are only available for municipalities since 2001. The data are used as an indicator for intermediate consumption. These cover about 80% of local government's intermediate consumption.

Social security funds (Weight of P.2: 3%)

Social security funds' share of the general government's intermediate consumption is 3%. The data sources for intermediate consumption are the Social Insurance Institution of Finland and the Financial Supervision Authority.

METHODS

Central government

The key items to be calculated as intermediate consumption are materials, supplies and goods, rents, various purchases of services, various payments and value-added-type taxes added to the above. The common key between annual and quarterly accounts is used to get an indicator for P.2. The P.2 Indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

Local government

The following expenditure categories in the quarterly financial statistics of municipalities are calculated for intermediate consumption: purchase of other services, materials, supplies and goods.

The intermediate consumption of joint municipal boards, representing 20% of local government's intermediate consumption, is an estimate. The structure and development of the intermediate consumption of joint municipal boards is assumed to follow those of municipalities.



The common key between annual and quarterly accounts is used to get an indicator for P2. The P2 Indicator is benchmarked to annual data. Estimation for quarters without annual data is done with extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

Social security funds

The common key between annual and quarterly accounts is used to get an indicator for P.2. The P.2 Indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6)

P.5 and K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES

Central government (Weight of P.5+K.2: 32%)

An indicator for central government's gross fixed capital formation and acquisitions less disposals of non-financial non-produced assets can be derived from the business accounts of central government's book-keeping system – the coverage of direct data is 100%.

Local government (Weight of P.5+K.2: 64%)

Budget data on the fixed capital formation of municipalities and joint municipal boards are used in estimating the fixed capital formation of local government. Data on acquisitions less disposals of non-financial non-produced assets can be derived from the quarterly financial statistics of municipalities.

There are no quarterly data available direct on the fixed capital formation of local government for the years 1998 to 2000. Direct data are only available on municipalities since 2001. These cover about 81% of local government's fixed capital formation. There are still some problems concerning the short-term pattern of the data on the fixed capital formation of municipalities.

Social security funds (Weight of P.5+K.2: 4%)

There are no data on gross capital formation or acquisitions less disposals of non-financial non-produced assets.

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for P.5+K.2. The (P.5+K.2) Indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

Local government



Budget data are used in estimating the fixed capital formation of local government. The (P.5+K.2) Indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

Social security funds

The item is estimated with trend estimation.

D.1 Compensation of employees

SOURCES

Central government (Weight of D.1: 25%)

The data on compensation of employees paid by central government are basically available monthly, on an accrual basis, from the business accounts of central government's book-keeping system. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days).. Their coverage is almost 100%.

Local government (Weight of D.1: 73%)

There are three sources for data on compensation of employees by local government.

The first is quarterly data on the compensation of employees by municipalities, which account for 72% of the total compensation of employees by local government. These are available quarterly on an accrual basis. They are obtained with a sample survey and have been available with a delay of 60 days since 2001. In this case, adjustments are needed to the sector definitions.

The second is monthly data on the compensation of employees by municipalities and joint municipal boards, i.e. their payment control data. These are available on an accrual basis with a delay of 40 days. These data are used to get an indicator for D1.

The third is monthly data on the compensation of employees by local government, i.e., data of the Social Insurance Institution of Finland.

Social security funds (Weight of D.1: 2%)

Direct and accrual data on the compensation of employees are available on a monthly basis from the Social Insurance Institution of Finland. Direct and accrual data on the compensation of employees are available on a quarterly basis from the Financial Supervision Authority.

METHODS

Central government

Data for compensation of employees are aggregated and the required adjustments are done to get an indicator for D1. For example, holiday pay is divided between all quarters. The D.1 Indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).



Local government

Data for compensation of employees are aggregated and the required adjustments are done to get an indicator for D.1. For example, a holiday pay correction is done. The D.1 Indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle” /ch6).

Social security funds

Data for the compensation of employees are aggregated and the required adjustments are done to get an indicator for D.1. For example, holiday pay is divided between all quarters. The D.1 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle” /ch6).

D.29 Other taxes on production, payable

SOURCES

Central government (Weight of D.29: 0%)

Local government (Weight of D.29: 100%)

There are no quarterly data on this item.

Social security funds (Weight of D.29: 0%)

METHODS

Local government

The item is estimated with trend estimation.

D.3 Subsidies

SOURCES

Central government (Weight of D.3: 88%)

Data for the subsidies paid by central government are basically available monthly from the business accounts of central book-keeping of the State Treasury. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days). Their coverage is almost 100%.

Local government (Weight of D.3: 12%)

The indicator used is the number of passengers carried by Helsinki Region Transport, because the only subsidies paid by local government are paid to public transport.



Social security funds (Weight of D.3: 0%)

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.3. The D.3 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

Local government

The D.3 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

D.4 Property income, payable

SOURCES

Central government (Weight of D.4: 90%)

The data on the property income payable by central government are basically available monthly from the business accounts of the central book-keeping of the State Treasury. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days). Their coverage is almost 100%.

Local government (Weight of D.4: 9%)

The data on the property income paid by municipalities are basically available in the quarterly financial statistics of municipalities. Their coverage can be characterised as being 90% of local government. There are no quarterly data on this item paid by joint municipal boards.

Social security funds (Weight of D.4: 1%)

The data sources for property income are the Social Insurance Institution of Finland and the Financial Supervision Authority.

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.4. The D.4 Indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).



Local government

The D.4 Indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

Social security funds

The common key between annual and quarterly accounts is used to get an indicator for D.4. The D.4 Indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

D.41 Interest

SOURCES

Central government (Weight of D.41: 90%)

The data on the interest paid by central government are basically available monthly on a cash basis from the business accounts of the central book-keeping of the State Treasury. Because the data are on a cash basis adjustments are made with some additional information from the State Treasury. These monthly data are available with a delay of 20 days except for December, for which the time lag is about 50 days). Their coverage is almost 100%.

Local government (Weight of D.41: 9%)

The data on the property income paid by municipalities are basically available in the quarterly financial statistics of municipalities. Their coverage can be characterised as being 90% of local government. There are no quarterly data on this item paid by joint municipal boards.

Social security funds (Weight of D.41: 1%)

The data sources for interest paid by social security funds are the Social Insurance Institution of Finland and the Financial Supervision Authority. The data are on a cash basis, which is why the method needs quality checking and possibly further improvement. On the other hand, the weight of social security funds is quite small.

METHODS

Central government

The amounts reported are consolidated. The common key between annual and quarterly accounts is used to get an indicator for D.41. The D.41 Indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).



Local government

The amounts reported are consolidated.

Social security funds

The portion of transactions not covered by direct data is estimated.

D.5 Current taxes on income, wealth, etc., payable

SOURCES

Central government (Weight of D.5: 5%)

The data on current taxes on income, wealth, etc., paid by central government are basically available monthly on a cash basis from the business accounts of central book-keeping of the State Treasury. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days). Their coverage is almost 100%.

Local government (Weight of D.5: 0%)

Social security funds (Weight of D.5: 95%)

There are no data on this item.

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.5. The quarterly indicator includes time adjustment just as in annual accounting. The D.5 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation*: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle” /ch6). The item is aggregated from the data.

Social security funds

The item is estimated using trend estimation.



D.62 Social benefits other than social transfers in kind

SOURCES

Central government (Weight of D.62: 13%)

The data on social benefits other than social transfers in kind paid by central government are basically available monthly from the business accounts of the central book-keeping of the State Treasury. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days). Their coverage is almost 100%.

Local government (Weight of D.62: 3%)

No direct infra-annual data are available on local government accounts.

Social security funds (Weight of D.62: 84%)

The monthly data are provided by the Social Insurance Institution, the Financial Supervisory Authority and the Central Pension Security Institute. The data of the Social Insurance Institution are based on monthly cash receipts. According to experts' appraisals, the significance of time adjustment would be very small, the cash flow of the revenue is even, or the revenues of such a nature that time adjustment would not be sensible, and therefore it has been agreed that no time-adjustment is needed.

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.62. The D.62 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle” /ch6).

Local government

As there are no quarterly indicators available a trend estimate is used.

Social security funds

The common key between annual and quarterly accounts is used to get an indicator for D.62. The D.62 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle” /ch6).



D.6311+D.63121+D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

SOURCES

Central government (Weight of D.631: 6%)

Data on social transfers in kind related to expenditure on products supplied to households via market producers are basically available monthly on a cash basis from the business accounts of the central book-keeping of the State Treasury. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days). Their coverage is almost 100%.

Local government (Weight of D.631: 48%)

Purchases of client services by the local government sub-sector from others include services purchased direct from enterprises, foundations, associations and parishes for residents without any payment by residents. These purchases are not treated as intermediate consumption but as social transfer payments (benefits in kind), as they are not part of the service production of municipalities and joint municipal authorities. Data on the total purchases of client services by municipalities are available in the quarterly financial statistics of municipalities. Data on the total purchases of client services by municipalities are used when estimating the item.

Social security funds (Weight of D.631: 45%)

The data sources are the Social Insurance Institution of Finland and the Financial Supervision Authority

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.63. The D.63 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle” /ch6).

Local government

Data on the total purchases of client services is used to get an indicator for D.63. The D.63 indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation. (Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle” /ch6).



Social security funds

The common key between annual and quarterly accounts is used to get an indicator for D.63. The D.63 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

D.7 Other current transfers

SOURCES

Central government (Weight of D.7: 88%)

The data on other current transfers paid by central government are basically available monthly on an accrual basis from the business accounts of the central book-keeping of the State Treasury. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days). Their coverage is almost 100%.

Local government (Weight of D.7: 4%)

The data on other current transfers paid by local government to central government are basically available monthly on an accrual basis from the business accounts of the central book-keeping of the State Treasury.

The data source for other current transfers paid by local government to social security funds is the Social Insurance Institution of Finland.

Social security funds (Weight of D.7: 8%)

The data source for other current transfers is the Social Insurance Institution of Finland.

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.7. The D.7 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6). Monthly data from the business accounts of the central book-keeping of the State Treasury are used for consolidation.

Local government

The common key between annual and quarterly accounts is used to get an indicator for D.7. The D.7 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6) .



Social security funds

The common key between annual and quarterly accounts is used to get an indicator for D.7. The D.7 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

D.8 Adjustment for the change in net equity of households in pension funds

No adjustment for the change in net equity of households in pension funds' reserves is made in Finland's National Accounts.

D.9 Capital taxes, investment grants and other capital transfers, payable

SOURCES

Central government (Weight of D.9: 96%)

The data on other current transfers paid by central government are basically available monthly from the business accounts of the central book-keeping of the State Treasury. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days). Their coverage is almost 100%.

Local government (Weight of D.9: 4%)

There are no quarterly data on this item.

Social security funds (Weight of D.9: 1%)

There are no quarterly data on this item.

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.9. The D.9 indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

Monthly data from the business accounts of the central book-keeping of the State Treasury are used for consolidation.

Local government

As no quarterly indicators are available, a trend estimate is used.

Social security funds

As no quarterly indicators are available, a trend estimate is used.



7. Revenue of general government

P.11+P.12+P.131 Market output, output for final use and payments for the other non-market output

SOURCES

Central government (Weight of (P.11 + P.12 + P.131): 16%)

The data source for these transactions is the business accounts of the central book-keeping system. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days).. Their coverage is almost 100%.

Local government (Weight of (P.11 + P.12 + P.131): 82%)

The data source for these transactions is the quarterly financial statistics of municipalities. Their coverage can be characterised as being 75% of local government.

Social security funds (Weight of (P.11 + P.12 + P.131): 2%)

The data sources for these transactions are the Social Insurance Institution of Finland and the Financial Supervision Authority.

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for P.11, P.12 and P.131. These indicators are benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle*” /ch6).

Local government

The common key between annual and quarterly accounts is used to get an indicator for P.11, P.12 and P.131. These indicators are benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle*” /ch6).

Social security funds

The common key between annual and quarterly accounts is used to get an indicator for P.11, P.12 and P.131. These indicators are benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle*” /ch6).



D.2 Taxes on production and imports

SOURCES

Central government (Weight of D.2: 99.99%)

The data on Taxes on production and imports are basically available monthly, on a cash basis, from the business accounts of the central book-keeping of the State Treasury. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days). The last month receipt of value added tax is estimated if necessary.

Local government (Weight of D.2: 0.01%)

In principle, there are only very limited D.2 (non-VAT) taxes levied by local authorities, so direct data on this item is not a priority.

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.2. The quarterly indicator includes time adjustment, as in annual accounting. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation*: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle" /ch6).

Local government

As there are no quarterly indicators available, a trend estimate is used.

D.39 Other subsidies on production, receivable

SOURCES

Central government (Weight of D.39: 0%)
Local government (Weight of D.39: 0%)
Social security funds (Weight of D.39: 0%)

D.4 Property income, receivable

SOURCES

Central government (Weight of D.4: 31%)

The data source for property income receivable is the business accounts of the central book-keeping system. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days). Their coverage is almost 100%.

Local government (Weight of D.4: 17%)

The data on the property income received by municipalities are basically available in the quarterly financial statistics of municipalities. There are no quarterly data on this item paid by joint municipal boards.



Social security funds (Weight of D.4: 53%)

The data sources for property income are the Social Insurance Institution of Finland and the Financial Supervision Authority.

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.4. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6). Sub-transactions are consolidated according to the regulation.

Local government

A trend estimate is used to get an indicator for D.4. Sub-transactions are consolidated according to the regulation.

Social security funds

The common key between annual and quarterly accounts is used to get an indicator for D.4. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6). Sub-transactions are consolidated according to the regulation.

D.5 Current taxes on income, wealth, etc.

SOURCES

Central government (Weight of D.5: 37%)

The data source for current taxes on income is the business accounts of the central bookkeeping system. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days). Their coverage is almost 100%. Nevertheless, items without data are estimated.

Local government (Weight of D.5: 63%)

D.51: Data on the monthly allocation of income taxes by the National Board of Taxes is the source of data on the income and wealth of local government; the data are available with a time lag of 23 days. The main tax under D.51 is the municipal tax.

D.59: (taxes on real estate, etc.) As of the beginning of 1999, the data on the monthly allocation of income taxes by the National Board of Taxes have also included data on tax on real estate. An estimate of the Association of Finnish Local and Regional Authorities is used as the second source. Data on smaller items, such as dog licences, are not available. Nevertheless, items without data are estimated.



METHODS

Central government

For central government D.51 transactions, adjustments are necessary due to the time of recording used in the data source of monthly allocation of income taxes. The method used is the same as in annual National Accounts. For D.59 transactions the method is the same as the one used for annual National Accounts.

Local government

For local government D.51 transactions, adjustments are necessary due to the time of recording used in the data source of monthly allocation of income taxes. The method used is the same as that used for annual National Accounts. For transaction tax on real estate (D.59) an elaborated method is used to produce accrual data for tax on real estate.

D.611 Actual social contributions

SOURCES

Central government (Weight of D.611: 0%)

Local government (Weight of D.611: 0.1%)

No direct infra-annual data are available, but the item is insignificant.

Social security funds (Weight of D.611: 99.9%)

Data on national health are provided by the Social Insurance Institution of Finland (monthly data with a delay of one month). From the beginning of 2000 direct data are available on unemployment schemes (Unemployment Insurance Fund). From the beginning of 2001 direct data are available on pension schemes (Financial Supervisory Authority). The coverage of the data is almost complete.

METHODS

Local government

As there are no quarterly indicators available, a trend estimate is used.

Social security funds

The common key between annual and quarterly accounts is used to get an indicator for D.611. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6).

D.612 Imputed social contributions

There are no imputed social contributions in Finland's National Accounts after the year 2000.



D.7 Other current transfers, receivable

SOURCES

Central government (Weight of D.7: 9%)

Complete data are available from the book-keeping system of central government.

Local government (Weight of D.7: 47%)

The data are available from the book-keeping system of central government.

Social security funds (Weight of D.7: 44%)

The data sources for other current transfers are the Social Insurance Institution of Finland and the book-keeping system of central government.

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.7. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done through extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6). The item is aggregated and consolidated.

Local government

The common key between annual and quarterly accounts is used to get an indicator for D.7. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6). The item is aggregated and consolidated.

Social security funds

The common key between annual and quarterly accounts is used to get an indicator for D.7. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6). The item is aggregated and consolidated.

D.91 Capital taxes

SOURCES

Central government (Weight of D.91: 100%)

All capital taxes are collected by central government. Direct data from central government's book-keeping fully covers the transactions on an infra-annual basis with a delay of 20 days (except for December, for which the time lag is about 50 days).



METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.91. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation*: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle” /ch6).

D.92 Investment grants, receivable

SOURCES

Central government (Weight of D.92: 53%)

The data source for these transactions is the business accounts of the central book-keeping system. These monthly data are available with a delay of 20 days (except for December, for which the time lag is about 50 days). Their coverage is almost 100%.

Local government (Weight of D.92: 47%)

The data are available from the book-keeping system of the central government.

Social security funds (Weight of D.92: 0%)

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.92. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation*: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle” /ch6).

Local government

The common key between annual and quarterly accounts is used to get an indicator for D.92. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation*: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle” /ch6).

D.99 Other capital transfers, receivable

SOURCES

Central government (Weight of D.99: 98%)

The source of monthly data on other capital transfers (D.99) is the book-keeping system of central government. The data are available with a time lag of about 20 days (except for December, for which the time lag is about 50 days). The coverage of the data is almost complete.



Local government (Weight of D.99: 0%)

-

Social security funds (Weight of D.99: 2%)

The data are available from the book-keeping system of central government. The coverage of the data is almost complete.

METHODS

Central government

The common key between annual and quarterly accounts is used to get an indicator for D.99. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6). The item is aggregated and consolidated.

Social security funds

The common key between annual and quarterly accounts is used to get an indicator for D.99. The indicator is benchmarked to annual data. Estimation for quarters without annual data is done by extrapolation. (*Quarterly National Accounts Manual—Concepts, Data Sources, and Compilation: Adriaan M. Bloem, Robert J. Dippelsman, and Nils O. Maehle* /ch6). The item is aggregated and consolidated. The item is aggregated and consolidated.



SWEDEN**Description of Swedish practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

For the substantial part of D.1, D.2, D.4, D.5, D.6, D.7 and D.9 data are based on quarterly information. For the expenditure on D.3 and D.8 the 90% criteria are not fulfilled: direct information is 83% for D.3 and 32% for D.8.

2. Compliance with ESA95 rules

Basic data are all transformed to fully comply with ESA95 concepts.

3. Consistency between annual and quarterly dataCentral Government

The National Financial Management Authority (ESV) compiles data for the income and expenditure of the central government sector principally based on the statement of accounts of the units involved. For the years before 2000, the data were compiled every half a year. From 2000, the data are compiled quarterly. The quarterly data are fully in line with annual data.

Some of the data needed for the social security sector funds are available through the source mentioned for central government. The reason for this is that the collection of social contributions is co-ordinated. For some parts within the social security sector figures are based on questionnaires collected each quarter from the general pension funds.

The Local Government sub-sector is sub-divided into city and county councils. City councils are mainly responsible for public utilities, community amenities, schooling and care for elderly people. The county councils main responsibility is health and hospital care. For City councils, Statistics Sweden (SCB) collects information on a quarterly basis. Information is adjusted to convert them to ESA95. The first full year figures are based on these quarterly calculations. The same department of SCB also collects information on an annual basis. In the annual surveys information is on a much more detailed basis. Annual data are in line with quarterly. For county councils the Swedish Association of Local Authorities and Regions collects quarterly information.

4. Revision policy

During a year the data for earlier quarters can be corrected. Normally there are no revisions more than twelve months after the end of a period. Where forecasts are used, outcomes are



presented in the taxation presented in time for the fourth quarter of year t+1. The revisions compared to updated forecasts are usually minor.

5. General remarks

Data supply

For general government data supply is good. For all data there is full consistency between quarterly and annual data.

Changes in compilation practice

For D.5 tax, the forecast for final assessment is used until the taxation outcome is known. Corrections for taxes debited but not paid are made.

6. Expenditure of general government

P.2 Intermediate consumption

SOURCES

Sources are The National Financial Management Authority for central government and surveys for local authorities and the social security sub-sector.

METHODS

Central and local government

All data are based on direct information and are, as far as possible, on an accrual basis. There are no complete quarterly accounts, cash data can occur. The four quarters of a year are consistent with annual data.

Social security sector:

For part of this sector quarterly data are available, and for part of it only annual data and forecasts are available. The annual amounts are divided by four to get the quarters. The amounts are minor.

D.1 Compensation of employees

SOURCES

The National Financial Management Authority for central government and surveys for local authorities. For the social security sub-sector the data are partly attained from annual reports and forecasts, partly from quarterly surveys..

METHODS

For central and local government direct information is available on paid wages and salaries. For the social security sub-sector, a part of the quarterly figures are forecast from the latest



available annual figure. The annual amounts are distributed on quarters according to the central government quarterly pattern. These amounts are minor.

D.29 Other taxes on production, payable

SOURCES

The total income for central government is available from The National Financial Management Authority. For local government data are partly obtained from annual reports, partly from quarterly surveys.

METHODS

For D.2931 a percentage rate given from employers' organisations is applied to the sum of wages and salaries. This method is used for both central and local government. For local government a model based on annual data and a percentage rate from employers' organisations is also used to calculate D.2934. For the motor vehicle tax, D.2921, a model based on annual data is used.

D.3 Subsidies

SOURCES

The National Financial Management Authority for central government. For local government data are obtained from quarterly surveys and annual reports.

METHODS

For central government direct information is obtained. For local government a model is used to calculate D.39. For county councils direct information is obtained for D.31. For municipalities annual data are used to calculate D.31.

D.4 Property income, payable

SOURCES

For central government quarterly data are obtained from The National Financial Management Authority. For local government data are obtained from quarterly surveys and annual reports.

METHODS

Direct information for D.4 is obtained from general government, with the exception of local government D.44, which is calculated by models.

D.62 Social Benefits Other than Social Transfers in Kind

SOURCES

The National Financial Management Authority for central government and social security sector. For local government the data are partly obtained from annual reports, partly from quarterly surveys.



METHODS

For central government and social security sector direct information is obtained. For Local authority data are mostly calculated by models. The amounts are minor in relation to central government and social security sector.

D.7 Other current transfers, payable

SOURCES

The National Financial Management Authority for central government and quarterly surveys for local government. For transfers relating to the social security sub-sector, data are also obtained from The National Financial Management Authority

METHODS

Direct information is obtained.

A minor reclassification is made from D.7 to D.9 for investment grants from central government to local government. In this special case more reliance is placed on the information from the local government quarterly surveys.

D.8 Adjustment for the change in the net equity of households in pension funds reserves

SOURCES

For local government the data are partly obtained from annual reports, partly from quarterly surveys.

METHODS

For local government data are calculated by models.

D.9 Capital taxes, investment grants and other capital transfers, payable

SOURCES

The National Financial Management Authority for central government and quarterly surveys for local government.

METHODS

Direct information is obtained.

A minor reclassification is made from D7 to D9 as for investment grants from central government to local government. In this special case more reliance is placed on the information from the local government quarterly surveys.



7. Revenue of general government

P.1 Output

SOURCES

The National Financial Management Authority for central government and quarterly surveys for local government and social security sub-sectors.

METHODS

For market output, non-market output and output for own final use, direct information is obtained. For a minor part of output for own final use a model is used. This model calculates own-produced computer software. Quarters are estimated and then replaced by annual model-figures.

D.39 Other subsidies on production, receivable

SOURCES

The National Financial Management Authority for general government

METHODS

For D.39 subsidies on salaries, the National Financial Management Authority allocates to receiving sectors.

D.4 Property income, receivable

SOURCES

The National Financial Management Authority for central government and quarterly surveys for local government and social security sub-sectors.

METHODS

For general government direct information is used.

D.5 Current taxes on income, wealth, etc.

SOURCES

The National Financial Management Authority for central government and quarterly surveys for local government and social security sub-sectors.

METHODS

Strictly accrual. The collection of taxes for central and local government is co-ordinated. Preliminary debited monthly income taxes for enterprises and households are time-adjusted by one month. A forecast of final assessment is used and distributed evenly by quarters. Taxation data, when available, replace this forecast. The final assessment consists mainly on taxes on sales of real estates and securities and varies a lot over the years.



D.611 Actual social contributions

SOURCES

The National Financial Management Authority for central government and social security sector. For local government the data are partly obtained from annual reports, partly from quarterly surveys.

METHODS

For central government and social security funds direct information is obtained. For local authority data are mostly calculated by models.

D7 Other current transfers

SOURCES

The National Financial Management Authority for the central government and social security sub-sectors, and quarterly surveys for local government.

METHODS

Direct information is obtained.

D.9 Investment grants, other capital transfers, receivable

SOURCES

The National Financial Management Authority for central government and quarterly surveys for local government.

METHODS

For central and local government direct information is obtained.



UNITED KINGDOM**Description of UK practice, Year 2010**

COMPLIANCE WITH COMMISSION REGULATION 264/2000 (ARTICLES 3 AND 4) AND EUROPEAN PARLIAMENT AND COUNCIL REGULATION 1221/2002 (ARTICLES 4 AND 5)

1. Use of direct information

All data used are from direct sources. Most Central Government expenditure is supply expenditure. That is, it is voted annually by the UK Parliament and spent by Government Departments and agencies. Data for Central Government are collected monthly from all major departments, and quarterly from non-departmental public bodies, and the devolved administrations of Scotland and Wales through HM Treasury (the UK's Ministry of Finance). The devolved administration of Northern Ireland supplies only annual data; quarterly data are therefore calculated by distributing annual budget figures over the four quarters. The Government Actuary's Department (GAD) provides quarterly estimates of social security contributions while the Department of Work and Pensions provides figures directly on Social Security expenditure. The Inland Revenue and Customs and Excise Departments provide details of most taxes collected.

Most data on Local Government expenditure are received on an annual basis. Capital expenditure and revenue data, provided by Central Government directly to the ONS, are received mostly on a quarterly basis. Where only annual data are received, quarterly figures for the current year are calculated based on annual budgets (some equivalent quarterly data may be available, which can also be used as appropriate). Data on Central Government grants to Local Government are obtained from HM Treasury.

For England, a quarterly survey by the Department for Communities and Local Government (DCLG, the Government Department responsible for Local Government) monitors compensation of employees, interest and dividend receipts, local tax (Council Tax) receipts and capital expenditure. The devolved administrations of Scotland, Wales and Northern Ireland collect such data from local authorities in each respective country. Data from Scotland are supplied on a quarterly basis, while Wales and Northern Ireland provide annual data only. For Local Government, the ONS therefore estimates current year quarterly figures for Wales and Northern Ireland based on annual budgets.

2. Compliance with ESA95 rules

Basic data are collected or compiled on an ESA95 basis.

3. Consistency between annual and quarterly data

The compilation of general government data in the UK is done on a quarterly, or for some items monthly, basis. For Central Government, the quarterly data are the basic unit of the accounts, with the annual data being aggregated from them. For Local Government, as



quarterly data are not widely available for expenditure items some quarterly data may be significantly revised after the corresponding annual data is received.

4. Revision policy

Data may be revised at any time.

5. General remarks

The Social Security Funds sub-sector is not currently shown separately in the UK National Accounts.

6. Expenditure of general government

P.2 Intermediate consumption

SOURCES

Central Government

Figures are mostly collected from all major departments, non-departmental public bodies, and the devolved administrations of Scotland, Wales and Northern Ireland through HM Treasury (the UK's Ministry of Finance). Some are provided directly from Government Departments.

Local Government

For England, DCLG provide data to the ONS. For Scotland, Wales and Northern Ireland, data are provided by the devolved administrations of each respective country.

METHODS

Central Government

Data are received in a 'Resource Accounting' format and converted. Some other minor adjustments are made to convert consumption onto an ESA95 basis (mainly extraction/addition of relevant items). For example, it is ensured that single use military expenditure is recorded as current rather than capital expenditure.

Local Government

Some minor adjustments are made to convert consumption onto an ESA95 basis. For example; adjustments are made to computer software data to ensure that it is shown as capital rather than current expenditure. Accounting type adjustments are made for imputed payments on insurance premium supplements.

P.5 + K.2 Gross capital formation, acquisitions less disposals of non-financial non-produced assets

SOURCES

Central Government

Figures are collected from all major departments, non-departmental public bodies, and the devolved administrations of Scotland, Wales and Northern Ireland through HM Treasury (the UK's Ministry of Finance).



Local Government

For England, DCLG provide data to the ONS. For Scotland, Wales and Northern Ireland, data are provided by the devolved administrations of each respective country.

Central Government

Some minor adjustments are made to convert consumption to an ESA95 basis (mainly extraction/addition of relevant items). Estimates are used for intangibles and K.2 land.

Local Government

Source data for P.5 and K.2 are provided in a combined form. An estimate is made of the split between the two. Adjustments are made to computer software data to ensure that it is shown as capital rather than current expenditure.

P.51 Gross fixed capital formation

SOURCES

Central Government

Figures are collected from all major departments, non-departmental public bodies, and the devolved administrations of Scotland, Wales and Northern Ireland through HM Treasury (the UK's Ministry of Finance).

Local Government

For England, DCLG provided data to ONS. For Scotland, Wales and Northern Ireland, data are provided by the devolved administrations of each respective country.

METHODS

Central Government

Some minor adjustments are made to convert consumption to an ESA95 basis (mainly extraction/addition of relevant items). Estimates are used for intangibles and K.2 Land.

Local Government

Adjustments are made to computer software data to ensure that it is shown as capital rather than current expenditure.

D.1 Compensation of employees

SOURCES

Central Government

Figures are collected from all major departments, non-departmental public bodies, and the devolved administrations of Scotland, Wales and Northern Ireland through HM Treasury (the UK's Ministry of Finance).

Until 2003, National Health Service (NHS) Trusts (which manage the delivery of services in publicly funded hospitals) delivered data on compensation of employees to the Department of Health, or to the devolved administrations of Wales or Northern Ireland as appropriate. Their data was added to that received from HM Treasury. Since 2003, the NHS Trust data have been received through HM Treasury.



Local Government

For England, the ONS is provided data by DCLG. For Scotland, Wales and Northern Ireland, data is provided by the devolved administrations of each respective country.

Central Government

Adjustments are made to convert the data to ESA95. For example, income-in-kind does not necessarily appear as compensation of employees and has to be transferred over from procurement data.

Local Government

No adjustments are made.

D.29 Other taxes on production, payable

SOURCES

Central Government

This now applies to Local Government only - the historical series included some CG taxes ("Non-domestic rates")

Local Government

From 1996 all payments previously recorded in D.29 are now shown in D.59 "Other Current Taxes".

METHODS

Central Government

Not applicable.

Local Government

Not applicable.

D3 Subsidies

SOURCES

Central Government

Figures are mostly collected from all major departments, non-departmental public bodies, and the devolved administrations of Scotland, Wales and Northern Ireland through HM Treasury (the UK's Ministry of Finance). Some are provided directly from Government Departments.



Local Government

For England, the ONS is provided data by DCLG. For Scotland, Wales and Northern Ireland, data are provided by the devolved administrations of each respective country. Only annual data are available, quarterly data are calculated on the basis of annual budgets.

METHODS

Central Government

Some adjustments are made to convert data to ESA95 concepts. For example, EU compensation payments to farmers, concerning the BSE and Foot & Mouth epidemics, were reported as subsidies but they are extracted and shown as capital transfers to conform to ESA95 classification.

Local Government

No adjustments are made.

D.4 Property income, payable

SOURCES

Central Government

D.4 is composed of D.41 only (see below).

Local Government

Quarterly data are received for England from DCLG. Annual data only are provided by the devolved administrations of Scotland, Wales and Northern Ireland for these countries.

METHODS

Central Government

D.4 is composed of D.41 only (see below).

Local Government

Most payments are made to Central Government so the data is compared to counterpart data on Central Government. Local Government data is adjusted to conform with Central Government data as this is regarded as better quality - under-recording in the Local Government sector is common.

D.41 Interest

SOURCES

Central Government

Figures are mostly collected from all major departments, non-departmental public bodies, and the devolved administrations of Scotland, Wales and Northern Ireland through HM Treasury (the UK's Ministry of Finance).

Local Government

As for D.4.



METHODS

Central Government

For imputed interest for discount on gilts (bonds issued through the United Kingdom Treasury and guaranteed by the British Government.), any discount on gilts at the time of issue is scored as interest spread over the life of the gilt. An accruals adjustment is used for conventional gilts where, as gilt interest cash payments are a lumpy series, the total gilt interest payments are smoothed out over the financial year.

For interest on foreign currency debt, cash payments occur in one month of the year only: the financial year total is therefore accrued over the financial year quarters.

For accrued interest on National Savings, these are accrued over each financial year.

D.5 Current taxes on income, wealth, etc., payable

SOURCES

Local Government

Figures for England are based on a sample survey by DCLG. Figures for Scotland, Wales and Northern Ireland are estimates.

D.6311 + D.63121 + D.63131 Social transfers in kind related to expenditure on products supplied to households via market producers

These items are not separately used in the UK's National Accounts.

D.7 Other current transfers, payable

SOURCES

Central Government

Data on current transfers from Central Government to Local Authorities are supplied by HM Treasury.

Local Government

Data on net non-life insurance premiums (D.71) are collected directly by the ONS through its Insurance and Pension Fund Inquiry.

METHODS

Central Government

Some data, from HM Customs and Excise Department, are delivered on a cash basis. These are converted to an accruals basis, using a time-adjusted cash approach, and VAT refunds are added on.



Local Government

No adjustments are made.

D.8 Adjustment for the change in net equity of households in pension funds reserves

No funded schemes exist for either Central or Local Government.

SOURCES

Central Government

Data on transfers payable, concerning both the public and private sectors, are collected from all major departments, non-departmental public bodies, and the devolved administrations of Scotland, Wales and Northern Ireland through HM Treasury

Local Government

For England, the ONS are provided data by DCLG. For Scotland, Wales and Northern Ireland, data are provided by the devolved administrations of each respective country.

METHODS

Central Government

Some minor adjustments are made to conform to ESA95 rules (mainly additions and extractions).

Local Government

No adjustments are made.

7. Revenue of general government

P.11 + P.12 + P.131 Market output, output for own final use and payments for other non-market output

SOURCES

Central Government

P.131 is not separately identified from the published P.13 figure. Data for P.11, P.12 & P.13 are collected from all major departments, non-departmental public bodies, and the devolved administrations of Scotland, Wales and Northern Ireland through HM Treasury.

Local Government

For England, the ONS are provided data by DCLG. For Scotland, Wales and Northern Ireland, data are provided by the devolved administrations of each respective country.



METHODS

Central Government

No adjustments are made.

Local Government

Some minor adjustments are made to convert data onto an ESA95 basis. For example; adjustments are made to computer software data to ensure that they are shown as capital rather than current. Accounting type adjustments are made for imputed payments on insurance premium supplements.

D.39 Other subsidies on production, receivable

SOURCES

Central Government

Data are provided by HM Treasury for Central Government subsidies to the Local Authorities Housing Revenue Account, expenditure funded by the windfall tax, and for imputed subsidies to Network Rail (a Public Corporation). Data are also provided by HM Revenue & Customs (the UK government department which administers the majority of central government taxes and tax credits) on research and development tax credits.

Local Government

Not relevant to Local Government in the UK - The Local Authorities Housing Revenue Account is considered part of the Public Corporations sector for National Accounts purposes.

METHODS

Central Government

No adjustments are made.

Local Government

Not relevant to Local Government in the UK.

D.4 Property income, receivable

SOURCES

Central Government

Figures are mostly collected from all major departments, non-departmental public bodies, and the devolved administrations of Scotland, Wales and Northern Ireland through HM Treasury (the UK's Ministry of Finance). Interest on bank and building society deposits are however imputed based on levels and average interest rates. Building Societies' are mutual financial institutions in the UK, owned by their members (rather than by shareholders), which pay interest on deposits and lend money on the security of property to enable members to buy their own homes. The distinction between building societies and banks is now much reduced and the main difference is often the question of ownership.



Local Government

D.41: Counterpart sector data are available from which the amounts paid to Local Government are identified. A suitable level in the financial account (source: DCLG or Bank of England) is chosen and an interest rate is applied to any changes in this level quarter on quarter.

D.42: For England, the ONS is provided data by DCLG. For Scotland, Wales and Northern Ireland, data are provided by the devolved administrations of each respective country. Data are also taken from the Annual Reports of Public Corporations.

D.44: Data are provided from the ONS' Insurance and Pension Fund Inquiry.

METHODS

Central Government

Interest on bank and building society deposits are imputed based on levels and average interest rates.

Local Government

No adjustments are made.

D.61 Social contributions

SOURCES

Central Government

HM Revenue & Customs and the Government's Actuary Department (GAD) supply data on National Insurance contributions.

Local Government

Data on pension schemes for the Police and Fire services for England are provided by the Home Office (the UK's ministry of the interior/home affairs) and DCLG respectively. For Scotland, Wales and Northern Ireland, data are provided by the devolved administrations of each respective country.

METHODS

Central Government

Accruals adjustments are made.

Local Government

No adjustments are made.



D.612 Imputed social contributions

SOURCES

Central Government

This is no longer applicable to Central Government. These were imputed payments being made by Central Government to meet the costs of indexation increases (the uplift to meet inflation) for Teacher and National Health Service (NHS) pension schemes in England and Wales. From 2003 Q2 the indexation costs have been met directly by employers (mainly Local Government, Public Corporations and NPISH).

Local Government

The ONS collects annual data on redundancy payments through its Annual Business Inquiry (ABI), which is used to generate annual estimates for the public sector. National Accounts estimates of imputed unfunded employers' contributions have to be used for the quarterly non-financial accounts as no data are available.

METHODS

Central Government

Not applicable.

Local Government

Estimates are used (see above).

SOURCES

Central Government

HM Treasury provides data on D.74, which are currently composed of the UK's VAT abatement from the European Union. Data for D.75 are provided directly by Government Departments and consists mainly of fees paid to criminal Courts.

Local Government

Data on transfers from Central Government are provided by HM Treasury (reflected in the Central Government uses/expenditure side of the account).

Data on non-life insurance claims are provided by the ONS' Insurance and Pension Fund Inquiry.

METHODS

Central Government

No adjustments are made.

Local Government

No adjustments are made.



D.9 Capital transfers, receivable

SOURCES

Central Government

Only D.91 "Capital Tax" is published. The data are derived from capital transfer and inheritance tax receipts and are provided by HM Revenue & Customs (the UK government department which administers the majority of central government taxes and tax credits).

Local Government

Data for D.92 are provided by HM Treasury's monitoring of EU official transactions and is reflected in the Central Government uses/expenditure side of the account.

Data for D.99 are provided by DCLG for England. For Scotland, Wales and Northern Ireland, data are provided by the devolved administrations of each respective country.

METHODS

Central Government

No adjustments are made.

Local Government

No adjustments are made.

8. Future Developments

An on-going project, called the Whole of Government Accounts, in the UK is currently working to produce GAAP-style accounts for the whole of the public sector. The starting point is the central government sector. The project has a fairly long time scale, with full implementation expected by 2011. This will merge with existing reporting arrangements, which should lead to better accuracy and an element of auditing. The ONS is involved in the development of this (led by HM Treasury); to ensure that data produced are suitable for national account use. This will lead to some of the data currently presented on a cash basis having an improved accrual profile.

For Local Government, there is an impetus for more quarterly and more timely data while improving the delineation between different items of expenditure/resource.

ANNEXES

ANNEX I

Patterns in quarterly general government revenue and expenditure

ANNEX II

Commission Regulation (EC) No. 264/2000 of 3 February 2000 on the implementation of Council Regulation (EC) No. 2223/96 with respect to short-term public finance statistics

ANNEX III

Commission Regulation (EC) No 1500/2000 of 10 July 2000 implementing Council Regulation (EC) No 2223/96 with respect to general government expenditure and revenue

ANNEX IV

Regulation (EC) No. 1221/2002 of the European Parliament and of the Council of 10 June 2002 on quarterly non-financial accounts for general government

ANNEX I: Patterns in quarterly general government revenue and expenditure

This annex analyses the quarterly general government revenue and expenditure data of countries over recent years (2005-2009), highlighting the main transactions where patterns could be observed.

The revenue and expenditure items reported by countries in ESA table 25 vary enormously in terms of their importance relative to total revenue and total expenditure. This may be seen in Tables 1 and 2 below⁴⁶, based on annual data. The European Union (EU27) and Euro Area (EA16) aggregate series are calculated as the sum of the respective member countries⁴⁷.

Table 1: General government transactions as a percentage of total expenditure

Transaction	EU27					EA16				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
D1PAY	23.0%	22.9%	22.7%	22.4%	22.1%	21.9%	21.9%	21.7%	21.6%	21.3%
D29PAY	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
D3PAY	2.4%	2.5%	2.5%	2.5%	2.5%	2.6%	2.6%	2.7%	2.6%	2.7%
D4PAY	5.9%	5.8%	6.0%	5.9%	5.2%	6.3%	6.2%	6.5%	6.4%	5.6%
<i>of which: D41PAY</i>	5.9%	5.8%	6.0%	5.9%	5.2%	6.3%	6.2%	6.5%	6.4%	5.6%
D5PAY	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D62PAY	33.6%	33.2%	33.0%	32.8%	33.6%	34.8%	34.6%	34.4%	34.3%	34.8%
D6311_D63121_D63131PAY	8.6%	8.8%	8.8%	9.0%	9.2%	10.9%	11.1%	11.2%	11.3%	11.4%
D7PAY	4.6%	4.6%	4.6%	4.6%	4.7%	4.2%	4.1%	4.1%	4.3%	4.4%
D8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D9PAY	3.1%	2.7%	2.5%	3.0%	2.9%	2.9%	2.9%	2.5%	2.6%	2.7%
P2	13.6%	13.8%	13.9%	13.8%	13.6%	10.7%	10.7%	10.8%	11.0%	11.1%
P5_K2	4.7%	5.3%	5.6%	5.7%	5.7%	5.2%	5.3%	5.6%	5.5%	5.5%
<i>of which: P51</i>	4.8%	5.4%	5.7%	5.7%	5.7%	5.2%	5.3%	5.6%	5.5%	5.4%
Total Expenditure	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 2: General government transactions as a percentage of total revenue

Transaction	EU27					EA16				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
D2REC	30.2%	30.2%	30.1%	29.3%	29.3%	29.8%	29.9%	29.7%	28.9%	28.8%
<i>of which: D211REC</i>	15.2%	15.2%	15.4%	15.2%	14.9%	14.7%	14.7%	15.0%	14.7%	14.5%
D39REC	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
D4REC	1.9%	2.1%	2.3%	2.5%	2.3%	1.8%	2.1%	2.2%	2.4%	2.3%
D5REC	28.7%	29.6%	30.0%	29.5%	27.9%	25.7%	26.6%	27.4%	27.2%	25.6%
D611REC	28.7%	28.2%	27.9%	28.5%	29.7%	31.8%	31.3%	30.8%	31.6%	32.6%
D612REC	2.2%	2.1%	2.1%	2.1%	2.3%	2.6%	2.5%	2.4%	2.5%	2.7%
D7REC	1.7%	1.6%	1.5%	1.6%	1.8%	1.8%	1.7%	1.6%	1.7%	1.9%
D91REC	0.6%	0.5%	0.6%	1.0%	0.8%	0.7%	0.6%	0.6%	0.6%	0.9%
D92_D99REC	0.7%	0.5%	0.4%	0.3%	0.3%	0.8%	0.5%	0.4%	0.3%	0.2%
P11_P12_P131	5.1%	5.1%	5.1%	5.1%	5.5%	4.8%	4.7%	4.7%	4.8%	5.0%
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

⁴⁶ The names of the transactions corresponding to the ESA95 codes can be found in Regulation No. 1221/2002 (see Annex III). The memorandum items of ESA table 25 are excluded from this analysis.

⁴⁷ Euro area series excludes Estonia. EA17 series were not available at the time of data extraction.

The following tables present, for each of the main transactions comprising general government revenue and expenditure shown in tables 1 and 2 above, a quarterly view of the data by country, as well as the EU27 and EA16 aggregates. The accompanying text sets out to identify patterns in the quarterly profile and offers some possible explanations. However, a more detailed survey would be needed to provide more complete comments and firmer conclusions. Part III of this Manual - on countries' compilation practices – provides information on methods used for compiling the data by transaction, which in some cases help to explain the quarterly pattern.

The following transactions are excluded from this analysis, as the amounts are very small:

- D.5PAY Current taxes on income, wealth etc., payable
- D.8 Adjustment for the change in net equity of households in pension funds reserves
- D.39REC Other subsidies on production, receivable

Generally, the quarterly patterns can be explained mainly by the following influences:

- D.5REC The recording of income tax revenues;
- D.29REC Various other taxes on production;
- D.1 Compensation of employees (for example, end-of-year bonuses);
- D.7 Various current transfers, particularly dividend revenue;
- P.5 Capital expenditure, although large one-off items may disrupt the pattern.

The effects of economic growth and recession also have a considerable influence on the quarterly profile during this period, the main point of change being the move into recession in late 2008.

Table 3: Total quarterly general government expenditure (TE) as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4
EU27	23.9%	24.4%	24.1%	27.6%	23.7%	24.2%	24.2%	27.9%	23.7%	24.2%	24.2%	28.0%	23.7%	24.3%	24.5%	27.5%	23.5%	24.5%	24.2%	27.8%
EA16	23.7%	24.5%	23.9%	27.9%	23.4%	24.3%	24.0%	28.3%	23.3%	24.2%	24.0%	28.5%	23.3%	24.4%	24.0%	28.2%	23.2%	24.5%	24.1%	28.1%
BE	28.5%	24.2%	23.1%	24.1%	25.4%	25.4%	24.5%	24.8%	25.1%	25.1%	24.3%	25.5%	24.4%	25.1%	24.3%	26.1%	25.2%	25.2%	24.0%	25.6%
BG	22.4%	24.2%	23.8%	29.6%	22.1%	22.5%	23.5%	32.0%	20.1%	19.1%	20.0%	40.7%	19.5%	20.8%	22.6%	37.1%	21.8%	25.3%	24.6%	28.3%
CZ	22.3%	26.8%	23.4%	27.5%	23.2%	26.1%	23.4%	27.4%	23.3%	24.6%	22.7%	29.4%	22.6%	25.0%	24.9%	27.5%	22.1%	24.7%	24.6%	28.6%
DK	25.4%	24.9%	24.7%	25.0%	25.1%	24.7%	24.7%	25.6%	25.1%	24.6%	24.9%	25.4%	25.6%	24.5%	24.6%	25.4%	24.6%	24.7%	25.0%	25.8%
DE	25.0%	24.3%	24.4%	26.3%	25.0%	24.1%	24.5%	26.4%	24.9%	24.1%	24.4%	26.6%	24.8%	24.3%	24.4%	26.5%	24.2%	24.3%	24.7%	26.8%
EE	21.5%	24.3%	23.3%	30.9%	20.8%	23.0%	23.8%	32.3%	20.9%	24.8%	24.2%	30.0%	21.6%	24.9%	23.8%	29.6%	24.4%	26.3%	22.9%	26.4%
IE	22.7%	23.6%	24.9%	28.8%	22.1%	23.5%	25.3%	29.0%	22.9%	23.4%	25.5%	28.2%	23.7%	23.9%	24.9%	27.5%	22.9%	26.9%	24.9%	25.4%
EL	23.4%	28.6%	23.0%	24.9%	23.3%	28.6%	23.1%	25.1%	23.3%	28.4%	23.2%	25.1%	23.4%	28.6%	23.2%	24.8%	21.6%	26.6%	23.6%	28.1%
ES	19.4%	23.2%	23.1%	34.4%	19.0%	22.8%	23.7%	34.5%	18.9%	22.7%	23.0%	35.4%	18.9%	23.1%	23.2%	34.8%	19.3%	24.3%	23.0%	33.4%
FR	24.0%	25.0%	24.3%	26.7%	23.9%	24.7%	24.5%	26.9%	23.6%	24.6%	24.4%	27.4%	23.8%	24.3%	24.6%	27.3%	23.9%	24.5%	24.2%	27.3%
IT	23.0%	23.6%	23.0%	30.5%	22.2%	23.5%	22.7%	31.6%	22.4%	23.1%	22.8%	31.6%	22.5%	24.2%	23.1%	30.1%	22.8%	24.0%	23.1%	30.0%
CY	20.6%	21.5%	24.4%	33.5%	21.1%	23.1%	25.3%	30.5%	22.9%	22.1%	24.7%	30.3%	21.2%	22.2%	25.3%	31.3%	22.1%	24.4%	24.6%	28.9%
LV	19.2%	22.4%	22.7%	35.7%	18.5%	22.2%	21.9%	37.4%	19.4%	23.7%	25.6%	31.3%	20.5%	23.9%	25.3%	30.2%	23.7%	24.8%	21.8%	29.7%
LT	20.1%	23.6%	23.1%	33.1%	19.2%	21.7%	24.7%	34.4%	18.9%	23.6%	23.6%	34.0%	19.9%	24.2%	24.3%	31.5%	24.2%	25.9%	22.8%	27.1%
LU	23.1%	23.2%	24.0%	29.7%	23.8%	22.8%	24.1%	29.4%	24.8%	23.4%	23.3%	28.5%	24.8%	23.4%	23.9%	27.8%	25.0%	23.6%	24.1%	27.2%
HU	25.0%	24.0%	23.8%	27.3%	26.2%	23.2%	22.0%	28.6%	24.6%	23.0%	24.1%	28.3%	22.8%	24.3%	25.0%	27.9%	23.1%	24.6%	24.7%	27.6%
MT	23.9%	26.3%	23.8%	26.0%	23.6%	24.0%	24.7%	27.7%	23.8%	24.3%	23.1%	28.8%	25.1%	24.4%	24.1%	26.4%	23.1%	25.8%	23.9%	27.2%
NL	23.5%	26.3%	23.8%	26.4%	23.8%	26.3%	23.9%	26.0%	23.9%	26.2%	24.0%	25.9%	24.0%	26.0%	23.6%	26.3%	23.8%	25.4%	24.4%	26.4%
AT	23.4%	25.8%	24.4%	26.3%	23.8%	24.3%	24.9%	27.0%	23.5%	24.3%	25.4%	26.8%	24.2%	24.1%	24.4%	27.3%	24.4%	23.7%	25.2%	26.7%
PL	23.6%	24.0%	24.5%	27.9%	23.5%	24.2%	24.6%	27.8%	22.8%	24.9%	24.5%	27.7%	22.0%	25.1%	25.8%	27.1%	22.3%	23.3%	24.3%	30.1%
PT	21.9%	24.1%	24.3%	29.7%	21.9%	24.9%	23.5%	29.7%	22.4%	24.6%	23.9%	29.0%	22.2%	24.2%	25.0%	28.5%	22.4%	24.0%	25.2%	28.4%
RO	21.1%	23.7%	25.8%	29.5%	18.9%	19.5%	21.8%	39.9%	19.3%	22.0%	22.9%	35.7%	21.4%	23.9%	23.6%	31.2%	22.8%	24.4%	25.2%	27.6%
SI	23.3%	25.7%	24.5%	26.6%	23.1%	25.8%	24.6%	26.5%	23.0%	25.9%	24.5%	26.6%	22.5%	25.5%	24.8%	27.2%	23.2%	26.3%	24.5%	26.0%
SK	22.1%	22.6%	24.8%	30.6%	21.5%	24.2%	23.2%	31.1%	21.7%	24.3%	24.1%	29.9%	21.3%	23.8%	24.7%	30.3%	22.3%	24.4%	24.1%	29.2%
FI	23.9%	25.2%	24.9%	26.0%	24.1%	24.7%	24.7%	26.6%	23.7%	24.7%	24.7%	26.9%	23.5%	25.1%	24.6%	26.8%	23.6%	25.0%	24.7%	26.7%
SE	24.1%	25.3%	23.9%	26.7%	23.4%	25.2%	24.2%	27.2%	23.6%	25.1%	23.9%	27.4%	23.9%	26.0%	24.5%	25.6%	22.4%	24.9%	24.7%	27.9%
UK	24.9%	23.6%	25.0%	26.5%	25.1%	23.8%	25.1%	25.9%	26.0%	24.0%	25.2%	24.9%	26.2%	23.1%	26.4%	24.3%	25.5%	24.5%	24.6%	25.4%
IS	23.0%	24.8%	25.4%	26.8%	26.5%	23.9%	24.3%	25.3%	23.3%	26.1%	25.4%	25.2%	26.1%	24.4%	24.5%	25.0%	25.9%	24.7%	24.1%	25.3%
NO	23.4%	25.0%	25.2%	26.4%	24.5%	25.6%	24.7%	25.3%	23.8%	24.2%	25.1%	26.9%	24.4%	25.7%	25.7%	24.1%	23.3%	24.2%	24.9%	27.6%

In the EU27 the fourth quarter (Q4) expenditure is consistently higher than the other quarters, in the range 27.5-28%. Similarly, Q1 is always the lowest, although the difference between it and Q2 and Q3 is not as big. The same situation occurs with the EA16, although here we also observe that the Q2 expenditure is higher than Q3; something that is not always true for EU27.

The highest percentages in the tables always occur in Q4: for Bulgaria (2007Q4 at 40.7%), Romania (2006Q4 at 39.9%) and Latvia (2006Q4 at 37.4%). These appear to be influenced by exceptional expenditure. The EU27 and EA16 aggregates are influenced by Spain and Italy, which exhibit more Q4 seasonality than the average. The Q1 percentage for Spain is also consistently lower than the other quarters. Denmark has the least variation between quarters.

Table 4: Total quarterly general government revenue (TR) as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4
EU27	23.2%	24.7%	24.3%	27.8%	23.3%	24.7%	24.2%	27.8%	23.4%	24.8%	24.2%	27.6%	24.0%	25.0%	24.4%	26.6%	23.7%	24.7%	24.0%	27.6%
EA16	22.5%	24.8%	24.1%	28.6%	22.5%	25.0%	23.9%	28.5%	22.5%	25.1%	23.8%	28.6%	23.1%	25.3%	23.9%	27.8%	23.0%	24.9%	23.7%	28.4%
BE	21.1%	28.6%	22.4%	27.9%	21.4%	26.9%	22.9%	28.8%	20.8%	28.0%	22.5%	28.7%	21.1%	28.3%	22.6%	28.0%	21.5%	27.6%	22.6%	28.3%
BG	22.9%	26.0%	24.4%	26.7%	21.8%	26.5%	25.2%	26.5%	23.6%	25.4%	24.4%	26.7%	22.1%	27.2%	25.6%	25.2%	25.1%	26.9%	23.6%	24.4%
CZ	22.5%	25.4%	24.8%	27.3%	22.7%	26.4%	24.2%	26.8%	22.1%	24.3%	25.7%	28.0%	22.0%	26.0%	26.8%	25.2%	21.9%	26.9%	24.0%	27.2%
DK	24.6%	25.5%	24.4%	25.5%	24.7%	25.7%	24.3%	25.2%	24.8%	25.4%	24.4%	25.3%	24.6%	25.9%	24.2%	25.3%	24.3%	26.1%	24.9%	24.7%
DE	24.2%	24.6%	24.1%	27.1%	23.9%	24.8%	24.1%	27.1%	24.2%	25.1%	23.9%	26.8%	24.5%	25.3%	24.1%	26.1%	24.9%	25.2%	23.7%	26.2%
EE	20.3%	26.6%	26.2%	26.9%	19.8%	24.7%	27.1%	28.4%	20.1%	25.0%	26.8%	28.1%	21.0%	26.7%	25.9%	26.4%	19.1%	23.8%	25.1%	32.0%
IE	22.0%	23.4%	22.7%	31.9%	22.5%	22.2%	21.6%	33.7%	23.5%	22.0%	21.5%	32.9%	24.7%	22.9%	22.2%	30.2%	22.8%	24.3%	23.8%	29.1%
EL	21.8%	24.8%	25.6%	27.7%	22.8%	25.8%	25.1%	26.3%	22.7%	25.8%	25.2%	26.3%	22.9%	25.9%	25.2%	26.1%	20.9%	25.7%	23.5%	29.9%
ES	22.7%	22.4%	26.1%	28.8%	23.0%	22.6%	26.0%	28.5%	23.2%	22.4%	26.5%	27.8%	25.3%	23.3%	24.9%	26.5%	25.2%	21.2%	25.6%	28.0%
FR	21.9%	25.3%	23.7%	29.1%	22.1%	25.3%	23.3%	29.3%	21.8%	25.6%	23.3%	29.4%	22.2%	25.6%	23.7%	28.5%	21.7%	25.0%	23.2%	30.2%
IT	20.8%	24.6%	23.7%	30.9%	20.8%	25.4%	23.5%	30.4%	20.2%	25.1%	23.4%	31.2%	20.9%	24.8%	23.7%	30.5%	20.6%	24.9%	23.7%	30.8%
CY	25.3%	20.4%	24.9%	29.4%	21.2%	22.5%	27.2%	29.1%	22.3%	21.2%	27.7%	28.9%	21.9%	22.4%	29.3%	26.3%	23.4%	23.9%	27.7%	25.0%
LV	21.3%	25.1%	25.3%	28.4%	20.4%	24.6%	24.3%	30.7%	21.0%	25.9%	25.7%	27.4%	23.6%	27.1%	26.1%	23.2%	25.0%	26.9%	23.4%	24.7%
LT	20.0%	24.3%	25.3%	30.3%	20.0%	24.7%	25.6%	29.8%	19.4%	23.5%	26.1%	31.0%	21.0%	24.8%	26.1%	28.1%	24.2%	24.7%	24.8%	26.3%
LU	22.0%	24.4%	23.9%	29.7%	22.9%	26.7%	23.3%	27.2%	23.8%	25.1%	23.4%	27.6%	24.0%	26.3%	23.1%	26.7%	24.5%	25.3%	24.1%	26.2%
HU	22.8%	24.4%	24.7%	28.0%	22.4%	24.5%	23.9%	29.2%	23.2%	24.8%	24.8%	27.2%	23.1%	25.1%	26.0%	25.8%	22.7%	25.0%	24.9%	27.4%
MT	22.6%	24.3%	24.1%	29.0%	22.7%	25.2%	23.7%	28.4%	23.6%	23.8%	22.8%	29.8%	23.7%	24.3%	25.1%	26.9%	23.6%	24.7%	23.0%	28.7%
NL	23.2%	25.1%	23.7%	28.0%	23.5%	25.7%	23.5%	27.3%	24.4%	24.7%	22.8%	28.2%	24.5%	25.6%	22.5%	27.4%	25.2%	25.1%	22.6%	27.0%
AT	22.4%	25.1%	24.0%	28.5%	21.8%	25.2%	24.6%	28.4%	22.3%	25.5%	23.7%	28.5%	22.5%	24.9%	24.1%	28.6%	22.6%	24.5%	24.1%	28.9%
PL	24.6%	23.8%	24.3%	27.3%	24.3%	23.9%	24.9%	26.9%	24.6%	23.7%	24.7%	27.0%	24.9%	24.5%	25.7%	24.8%	25.2%	22.4%	26.3%	26.0%
PT	21.3%	26.3%	23.7%	28.7%	21.6%	25.9%	24.3%	28.2%	21.2%	26.2%	24.6%	28.0%	21.4%	26.8%	24.2%	27.6%	21.1%	24.9%	26.8%	27.2%
RO	21.9%	23.2%	25.8%	29.1%	21.4%	24.2%	25.0%	29.4%	20.7%	25.1%	25.1%	29.1%	23.7%	25.7%	25.8%	24.9%	23.8%	24.9%	25.1%	26.3%
SI	22.4%	25.0%	25.4%	27.3%	22.3%	25.5%	24.9%	27.3%	22.2%	25.1%	25.2%	27.4%	22.5%	25.7%	25.5%	26.3%	23.2%	25.5%	24.9%	26.4%
SK	23.3%	23.6%	24.8%	28.3%	22.1%	24.9%	22.9%	30.2%	21.9%	24.1%	24.3%	29.7%	21.5%	24.0%	26.0%	28.4%	24.2%	24.1%	25.0%	26.7%
FI	23.5%	27.3%	24.3%	24.9%	23.8%	27.0%	24.2%	25.0%	23.4%	27.8%	23.9%	24.9%	23.9%	28.2%	24.1%	23.9%	24.3%	27.8%	23.8%	24.0%
SE	24.0%	26.8%	24.1%	25.0%	23.0%	26.6%	24.5%	25.8%	23.2%	26.8%	24.3%	25.8%	24.1%	28.1%	24.3%	23.5%	22.9%	26.4%	24.4%	26.4%
UK	26.5%	23.4%	25.2%	24.9%	26.9%	22.5%	25.4%	25.1%	27.7%	23.0%	25.4%	23.9%	29.0%	22.2%	26.6%	22.1%	28.0%	23.1%	24.9%	24.0%
IS	22.8%	23.4%	25.8%	28.0%	26.8%	23.1%	24.0%	26.1%	24.2%	25.1%	25.3%	25.5%	33.7%	27.8%	26.0%	12.6%	27.2%	23.9%	24.1%	24.8%
NO	23.8%	24.8%	25.4%	25.9%	24.4%	25.5%	24.9%	25.2%	24.0%	24.5%	25.3%	26.2%	25.6%	25.8%	25.6%	22.9%	24.0%	24.5%	25.1%	26.4%

For the EU27 the same main conclusion is observable on revenue that was seen on the expenditure side: Q4 is consistently higher than the others. The percentage is a little lower than on expenditure. Similarly with expenditure, Q1 is always the lowest, but there is also a distinction here in that Q2 revenue is always higher than Q3, giving a consistent order of Q4, Q2, Q3, Q1. At the EA16 aggregate the same pattern is observable, but is more pronounced since the Q4 percentage is relatively higher and the Q1 percentage relatively lower.

France, Ireland and Italy all exhibit marked Q4 seasonality, but the difference between EU27 and EA16 is mainly attributable to the United Kingdom, which collects most of its tax revenue in Q1. The approach taken here of collecting more revenue in the last quarter of the financial year is not actually different, it is just that the UK uniquely within the EU has a financial year that ends near the end of Q1 and not on a calendar year basis. Denmark again has the least variability, although a trend towards slightly higher revenue in Q2 appears to be emerging.

Table 5: Compensation of employees (D.1) quarterly general government expenditure as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TE
EU27	23.7%	24.8%	24.1%	27.4%	23.9%	25.0%	24.1%	27.0%	24.0%	24.9%	24.0%	27.1%	23.8%	25.2%	24.0%	26.9%	23.8%	25.0%	24.1%	27.0%	22.1%
EA16	23.7%	24.7%	23.6%	28.0%	23.7%	25.1%	23.8%	27.5%	23.7%	24.8%	23.6%	27.8%	23.5%	25.2%	23.6%	27.7%	23.7%	25.1%	23.7%	27.6%	21.3%
BE	24.6%	25.1%	23.6%	26.7%	24.6%	25.4%	23.5%	26.6%	24.7%	25.5%	23.5%	26.4%	24.2%	25.1%	23.6%	27.1%	24.6%	25.2%	23.5%	26.7%	23.5%
BG	21.7%	24.3%	24.4%	29.5%	21.7%	23.8%	24.2%	30.3%	20.7%	23.2%	24.3%	31.9%	20.6%	22.9%	24.1%	32.4%	22.9%	25.3%	24.5%	27.3%	23.1%
CZ	23.1%	24.3%	24.1%	28.5%	23.1%	24.5%	24.1%	28.4%	23.4%	24.1%	24.1%	28.4%	22.6%	24.1%	25.1%	28.1%	22.1%	24.0%	25.2%	28.6%	17.6%
DK	24.7%	25.1%	25.1%	25.1%	24.4%	25.1%	25.0%	25.4%	24.5%	25.1%	25.1%	25.3%	24.3%	24.5%	25.3%	25.8%	24.1%	25.1%	25.6%	25.3%	33.3%
DE	23.8%	23.7%	24.3%	28.2%	23.9%	23.8%	24.2%	28.1%	23.9%	23.9%	24.2%	28.1%	23.9%	24.0%	24.1%	28.1%	24.0%	24.0%	24.3%	27.7%	15.6%
EE	22.5%	26.6%	22.0%	28.9%	22.4%	26.5%	21.9%	29.3%	21.6%	26.0%	22.6%	29.8%	22.7%	26.5%	22.4%	28.4%	24.8%	27.1%	23.0%	25.1%	28.3%
IE	23.7%	23.5%	25.3%	27.5%	23.5%	24.0%	25.1%	27.5%	24.6%	24.5%	24.8%	26.1%	24.3%	24.6%	24.8%	26.3%	25.2%	24.5%	24.5%	25.8%	25.3%
EL	24.7%	24.7%	25.1%	25.4%	24.8%	24.9%	25.0%	25.3%	24.8%	24.7%	25.1%	25.4%	24.7%	24.8%	25.5%	25.1%	21.1%	25.6%	24.5%	28.8%	25.4%
ES	21.8%	27.0%	22.9%	28.3%	21.8%	26.8%	22.7%	28.6%	21.6%	26.8%	22.7%	28.8%	21.6%	27.2%	22.6%	28.6%	21.5%	27.6%	22.6%	28.3%	25.9%
FR	25.5%	25.0%	24.5%	25.1%	25.3%	24.8%	24.7%	25.2%	25.5%	24.9%	24.5%	25.1%	25.3%	24.8%	24.5%	25.4%	25.2%	24.8%	24.3%	25.7%	23.8%
IT	22.1%	22.2%	21.5%	34.1%	22.2%	24.3%	22.6%	30.9%	22.3%	22.7%	22.1%	32.8%	22.2%	24.5%	22.1%	31.2%	23.4%	23.2%	23.0%	30.4%	21.7%
CY	22.6%	23.0%	23.9%	30.5%	22.5%	23.6%	24.7%	29.2%	22.9%	23.3%	24.6%	29.2%	22.4%	22.6%	25.4%	29.6%	22.3%	23.2%	23.9%	30.5%	34.1%
LV	22.4%	24.3%	24.3%	29.0%	20.9%	23.8%	23.9%	31.4%	20.8%	24.0%	24.6%	30.6%	22.9%	25.1%	25.0%	27.0%	25.5%	31.0%	21.4%	22.2%	27.4%
LT	20.6%	28.3%	20.9%	30.2%	19.7%	24.1%	25.2%	30.9%	20.2%	28.1%	21.3%	30.4%	19.7%	28.3%	21.7%	30.2%	22.0%	30.4%	21.3%	26.3%	29.5%
LU	23.5%	23.6%	23.6%	29.4%	23.5%	23.9%	23.7%	29.0%	23.5%	23.7%	23.7%	29.1%	23.1%	23.7%	23.8%	29.4%	23.1%	23.8%	23.7%	29.3%	18.9%
HU	24.7%	24.1%	23.0%	28.2%	24.9%	24.3%	22.2%	28.6%	24.5%	24.2%	25.0%	26.3%	23.3%	25.9%	25.3%	25.5%	23.7%	24.6%	24.4%	27.4%	22.4%
MT	24.6%	25.3%	24.9%	25.3%	25.0%	24.9%	25.0%	25.1%	24.5%	25.1%	25.3%	25.0%	24.0%	24.0%	25.5%	26.5%	26.4%	24.4%	24.6%	24.6%	32.9%
NL	22.6%	29.2%	22.6%	25.6%	22.3%	29.0%	22.8%	25.8%	22.3%	28.8%	22.7%	26.2%	22.0%	28.5%	22.4%	27.0%	22.0%	28.5%	22.4%	27.1%	19.5%
AT	25.6%	25.3%	24.4%	24.6%	25.5%	25.0%	24.5%	25.0%	25.1%	25.2%	24.6%	25.1%	24.8%	25.3%	24.7%	25.2%	24.8%	25.1%	24.7%	25.4%	18.9%
PL	24.3%	25.1%	24.7%	26.0%	24.3%	25.9%	24.2%	25.6%	24.3%	25.1%	23.4%	27.1%	22.0%	25.5%	25.3%	27.2%	23.1%	23.2%	24.9%	28.8%	23.0%
PT	21.9%	25.4%	23.7%	28.9%	21.9%	27.2%	22.2%	28.7%	21.9%	27.7%	21.9%	28.5%	21.7%	27.2%	22.1%	29.0%	21.3%	27.5%	22.0%	29.2%	25.6%
RO	24.4%	25.8%	24.3%	25.6%	25.6%	20.4%	21.7%	32.3%	21.8%	24.4%	23.9%	29.9%	23.3%	24.4%	23.1%	29.2%	26.6%	25.2%	22.4%	25.8%	26.4%
SI	23.5%	25.7%	25.1%	25.7%	23.6%	25.8%	24.9%	25.8%	23.5%	25.8%	25.1%	25.7%	23.0%	25.5%	25.2%	26.3%	24.1%	26.5%	24.5%	24.9%	25.4%
SK	17.8%	22.0%	25.0%	35.2%	18.7%	22.4%	22.8%	36.2%	19.1%	22.4%	23.4%	35.1%	17.7%	24.1%	24.4%	33.9%	18.8%	25.0%	23.2%	33.1%	18.9%
FI	24.0%	25.2%	25.3%	25.6%	24.2%	25.0%	25.2%	25.6%	24.2%	24.8%	24.6%	26.4%	24.2%	25.2%	25.0%	25.6%	24.4%	25.2%	24.7%	25.7%	26.5%
SE	24.6%	25.1%	25.2%	25.1%	23.7%	24.9%	25.8%	25.7%	24.2%	25.0%	25.2%	25.5%	24.8%	25.8%	25.8%	23.6%	23.6%	24.9%	26.0%	25.5%	27.6%
UK	23.4%	25.4%	25.4%	25.7%	24.6%	24.8%	25.1%	25.5%	25.1%	25.3%	25.3%	24.3%	25.6%	25.4%	25.0%	24.0%	24.6%	25.3%	25.7%	24.4%	23.1%
IS	22.8%	24.9%	24.5%	27.8%	26.1%	24.0%	23.9%	26.0%	23.5%	26.2%	24.7%	25.6%	31.0%	28.3%	27.0%	13.7%	27.6%	25.7%	23.5%	23.2%	29.4%
NO	23.5%	25.5%	24.5%	26.5%	25.7%	24.7%	24.3%	25.3%	24.8%	23.8%	24.8%	26.5%	24.4%	26.4%	25.2%	24.0%	24.6%	23.8%	24.7%	26.8%	29.7%

The expenditure pattern described in Table 3 is mainly attributable to the pattern of compensation of employees and social benefits. Compensation of employees is the second largest expenditure category but has more of a Q4 effect than social benefits. Italy and Slovakia have the most extreme Q4 percentages, but Belgium, Bulgaria, Czech Republic, Germany, Ireland, Cyprus, Lithuania, Luxembourg, Hungary and Poland (plus Greece in 2009 following improvements to its quarterly data) also exhibit the same pattern. Latvia once followed the same general pattern as EU27, but in 2009 has a large Q2 spike instead. As well as Q4, Spain, Portugal, Netherlands, Estonia, and Lithuania also have a Q2 spike. For Lithuania Q2 is high due to expenditure on long holidays for teachers' and other government units' staff in July, except for 2006 when the specific law was introduced for compensation. Portugal mentions 13th month payments and holiday bonuses. France, Malta, Austria, Finland and United Kingdom have relatively no seasonality. Romania's data are variable from year to year.

Table 6: Other taxes on production (D.29) quarterly general government expenditure as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TE	
EU27	22.8%	22.9%	22.4%	31.9%	22.5%	23.9%	23.0%	30.6%	22.7%	23.3%	22.7%	31.3%	22.9%	24.0%	23.1%	30.0%	23.1%	23.3%	23.4%	30.2%	0.4%	
EA16	22.6%	22.6%	22.2%	32.7%	22.3%	23.7%	22.8%	31.3%	22.5%	22.9%	22.5%	32.1%	22.4%	23.7%	22.7%	31.2%	23.0%	23.1%	23.1%	30.8%	0.5%	
BE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
CZ	28.2%	34.5%	16.5%	20.9%	25.9%	32.9%	18.2%	23.0%	32.3%	29.0%	13.5%	25.1%	27.3%	35.3%	15.9%	21.4%	22.5%	46.5%	13.5%	17.5%	0.0%	
DK	23.6%	24.1%	24.7%	27.6%	24.5%	24.1%	24.3%	27.2%	24.9%	24.0%	24.0%	27.1%	23.1%	24.9%	25.0%	27.0%	23.7%	22.6%	25.4%	28.2%	0.3%	
DE	20.0%	20.0%	40.0%	20.0%	14.3%	28.6%	28.6%	28.6%	14.3%	28.6%	28.6%	28.6%	14.3%	28.6%	28.6%	28.6%	14.3%	28.6%	42.9%	14.3%	0.0%	
EE	5.5%	29.9%	30.7%	33.9%	7.0%	31.0%	29.6%	32.5%	8.5%	27.3%	32.0%	32.3%	12.5%	29.2%	29.2%	29.2%	9.4%	28.6%	22.6%	39.4%	0.1%	
IE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
EL	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	23.8%	23.8%	23.8%	28.6%	0.0%	
ES	14.0%	20.5%	18.8%	46.7%	17.1%	21.9%	21.9%	39.0%	16.3%	22.8%	21.8%	39.1%	17.6%	22.3%	21.4%	38.7%	18.6%	21.0%	23.4%	37.0%	0.1%	
FR	23.2%	22.4%	22.3%	32.1%	22.4%	22.3%	22.6%	32.7%	22.7%	22.6%	22.6%	32.1%	23.0%	22.5%	22.8%	31.7%	22.7%	22.5%	22.8%	32.0%	0.8%	
IT	22.1%	22.3%	21.8%	33.7%	22.2%	24.3%	22.8%	30.7%	22.4%	22.8%	22.3%	32.5%	22.2%	24.5%	22.2%	31.1%	23.2%	23.3%	23.1%	30.4%	1.3%	
CY	22.0%	22.0%	22.0%	34.1%	40.0%	40.0%	20.0%	0.0%	0.0%	20.0%	20.0%	60.0%	20.0%	40.0%	20.0%	20.0%	12.5%	0.0%	0.0%	87.5%	0.0%	
LV	18.5%	21.6%	22.3%	37.6%	23.9%	24.2%	27.2%	24.7%	17.1%	15.3%	16.4%	51.2%	40.0%	25.9%	20.7%	13.4%	38.5%	25.2%	15.4%	21.0%	0.0%	
LT	11.9%	39.1%	18.3%	30.7%	16.3%	26.5%	25.7%	31.6%	20.6%	27.7%	21.2%	30.5%	22.9%	21.1%	28.1%	27.8%	19.1%	20.3%	33.3%	27.2%	0.0%	
LU	24.8%	24.9%	25.0%	25.3%	24.8%	24.8%	25.1%	25.3%	24.8%	25.1%	25.0%	25.1%	24.9%	25.1%	25.1%	24.9%	24.5%	25.0%	25.0%	25.4%	0.0%	
HU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	23.7%	24.6%	24.4%	27.4%	0.0%	
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
NL	23.6%	27.9%	23.4%	25.0%	24.4%	28.6%	23.8%	23.1%	25.3%	27.1%	23.7%	23.9%	25.9%	26.9%	23.1%	24.1%	25.7%	26.7%	22.8%	24.8%	0.2%	
AT	24.3%	25.1%	23.9%	26.7%	23.9%	25.0%	24.4%	26.7%	23.5%	25.3%	24.2%	27.0%	17.9%	23.6%	27.3%	31.2%	23.7%	24.8%	24.6%	26.9%	0.6%	
PL	27.4%	22.7%	25.2%	24.7%	27.8%	23.3%	25.3%	23.6%	24.0%	30.0%	24.5%	21.5%	33.6%	20.6%	24.4%	21.4%	26.9%	15.5%	19.3%	38.3%	0.3%	
PT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
RO	23.9%	25.6%	25.3%	25.3%	5.6%	5.8%	5.8%	82.8%	6.7%	7.4%	6.9%	79.0%	2.5%	1.3%	2.6%	93.6%	0.0%	0.0%	0.0%	100.0%	0.0%	
SI	24.0%	24.3%	25.5%	26.3%	23.8%	24.4%	25.5%	26.2%	23.6%	24.6%	25.3%	26.5%	22.5%	24.2%	25.9%	27.3%	21.1%	25.9%	28.7%	24.4%	0.1%	
SK	32.4%	4.6%	28.8%	34.1%	24.2%	26.5%	21.6%	27.8%	8.7%	18.1%	9.6%	63.6%	28.7%	26.2%	23.0%	22.0%	22.0%	22.7%	31.3%	24.1%	0.1%	
FI	23.1%	25.2%	26.1%	25.7%	26.6%	25.2%	24.3%	23.8%	25.3%	25.2%	24.9%	24.5%	25.4%	25.0%	24.8%	24.8%	24.9%	25.0%	25.1%	25.1%	0.0%	
SE	23.6%	26.0%	23.7%	26.7%	23.2%	25.7%	24.5%	26.6%	23.7%	25.6%	24.2%	26.5%	24.5%	26.2%	25.0%	24.4%	23.2%	25.3%	25.4%	26.1%	2.2%	
UK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
NO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%

For D.29 payable the quarterly result by country is rather volatile in some cases, because of the small amounts involved. However, in the EU and EA aggregates there is a clear seasonal effect of higher expenditure in Q4.

Table 7: Subsidies, payable (D.3) quarterly general government expenditure as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TE
EU27	24.6%	23.0%	24.5%	27.9%	23.9%	22.3%	25.0%	28.8%	23.8%	22.2%	24.1%	29.9%	25.4%	22.9%	23.6%	28.1%	23.6%	23.5%	24.2%	28.7%	2.5%
EA16	23.5%	23.3%	24.7%	28.5%	23.0%	22.4%	25.2%	29.4%	23.0%	22.1%	24.0%	30.9%	24.1%	22.7%	23.8%	29.4%	23.1%	23.7%	24.3%	28.9%	2.7%
BE	22.3%	24.6%	26.1%	27.0%	24.0%	24.5%	25.2%	26.3%	23.4%	24.5%	25.6%	26.5%	24.4%	25.0%	25.3%	25.4%	24.4%	24.6%	25.1%	25.9%	4.1%
BG	19.9%	23.8%	28.9%	27.4%	16.3%	19.2%	28.4%	36.1%	14.5%	21.0%	22.8%	41.8%	16.0%	22.4%	33.9%	27.7%	28.0%	29.2%	18.8%	23.9%	2.1%
CZ	22.3%	23.4%	22.2%	32.0%	26.3%	24.4%	19.6%	29.8%	26.9%	23.1%	20.3%	29.8%	26.4%	25.5%	21.3%	26.7%	23.9%	21.7%	21.1%	33.3%	4.6%
DK	27.5%	25.0%	24.0%	23.5%	25.1%	25.0%	25.0%	24.8%	23.9%	24.6%	24.9%	26.6%	24.5%	24.7%	25.2%	25.5%	24.2%	24.8%	25.3%	25.7%	4.5%
DE	26.5%	22.3%	23.3%	27.8%	26.5%	19.8%	23.8%	29.9%	26.4%	20.3%	22.1%	31.3%	28.0%	20.3%	21.5%	30.3%	25.4%	22.8%	23.5%	28.3%	2.8%
EE	24.9%	25.8%	21.8%	27.5%	21.9%	20.2%	23.9%	34.0%	21.5%	24.3%	25.0%	29.2%	22.9%	22.5%	22.2%	32.3%	24.1%	24.2%	23.8%	27.9%	2.2%
IE	14.1%	19.7%	26.5%	39.7%	12.7%	18.7%	27.4%	41.2%	16.0%	21.3%	29.3%	33.4%	19.1%	20.1%	24.8%	36.1%	22.8%	23.7%	23.8%	29.6%	1.1%
EL	24.9%	24.9%	24.9%	25.3%	24.9%	24.9%	24.9%	25.3%	25.2%	25.2%	24.8%	24.8%	25.1%	25.1%	25.1%	24.7%	23.5%	20.5%	27.0%	29.0%	0.3%
ES	17.5%	22.1%	24.2%	36.1%	18.6%	23.1%	23.7%	34.6%	17.7%	21.3%	21.9%	39.2%	18.0%	21.9%	25.4%	34.7%	16.6%	24.8%	23.8%	34.8%	2.5%
FR	24.9%	24.9%	25.0%	25.2%	24.2%	24.7%	25.2%	25.9%	24.9%	25.2%	25.2%	24.8%	24.7%	24.6%	25.0%	25.8%	23.5%	24.8%	25.5%	26.2%	3.0%
IT	22.4%	21.9%	26.0%	29.7%	17.7%	20.1%	30.2%	32.0%	17.9%	16.3%	24.3%	41.5%	20.0%	23.2%	25.0%	31.9%	19.2%	22.4%	25.8%	32.6%	1.9%
CY	3.8%	5.3%	1.3%	89.7%	1.3%	0.3%	0.3%	98.2%	1.1%	0.5%	0.5%	98.0%	0.4%	0.3%	1.3%	98.0%	0.9%	0.6%	2.2%	96.3%	0.4%
LV	11.8%	22.4%	24.5%	41.3%	6.4%	16.2%	11.7%	65.7%	16.3%	32.7%	24.5%	26.4%	20.8%	24.7%	27.6%	27.0%	18.5%	37.7%	20.0%	23.9%	1.8%
LT	22.0%	12.8%	11.9%	53.2%	19.2%	15.4%	14.2%	51.2%	16.4%	25.0%	17.2%	41.4%	34.8%	21.3%	27.3%	16.6%	48.1%	10.9%	26.5%	14.4%	1.5%
LU	28.5%	24.9%	17.6%	29.0%	23.9%	24.8%	24.1%	27.2%	33.8%	18.0%	19.1%	29.1%	31.0%	17.4%	21.6%	30.0%	30.1%	18.9%	19.6%	31.4%	3.8%
HU	59.8%	16.7%	12.7%	10.8%	31.1%	23.8%	16.3%	28.8%	20.0%	21.7%	34.4%	23.9%	22.6%	16.5%	27.5%	33.4%	19.1%	26.3%	23.6%	30.9%	1.9%
MT	25.1%	26.3%	15.8%	32.8%	14.6%	31.9%	19.1%	34.3%	21.9%	26.2%	20.0%	31.9%	35.2%	34.0%	19.2%	11.6%	33.6%	33.7%	13.5%	19.1%	2.5%
NL	21.8%	25.2%	25.0%	27.9%	22.8%	24.4%	24.8%	27.9%	20.3%	24.4%	25.4%	29.9%	21.5%	22.8%	24.5%	31.1%	21.1%	27.5%	23.1%	28.3%	2.9%
AT	22.0%	23.9%	24.6%	29.4%	23.9%	25.2%	23.9%	27.0%	26.6%	25.6%	24.6%	23.2%	30.4%	23.5%	21.6%	24.5%	31.2%	21.8%	22.3%	24.7%	7.2%
PL	23.6%	19.1%	33.2%	24.1%	23.3%	26.7%	21.9%	28.2%	38.3%	16.2%	18.0%	27.4%	25.8%	28.7%	15.0%	30.4%	25.7%	17.8%	14.5%	42.1%	1.3%
PT	21.8%	23.7%	24.7%	29.8%	20.9%	23.2%	24.5%	31.4%	21.1%	23.8%	24.4%	30.7%	18.3%	25.5%	22.4%	33.7%	17.9%	22.8%	27.9%	31.5%	1.7%
RO	18.3%	23.4%	19.6%	38.7%	16.2%	17.6%	21.1%	45.0%	20.5%	23.8%	23.7%	32.0%	37.6%	23.7%	25.0%	13.7%	36.4%	21.4%	30.6%	11.7%	1.9%
SI	26.6%	20.0%	22.5%	30.9%	22.1%	25.3%	25.7%	26.8%	24.1%	28.3%	23.0%	24.7%	23.9%	28.1%	22.9%	25.0%	23.6%	27.8%	24.7%	23.9%	3.8%
SK	31.6%	27.0%	25.9%	15.5%	15.2%	16.0%	13.6%	55.2%	22.8%	22.8%	19.9%	34.6%	23.9%	21.7%	18.7%	35.8%	25.4%	17.4%	13.7%	43.5%	3.9%
FI	18.3%	19.9%	30.7%	31.1%	16.4%	18.0%	30.8%	34.8%	15.8%	17.7%	30.7%	35.8%	13.8%	19.7%	30.4%	36.1%	12.2%	18.9%	26.0%	42.9%	2.6%
SE	25.7%	25.4%	23.7%	25.2%	25.5%	25.1%	23.8%	25.7%	25.1%	25.0%	23.9%	26.0%	25.1%	26.3%	24.4%	24.2%	24.3%	25.2%	24.7%	25.9%	2.8%
UK	29.5%	20.0%	24.6%	25.9%	30.5%	19.2%	26.6%	23.6%	28.2%	21.7%	25.8%	24.3%	37.3%	21.0%	21.9%	19.7%	27.3%	21.1%	25.2%	26.4%	1.3%
IS	23.2%	22.9%	26.8%	27.1%	27.9%	22.0%	25.0%	25.1%	27.0%	22.7%	25.3%	25.0%	36.0%	26.8%	24.8%	12.4%	28.6%	25.5%	22.5%	23.4%	3.7%
NO	24.3%	24.9%	25.4%	25.4%	25.1%	25.7%	24.9%	24.3%	24.5%	24.7%	25.3%	25.4%	25.8%	25.8%	25.4%	23.0%	24.4%	24.7%	25.0%	26.0%	4.6%

For D.39 subsidies payable, the fourth quarter values are slightly higher than expected (range 27.7 to 27.9 for EU 27 and 28.5 to 30.9 for EA16) for what should be a fairly smooth series once accrued. Cyprus, Finland, Ireland, Spain and, to a lesser extent Portugal and Italy, all contribute to this situation.

Table 8: Property income (D.4) quarterly general government expenditure as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TE
EU27	24.9%	26.3%	24.3%	24.5%	24.4%	26.1%	24.6%	24.9%	24.0%	26.6%	24.4%	25.0%	24.0%	27.0%	25.2%	23.8%	24.1%	26.5%	24.4%	25.1%	5.2%
EA16	24.9%	26.6%	24.6%	23.9%	24.5%	26.4%	24.9%	24.2%	23.9%	26.9%	24.6%	24.5%	24.1%	27.0%	25.3%	23.5%	24.7%	26.3%	25.1%	24.0%	5.6%
BE	25.1%	25.2%	24.8%	25.0%	24.8%	24.9%	25.5%	24.8%	24.7%	24.8%	25.5%	25.0%	24.8%	25.0%	24.7%	25.5%	25.8%	24.9%	24.6%	24.7%	6.8%
BG	51.6%	10.9%	27.7%	9.8%	52.4%	11.1%	26.2%	10.3%	52.3%	11.9%	24.8%	11.0%	46.7%	12.5%	24.9%	15.8%	50.1%	13.7%	25.6%	10.6%	1.9%
CZ	24.4%	25.5%	23.5%	26.6%	24.2%	25.3%	24.9%	25.5%	24.1%	24.7%	23.8%	27.4%	23.4%	25.8%	25.6%	25.3%	22.5%	24.8%	26.2%	26.5%	2.9%
DK	26.6%	25.3%	25.0%	23.1%	26.2%	25.1%	24.8%	23.9%	26.2%	24.6%	24.9%	24.3%	29.4%	26.1%	24.6%	19.9%	23.7%	24.3%	25.3%	26.7%	3.3%
DE	24.8%	24.9%	24.9%	25.4%	24.6%	24.8%	25.2%	25.5%	25.0%	24.9%	24.9%	25.2%	25.6%	25.3%	25.0%	24.0%	24.3%	24.7%	25.5%	25.4%	5.5%
EE	23.1%	24.0%	20.9%	32.0%	19.7%	22.2%	24.6%	33.5%	26.7%	22.0%	24.0%	27.4%	20.9%	23.8%	23.2%	32.2%	17.6%	16.2%	42.6%	23.6%	0.7%
IE	25.0%	25.0%	25.0%	25.0%	24.6%	25.1%	25.1%	25.2%	26.0%	24.6%	24.9%	24.6%	22.2%	24.9%	25.5%	27.4%	26.0%	23.6%	25.5%	24.8%	4.4%
EL	24.9%	59.4%	6.9%	8.8%	24.9%	57.5%	7.7%	10.0%	24.4%	56.1%	7.7%	11.8%	24.5%	56.2%	8.3%	11.0%	22.8%	25.8%	25.0%	26.4%	9.9%
ES	25.2%	25.8%	24.4%	24.6%	25.1%	25.1%	24.8%	24.9%	24.5%	25.0%	24.8%	25.7%	24.1%	25.6%	23.6%	26.7%	23.5%	26.0%	24.5%	26.0%	3.9%
FR	26.0%	25.4%	28.0%	20.6%	26.0%	24.7%	28.3%	21.0%	24.0%	26.3%	27.5%	22.2%	23.4%	25.4%	30.6%	20.6%	27.8%	27.9%	28.1%	16.2%	4.3%
IT	23.8%	26.2%	23.7%	26.4%	22.4%	25.9%	24.4%	27.2%	22.0%	26.5%	24.2%	27.3%	22.9%	26.8%	24.6%	25.8%	22.7%	27.8%	22.3%	27.2%	8.9%
CY	25.7%	15.4%	36.3%	22.6%	25.5%	18.9%	44.0%	11.6%	27.0%	14.1%	40.1%	18.8%	27.9%	11.7%	42.8%	17.6%	29.2%	12.5%	33.1%	25.2%	5.5%
LV	25.9%	35.5%	15.2%	23.4%	22.3%	28.0%	25.3%	24.4%	12.1%	28.2%	24.2%	35.5%	25.0%	14.7%	26.3%	33.9%	22.7%	23.1%	25.8%	28.3%	3.3%
LT	25.7%	26.2%	24.2%	23.9%	25.7%	24.1%	24.5%	25.7%	22.5%	25.3%	26.1%	26.1%	26.1%	24.2%	24.8%	24.9%	19.1%	22.2%	26.9%	31.8%	2.8%
LU	25.0%	25.0%	25.0%	25.0%	25.6%	25.0%	24.8%	24.5%	25.0%	24.9%	25.1%	25.0%	25.0%	25.0%	25.1%	25.0%	22.1%	25.2%	26.0%	26.6%	0.9%
HU	25.7%	23.7%	25.4%	25.3%	23.9%	24.4%	25.0%	26.7%	24.3%	25.7%	25.1%	24.9%	22.5%	24.5%	26.5%	26.6%	24.2%	25.1%	26.0%	24.7%	9.0%
MT	18.1%	32.3%	22.7%	26.9%	22.8%	26.2%	29.9%	21.1%	29.6%	18.1%	23.8%	28.5%	22.4%	24.9%	23.8%	28.9%	22.8%	23.3%	22.4%	31.5%	7.7%
NL	25.1%	25.0%	25.4%	24.5%	25.9%	24.5%	25.4%	24.2%	23.9%	24.3%	25.4%	26.4%	24.6%	24.9%	24.7%	25.8%	26.4%	26.0%	25.3%	22.3%	4.3%
AT	27.1%	20.3%	24.1%	28.6%	26.4%	24.6%	23.3%	25.8%	25.6%	25.8%	24.5%	24.2%	26.6%	25.1%	24.8%	23.5%	23.0%	25.2%	26.5%	25.3%	5.2%
PL	27.3%	27.8%	17.3%	27.6%	25.0%	28.9%	20.1%	26.0%	21.2%	30.0%	21.6%	27.2%	18.5%	30.4%	21.2%	29.9%	21.8%	28.8%	19.8%	29.6%	5.7%
PT	25.5%	23.2%	24.3%	27.1%	24.1%	23.5%	25.1%	27.3%	25.0%	23.0%	25.1%	26.9%	24.8%	22.9%	26.0%	26.3%	25.9%	23.0%	25.5%	25.6%	5.8%
RO	19.7%	28.7%	7.4%	44.2%	21.7%	20.6%	20.8%	36.9%	22.6%	41.1%	23.4%	12.9%	20.4%	27.6%	33.0%	19.0%	22.0%	20.4%	47.9%	9.7%	3.9%
SI	25.2%	24.4%	25.2%	25.2%	24.9%	24.3%	25.1%	25.7%	26.4%	26.0%	23.9%	23.7%	24.7%	25.4%	24.9%	25.0%	21.0%	23.7%	27.0%	28.3%	2.8%
SK	32.2%	24.0%	24.4%	19.5%	23.9%	30.9%	29.4%	15.7%	27.3%	39.6%	20.7%	12.4%	32.2%	30.1%	22.3%	15.4%	40.9%	33.5%	12.6%	13.1%	3.5%
FI	27.3%	29.5%	37.7%	5.4%	27.3%	29.4%	33.2%	10.0%	29.7%	29.5%	33.5%	7.3%	24.4%	30.1%	34.1%	11.4%	28.5%	22.6%	40.4%	8.5%	2.5%
SE	22.8%	26.7%	20.9%	29.6%	22.5%	30.4%	18.8%	28.3%	23.1%	26.2%	19.6%	31.1%	25.0%	28.4%	25.7%	20.9%	12.9%	30.4%	25.8%	30.9%	2.3%
UK	24.2%	24.6%	24.2%	26.9%	24.2%	23.3%	24.2%	28.3%	24.9%	24.6%	23.7%	26.9%	23.5%	26.8%	25.0%	24.7%	21.4%	27.7%	17.6%	33.3%	3.8%
IS	24.2%	24.2%	25.2%	26.4%	27.9%	23.6%	24.0%	24.6%	24.5%	25.5%	25.3%	24.7%	32.0%	27.7%	27.0%	13.3%	21.9%	19.9%	26.0%	32.2%	12.8%
NO	24.3%	24.9%	25.4%	25.4%	25.1%	25.7%	24.9%	24.3%	24.5%	24.7%	25.3%	25.4%	25.8%	25.8%	25.4%	23.0%	24.4%	24.7%	25.0%	26.0%	3.1%

D.41 interest payable should similarly be smooth as it is accrued, with perhaps slight fluctuations if debt levels possess seasonality. In general they are smooth, but with a slight peak in Q2. The main factor behind this is Greece in the years 2005-2008, but with the improvement to quarterly data this disappears from 2009. Slovakia and Poland also show Q2 seasonality. Sweden also exhibits seasonality in Q2 and Q4.

Table 9: Social benefits other than social transfers in kind (D.62) quarterly general government expenditure as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TE
EU27	24.2%	24.7%	24.8%	26.4%	24.3%	24.7%	24.8%	26.3%	24.2%	24.7%	24.8%	26.3%	24.0%	24.7%	25.0%	26.3%	23.7%	24.8%	25.1%	26.4%	33.6%
EA16	24.2%	24.8%	24.7%	26.3%	24.3%	24.8%	24.7%	26.3%	24.1%	24.7%	24.7%	26.6%	23.9%	24.6%	24.9%	26.6%	23.8%	24.8%	25.0%	26.5%	34.8%
BE	24.5%	26.0%	24.7%	24.7%	24.5%	26.1%	24.6%	24.7%	24.5%	26.1%	24.6%	24.8%	23.9%	26.0%	24.8%	25.3%	24.5%	25.9%	24.9%	24.8%	32.0%
BG	24.0%	24.2%	25.2%	26.6%	24.6%	23.8%	24.5%	27.1%	23.0%	22.4%	24.0%	30.5%	22.3%	22.3%	24.7%	30.6%	22.4%	24.2%	26.4%	26.9%	29.7%
CZ	25.7%	25.0%	24.3%	25.0%	25.6%	25.9%	24.0%	24.5%	24.6%	24.6%	24.8%	26.0%	24.5%	24.6%	25.9%	25.0%	23.8%	24.9%	25.8%	25.4%	30.1%
DK	26.0%	24.9%	24.4%	24.7%	25.8%	24.9%	24.4%	24.9%	25.6%	24.9%	24.8%	24.7%	25.6%	25.0%	24.4%	25.1%	24.9%	24.6%	24.7%	25.8%	28.7%
DE	25.2%	25.1%	24.8%	24.9%	25.5%	25.1%	24.7%	24.6%	25.4%	25.0%	24.8%	24.8%	25.2%	24.9%	24.9%	25.0%	24.6%	25.1%	25.2%	25.1%	38.9%
EE	23.7%	24.2%	25.4%	26.6%	23.6%	25.5%	24.8%	26.1%	23.3%	24.5%	25.2%	27.0%	22.5%	25.3%	24.9%	27.3%	25.0%	25.4%	24.0%	25.6%	31.0%
IE	23.8%	24.9%	25.9%	25.4%	23.3%	25.5%	25.1%	26.1%	24.0%	24.1%	24.8%	27.1%	24.0%	24.3%	24.8%	26.9%	23.2%	24.5%	25.2%	27.1%	31.2%
EL	21.4%	25.5%	25.3%	27.8%	21.3%	26.0%	24.8%	27.8%	21.6%	26.3%	25.1%	27.0%	21.6%	26.3%	25.1%	27.1%	24.1%	25.6%	22.8%	27.4%	39.2%
ES	21.3%	22.5%	26.6%	29.6%	21.2%	22.6%	26.8%	29.4%	20.7%	22.0%	26.1%	31.2%	20.3%	22.6%	26.9%	30.2%	21.2%	23.2%	26.9%	28.8%	31.6%
FR	24.8%	25.0%	25.1%	25.2%	24.8%	24.8%	25.2%	25.3%	24.7%	24.8%	25.2%	25.3%	24.7%	24.7%	25.2%	25.4%	24.3%	25.1%	25.3%	25.4%	33.9%
IT	23.4%	23.3%	23.2%	30.2%	23.5%	23.3%	23.1%	30.1%	23.1%	23.3%	23.0%	30.5%	23.1%	23.5%	23.5%	30.0%	23.2%	23.4%	23.4%	30.1%	36.9%
CY	19.1%	22.4%	22.8%	35.7%	20.2%	23.6%	22.4%	33.8%	22.6%	26.3%	24.7%	26.4%	21.7%	25.2%	25.6%	27.5%	22.6%	27.2%	23.4%	26.9%	28.7%
LV	23.9%	25.1%	24.5%	26.5%	23.9%	24.1%	22.6%	29.3%	24.0%	22.7%	24.0%	29.4%	21.4%	24.3%	24.7%	29.6%	23.0%	25.8%	24.6%	26.6%	28.5%
LT	23.6%	24.3%	25.7%	26.4%	23.9%	23.2%	25.9%	27.0%	23.5%	24.7%	25.6%	26.2%	23.3%	23.9%	25.5%	27.3%	24.9%	25.2%	24.6%	25.4%	34.7%
LU	28.1%	24.2%	25.3%	22.4%	28.4%	24.1%	25.3%	22.2%	28.5%	24.2%	25.2%	22.0%	27.1%	24.1%	26.1%	22.7%	26.8%	25.1%	25.4%	22.7%	36.6%
HU	25.5%	24.4%	24.7%	25.5%	26.7%	23.3%	22.4%	27.6%	25.5%	23.5%	23.2%	27.8%	24.9%	24.1%	25.0%	26.0%	25.1%	24.3%	25.0%	25.5%	32.2%
MT	25.2%	25.8%	23.1%	25.9%	23.8%	25.6%	24.0%	26.6%	23.2%	25.8%	22.7%	28.3%	22.3%	25.5%	23.2%	29.0%	21.6%	26.7%	23.4%	28.4%	30.3%
NL	24.1%	28.6%	23.4%	23.9%	24.3%	28.5%	23.4%	23.8%	23.8%	28.7%	23.7%	23.8%	24.0%	28.0%	24.4%	23.6%	23.2%	27.5%	24.4%	24.9%	22.4%
AT	23.5%	26.9%	26.6%	23.0%	23.4%	27.0%	26.5%	23.2%	23.4%	26.8%	26.6%	23.2%	23.2%	26.6%	26.4%	23.8%	23.0%	27.0%	27.0%	23.1%	37.7%
PL	25.0%	24.1%	24.9%	26.0%	25.3%	24.7%	24.5%	25.5%	25.0%	26.0%	25.5%	23.6%	24.6%	25.8%	26.4%	23.2%	24.0%	24.3%	25.8%	25.8%	33.1%
PT	22.2%	24.1%	25.1%	28.6%	22.0%	24.4%	24.8%	28.8%	22.5%	24.6%	24.9%	28.0%	22.5%	22.8%	26.7%	28.0%	22.3%	23.1%	27.0%	27.7%	34.4%
RO	23.4%	24.6%	25.8%	26.3%	23.1%	24.8%	23.6%	28.5%	23.4%	23.7%	23.9%	28.9%	23.4%	24.2%	24.4%	28.1%	23.5%	25.5%	25.2%	25.8%	31.5%
SI	23.8%	26.6%	24.4%	25.1%	23.9%	26.8%	24.2%	25.2%	23.9%	26.6%	23.8%	25.6%	23.2%	25.7%	24.1%	26.9%	23.9%	26.5%	24.7%	24.9%	33.9%
SK	25.6%	23.8%	25.4%	25.1%	25.1%	24.3%	24.5%	26.1%	23.5%	24.4%	25.8%	26.3%	23.9%	23.8%	25.7%	26.6%	24.9%	23.8%	25.0%	26.3%	33.0%
FI	25.1%	25.1%	24.7%	25.1%	25.1%	24.5%	24.7%	25.7%	24.6%	24.9%	24.9%	25.7%	24.9%	24.7%	24.7%	25.7%	24.6%	24.9%	25.2%	25.3%	32.5%
SE	25.9%	25.2%	24.4%	24.6%	25.2%	24.7%	24.8%	25.3%	25.9%	24.9%	24.6%	24.6%	25.9%	25.6%	25.0%	23.5%	24.3%	24.6%	25.3%	25.8%	29.8%
UK	23.1%	24.5%	24.9%	27.5%	23.7%	24.2%	25.4%	26.7%	24.0%	24.8%	25.5%	25.7%	24.3%	24.8%	25.4%	25.4%	23.0%	25.0%	25.8%	26.1%	29.3%
IS	23.9%	24.6%	25.4%	26.2%	27.9%	23.2%	24.1%	24.8%	24.5%	25.1%	26.3%	24.1%	28.1%	26.3%	31.7%	13.9%	26.9%	25.6%	23.0%	24.5%	16.0%
NO	23.2%	25.0%	25.6%	26.1%	24.0%	25.8%	25.2%	25.0%	23.2%	24.5%	25.7%	26.6%	24.1%	25.6%	25.8%	24.5%	22.5%	24.6%	25.3%	27.7%	29.6%

D.62 social benefits are the largest component of expenditure, being responsible for about a third of total expenditure. The quarterly pattern shows a slight Q4 peak, which mainly arises from the data of Italy and Spain, and to a lesser extent this is also visible for Bulgaria, Latvia and Portugal. Cyprus showed a big effect in 2005 and 2006 but this is no longer evident. Although social benefit payables will often be smooth it is possible for there to be seasonal payments.

Table 10: Social transfers in kind related to expenditure on products supplied to households via market producers (D.6311+D.63121+D.63131) quarterly general government expenditure as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TE
EU27	22.3%	24.6%	23.2%	29.9%	22.4%	24.1%	23.4%	30.0%	22.3%	23.7%	23.2%	30.8%	22.3%	23.9%	23.6%	30.1%	22.2%	23.7%	23.7%	30.3%	9.2%
EA16	22.1%	24.5%	23.1%	30.2%	22.3%	24.1%	23.4%	30.3%	22.2%	23.7%	23.2%	30.9%	22.2%	23.8%	23.6%	30.4%	22.1%	23.7%	23.7%	30.5%	11.4%
BE	25.2%	25.5%	24.0%	25.2%	25.9%	24.7%	23.7%	25.7%	25.1%	24.7%	23.9%	26.4%	25.1%	24.7%	23.9%	26.3%	25.4%	24.8%	23.8%	26.0%	14.9%
BG	13.3%	26.8%	20.7%	39.2%	18.6%	25.3%	25.0%	31.2%	22.7%	25.6%	21.1%	30.6%	21.8%	30.4%	17.2%	30.6%	21.8%	27.8%	27.5%	22.8%	4.0%
CZ	24.0%	25.6%	24.1%	26.2%	25.0%	26.0%	23.7%	25.3%	24.2%	24.2%	23.0%	28.6%	23.0%	25.3%	24.9%	26.8%	23.3%	24.6%	25.4%	26.7%	13.1%
DK	24.6%	25.6%	23.5%	26.3%	24.1%	25.0%	24.5%	26.4%	24.0%	26.1%	24.4%	25.5%	23.7%	25.8%	24.9%	25.6%	23.6%	25.7%	24.2%	26.5%	2.8%
DE	24.0%	25.0%	24.9%	26.1%	24.4%	24.8%	24.7%	26.1%	24.3%	24.8%	24.8%	26.1%	24.3%	25.1%	24.8%	25.9%	24.2%	24.9%	25.0%	25.9%	17.3%
EE	23.6%	24.7%	22.4%	29.3%	24.2%	25.3%	22.7%	27.8%	24.6%	25.3%	22.6%	27.5%	24.2%	24.1%	24.0%	27.7%	24.1%	25.6%	23.3%	27.0%	4.3%
IE	23.9%	25.9%	22.7%	27.6%	17.7%	24.5%	31.9%	26.0%	18.1%	24.8%	32.3%	24.9%	18.5%	24.7%	33.0%	23.8%	17.7%	25.8%	34.0%	22.5%	4.3%
EL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ES	24.3%	25.8%	21.4%	28.5%	22.4%	24.6%	22.4%	30.6%	21.8%	24.8%	23.7%	29.6%	22.1%	25.6%	23.5%	28.8%	22.0%	24.7%	23.1%	30.3%	6.5%
FR	15.9%	22.6%	19.7%	41.7%	16.4%	21.4%	20.8%	41.4%	16.9%	19.7%	19.3%	44.1%	16.9%	19.8%	20.9%	42.4%	16.6%	19.8%	20.1%	43.5%	11.0%
IT	22.6%	24.9%	21.4%	31.1%	21.4%	25.1%	21.8%	31.6%	21.2%	25.0%	22.0%	31.9%	21.4%	24.6%	22.4%	31.5%	21.2%	24.0%	24.1%	30.7%	5.6%
CY	9.0%	14.3%	14.4%	62.3%	20.2%	32.7%	11.9%	35.1%	15.6%	17.8%	11.8%	54.9%	19.2%	63.1%	10.3%	7.5%	26.5%	26.1%	17.2%	30.2%	0.3%
LV	24.8%	25.0%	24.9%	25.3%	24.8%	25.0%	24.9%	25.2%	23.3%	22.9%	23.4%	30.3%	23.7%	24.8%	24.8%	26.6%	24.8%	26.3%	23.6%	25.4%	1.4%
LT	19.6%	23.9%	22.5%	34.0%	22.5%	23.7%	22.5%	31.4%	22.9%	25.1%	23.9%	28.1%	22.2%	23.9%	23.8%	30.1%	24.5%	24.7%	25.1%	25.7%	4.6%
LU	21.1%	23.6%	28.5%	26.7%	26.3%	24.7%	22.7%	26.3%	26.5%	24.8%	22.8%	25.9%	25.2%	25.5%	23.3%	26.0%	25.5%	24.8%	23.5%	26.2%	12.3%
HU	26.7%	25.0%	24.4%	23.9%	29.7%	25.1%	19.7%	25.6%	30.0%	25.8%	19.9%	24.3%	24.1%	26.2%	24.1%	25.6%	24.4%	26.2%	24.3%	25.1%	5.9%
MT	18.6%	24.4%	21.7%	35.3%	23.6%	28.4%	28.0%	20.0%	32.4%	22.9%	25.0%	19.7%	26.6%	35.9%	30.1%	7.4%	33.5%	24.2%	17.0%	25.3%	1.7%
NL	24.6%	24.9%	25.4%	25.2%	24.6%	25.2%	24.8%	25.4%	24.6%	25.1%	24.7%	25.7%	24.6%	25.0%	24.7%	25.7%	24.6%	24.8%	25.0%	25.7%	21.5%
AT	25.1%	24.8%	24.3%	25.8%	25.1%	24.6%	24.1%	26.2%	24.9%	24.2%	24.4%	26.5%	25.0%	24.7%	24.3%	26.1%	25.1%	24.8%	24.4%	25.7%	11.1%
PL	23.8%	28.6%	25.1%	22.5%	24.7%	25.7%	25.4%	24.2%	24.4%	26.0%	23.4%	26.3%	26.1%	23.5%	25.5%	25.0%	23.7%	24.3%	25.2%	26.8%	4.9%
PT	23.3%	25.1%	24.1%	27.5%	23.8%	24.8%	23.4%	28.1%	23.7%	25.5%	23.9%	26.9%	22.7%	24.9%	23.8%	28.6%	23.5%	23.7%	24.8%	28.1%	10.3%
RO	41.2%	36.9%	1.7%	20.2%	25.6%	21.6%	19.5%	33.2%	5.3%	8.6%	10.8%	75.3%	22.8%	20.7%	18.0%	38.5%	24.8%	25.7%	23.2%	26.3%	1.4%
SI	24.4%	25.3%	23.6%	26.6%	24.4%	25.5%	22.7%	27.4%	23.6%	25.4%	23.2%	27.8%	23.9%	24.0%	23.1%	29.0%	25.4%	25.6%	22.8%	26.2%	4.5%
SK	22.2%	25.1%	25.3%	27.3%	24.2%	23.2%	24.0%	28.6%	23.1%	24.4%	25.8%	26.7%	22.8%	23.8%	26.0%	27.4%	22.9%	25.0%	24.6%	27.5%	12.6%
FI	24.6%	27.8%	24.3%	23.2%	28.9%	24.9%	23.9%	22.2%	19.6%	25.2%	26.0%	29.3%	23.9%	25.8%	23.9%	26.5%	23.8%	25.8%	24.1%	26.3%	4.7%
SE	24.8%	25.3%	23.2%	26.7%	23.3%	24.3%	23.6%	28.8%	23.6%	24.7%	23.5%	28.1%	23.6%	25.2%	24.2%	26.9%	22.2%	23.9%	23.9%	29.9%	6.4%
UK	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
NO	23.2%	24.9%	25.8%	26.1%	25.1%	25.7%	24.9%	24.3%	23.7%	24.4%	25.6%	26.3%	24.9%	25.3%	25.7%	24.1%	23.7%	24.4%	25.1%	26.8%	5.0%

D.63 social benefits in kind have a more pronounced Q4 peak. This is heavily influenced by France. The same pattern is evident, but to a lesser extent, in the data of Italy and Bulgaria (with the exception of 2009). Cyprus and Romania have erratic time series, with both having some large values in Q4 but this is not the largest quarter in every year. The Bulgarian data uses a cash source so should possibly be smoothed to achieve a better accrued result.

Table 11: Other current transfers (D.7) quarterly general government expenditure as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TE
EU27	27.3%	23.3%	24.4%	25.0%	26.5%	21.9%	25.1%	26.5%	26.4%	21.7%	24.4%	27.5%	27.8%	22.0%	22.8%	27.5%	26.3%	23.0%	23.2%	27.6%	4.7%
EA16	27.6%	23.6%	23.9%	24.9%	26.6%	21.7%	24.9%	26.9%	26.1%	21.7%	24.3%	27.9%	27.3%	21.9%	22.2%	28.5%	26.1%	22.3%	22.8%	28.8%	4.4%
BE	28.7%	23.8%	24.2%	23.3%	29.4%	22.8%	24.3%	23.5%	29.4%	22.5%	24.0%	24.2%	28.8%	22.2%	22.2%	26.8%	28.6%	23.5%	21.5%	26.4%	4.8%
BG	29.7%	31.0%	15.2%	24.1%	22.6%	24.8%	22.8%	29.8%	42.7%	16.0%	17.1%	24.1%	21.3%	15.0%	17.4%	46.3%	7.2%	13.8%	25.5%	53.5%	8.7%
CZ	29.0%	27.8%	15.2%	27.9%	26.3%	30.2%	19.3%	24.1%	30.2%	26.8%	15.6%	27.4%	26.8%	23.1%	21.2%	28.9%	28.7%	24.4%	20.7%	26.3%	3.4%
DK	30.7%	23.0%	25.3%	21.0%	28.1%	22.5%	24.9%	24.4%	31.6%	23.4%	25.5%	19.5%	30.2%	23.6%	22.9%	23.2%	31.0%	23.8%	22.5%	22.7%	5.1%
DE	31.5%	22.4%	24.6%	21.5%	29.5%	21.4%	25.0%	24.1%	27.8%	21.7%	23.6%	26.9%	28.3%	22.3%	22.7%	26.7%	25.7%	20.5%	22.9%	30.9%	4.0%
EE	28.4%	22.7%	18.9%	30.0%	19.7%	15.6%	18.2%	46.5%	26.2%	17.2%	20.1%	36.5%	30.3%	22.8%	19.2%	27.7%	28.4%	30.0%	16.4%	25.2%	4.1%
IE	31.0%	21.6%	24.7%	22.7%	29.6%	21.1%	26.4%	22.9%	30.3%	21.5%	23.3%	24.9%	31.3%	21.6%	23.5%	23.7%	29.0%	26.9%	20.7%	23.4%	5.5%
EL	26.8%	23.6%	22.3%	27.3%	26.8%	24.0%	22.6%	26.7%	26.1%	23.2%	21.4%	29.3%	31.0%	27.0%	19.4%	22.6%	23.2%	49.8%	20.6%	6.3%	3.2%
ES	26.8%	19.6%	21.9%	31.6%	22.9%	15.8%	24.0%	37.3%	22.6%	18.8%	23.4%	35.3%	25.1%	17.9%	15.7%	41.3%	20.8%	21.4%	17.7%	40.1%	4.1%
FR	24.4%	24.9%	25.3%	25.4%	25.0%	25.0%	25.0%	25.1%	24.6%	24.8%	25.1%	25.5%	24.2%	24.7%	25.3%	25.9%	24.5%	25.0%	25.2%	25.3%	5.8%
IT	31.2%	21.9%	23.5%	23.4%	28.7%	21.2%	24.6%	25.4%	26.9%	19.8%	24.1%	29.2%	29.7%	21.2%	21.2%	27.8%	27.9%	23.2%	21.2%	27.7%	3.4%
CY	26.3%	19.7%	33.5%	20.4%	25.4%	24.2%	33.0%	17.4%	32.1%	21.2%	20.2%	26.4%	25.5%	27.8%	20.2%	26.5%	26.8%	38.7%	26.1%	8.3%	7.7%
LV	10.3%	10.4%	4.0%	75.4%	20.0%	25.0%	4.9%	50.2%	15.3%	27.7%	26.0%	31.0%	21.7%	24.8%	21.2%	32.3%	23.0%	18.6%	29.4%	29.0%	7.6%
LT	31.9%	19.3%	23.0%	25.8%	28.3%	19.9%	28.4%	23.5%	24.2%	18.1%	22.4%	35.2%	25.3%	21.7%	18.7%	34.3%	29.7%	28.4%	18.1%	23.7%	3.2%
LU	28.2%	23.1%	23.7%	25.0%	31.6%	21.3%	23.3%	23.8%	28.9%	22.7%	23.4%	25.0%	31.5%	22.3%	21.2%	24.9%	31.9%	21.2%	24.0%	22.8%	7.2%
HU	20.3%	25.1%	21.3%	33.3%	29.4%	9.9%	28.0%	32.8%	28.6%	6.8%	21.2%	43.5%	22.3%	13.5%	25.9%	38.4%	27.6%	8.6%	45.8%	18.0%	5.0%
MT	29.3%	27.4%	30.1%	13.2%	26.3%	18.9%	33.2%	21.5%	24.6%	19.4%	29.1%	26.9%	29.0%	19.7%	23.5%	27.8%	24.1%	24.1%	22.2%	29.6%	4.1%
NL	26.9%	23.1%	23.7%	26.3%	21.4%	23.2%	23.5%	32.0%	27.2%	23.1%	23.6%	26.1%	28.6%	20.9%	19.9%	30.6%	32.9%	6.8%	26.4%	33.9%	2.8%
AT	18.9%	42.0%	14.4%	24.7%	29.3%	0.5%	31.3%	38.8%	21.7%	4.8%	31.4%	42.1%	37.2%	3.4%	20.0%	39.4%	37.4%	1.4%	20.3%	40.9%	4.6%
PL	24.7%	21.3%	27.3%	26.7%	22.4%	19.8%	31.5%	26.4%	24.7%	22.4%	28.8%	24.1%	23.7%	21.8%	30.3%	24.1%	29.7%	25.1%	21.7%	23.5%	4.9%
PT	26.7%	18.3%	24.5%	30.5%	26.7%	24.6%	23.9%	24.8%	29.3%	20.6%	23.3%	26.8%	30.9%	21.8%	21.1%	26.2%	31.9%	22.7%	25.6%	19.9%	5.1%
RO	36.2%	35.8%	24.8%	3.2%	26.0%	29.3%	30.8%	14.0%	26.2%	20.3%	27.8%	25.7%	31.2%	15.8%	28.4%	24.6%	39.7%	28.3%	26.4%	5.6%	2.8%
SI	19.9%	25.4%	24.3%	30.4%	19.2%	25.1%	24.6%	31.0%	19.1%	23.0%	24.2%	33.7%	19.3%	24.9%	25.4%	30.4%	20.8%	26.5%	24.4%	28.3%	4.2%
SK	25.7%	25.7%	24.9%	23.8%	14.3%	40.3%	29.2%	16.3%	26.1%	27.3%	28.7%	17.9%	22.0%	27.1%	26.5%	24.4%	33.0%	21.0%	17.6%	28.4%	4.3%
FI	28.6%	23.2%	21.0%	27.2%	27.7%	22.2%	21.9%	28.3%	28.0%	23.3%	21.2%	27.5%	26.7%	24.4%	21.9%	27.0%	24.8%	26.0%	22.5%	26.7%	5.4%
SE	30.0%	20.5%	23.4%	26.2%	29.3%	21.8%	23.4%	25.6%	27.7%	20.7%	22.9%	28.7%	28.8%	22.7%	20.5%	27.9%	29.9%	20.2%	23.6%	26.3%	4.6%
UK	26.2%	22.7%	26.3%	24.7%	26.3%	22.8%	25.6%	25.2%	26.6%	22.2%	24.6%	26.7%	30.1%	22.4%	23.5%	23.9%	25.1%	26.4%	23.9%	24.6%	6.3%
IS	23.5%	23.4%	26.8%	26.3%	28.2%	22.7%	24.6%	24.5%	23.6%	25.0%	25.1%	26.3%	26.8%	25.3%	31.7%	16.2%	25.0%	23.0%	22.2%	29.8%	4.8%
NO	24.3%	24.9%	25.4%	25.4%	25.1%	25.7%	24.9%	24.3%	24.5%	24.7%	25.3%	25.4%	25.8%	25.8%	25.4%	23.0%	24.4%	24.7%	25.0%	26.0%	5.2%

D.7 current transfer payables have a more variable pattern than most other expenditure categories, with Q1 and Q4 always higher than Q2 and Q3. The timing of recording of current transfers can genuinely lead to seasonality in the data. Luxembourg, Denmark and Ireland contribute to the Q1 peak; Latvia, Austria and Spain to the Q4 peak.

Table 12: Capital transfers (D.9) quarterly general government expenditure as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TE
EU27	27.7%	28.5%	15.9%	27.9%	23.1%	19.2%	18.7%	39.0%	26.9%	18.0%	20.0%	35.1%	23.0%	17.6%	29.4%	30.0%	24.8%	23.5%	19.4%	32.3%	2.9%
EA16	32.0%	19.4%	17.5%	31.2%	22.1%	17.5%	17.9%	42.4%	24.3%	18.2%	19.0%	38.5%	24.1%	20.9%	20.8%	34.2%	20.5%	22.7%	21.2%	35.6%	2.7%
BE	78.0%	7.9%	6.3%	7.9%	27.8%	22.1%	26.9%	23.3%	28.7%	22.7%	25.0%	23.6%	20.9%	25.9%	27.6%	25.5%	35.2%	23.5%	19.7%	21.6%	3.1%
BG	18.6%	16.7%	21.5%	43.2%	24.1%	29.5%	13.2%	33.2%	1.8%	2.7%	2.2%	93.4%	6.6%	8.3%	26.6%	58.4%	48.0%	32.8%	12.9%	6.3%	1.1%
CZ	8.7%	57.8%	11.8%	21.7%	13.7%	47.1%	15.4%	23.8%	11.4%	36.8%	11.4%	40.4%	7.6%	64.5%	11.3%	16.6%	8.0%	59.4%	14.1%	18.5%	4.9%
DK	27.7%	26.8%	23.1%	22.5%	28.3%	28.0%	23.6%	20.1%	23.2%	22.3%	23.9%	30.6%	71.0%	9.9%	9.2%	9.9%	17.8%	28.5%	38.2%	15.5%	0.8%
DE	40.1%	15.3%	14.6%	30.0%	39.9%	15.1%	15.7%	29.4%	37.1%	15.3%	16.3%	31.3%	34.2%	18.6%	18.0%	29.2%	29.1%	20.7%	16.7%	33.5%	2.9%
EE	16.4%	27.7%	13.2%	42.6%	16.6%	37.6%	15.8%	30.0%	23.7%	32.6%	12.1%	31.6%	11.0%	28.6%	18.4%	42.0%	22.3%	26.8%	20.8%	30.2%	1.6%
IE	18.4%	21.8%	24.2%	35.6%	18.4%	21.3%	24.9%	35.4%	20.9%	22.8%	25.6%	30.7%	21.5%	23.0%	24.1%	31.4%	5.4%	63.5%	24.8%	6.3%	6.6%
EL	25.0%	25.0%	25.0%	24.9%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	-12.4%	44.7%	50.4%	17.4%	1.9%
ES	9.7%	22.6%	20.1%	47.5%	10.4%	17.0%	27.3%	45.3%	11.8%	19.2%	16.2%	52.9%	13.2%	17.5%	19.6%	49.7%	8.7%	17.8%	16.1%	57.4%	2.9%
FR	26.2%	26.1%	24.9%	22.7%	26.4%	24.4%	24.0%	25.1%	22.5%	24.5%	26.0%	27.0%	24.9%	25.1%	25.1%	24.9%	21.9%	22.9%	25.5%	29.7%	1.4%
IT	19.3%	23.9%	20.4%	36.5%	9.2%	15.5%	13.0%	62.3%	15.5%	14.7%	18.0%	51.8%	18.0%	22.5%	20.9%	38.6%	18.0%	21.9%	20.2%	39.8%	3.6%
CY	30.8%	30.8%	9.2%	29.2%	1.9%	9.5%	30.1%	58.5%	2.7%	11.7%	25.5%	60.0%	4.0%	5.7%	6.2%	84.1%	5.3%	10.9%	19.2%	64.5%	2.1%
LV	8.4%	17.3%	29.3%	45.1%	5.3%	14.6%	26.8%	53.2%	18.7%	30.5%	18.8%	31.9%	22.4%	20.2%	24.2%	33.2%	15.3%	8.5%	6.0%	70.2%	4.5%
LT	6.1%	14.8%	11.3%	67.8%	18.2%	8.4%	12.6%	60.9%	6.9%	6.0%	9.0%	78.1%	26.4%	14.7%	20.1%	38.8%	20.1%	26.2%	39.4%	14.3%	1.4%
LU	5.5%	16.7%	17.9%	60.0%	8.1%	17.2%	16.7%	58.0%	9.7%	13.8%	20.8%	55.7%	15.1%	18.9%	17.2%	48.8%	19.2%	20.7%	20.3%	39.7%	3.4%
HU	19.8%	19.0%	24.1%	37.1%	23.0%	25.8%	18.3%	32.9%	32.1%	14.5%	34.0%	19.4%	21.1%	25.9%	18.0%	34.9%	20.5%	55.4%	-6.6%	30.7%	2.3%
MT	22.4%	17.2%	21.9%	38.5%	11.4%	15.4%	19.9%	53.3%	17.0%	34.2%	24.8%	24.1%	41.1%	17.5%	20.7%	20.7%	13.2%	41.5%	13.2%	32.2%	2.3%
NL	41.7%	16.1%	8.8%	33.4%	46.7%	15.3%	14.8%	23.2%	44.9%	15.9%	21.0%	18.1%	39.7%	13.0%	18.4%	28.9%	25.7%	13.0%	27.3%	34.0%	2.5%
AT	21.0%	23.2%	19.1%	36.7%	20.0%	23.0%	17.3%	39.8%	18.8%	24.7%	17.0%	39.5%	13.9%	19.5%	17.0%	49.5%	18.7%	14.7%	20.9%	45.8%	3.6%
PL	22.4%	21.9%	21.5%	34.2%	16.8%	25.4%	38.8%	19.0%	22.6%	22.3%	29.4%	25.7%	17.5%	26.0%	33.5%	23.0%	22.7%	21.9%	26.0%	29.3%	2.0%
PT	24.9%	17.9%	14.2%	42.9%	33.7%	16.5%	14.6%	35.2%	49.6%	11.7%	16.7%	22.0%	16.7%	38.1%	23.0%	22.2%	23.1%	17.2%	31.0%	28.7%	2.3%
RO	32.0%	35.2%	32.6%	0.2%	6.4%	10.8%	17.4%	65.3%	14.3%	20.5%	57.8%	7.4%	21.3%	33.9%	28.3%	16.5%	34.7%	7.0%	53.2%	5.2%	1.9%
SI	17.6%	24.0%	15.5%	42.9%	12.4%	17.4%	24.2%	46.0%	9.3%	21.5%	23.3%	45.9%	10.8%	17.8%	32.7%	38.7%	12.8%	30.9%	17.1%	39.2%	2.5%
SK	16.3%	4.2%	27.9%	51.6%	30.3%	24.1%	22.5%	23.2%	11.7%	37.0%	26.5%	24.9%	18.7%	17.9%	27.5%	36.0%	6.4%	24.9%	48.7%	20.0%	5.3%
FI	24.3%	25.1%	25.4%	25.2%	25.1%	24.8%	24.9%	25.3%	24.7%	25.2%	25.2%	24.9%	24.7%	24.5%	24.8%	26.0%	23.9%	24.7%	25.3%	26.0%	0.8%
SE	8.1%	17.0%	13.6%	61.4%	34.3%	16.6%	17.0%	32.1%	15.7%	21.4%	26.1%	36.8%	18.8%	25.5%	19.8%	35.9%	18.3%	19.7%	21.0%	41.0%	0.5%
UK	17.7%	55.0%	10.4%	16.9%	30.4%	24.7%	21.2%	23.8%	42.5%	15.7%	21.6%	20.1%	20.7%	5.7%	50.4%	23.1%	39.7%	22.8%	13.3%	24.2%	4.9%
IS	23.5%	23.4%	26.9%	26.3%	28.2%	22.7%	24.6%	24.5%	23.6%	25.0%	25.1%	26.3%	2.6%	2.5%	3.1%	91.8%	25.0%	23.0%	22.2%	29.8%	1.8%
NO	24.3%	24.9%	25.4%	25.4%	25.1%	25.7%	24.9%	24.3%	24.5%	24.7%	25.3%	25.4%	25.8%	25.8%	25.4%	23.0%	24.4%	24.7%	25.0%	26.0%	0.3%

With the exception of 2005, Q4 shows the highest expenditure for D.9 investment grants and capital transfers. There is no regular pattern for the other quarters. It is possible that there is an end of financial year effect here, with budgeted money being used up before the end of the financial year, this hypothesis is boosted by a similar effect being seen in the United Kingdom at the end of Q1. Luxembourg, Spain, Cyprus, Austria, Slovenia and Sweden all exhibit a relatively large Q4 value.

Table 13: Intermediate consumption (P.2) quarterly general government expenditure as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TE
EU27	22.8%	24.7%	23.9%	28.5%	22.9%	24.3%	23.9%	28.9%	23.0%	24.5%	24.1%	28.4%	23.4%	24.4%	23.8%	28.4%	23.3%	24.4%	23.7%	28.6%	13.6%
EA16	22.1%	24.5%	23.5%	29.9%	22.0%	24.5%	23.3%	30.2%	21.9%	24.2%	23.6%	30.3%	22.0%	24.3%	23.3%	30.3%	22.7%	24.4%	23.2%	29.7%	11.1%
BE	25.4%	25.3%	24.7%	24.6%	25.8%	25.1%	24.4%	24.7%	26.5%	24.1%	24.7%	24.7%	24.6%	24.6%	24.4%	26.4%	24.7%	24.7%	24.8%	25.8%	7.3%
BG	20.6%	25.3%	22.6%	31.6%	21.2%	22.6%	21.3%	34.9%	19.4%	21.3%	20.8%	38.4%	18.2%	22.0%	21.3%	38.5%	24.5%	28.2%	21.2%	26.2%	17.5%
CZ	18.3%	24.4%	24.2%	33.0%	19.3%	23.3%	22.8%	34.5%	18.9%	22.3%	21.7%	37.2%	18.5%	23.7%	23.8%	34.0%	17.8%	22.9%	23.5%	35.8%	14.3%
DK	24.1%	24.2%	24.5%	27.2%	24.4%	24.0%	24.4%	27.1%	24.7%	23.9%	24.1%	27.3%	22.8%	24.8%	24.9%	27.5%	23.9%	24.6%	24.6%	26.9%	17.6%
DE	22.0%	23.5%	24.4%	30.1%	22.9%	22.9%	24.0%	30.2%	22.8%	23.1%	23.9%	30.3%	22.7%	23.4%	24.2%	29.8%	22.8%	23.4%	24.8%	29.0%	9.8%
EE	22.1%	23.4%	22.4%	32.2%	23.4%	24.8%	21.9%	29.9%	22.6%	25.5%	21.4%	30.5%	23.8%	24.1%	21.9%	30.2%	25.9%	23.9%	20.0%	30.3%	17.0%
IE	23.1%	25.5%	25.1%	26.4%	24.2%	24.0%	25.1%	26.7%	23.5%	23.5%	25.0%	28.0%	24.9%	24.5%	24.1%	26.5%	27.1%	23.0%	24.4%	25.5%	12.0%
EL	24.7%	24.7%	25.1%	25.4%	24.8%	24.9%	25.0%	25.3%	24.8%	24.7%	25.1%	25.4%	24.7%	24.8%	25.5%	25.1%	17.9%	22.4%	21.7%	38.0%	13.4%
ES	14.2%	21.7%	19.8%	44.2%	14.5%	22.0%	20.2%	43.2%	16.1%	22.1%	20.3%	41.5%	15.4%	22.1%	20.9%	41.6%	17.6%	22.8%	20.0%	39.6%	12.6%
FR	24.8%	27.3%	23.0%	24.9%	23.1%	27.3%	23.8%	25.8%	21.9%	27.2%	24.6%	26.4%	24.2%	25.8%	22.8%	27.2%	26.2%	25.5%	21.6%	26.6%	9.7%
IT	23.6%	24.3%	24.2%	28.0%	23.5%	24.6%	23.1%	28.8%	23.5%	24.3%	23.4%	28.7%	22.7%	25.1%	23.8%	28.4%	22.8%	25.8%	24.1%	27.3%	11.8%
CY	12.0%	18.1%	20.7%	49.1%	19.3%	24.1%	21.5%	35.0%	20.4%	20.7%	22.2%	36.6%	17.0%	20.6%	23.6%	38.9%	21.2%	22.8%	24.1%	31.9%	12.3%
LV	20.9%	23.2%	22.7%	33.1%	19.2%	22.1%	21.8%	36.9%	21.7%	23.3%	23.8%	31.2%	19.9%	24.3%	25.2%	30.6%	33.1%	23.3%	17.4%	26.2%	15.7%
LT	17.1%	23.9%	23.8%	35.2%	16.5%	23.3%	24.2%	36.0%	17.2%	22.4%	25.6%	34.8%	17.6%	23.0%	25.1%	34.4%	25.2%	23.3%	20.2%	31.4%	13.2%
LU	18.8%	24.1%	21.5%	35.5%	17.6%	18.9%	22.9%	40.5%	16.8%	23.0%	21.0%	39.2%	22.8%	22.5%	20.3%	34.5%	19.8%	21.6%	22.7%	36.0%	8.6%
HU	22.8%	25.6%	24.1%	27.4%	28.2%	24.4%	20.1%	27.3%	19.3%	24.7%	23.5%	32.5%	21.7%	25.3%	24.9%	28.1%	21.5%	25.9%	21.6%	31.1%	15.2%
MT	20.9%	23.8%	23.7%	31.6%	21.5%	22.3%	24.0%	32.3%	19.7%	23.2%	22.4%	34.7%	24.0%	24.7%	25.1%	26.2%	18.5%	26.2%	28.6%	26.6%	14.0%
NL	22.8%	24.5%	24.4%	28.3%	22.8%	24.5%	24.2%	28.4%	23.7%	23.9%	24.8%	27.7%	23.4%	25.0%	24.1%	27.5%	23.6%	24.5%	24.3%	27.6%	16.2%
AT	20.4%	23.1%	23.0%	33.5%	20.7%	23.2%	23.2%	33.0%	19.7%	21.8%	23.9%	34.6%	19.5%	23.7%	23.1%	33.7%	21.1%	22.4%	25.3%	31.2%	8.9%
PL	24.9%	24.8%	24.0%	26.4%	26.0%	24.0%	23.3%	26.7%	23.1%	26.7%	25.0%	25.2%	25.8%	25.5%	25.9%	22.8%	26.0%	24.4%	22.5%	27.1%	12.6%
PT	16.5%	23.0%	24.8%	35.7%	15.6%	22.6%	23.8%	38.0%	16.3%	23.0%	24.3%	36.4%	18.1%	23.5%	23.6%	34.7%	20.8%	22.3%	25.4%	31.6%	9.6%
RO	15.6%	21.0%	31.9%	31.5%	15.3%	18.0%	22.8%	43.8%	16.3%	21.3%	19.8%	42.6%	17.3%	20.7%	21.3%	40.7%	16.7%	26.2%	18.3%	38.8%	17.1%
SI	22.4%	25.4%	25.0%	27.1%	22.4%	25.6%	25.0%	27.0%	22.4%	25.6%	25.0%	27.0%	22.3%	25.4%	25.0%	27.2%	22.4%	25.2%	25.1%	27.2%	13.3%
SK	17.5%	20.9%	23.2%	38.4%	19.4%	23.5%	21.0%	36.1%	22.2%	19.3%	21.8%	36.6%	17.2%	21.9%	23.3%	37.6%	19.2%	24.1%	21.3%	35.4%	12.9%
FI	20.7%	25.3%	22.2%	31.9%	21.0%	25.4%	21.9%	31.7%	21.8%	24.7%	22.0%	31.6%	21.0%	25.4%	22.1%	31.5%	21.1%	25.6%	21.9%	31.4%	19.7%
SE	23.7%	26.6%	21.8%	27.9%	22.1%	26.6%	22.0%	29.4%	22.3%	26.4%	21.1%	30.2%	22.3%	26.9%	22.3%	28.6%	21.8%	25.4%	21.6%	31.1%	17.3%
UK	24.2%	25.1%	24.9%	25.8%	24.6%	24.1%	25.5%	25.8%	25.7%	24.7%	25.6%	24.0%	26.8%	24.2%	24.9%	24.1%	24.9%	24.3%	25.8%	25.0%	26.1%
IS	23.6%	24.9%	24.1%	27.4%	26.7%	24.0%	23.5%	25.8%	22.5%	26.6%	24.4%	26.4%	30.4%	27.4%	27.1%	15.1%	26.6%	25.1%	22.8%	25.5%	24.6%
NO	24.2%	24.8%	25.4%	25.6%	24.4%	25.4%	25.3%	24.9%	23.9%	24.5%	25.5%	26.1%	25.2%	25.6%	25.6%	23.6%	23.8%	24.3%	25.3%	26.7%	15.1%

P.2 Intermediate consumption expenditure shows a regular seasonal order of Q4 highest, then Q2, Q3, and Q1. The range of percentages is from 22.9% to 28.9%, so despite the seasonality as lot of the expenditure is spread across the year. Spain, Romania, Cyprus, Luxembourg, Slovakia, Portugal, Czech Republic and Lithuania all have a noticeable Q4 peak. The Cyprus data source is cash but is converted to accruals.

Table 14: Gross capital formation and acquisitions less disposals of non-financial non-produced assets (P.5_K.2) quarterly general government expenditure as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TE
EU27	22.3%	14.9%	26.9%	35.9%	20.2%	21.9%	24.1%	33.9%	20.2%	21.2%	24.0%	34.6%	20.6%	21.7%	24.2%	33.4%	20.7%	22.9%	24.0%	32.4%	5.7%
EA16	18.2%	23.5%	24.7%	33.5%	18.6%	23.1%	24.5%	33.7%	18.8%	22.6%	24.4%	34.2%	18.9%	22.9%	24.3%	33.9%	19.4%	24.5%	23.9%	32.2%	5.5%
BE	25.2%	25.6%	25.6%	23.7%	31.7%	30.3%	29.6%	8.4%	24.9%	24.5%	25.1%	25.6%	23.4%	24.3%	24.4%	27.9%	23.2%	25.4%	24.2%	27.2%	3.5%
BG	11.4%	24.5%	23.4%	40.6%	8.4%	17.9%	21.8%	52.0%	9.4%	14.6%	15.3%	60.8%	10.0%	13.4%	17.7%	58.9%	16.7%	31.9%	25.8%	25.6%	11.8%
CZ	20.6%	25.3%	26.3%	27.7%	21.3%	24.8%	26.4%	27.5%	24.2%	24.2%	23.2%	28.4%	28.3%	3.5%	34.9%	33.4%	25.3%	10.4%	29.1%	35.2%	8.9%
DK	21.1%	26.2%	27.1%	25.7%	22.7%	22.3%	24.2%	30.8%	22.1%	21.3%	26.1%	30.4%	25.2%	23.3%	25.4%	26.1%	23.9%	22.0%	24.3%	29.8%	3.6%
DE	16.3%	27.6%	28.8%	27.3%	13.9%	26.2%	29.4%	30.5%	18.9%	24.8%	27.9%	28.4%	18.1%	25.3%	27.5%	29.2%	16.8%	24.6%	28.3%	30.3%	3.3%
EE	8.1%	19.8%	26.9%	45.2%	8.1%	7.5%	33.1%	51.3%	9.5%	23.3%	33.3%	33.9%	13.5%	22.4%	30.2%	33.9%	19.0%	30.0%	25.2%	25.8%	10.7%
IE	12.1%	19.2%	22.1%	46.6%	11.6%	18.4%	23.4%	46.5%	14.7%	20.1%	27.3%	37.9%	20.6%	22.3%	23.5%	33.5%	20.0%	22.6%	23.6%	33.8%	9.7%
EL	22.1%	24.4%	23.3%	30.2%	22.3%	25.4%	25.8%	26.5%	21.5%	24.9%	25.2%	28.4%	20.9%	24.4%	24.7%	30.0%	23.7%	29.7%	20.6%	26.0%	6.6%
ES	8.2%	15.6%	18.3%	57.9%	7.2%	16.3%	19.6%	56.9%	8.0%	16.0%	19.3%	56.8%	7.5%	16.4%	20.1%	55.9%	9.6%	23.0%	18.7%	48.7%	9.9%
FR	23.5%	25.2%	25.4%	26.0%	23.9%	25.0%	24.7%	26.4%	23.6%	25.1%	25.0%	26.2%	24.0%	25.2%	25.2%	25.6%	23.7%	25.2%	25.1%	25.9%	6.3%
IT	20.4%	25.4%	26.4%	27.9%	22.5%	23.3%	24.1%	30.0%	20.6%	23.0%	23.9%	32.5%	19.7%	23.1%	23.7%	33.4%	21.8%	24.4%	22.7%	31.1%	4.7%
CY	22.1%	27.6%	23.7%	26.6%	19.3%	27.6%	21.8%	31.3%	19.1%	18.3%	23.2%	39.4%	14.0%	17.7%	24.4%	43.9%	17.3%	21.7%	27.7%	33.3%	8.9%
LV	8.4%	21.5%	31.3%	38.7%	8.6%	16.4%	30.9%	44.1%	12.2%	20.8%	32.0%	35.0%	11.6%	20.7%	30.8%	37.0%	11.3%	17.0%	21.9%	49.8%	9.7%
LT	9.7%	11.7%	25.7%	52.9%	7.1%	11.8%	24.4%	56.7%	9.9%	17.3%	26.0%	46.8%	10.0%	19.7%	27.9%	42.4%	23.5%	20.8%	20.9%	34.8%	9.0%
LU	12.7%	19.5%	22.0%	45.8%	10.2%	18.8%	25.9%	45.1%	16.9%	24.3%	20.5%	38.4%	15.7%	23.2%	25.2%	35.9%	20.6%	22.4%	25.3%	31.7%	8.3%
HU	18.3%	22.1%	25.8%	33.8%	21.5%	22.6%	22.4%	33.5%	21.2%	25.5%	21.2%	32.0%	12.6%	25.4%	23.7%	38.2%	10.6%	21.4%	25.6%	42.4%	6.1%
MT	25.2%	31.7%	26.7%	16.4%	29.3%	15.2%	22.6%	32.9%	26.3%	23.1%	15.6%	35.0%	35.6%	13.6%	22.9%	27.9%	16.8%	22.6%	24.4%	36.2%	4.7%
NL	16.0%	22.3%	24.2%	37.5%	23.3%	23.7%	25.0%	28.0%	23.3%	24.6%	23.7%	28.3%	23.7%	25.8%	22.5%	27.9%	24.4%	25.0%	25.9%	24.7%	7.6%
AT	15.6%	18.5%	26.0%	39.9%	11.2%	23.4%	23.0%	42.4%	16.8%	14.2%	34.1%	34.9%	17.5%	18.5%	25.5%	38.5%	16.9%	19.4%	26.9%	36.7%	2.1%
PL	9.4%	16.8%	26.2%	47.6%	10.9%	16.8%	23.0%	49.4%	9.1%	18.0%	23.0%	49.9%	8.0%	20.6%	24.4%	47.0%	8.3%	17.3%	24.2%	50.2%	12.1%
PT	18.8%	25.8%	26.6%	28.7%	20.2%	23.3%	22.9%	33.6%	15.6%	20.9%	28.6%	34.8%	21.7%	8.7%	48.2%	21.3%	17.9%	22.7%	25.9%	33.5%	5.1%
RO	10.8%	12.8%	29.2%	47.1%	5.9%	11.7%	17.8%	64.6%	11.5%	15.1%	15.1%	58.3%	14.7%	25.9%	22.6%	36.9%	14.3%	20.6%	28.2%	36.9%	12.9%
SI	21.6%	26.4%	25.3%	26.7%	22.5%	25.7%	25.1%	26.6%	21.7%	25.5%	26.3%	26.6%	21.9%	26.8%	24.8%	26.5%	22.7%	25.8%	25.2%	26.4%	9.5%
SK	13.5%	24.2%	19.9%	42.4%	12.4%	23.8%	19.1%	44.8%	13.1%	23.9%	19.1%	43.9%	15.5%	26.7%	22.9%	35.0%	18.0%	26.0%	23.4%	32.7%	5.5%
FI	22.2%	25.4%	27.3%	25.2%	21.4%	24.2%	27.1%	27.3%	23.4%	24.5%	27.0%	25.0%	22.0%	24.6%	26.7%	26.7%	23.9%	24.8%	26.4%	24.9%	5.1%
SE	18.6%	24.4%	23.6%	33.4%	17.7%	23.9%	22.4%	36.0%	17.3%	23.6%	23.5%	35.5%	18.2%	26.2%	22.1%	33.5%	17.9%	25.5%	22.1%	34.4%	6.1%
UK	116.0%	-158.8%	69.3%	73.6%	36.2%	16.6%	22.5%	24.8%	36.6%	13.0%	24.2%	26.2%	37.8%	16.2%	22.6%	23.4%	35.3%	16.8%	23.2%	24.7%	5.0%
IS	18.6%	27.1%	33.2%	21.0%	23.0%	26.6%	28.0%	22.4%	19.8%	28.5%	29.4%	22.4%	26.5%	33.4%	30.4%	9.7%	20.0%	27.1%	33.5%	19.4%	6.8%
NO	19.8%	23.8%	24.0%	32.4%	19.7%	29.1%	21.5%	29.7%	20.6%	23.1%	21.9%	34.5%	21.6%	23.5%	28.2%	26.7%	18.8%	23.3%	23.2%	34.7%	7.5%

For P.51 Gross capital formation we observe Q4 as consistently the highest quarter, with Q3 consistently the second highest. Spain, Poland, Romania and Lithuania all show a high value in Q4, as did Bulgaria up to and including 2009.

Table 15: Taxes on production and imports (D.2) quarterly general government revenue as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TR
EU27	23.3%	24.8%	24.5%	27.4%	23.5%	24.9%	24.2%	27.4%	24.1%	25.0%	24.0%	27.0%	24.5%	25.3%	24.2%	26.0%	23.4%	24.7%	24.3%	27.6%	25.4%
EA16	23.4%	24.8%	24.1%	27.8%	23.8%	24.9%	23.7%	27.6%	24.2%	24.9%	23.5%	27.4%	24.4%	25.0%	23.8%	26.8%	23.8%	24.5%	23.8%	27.8%	25.2%
BE	23.3%	25.0%	23.8%	27.9%	23.3%	24.4%	23.7%	28.7%	23.3%	25.2%	24.1%	27.3%	23.7%	25.7%	24.2%	26.4%	22.8%	24.6%	24.9%	27.8%	23.1%
BG	21.4%	24.6%	26.1%	27.9%	20.5%	25.9%	26.2%	27.4%	20.9%	23.3%	26.0%	29.8%	19.2%	25.2%	27.7%	28.0%	18.5%	26.9%	27.4%	27.2%	37.1%
CZ	22.5%	25.1%	25.5%	26.9%	23.2%	24.8%	25.7%	26.3%	23.3%	23.3%	25.8%	27.6%	22.1%	26.0%	27.8%	24.2%	21.1%	25.2%	26.6%	27.1%	24.9%
DK	23.6%	25.5%	24.4%	26.4%	24.2%	25.2%	24.6%	25.9%	24.5%	25.1%	24.2%	26.1%	25.0%	26.3%	24.4%	24.3%	24.7%	25.4%	24.2%	25.7%	28.9%
DE	24.1%	24.6%	25.3%	25.9%	24.4%	24.6%	25.1%	25.9%	25.0%	24.7%	24.8%	25.4%	25.0%	24.8%	25.2%	24.9%	24.9%	25.1%	24.8%	25.3%	26.7%
EE	20.3%	28.0%	25.4%	26.2%	20.8%	25.5%	26.6%	27.1%	21.6%	24.7%	24.7%	29.0%	20.8%	28.2%	26.5%	24.5%	20.3%	24.7%	24.5%	30.6%	32.9%
IE	23.5%	24.2%	25.4%	26.9%	24.0%	24.1%	25.2%	26.7%	25.7%	25.3%	24.4%	24.5%	27.0%	25.0%	24.6%	23.5%	24.2%	24.2%	25.6%	26.0%	23.1%
EL	22.6%	22.9%	26.0%	28.5%	24.0%	22.7%	25.6%	27.6%	24.0%	22.8%	25.6%	27.6%	24.2%	22.8%	25.8%	27.3%	21.2%	25.3%	24.4%	29.1%	20.9%
ES	27.5%	23.7%	22.7%	26.1%	28.5%	24.0%	21.7%	25.8%	30.3%	24.4%	20.0%	25.3%	32.0%	22.6%	20.0%	25.5%	32.1%	19.3%	21.1%	27.5%	19.0%
FR	21.5%	25.0%	22.7%	30.9%	21.3%	25.2%	22.4%	31.1%	21.2%	25.3%	22.4%	31.2%	21.6%	25.5%	22.6%	30.3%	20.8%	25.2%	22.4%	31.6%	26.7%
IT	23.6%	25.3%	24.2%	26.9%	23.9%	25.4%	23.9%	26.8%	24.1%	25.5%	24.0%	26.4%	24.4%	25.7%	23.9%	25.9%	24.1%	24.8%	24.3%	26.9%	26.2%
CY	22.9%	23.4%	25.2%	28.5%	22.7%	25.3%	25.3%	26.7%	23.1%	23.2%	26.1%	27.6%	23.6%	25.6%	26.7%	24.1%	25.5%	26.5%	26.5%	21.5%	33.0%
LV	19.9%	23.3%	25.7%	31.0%	20.0%	23.2%	26.5%	30.4%	20.8%	24.9%	26.9%	27.4%	23.8%	26.7%	26.8%	22.7%	23.9%	26.4%	25.1%	24.6%	24.2%
LT	21.5%	25.1%	26.5%	27.0%	20.4%	25.2%	26.6%	27.8%	21.3%	25.2%	25.4%	28.1%	23.2%	25.6%	24.9%	26.3%	23.0%	26.0%	25.8%	25.2%	26.2%
LU	22.5%	24.9%	25.5%	27.1%	23.8%	24.8%	24.8%	26.6%	23.0%	25.6%	24.8%	26.6%	25.3%	26.4%	24.0%	24.3%	23.4%	25.5%	24.7%	26.4%	27.8%
HU	21.4%	25.3%	26.3%	27.0%	20.9%	26.9%	25.5%	26.7%	23.3%	25.5%	25.1%	26.1%	22.9%	26.0%	26.9%	24.3%	20.0%	24.4%	26.6%	29.0%	32.5%
MT	22.1%	23.7%	27.4%	26.9%	22.8%	25.2%	26.9%	25.2%	22.4%	23.6%	26.3%	27.7%	22.9%	24.0%	26.7%	26.4%	21.4%	23.4%	26.2%	29.0%	32.2%
NL	22.5%	24.6%	24.6%	28.3%	24.2%	26.7%	22.5%	26.5%	24.4%	24.1%	22.9%	28.7%	23.3%	25.4%	24.1%	27.3%	23.6%	25.3%	23.7%	27.5%	23.1%
AT	22.2%	24.5%	25.5%	27.8%	22.9%	24.6%	25.9%	26.7%	23.7%	25.3%	24.1%	26.9%	23.9%	24.6%	24.9%	26.7%	23.0%	24.3%	25.0%	27.7%	28.2%
PL	21.6%	23.5%	25.5%	29.3%	21.6%	24.2%	25.7%	28.5%	23.3%	24.1%	24.7%	27.9%	23.2%	25.2%	25.7%	25.9%	19.3%	23.8%	27.7%	29.3%	29.0%
PT	20.9%	26.4%	25.0%	27.7%	21.6%	24.9%	25.5%	28.1%	22.3%	24.7%	25.8%	27.2%	23.2%	25.1%	25.7%	26.0%	20.9%	24.7%	27.1%	27.3%	26.4%
RO	21.1%	23.2%	27.6%	28.1%	21.2%	24.6%	25.7%	28.5%	18.0%	24.7%	27.1%	30.2%	22.6%	24.8%	28.1%	24.5%	22.3%	26.7%	24.2%	26.8%	26.7%
SI	21.5%	25.8%	25.3%	27.5%	21.5%	25.4%	25.5%	27.5%	21.7%	25.5%	26.0%	26.9%	22.2%	26.4%	26.3%	25.1%	21.8%	25.8%	26.4%	26.0%	28.8%
SK	22.9%	24.5%	24.4%	28.2%	20.3%	25.4%	24.9%	29.3%	21.3%	24.2%	24.5%	30.0%	21.2%	24.2%	26.6%	28.0%	25.0%	22.6%	25.0%	27.3%	24.9%
FI	22.4%	25.5%	24.9%	27.2%	23.0%	25.0%	24.8%	27.2%	23.3%	25.7%	24.0%	27.0%	23.0%	26.0%	24.6%	26.4%	22.2%	25.4%	25.2%	27.1%	24.1%
SE	24.3%	25.2%	24.4%	26.1%	23.1%	25.8%	24.2%	26.9%	23.6%	25.3%	24.2%	26.9%	24.6%	26.9%	24.6%	23.8%	23.2%	25.4%	24.8%	26.5%	34.0%
UK	23.3%	25.0%	25.6%	26.1%	23.0%	24.7%	25.7%	26.6%	24.3%	25.3%	25.7%	24.7%	25.7%	26.3%	25.0%	23.0%	22.1%	25.0%	26.2%	26.7%	22.8%
IS	22.5%	23.0%	28.0%	26.6%	27.0%	23.5%	26.3%	23.2%	23.0%	24.0%	27.5%	25.4%	34.7%	26.7%	27.3%	11.2%	26.5%	23.1%	25.8%	24.7%	27.4%
NO	22.9%	24.7%	25.1%	27.4%	23.6%	25.2%	23.8%	27.4%	23.4%	24.2%	25.0%	27.4%	25.9%	26.2%	26.0%	21.9%	23.7%	23.9%	25.1%	27.4%	25.8%

About half of the contribution of Taxes on production and imports (D.2) revenue is from VAT. At EU27 and EA16 aggregate level VAT displays a similar seasonal pattern as total revenue, although it had been flattening off over time, but 2009 shows a return to a strong Q4 (27.3% in 2009 compared to 25.3% in 2008 for the EU27). The Q4 effect may be partly due to a growing economy leading to more VAT revenue at the end than the start, however Q2 is consistently higher than Q3.

Apart from the effects of regular economic growth and activity, it was not expected that VAT should provide any seasonality. However, Belgium and Ireland have a regularly higher Q4, Bulgaria a low Q1, with Q3 growing to outstrip Q4 in more recent years, Spain a high Q1, and Lithuania a low Q1. The factors underlying these patterns need explanation as they cast doubt on the accrued position.

Taxes on production and imports other than VAT are likely to be mainly D.214 taxes on products and D.29 other taxes. France, which has reasonably flat VAT, would be expected to have relatively low D.214 D.29 revenue in Q1 and Q3, and high in Q4.

Table 16: Property income (D.4) quarterly general government revenue as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TR
EU27	18.4%	34.5%	21.8%	25.3%	20.4%	35.3%	20.8%	23.5%	21.7%	33.8%	19.8%	24.6%	23.3%	34.2%	18.9%	23.6%	24.8%	34.0%	17.5%	23.8%	2.3%
EA16	17.3%	33.3%	22.5%	26.8%	19.9%	35.9%	20.1%	24.1%	22.4%	34.6%	18.5%	24.6%	23.7%	34.4%	17.4%	24.6%	25.3%	33.5%	17.2%	24.1%	2.3%
BE	12.1%	64.0%	12.0%	11.9%	12.8%	57.1%	13.4%	16.8%	13.0%	52.3%	15.0%	19.7%	14.8%	50.9%	15.6%	18.7%	15.1%	57.0%	12.5%	15.5%	1.4%
BG	18.8%	46.4%	18.6%	16.2%	15.5%	48.3%	20.1%	16.1%	15.5%	46.6%	19.4%	18.5%	11.6%	34.7%	40.5%	13.2%	14.0%	59.0%	8.6%	18.4%	3.5%
CZ	18.2%	23.3%	29.6%	28.8%	12.0%	29.0%	34.1%	24.9%	11.4%	16.8%	39.0%	32.8%	8.9%	17.7%	57.6%	15.9%	11.0%	65.7%	10.8%	12.5%	2.1%
DK	34.7%	22.7%	23.2%	19.3%	32.9%	21.3%	22.8%	23.0%	28.6%	22.1%	22.1%	27.2%	26.9%	19.4%	19.5%	34.2%	27.8%	24.9%	23.6%	23.7%	3.5%
DE	21.0%	25.4%	27.8%	25.8%	33.1%	25.3%	21.3%	20.3%	35.5%	24.3%	19.5%	20.7%	40.0%	25.2%	17.7%	17.1%	44.6%	22.0%	18.0%	15.5%	1.8%
EE	14.2%	48.9%	23.5%	13.5%	10.4%	43.3%	31.5%	14.8%	10.3%	29.0%	39.8%	20.9%	15.9%	33.2%	15.3%	35.6%	7.6%	16.6%	13.8%	62.0%	5.3%
IE	22.3%	31.1%	24.2%	22.4%	21.4%	32.2%	24.0%	22.3%	19.5%	32.3%	24.9%	23.2%	18.7%	32.8%	23.5%	25.1%	21.6%	33.2%	22.2%	23.0%	4.8%
EL	15.7%	28.4%	33.3%	22.7%	17.0%	33.6%	32.7%	16.7%	17.4%	34.7%	33.8%	14.0%	17.4%	34.6%	33.7%	14.4%	10.0%	36.3%	19.4%	34.3%	1.7%
ES	15.5%	25.8%	16.7%	42.0%	20.0%	24.3%	18.5%	37.3%	22.5%	18.3%	22.6%	36.6%	22.6%	18.5%	20.9%	38.1%	24.0%	17.4%	17.7%	40.9%	2.9%
FR	12.5%	46.1%	24.1%	17.2%	12.6%	54.7%	12.9%	19.8%	11.5%	61.7%	11.8%	15.1%	11.6%	61.8%	11.8%	14.7%	12.7%	59.0%	12.5%	15.8%	1.6%
IT	16.2%	35.9%	17.9%	29.9%	17.3%	34.1%	19.0%	29.6%	16.6%	32.2%	18.0%	33.3%	18.4%	30.5%	19.2%	31.9%	19.0%	35.6%	17.9%	27.5%	1.3%
CY	52.3%	10.5%	12.4%	24.7%	8.0%	12.1%	15.8%	64.1%	26.9%	33.1%	16.8%	23.2%	11.7%	10.2%	64.3%	13.9%	7.9%	45.9%	33.2%	13.0%	2.4%
LV	7.8%	80.6%	7.2%	4.4%	7.6%	59.8%	26.9%	5.6%	7.6%	36.0%	43.2%	13.2%	4.6%	52.8%	19.6%	23.1%	8.8%	38.3%	25.0%	27.9%	4.6%
LT	10.8%	40.7%	12.2%	36.3%	13.6%	31.3%	12.9%	42.1%	15.8%	37.4%	16.6%	30.1%	18.1%	45.5%	12.5%	23.9%	48.6%	19.9%	12.6%	18.9%	1.7%
LU	29.1%	34.2%	30.1%	6.6%	15.0%	58.7%	20.5%	5.9%	17.6%	39.5%	24.9%	18.0%	14.3%	41.7%	18.6%	25.4%	34.8%	20.9%	34.4%	9.9%	3.3%
HU	22.3%	31.6%	18.9%	27.2%	22.6%	26.9%	24.0%	26.5%	23.6%	27.3%	26.1%	23.0%	20.0%	27.0%	26.9%	26.1%	20.0%	31.6%	22.1%	26.3%	2.7%
MT	40.7%	29.1%	9.6%	20.7%	44.9%	26.5%	11.5%	17.1%	51.1%	11.7%	16.4%	20.8%	62.7%	12.1%	12.0%	13.2%	59.0%	17.3%	9.6%	14.2%	3.0%
NL	15.9%	25.8%	22.4%	36.0%	15.4%	34.1%	25.1%	25.4%	28.2%	24.2%	17.3%	30.3%	29.0%	24.3%	13.7%	33.0%	27.4%	26.0%	13.9%	32.6%	6.8%
AT	23.9%	33.7%	19.3%	23.1%	16.9%	37.1%	22.2%	23.8%	21.8%	32.7%	17.5%	28.1%	22.6%	33.6%	18.4%	25.4%	11.7%	27.5%	34.7%	26.1%	2.6%
PL	17.8%	46.4%	16.5%	19.4%	19.5%	30.1%	28.8%	21.6%	15.1%	22.1%	35.6%	27.2%	19.5%	36.9%	24.2%	19.4%	21.7%	24.5%	25.2%	28.6%	3.8%
PT	17.7%	37.0%	20.0%	25.3%	12.0%	42.1%	26.9%	19.1%	12.1%	49.9%	17.9%	20.1%	11.5%	54.7%	15.0%	18.8%	10.9%	61.1%	13.4%	14.6%	2.0%
RO	15.6%	15.9%	22.3%	46.3%	13.8%	34.9%	36.4%	14.9%	13.6%	47.2%	12.6%	26.6%	12.7%	37.8%	34.8%	14.6%	21.0%	21.6%	20.9%	36.5%	2.9%
SI	9.8%	20.9%	38.3%	31.0%	10.5%	22.6%	33.5%	33.4%	11.2%	18.7%	38.9%	31.3%	12.3%	20.5%	38.7%	28.5%	15.7%	13.0%	39.1%	32.1%	1.2%
SK	15.7%	17.7%	38.5%	28.1%	12.6%	23.2%	16.0%	48.3%	13.6%	11.6%	28.6%	46.1%	17.8%	21.7%	27.4%	33.1%	19.9%	21.1%	25.3%	33.7%	4.0%
FI	19.5%	42.3%	19.4%	18.9%	19.0%	43.4%	18.3%	19.3%	17.4%	45.9%	19.8%	16.9%	19.0%	40.2%	21.8%	19.0%	20.2%	44.0%	19.7%	16.1%	7.5%
SE	14.4%	57.0%	13.0%	15.5%	15.6%	54.9%	14.4%	15.1%	15.7%	53.0%	14.3%	17.0%	15.9%	55.2%	14.8%	14.1%	16.1%	53.7%	14.0%	16.2%	4.0%
UK	23.5%	26.6%	24.9%	25.0%	25.0%	25.3%	24.1%	25.6%	23.7%	24.5%	24.5%	27.3%	29.0%	24.0%	25.2%	21.7%	30.6%	29.7%	17.8%	22.0%	1.2%
IS	22.2%	29.4%	20.1%	28.3%	27.3%	22.4%	23.6%	26.6%	25.3%	25.9%	24.2%	24.6%	34.1%	28.6%	24.4%	12.9%	24.8%	25.1%	23.4%	26.7%	8.7%
NO	24.3%	24.9%	25.4%	25.4%	25.1%	25.7%	24.9%	24.3%	24.5%	24.7%	25.3%	25.4%	25.8%	25.8%	25.4%	23.0%	24.4%	24.7%	25.0%	26.0%	20.8%

Although D.4 property income receivable is a relatively minor part of government revenue, it displays some surprising seasonality. As we would expect interest on assets and rent to be relatively smooth, this must be coming from regular dividend receipts in the second quarter. Belgium, (explained by dividends to local government and from central bank to central government), Bulgaria, Ireland, France, Latvia, Portugal, Finland and Sweden all have this effect.

Spain has a consistently high Q4. Italy has high Q2 and Q4. Malta Q1 and Slovenia Q3 and Q4. Denmark and Estonia have data that are surprisingly volatile, as are the Czech Republic data (with a consistently low Q1, which may be an effect of recording interest and rent on a cash basis rather than accrued). Germany has a high Q1, except for 2005.

Table 17: Current taxes on income, wealth, etc. (D.5) quarterly general government revenue as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TR
EU27	23.2%	24.3%	24.3%	28.2%	23.1%	24.1%	24.3%	28.5%	22.8%	24.4%	24.6%	28.2%	24.3%	24.9%	24.5%	26.3%	24.2%	24.3%	24.1%	27.4%	27.9%
EA16	20.7%	25.1%	23.9%	30.2%	20.5%	25.3%	23.8%	30.5%	20.0%	25.5%	24.3%	30.3%	21.4%	26.1%	24.2%	28.3%	22.0%	25.2%	23.9%	29.0%	25.6%
BE	17.0%	34.1%	21.2%	27.7%	17.1%	30.2%	22.7%	29.9%	15.4%	32.9%	21.2%	30.5%	16.0%	33.3%	21.2%	29.4%	17.0%	32.4%	20.8%	29.8%	31.6%
BG	29.7%	25.6%	21.1%	23.7%	28.4%	25.5%	21.9%	24.2%	30.5%	26.1%	20.3%	23.0%	30.7%	27.7%	20.2%	21.4%	32.8%	26.3%	20.1%	20.8%	15.5%
CZ	19.7%	28.7%	25.6%	26.0%	20.8%	30.7%	22.2%	26.3%	18.8%	27.0%	27.4%	26.7%	19.0%	30.6%	26.7%	23.6%	20.7%	32.1%	21.0%	26.2%	18.3%
DK	24.4%	25.9%	24.6%	25.1%	24.3%	26.4%	24.3%	24.9%	24.6%	25.9%	24.7%	24.8%	24.0%	26.3%	24.4%	25.3%	23.7%	26.7%	25.3%	24.3%	53.9%
DE	24.2%	24.5%	22.1%	29.2%	23.0%	25.4%	22.5%	29.1%	23.2%	26.1%	22.2%	28.5%	24.2%	26.9%	22.5%	26.4%	25.3%	26.2%	21.6%	26.9%	24.4%
EE	18.0%	24.6%	31.9%	25.6%	16.7%	22.4%	33.5%	27.4%	16.6%	25.7%	32.5%	25.2%	17.5%	25.7%	31.2%	25.7%	14.4%	25.1%	28.8%	31.7%	17.4%
IE	19.0%	20.5%	18.1%	42.4%	19.5%	18.3%	15.2%	47.0%	21.0%	16.6%	16.5%	45.9%	22.9%	18.0%	18.1%	40.9%	21.9%	24.5%	19.7%	33.8%	31.0%
EL	17.5%	28.6%	26.6%	27.3%	18.8%	27.5%	25.7%	28.0%	18.7%	27.3%	25.6%	28.4%	18.7%	27.4%	25.6%	28.3%	20.0%	26.7%	24.5%	28.8%	21.7%
ES	18.0%	17.6%	32.2%	32.2%	17.9%	18.3%	32.3%	31.5%	17.1%	18.1%	35.1%	29.7%	21.9%	22.1%	30.8%	25.2%	23.6%	17.4%	31.9%	27.1%	27.6%
FR	22.4%	26.7%	25.7%	25.2%	23.1%	26.1%	24.4%	26.4%	22.1%	27.5%	24.9%	25.5%	22.9%	26.9%	25.9%	24.4%	21.6%	25.5%	25.1%	27.8%	20.2%
IT	16.5%	25.7%	21.6%	36.2%	16.3%	27.3%	21.5%	34.9%	15.8%	26.0%	22.0%	36.1%	16.9%	25.1%	23.0%	35.0%	17.3%	25.3%	23.2%	34.3%	31.4%
CY	26.5%	14.8%	29.4%	29.4%	20.7%	17.7%	32.5%	29.1%	20.7%	16.4%	31.1%	31.7%	19.6%	15.5%	34.9%	30.0%	21.2%	19.3%	31.3%	28.3%	28.1%
LV	22.0%	26.3%	25.3%	26.4%	20.4%	27.4%	24.5%	27.7%	20.5%	28.0%	25.0%	26.5%	22.4%	28.7%	25.0%	23.9%	29.9%	24.7%	22.0%	23.4%	21.1%
LT	17.4%	23.9%	25.9%	32.8%	18.7%	23.7%	25.1%	32.6%	15.8%	21.6%	28.0%	34.6%	16.6%	23.1%	29.5%	30.8%	22.0%	25.3%	25.1%	27.6%	17.5%
LU	21.6%	23.3%	21.9%	33.2%	23.5%	27.9%	21.6%	27.1%	27.2%	23.8%	22.1%	26.9%	26.4%	25.5%	21.9%	26.1%	25.5%	26.3%	23.2%	25.0%	33.6%
HU	24.1%	23.1%	23.8%	28.9%	22.7%	22.4%	22.3%	32.5%	22.8%	24.3%	24.5%	28.4%	23.0%	25.3%	26.0%	25.7%	24.3%	26.8%	23.4%	25.4%	21.2%
MT	19.4%	27.5%	22.7%	30.4%	20.2%	27.1%	20.2%	32.5%	21.2%	24.9%	18.7%	35.2%	19.7%	25.7%	25.7%	28.9%	22.3%	27.8%	20.8%	29.1%	34.5%
NL	21.6%	25.6%	22.3%	30.4%	21.4%	24.3%	22.3%	32.0%	20.7%	26.2%	21.6%	31.4%	22.8%	26.0%	22.9%	28.3%	24.0%	27.2%	20.8%	28.0%	25.7%
AT	22.1%	21.8%	24.0%	32.0%	19.9%	23.4%	24.7%	32.0%	20.4%	22.9%	23.7%	33.1%	20.6%	22.7%	23.7%	33.0%	22.8%	21.8%	22.8%	32.6%	26.2%
PL	30.6%	18.5%	23.7%	27.2%	29.0%	19.1%	24.8%	27.1%	28.3%	21.0%	23.4%	27.4%	30.3%	19.9%	26.7%	23.1%	35.1%	14.3%	24.5%	26.2%	20.0%
PT	20.1%	31.7%	18.0%	30.1%	20.3%	29.3%	22.7%	27.7%	18.1%	29.9%	24.2%	27.9%	18.5%	30.9%	23.0%	27.5%	20.7%	22.7%	32.3%	24.2%	23.3%
RO	25.3%	24.9%	23.8%	25.9%	23.8%	23.6%	24.2%	28.5%	25.1%	24.1%	25.4%	25.4%	27.2%	27.0%	24.4%	21.5%	28.6%	20.4%	29.2%	21.7%	20.4%
SI	23.2%	25.4%	24.8%	26.6%	22.2%	27.2%	24.3%	26.2%	22.2%	26.3%	24.8%	26.7%	22.1%	28.0%	24.2%	25.7%	23.0%	27.9%	23.7%	25.4%	19.3%
SK	25.9%	23.6%	24.1%	26.5%	25.4%	24.7%	22.3%	27.6%	23.0%	25.6%	24.5%	26.9%	21.3%	25.0%	25.9%	27.7%	23.7%	24.9%	24.4%	27.1%	16.4%
FI	25.8%	28.1%	24.9%	21.3%	26.7%	27.3%	24.4%	21.6%	25.0%	27.1%	24.0%	23.8%	27.0%	30.1%	23.9%	18.9%	28.2%	28.8%	24.0%	19.0%	30.5%
SE	25.4%	25.4%	24.5%	24.7%	24.3%	25.3%	25.1%	25.3%	24.0%	25.6%	25.0%	25.4%	25.7%	26.4%	24.8%	23.1%	24.4%	24.5%	24.4%	26.6%	36.3%
UK	29.8%	21.2%	25.4%	23.5%	30.6%	20.0%	25.8%	23.5%	31.1%	20.6%	25.7%	22.7%	34.3%	19.9%	25.4%	20.4%	32.6%	20.6%	24.5%	22.2%	39.1%
IS	23.1%	22.9%	24.4%	29.6%	26.4%	22.8%	21.6%	29.1%	25.2%	25.8%	23.5%	25.4%	33.7%	28.6%	24.5%	13.2%	29.1%	24.5%	22.6%	23.7%	40.9%
NO	24.0%	24.9%	25.5%	25.6%	24.6%	25.6%	25.2%	24.5%	24.1%	24.7%	25.5%	25.8%	25.4%	25.8%	25.7%	23.1%	24.1%	24.7%	25.1%	26.2%	34.7%

EA16 revenue from Current taxes on income and wealth has a comparatively high Q4 and low Q1. This is not so evident at EU27 level because of the effect of the United Kingdom, which collects self-employment tax and smaller companies' corporation tax in Q1. Poland also has Q1 as its highest quarter. Ireland, Italy, Netherlands and Austria all exhibit the high Q4. Belgium shows a relative high Q2 and Q4, due to pre-payments corporation tax with Q2 also boosted by pre-payments of self-employment tax.

Table 18: Actual social contributions (D.611) quarterly general government revenue as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TR
EU27	23.9%	24.6%	24.5%	27.1%	23.9%	24.6%	24.5%	27.0%	24.0%	24.7%	24.4%	27.0%	24.1%	24.8%	24.4%	26.7%	24.1%	24.7%	24.5%	26.8%	29.7%
EA16	23.7%	24.6%	24.4%	27.4%	23.7%	24.6%	24.5%	27.2%	23.6%	24.7%	24.3%	27.3%	23.7%	24.7%	24.4%	27.2%	23.9%	24.6%	24.4%	27.2%	32.6%
BE	23.8%	24.9%	22.4%	28.9%	24.0%	24.9%	22.1%	29.1%	24.1%	24.9%	22.0%	29.0%	23.9%	24.7%	22.4%	29.0%	24.4%	24.7%	22.1%	28.7%	30.0%
BG	23.5%	24.8%	24.7%	27.0%	23.1%	24.6%	24.8%	27.6%	22.6%	24.8%	25.5%	27.2%	21.7%	24.7%	25.2%	28.4%	23.8%	25.3%	24.5%	26.4%	21.4%
CZ	23.7%	24.3%	24.7%	27.3%	23.1%	25.3%	24.5%	27.1%	23.2%	24.2%	24.5%	28.0%	24.1%	25.3%	25.4%	25.2%	24.8%	25.2%	24.1%	26.0%	38.3%
DK	25.5%	24.6%	25.2%	24.6%	25.1%	27.1%	24.2%	23.6%	25.9%	24.7%	24.6%	24.8%	26.4%	25.1%	24.3%	24.3%	26.9%	24.2%	24.4%	24.4%	1.9%
DE	23.9%	24.8%	24.5%	26.8%	23.7%	24.8%	24.6%	26.9%	23.7%	25.0%	24.5%	26.9%	23.4%	24.8%	24.6%	27.2%	23.9%	25.1%	24.2%	26.8%	36.0%
EE	22.5%	25.6%	24.4%	27.4%	22.0%	25.5%	24.4%	28.1%	22.4%	25.9%	24.3%	27.4%	24.0%	26.7%	24.0%	25.3%	23.5%	25.1%	25.0%	26.4%	30.2%
IE	24.9%	23.6%	23.6%	27.9%	25.0%	23.3%	23.7%	28.0%	25.4%	24.0%	23.1%	27.5%	26.0%	24.5%	23.3%	26.2%	23.1%	23.9%	26.7%	26.3%	16.9%
EL	23.9%	23.7%	23.9%	28.4%	24.0%	27.4%	23.8%	24.9%	24.0%	27.4%	23.8%	24.8%	24.0%	27.5%	23.9%	24.7%	22.9%	26.6%	24.1%	26.4%	27.2%
ES	23.8%	24.9%	25.2%	26.1%	24.2%	25.0%	25.2%	25.5%	24.2%	24.8%	25.2%	25.8%	24.8%	25.1%	25.0%	25.1%	24.6%	24.9%	25.1%	25.4%	35.8%
FR	24.2%	24.8%	24.4%	26.5%	24.3%	24.8%	24.4%	26.5%	24.4%	24.8%	24.4%	26.4%	24.7%	24.8%	24.6%	25.9%	24.6%	24.7%	24.4%	26.2%	34.2%
IT	21.6%	23.2%	24.5%	30.7%	21.4%	23.3%	24.6%	30.7%	20.5%	23.9%	24.0%	31.7%	21.0%	23.4%	24.5%	31.1%	21.1%	23.1%	24.6%	31.2%	29.7%
CY	20.9%	22.1%	23.0%	34.1%	20.8%	24.3%	24.8%	30.0%	24.7%	22.3%	28.9%	24.1%	24.4%	26.9%	25.7%	23.1%	26.2%	26.1%	25.9%	21.8%	21.7%
LV	22.8%	25.0%	25.3%	27.0%	22.2%	24.4%	25.1%	28.4%	22.6%	25.3%	24.8%	27.3%	25.7%	25.0%	26.8%	22.4%	24.2%	27.9%	24.7%	23.2%	25.1%
LT	22.6%	24.2%	25.6%	27.6%	22.0%	23.8%	26.2%	28.0%	22.4%	23.9%	26.1%	27.6%	24.1%	25.0%	25.7%	25.2%	25.9%	25.4%	24.9%	23.8%	33.8%
LU	23.5%	24.5%	24.0%	28.0%	23.7%	24.8%	24.2%	27.3%	23.7%	24.7%	24.3%	27.3%	23.6%	24.9%	24.4%	27.1%	24.0%	24.9%	24.3%	26.7%	27.0%
HU	25.1%	24.6%	23.6%	26.7%	24.4%	23.3%	22.8%	29.5%	23.6%	25.1%	24.5%	26.8%	23.7%	25.2%	26.1%	25.0%	24.4%	25.4%	24.3%	25.9%	28.2%
MT	23.1%	24.1%	24.9%	27.9%	23.9%	24.8%	25.2%	26.1%	26.6%	22.9%	23.7%	26.7%	24.5%	24.2%	22.1%	29.2%	25.1%	22.2%	23.7%	29.0%	15.2%
NL	26.2%	24.6%	23.8%	25.4%	26.4%	24.3%	24.5%	24.8%	27.1%	23.6%	24.2%	25.0%	26.0%	25.5%	22.4%	26.0%	27.3%	23.1%	24.5%	25.1%	30.0%
AT	22.5%	26.3%	23.6%	27.6%	22.3%	26.0%	24.1%	27.5%	22.5%	26.8%	23.4%	27.3%	22.5%	26.6%	23.9%	27.0%	22.8%	26.4%	23.6%	27.2%	30.8%
PL	25.3%	24.2%	24.3%	26.1%	25.3%	25.4%	24.3%	25.1%	24.4%	24.5%	24.2%	27.0%	23.8%	25.1%	25.0%	26.0%	24.9%	24.6%	26.4%	24.0%	30.5%
PT	23.2%	23.3%	26.1%	27.4%	23.2%	24.1%	25.3%	27.4%	23.2%	23.9%	25.5%	27.4%	22.9%	24.9%	24.9%	27.3%	23.2%	24.9%	24.5%	27.4%	23.2%
RO	22.2%	24.2%	26.5%	27.1%	21.8%	23.8%	24.3%	30.2%	22.0%	24.6%	24.2%	29.2%	24.0%	26.0%	25.3%	24.8%	25.2%	27.0%	23.7%	24.2%	29.9%
SI	23.8%	24.4%	24.8%	27.0%	23.9%	24.5%	24.6%	27.0%	23.6%	24.4%	24.7%	27.3%	23.9%	24.6%	25.0%	26.6%	25.9%	24.6%	24.7%	24.8%	34.6%
SK	23.5%	24.1%	23.9%	28.6%	23.9%	24.7%	23.8%	27.7%	23.0%	25.4%	24.1%	27.5%	21.8%	24.2%	25.6%	28.4%	24.5%	25.1%	25.8%	24.5%	37.8%
FI	24.3%	24.7%	24.6%	26.4%	23.4%	24.6%	25.7%	26.3%	24.8%	25.6%	25.9%	23.7%	24.1%	24.2%	25.0%	26.7%	24.6%	25.7%	23.8%	25.9%	24.4%
SE	22.4%	26.2%	25.9%	25.6%	21.7%	25.5%	26.5%	26.3%	22.4%	26.1%	25.6%	25.9%	22.0%	27.0%	26.2%	24.8%	24.6%	26.1%	26.3%	27.0%	15.7%
UK	25.9%	24.4%	24.5%	25.2%	25.9%	24.0%	24.4%	25.7%	27.2%	24.1%	24.5%	24.2%	28.7%	24.2%	24.1%	23.0%	26.1%	24.8%	24.6%	24.5%	19.7%
IS	22.8%	23.8%	25.4%	28.0%	26.5%	23.1%	24.6%	25.7%	25.0%	26.1%	24.4%	24.5%	32.9%	27.8%	26.8%	12.6%	25.0%	21.6%	25.5%	27.9%	7.4%
NO	23.7%	24.9%	25.7%	25.7%	24.0%	25.6%	25.5%	25.0%	24.1%	24.2%	25.3%	26.5%	25.5%	25.4%	25.4%	23.7%	23.8%	24.7%	25.3%	26.3%	17.5%

Social contributions are relatively smoother between quarters than taxes, although Q4 is relatively higher and Italy is the stand-out example of this.

Table 19: Imputed social contributions (D.612) quarterly general government revenue as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TR
EU27	24.1%	25.3%	24.3%	26.2%	24.5%	24.8%	24.5%	26.2%	24.6%	25.1%	24.2%	26.1%	24.3%	25.0%	24.5%	26.2%	24.3%	24.9%	24.6%	26.2%	2.3%
EA16	24.4%	25.3%	24.1%	26.2%	24.3%	25.1%	24.4%	26.3%	24.2%	25.3%	24.1%	26.3%	24.0%	25.3%	24.4%	26.4%	24.1%	25.1%	24.5%	26.3%	2.7%
BE	24.7%	24.8%	25.1%	25.4%	24.5%	24.9%	25.2%	25.5%	24.5%	24.8%	25.1%	25.5%	24.4%	24.8%	25.2%	25.6%	24.6%	24.9%	25.1%	25.3%	4.9%
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
CZ	25.0%	26.2%	26.6%	22.3%	24.7%	24.9%	24.9%	25.5%	24.9%	24.6%	24.9%	25.6%	24.3%	24.7%	25.5%	25.5%	27.2%	22.9%	21.9%	28.0%	0.1%
DK	25.0%	25.1%	25.0%	24.9%	24.8%	24.9%	25.1%	25.2%	24.1%	24.8%	25.5%	25.6%	24.7%	24.4%	24.7%	26.2%	24.4%	24.9%	25.3%	25.4%	1.6%
DE	24.4%	24.3%	24.6%	26.7%	24.6%	24.2%	24.7%	26.4%	24.4%	24.3%	24.7%	26.5%	24.4%	24.4%	24.7%	26.5%	24.6%	24.3%	25.1%	26.1%	2.5%
EE	22.0%	25.6%	26.0%	26.4%	23.1%	24.8%	25.9%	26.3%	22.0%	26.2%	25.6%	26.1%	22.2%	25.5%	26.1%	26.2%	24.0%	24.8%	24.6%	26.7%	0.4%
IE	23.3%	23.9%	27.2%	25.6%	23.2%	24.4%	27.0%	25.5%	23.1%	24.2%	26.7%	26.0%	22.9%	24.7%	27.1%	25.4%	21.4%	23.4%	28.7%	26.5%	3.9%
EL	22.1%	25.6%	24.8%	27.5%	22.2%	26.1%	24.1%	27.6%	22.2%	26.1%	24.1%	27.6%	22.2%	26.1%	24.1%	27.6%	22.1%	26.2%	22.1%	29.5%	7.5%
ES	20.5%	28.2%	21.1%	30.2%	20.3%	28.2%	20.9%	30.7%	20.3%	27.7%	20.7%	31.3%	20.5%	28.3%	20.9%	30.3%	20.5%	28.4%	21.0%	30.1%	2.6%
FR	24.8%	25.2%	24.7%	25.3%	24.6%	24.5%	25.6%	25.3%	25.1%	24.7%	24.8%	25.4%	24.6%	25.0%	24.9%	25.4%	24.7%	24.9%	25.0%	25.3%	3.9%
IT	26.9%	25.6%	22.2%	25.3%	27.5%	24.7%	22.0%	25.9%	25.0%	25.0%	24.7%	25.3%	23.8%	24.4%	25.5%	26.4%	25.7%	22.2%	26.5%	25.6%	0.6%
CY	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
LV	17.2%	16.0%	16.2%	50.7%	15.4%	18.8%	15.9%	49.9%	17.4%	16.6%	18.9%	47.1%	20.8%	27.8%	22.4%	29.0%	25.0%	28.2%	22.3%	24.5%	1.0%
LT	19.6%	25.5%	24.9%	30.1%	20.0%	24.3%	23.7%	32.0%	17.6%	24.6%	24.5%	33.3%	16.5%	23.5%	27.7%	32.3%	17.3%	24.2%	24.8%	33.7%	1.3%
LU	25.3%	24.9%	25.4%	24.5%	25.1%	25.1%	25.5%	24.3%	25.4%	25.3%	25.7%	23.6%	24.9%	25.4%	25.9%	23.8%	25.2%	25.5%	25.7%	23.5%	2.1%
HU	25.3%	24.8%	25.3%	24.6%	25.9%	24.7%	24.0%	25.4%	24.3%	25.5%	25.1%	25.0%	24.5%	25.2%	26.5%	23.8%	23.8%	24.5%	25.8%	25.9%	0.2%
MT	25.2%	25.1%	25.0%	24.6%	25.2%	24.9%	24.7%	25.2%	26.4%	25.9%	24.1%	23.6%	29.3%	23.7%	24.5%	22.5%	29.0%	23.8%	24.4%	22.8%	3.6%
NL	26.8%	25.7%	21.9%	25.7%	24.5%	26.2%	23.1%	26.3%	24.7%	29.2%	21.3%	24.8%	25.6%	25.3%	24.0%	25.1%	26.4%	24.9%	23.9%	24.8%	1.7%
AT	30.2%	26.2%	22.0%	21.6%	29.7%	24.7%	24.1%	21.5%	29.5%	25.2%	24.1%	21.2%	28.8%	25.3%	24.3%	21.5%	28.0%	24.8%	24.1%	23.1%	3.3%
PL	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
PT	21.9%	25.4%	23.7%	28.9%	21.9%	27.2%	22.2%	28.7%	21.9%	27.7%	21.9%	28.5%	21.0%	26.6%	22.2%	30.3%	20.2%	26.5%	23.3%	30.1%	7.6%
RO	23.0%	24.3%	25.9%	26.7%	23.8%	24.8%	24.9%	26.5%	25.0%	25.2%	25.5%	24.2%	21.3%	26.0%	26.9%	25.8%	24.5%	25.1%	25.4%	25.1%	2.3%
SI	24.3%	24.6%	25.3%	25.8%	24.3%	24.6%	25.2%	25.8%	24.3%	24.7%	25.3%	25.7%	23.6%	24.2%	25.5%	26.6%	24.8%	25.2%	24.9%	25.1%	0.6%
SK	17.9%	20.4%	25.6%	36.2%	23.1%	20.5%	21.9%	34.5%	22.1%	21.1%	25.0%	31.8%	16.8%	27.6%	24.7%	30.9%	17.5%	29.6%	24.8%	28.2%	0.4%
FI	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
SE	29.5%	22.8%	21.8%	25.9%	23.4%	25.5%	22.7%	28.4%	23.9%	25.1%	24.9%	26.1%	26.5%	25.9%	24.4%	23.2%	23.2%	29.3%	23.8%	23.6%	0.4%
UK	21.1%	26.4%	26.2%	26.3%	26.4%	22.4%	25.4%	25.9%	28.0%	23.5%	24.6%	24.0%	27.6%	22.6%	25.4%	24.4%	26.7%	22.5%	25.7%	25.0%	1.5%
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
NO	24.3%	24.9%	25.4%	25.4%	25.1%	25.7%	25.0%	24.3%	24.5%	24.7%	25.3%	25.4%	25.8%	25.8%	25.4%	23.0%	24.4%	24.7%	25.0%	26.0%	0.0%

As may be expected, the trends are similar to D.611 revenue.

Table 20: Other current transfers (D.7) quarterly general government revenue as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TR
EU27	27.2%	22.1%	23.2%	27.5%	25.1%	23.5%	23.8%	27.6%	24.2%	23.9%	24.4%	27.5%	25.9%	23.2%	23.3%	27.6%	25.3%	23.2%	23.6%	27.9%	1.8%
EA16	27.4%	22.3%	23.2%	27.1%	24.7%	23.6%	23.9%	27.8%	22.9%	24.2%	24.1%	28.7%	25.0%	23.2%	23.9%	27.9%	23.4%	23.0%	23.6%	30.1%	1.9%
BE	21.7%	21.7%	27.1%	29.5%	24.9%	21.2%	19.2%	34.8%	20.5%	24.2%	20.7%	34.7%	21.0%	22.1%	21.9%	34.9%	23.0%	23.5%	22.5%	31.1%	0.8%
BG	22.3%	26.9%	26.0%	24.8%	16.3%	28.4%	27.1%	28.2%	21.3%	27.4%	24.4%	27.0%	23.7%	41.5%	18.2%	16.6%	54.7%	17.4%	12.6%	15.3%	8.1%
CZ	28.9%	23.3%	21.3%	26.5%	28.8%	23.5%	22.0%	25.7%	29.3%	20.7%	25.0%	25.1%	29.7%	22.9%	18.8%	28.6%	22.3%	19.8%	24.3%	33.7%	1.9%
DK	26.1%	23.3%	23.1%	27.5%	25.5%	25.3%	25.0%	24.1%	24.8%	25.2%	24.7%	25.3%	24.8%	25.2%	25.3%	24.8%	26.8%	25.4%	24.3%	23.5%	1.4%
DE	38.4%	20.7%	19.4%	21.5%	26.0%	22.3%	23.8%	27.8%	24.0%	24.2%	24.2%	27.6%	26.7%	22.8%	22.1%	28.3%	24.5%	22.9%	23.6%	29.0%	1.2%
EE	15.5%	21.0%	22.9%	40.5%	13.9%	16.0%	18.6%	51.5%	14.6%	20.5%	26.7%	38.2%	16.8%	20.7%	22.3%	40.3%	10.2%	17.0%	19.3%	53.4%	3.0%
IE	44.0%	40.1%	29.0%	-13.1%	37.0%	39.2%	43.2%	-19.4%	6.8%	8.9%	7.4%	77.0%	27.4%	22.3%	21.8%	28.4%	46.9%	18.4%	16.9%	17.8%	0.3%
EL	22.4%	23.7%	27.4%	26.5%	26.4%	30.9%	21.3%	21.4%	23.7%	29.4%	21.0%	25.9%	27.4%	30.3%	21.7%	20.7%	23.7%	20.0%	16.4%	39.9%	4.6%
ES	21.3%	22.8%	25.3%	30.6%	23.2%	27.9%	19.1%	29.7%	20.8%	28.4%	21.3%	29.5%	20.8%	21.3%	23.1%	34.8%	19.5%	21.4%	22.3%	36.9%	2.4%
FR	24.5%	24.7%	25.1%	25.7%	24.9%	25.2%	25.2%	24.7%	25.1%	24.7%	24.8%	25.3%	24.1%	24.8%	25.4%	25.8%	25.3%	25.3%	25.0%	24.4%	1.7%
IT	24.8%	19.6%	23.4%	32.2%	24.9%	21.0%	26.1%	28.0%	22.5%	19.5%	25.7%	32.3%	26.8%	21.7%	24.8%	26.6%	23.2%	22.2%	24.9%	29.6%	2.9%
CY	17.6%	27.1%	25.5%	29.8%	19.2%	18.7%	20.1%	42.0%	13.6%	14.9%	17.4%	54.0%	10.0%	14.1%	23.0%	52.9%	7.0%	6.5%	24.3%	62.2%	3.7%
LV	15.5%	17.7%	33.3%	33.5%	24.2%	21.2%	6.3%	48.3%	21.7%	26.1%	23.7%	28.5%	22.7%	28.1%	30.8%	18.3%	24.4%	29.5%	19.4%	26.8%	4.0%
LT	19.3%	23.3%	19.4%	38.1%	16.7%	54.4%	23.1%	5.8%	15.3%	24.2%	25.9%	34.6%	18.4%	24.1%	26.1%	31.4%	19.3%	22.3%	23.1%	35.3%	3.0%
LU	17.6%	22.7%	24.6%	35.1%	47.7%	13.7%	14.8%	23.8%	25.0%	21.8%	18.4%	34.7%	21.9%	24.6%	14.0%	39.5%	28.9%	20.6%	19.6%	31.0%	0.5%
HU	18.9%	5.9%	27.5%	47.8%	24.9%	11.3%	32.7%	31.1%	30.2%	0.7%	27.3%	41.8%	38.1%	0.3%	34.1%	27.5%	35.1%	0.3%	32.9%	31.7%	2.6%
MT	23.2%	25.1%	22.2%	29.5%	21.1%	23.1%	21.8%	34.1%	17.2%	21.0%	38.1%	23.6%	16.0%	22.6%	20.6%	40.8%	22.8%	29.7%	23.9%	23.6%	0.8%
NL	26.1%	22.5%	26.5%	24.9%	23.4%	24.9%	23.9%	27.8%	23.0%	25.3%	24.2%	27.5%	24.9%	20.5%	25.1%	29.5%	23.5%	26.3%	23.6%	26.6%	0.9%
AT	15.4%	35.5%	21.1%	28.0%	20.8%	23.1%	24.0%	32.1%	17.5%	38.7%	25.4%	18.4%	20.4%	29.0%	23.5%	27.1%	18.6%	24.9%	23.2%	33.2%	2.8%
PL	22.4%	24.6%	24.4%	28.6%	20.9%	27.2%	20.8%	31.0%	32.2%	34.5%	23.2%	10.1%	21.8%	30.5%	26.7%	21.0%	30.1%	31.3%	24.7%	13.9%	3.3%
PT	22.6%	13.8%	24.7%	38.9%	23.4%	18.6%	22.7%	35.3%	23.7%	19.6%	22.2%	34.5%	26.0%	19.8%	22.6%	31.6%	28.7%	20.2%	25.4%	25.7%	2.8%
RO	13.2%	14.8%	27.9%	44.0%	18.2%	24.1%	20.7%	37.0%	19.9%	25.8%	37.5%	16.7%	26.7%	24.4%	19.1%	29.8%	8.4%	20.8%	49.9%	21.0%	2.8%
SI	19.2%	20.4%	28.1%	32.3%	20.6%	23.8%	21.1%	34.5%	18.4%	28.3%	22.1%	31.2%	21.4%	20.4%	26.2%	31.9%	17.5%	18.0%	19.9%	44.6%	4.1%
SK	22.3%	17.8%	22.9%	37.0%	18.5%	26.0%	9.8%	45.7%	22.0%	25.7%	19.5%	32.7%	25.7%	19.0%	26.3%	29.0%	25.2%	25.2%	18.1%	31.5%	6.2%
FI	25.3%	25.7%	24.0%	25.0%	25.3%	25.4%	24.0%	25.3%	25.6%	25.4%	23.8%	25.2%	24.7%	24.0%	24.4%	26.9%	23.6%	24.8%	24.8%	26.8%	0.7%
SE	25.4%	26.9%	21.9%	25.8%	22.0%	28.4%	19.6%	30.0%	20.4%	26.2%	24.7%	28.6%	25.6%	26.3%	23.7%	24.4%	21.9%	26.9%	22.4%	28.9%	1.4%
UK	32.2%	20.1%	22.2%	25.5%	35.1%	18.5%	26.3%	20.1%	35.2%	15.6%	25.1%	24.1%	36.2%	16.9%	15.5%	31.4%	41.0%	24.5%	19.8%	14.7%	1.1%
IS	22.8%	23.4%	25.8%	28.0%	26.8%	23.1%	24.0%	26.1%	24.2%	25.1%	25.3%	25.5%	33.7%	27.8%	26.0%	12.6%	27.2%	23.9%	24.1%	24.8%	1.4%
NO	24.3%	24.9%	25.4%	25.4%	25.1%	25.7%	24.9%	24.3%	24.5%	24.7%	25.3%	25.4%	25.8%	25.8%	25.4%	23.0%	24.4%	24.7%	25.0%	26.0%	0.8%

For some countries, notably Belgium, Estonia, Spain, Cyprus, and Slovenia, there is a distinct seasonality which produces a higher Q4 revenue.

Table 21: Capital taxes (D.91) quarterly general government revenue as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TR
EU27	20.9%	25.3%	27.5%	26.2%	23.3%	24.6%	24.4%	27.8%	23.8%	24.7%	25.4%	26.1%	12.7%	13.8%	49.6%	23.9%	20.3%	30.1%	20.3%	29.3%	0.8%
EA16	20.5%	25.1%	27.8%	26.5%	23.4%	24.4%	24.1%	28.1%	24.1%	24.5%	24.8%	26.6%	22.6%	25.7%	26.4%	25.3%	15.2%	33.0%	19.8%	32.1%	0.9%
BE	22.4%	26.3%	25.7%	25.7%	22.8%	25.1%	25.4%	26.7%	22.9%	26.3%	25.7%	25.2%	25.2%	25.3%	26.0%	23.6%	23.8%	25.7%	25.9%	24.5%	1.4%
BG	17.6%	24.9%	23.8%	33.6%	14.1%	22.5%	25.0%	38.4%	16.8%	24.0%	25.0%	34.3%	19.6%	28.1%	26.3%	26.0%	19.2%	26.4%	22.0%	32.5%	0.8%
CZ	22.6%	23.9%	25.8%	27.7%	30.0%	25.2%	19.9%	24.9%	34.1%	27.4%	19.8%	18.8%	26.0%	25.6%	23.1%	25.4%	36.9%	8.0%	28.7%	26.4%	0.0%
DK	22.3%	29.0%	25.3%	23.5%	20.0%	30.1%	23.8%	26.1%	18.8%	25.8%	29.4%	26.0%	30.0%	25.4%	20.8%	23.8%	22.5%	29.0%	24.8%	23.7%	0.4%
DE	22.2%	34.4%	20.7%	22.7%	27.9%	23.4%	23.9%	24.7%	27.4%	24.0%	24.8%	23.8%	22.9%	27.3%	28.5%	21.4%	25.1%	29.3%	24.7%	20.9%	0.4%
EE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
IE	20.8%	29.2%	20.9%	29.2%	20.7%	25.5%	27.0%	26.7%	22.3%	24.3%	25.6%	27.7%	25.0%	25.2%	21.9%	27.9%	25.3%	22.8%	28.0%	23.9%	0.5%
EL	23.4%	18.0%	33.5%	25.1%	20.6%	22.6%	26.1%	30.6%	21.9%	20.7%	27.6%	29.7%	21.2%	23.3%	27.2%	28.4%	28.9%	33.3%	25.5%	12.3%	0.6%
ES	22.1%	25.2%	24.8%	27.9%	22.8%	25.5%	24.9%	26.9%	24.1%	26.1%	24.5%	25.2%	22.3%	26.3%	25.3%	26.1%	23.4%	24.4%	25.4%	26.8%	1.2%
FR	20.7%	24.8%	24.2%	30.2%	22.3%	24.3%	24.6%	28.8%	24.0%	23.4%	25.7%	26.9%	24.2%	24.4%	25.9%	25.4%	21.5%	24.8%	25.7%	28.0%	0.8%
IT	3.4%	7.8%	72.9%	15.8%	35.0%	17.6%	21.8%	25.6%	14.9%	27.4%	24.1%	33.7%	23.6%	25.9%	22.9%	27.6%	1.1%	45.3%	9.6%	44.1%	1.7%
CY	96.5%	1.4%	1.4%	0.7%	22.2%	22.2%	22.2%	33.3%	11.7%	38.4%	29.3%	20.5%	33.3%	0.0%	33.3%	33.3%	33.3%	33.3%	20.0%	13.3%	0.0%
LV	:	:	:	:	:	:	:	:	25.1%	22.9%	27.6%	24.4%	22.7%	23.7%	25.3%	28.3%	24.7%	25.0%	23.4%	26.9%	0.0%
LT	19.4%	37.3%	17.9%	25.4%	23.8%	35.2%	20.5%	20.5%	30.2%	25.3%	25.3%	19.2%	18.8%	21.0%	29.5%	30.7%	30.7%	29.6%	20.1%	19.6%	0.0%
LU	15.8%	22.3%	33.7%	28.2%	25.2%	26.0%	27.2%	21.6%	19.0%	29.8%	17.5%	33.7%	28.2%	27.7%	24.5%	19.5%	16.5%	34.4%	25.0%	24.1%	0.3%
HU	21.2%	26.6%	23.5%	28.7%	17.4%	31.9%	21.0%	29.8%	15.7%	22.0%	30.6%	31.7%	23.0%	25.5%	28.9%	22.5%	37.6%	26.2%	41.6%	-5.4%	0.1%
MT	15.8%	36.7%	24.0%	23.5%	22.2%	26.4%	24.7%	26.6%	24.9%	26.2%	23.2%	25.8%	17.9%	25.4%	24.0%	32.7%	21.4%	24.3%	29.8%	24.5%	0.6%
NL	20.0%	26.1%	28.5%	25.3%	19.9%	23.5%	17.6%	39.0%	19.9%	24.4%	20.5%	35.2%	12.4%	26.8%	27.4%	33.5%	19.3%	24.5%	28.1%	28.2%	0.7%
AT	26.1%	23.0%	24.0%	26.9%	24.4%	24.9%	25.7%	24.9%	35.9%	24.4%	19.3%	20.5%	24.6%	22.8%	30.8%	21.9%	40.6%	25.7%	13.6%	20.1%	0.1%
PL	18.2%	29.0%	24.4%	28.4%	22.3%	27.9%	23.2%	26.6%	17.7%	25.7%	26.4%	30.2%	19.6%	26.8%	40.0%	13.6%	20.6%	25.0%	25.0%	29.5%	0.1%
PT	13.0%	17.1%	10.9%	59.0%	32.7%	30.1%	20.8%	16.4%	30.0%	22.2%	21.5%	26.3%	24.6%	35.8%	18.1%	21.6%	7.7%	20.2%	30.0%	42.0%	0.0%
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%
SI	16.2%	52.0%	11.3%	20.6%	20.4%	23.5%	25.5%	30.6%	18.2%	28.6%	19.5%	33.7%	25.0%	34.6%	18.2%	22.3%	22.4%	22.4%	23.1%	32.2%	0.1%
SK	29.5%	22.7%	29.5%	18.2%	36.4%	0.0%	0.0%	63.6%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	20.0%	20.0%	40.0%	20.0%	0.0%
FI	26.5%	22.2%	22.6%	28.6%	26.5%	26.1%	24.8%	22.6%	26.4%	24.4%	23.3%	25.9%	21.4%	24.5%	27.7%	26.5%	27.7%	29.3%	23.2%	19.8%	0.5%
SE	45.8%	32.7%	14.8%	6.7%	19.7%	7.4%	12.5%	60.4%	39.2%	8.8%	43.2%	8.8%	6.4%	6.4%	104.1%	-16.9%	150.0%	-155.6%	105.6%	0.0%	0.0%
UK	22.2%	25.7%	26.8%	25.3%	23.2%	25.1%	25.6%	26.1%	23.2%	25.2%	27.7%	24.0%	4.1%	3.6%	69.6%	22.7%	52.5%	12.2%	22.7%	12.6%	0.9%
IS	22.7%	23.3%	25.9%	28.1%	26.9%	23.1%	24.0%	26.0%	24.1%	25.1%	25.3%	25.5%	33.7%	27.7%	26.0%	12.6%	27.2%	23.9%	23.9%	25.0%	0.1%
NO	26.2%	23.8%	23.3%	26.6%	30.8%	17.1%	16.2%	35.9%	26.5%	10.4%	10.6%	52.4%	23.1%	17.8%	34.8%	24.4%	20.6%	23.2%	14.5%	41.6%	0.2%

By their nature, as irregular taxes we would expect capital taxes not to exhibit seasonality and this is the case. Some large volatility is introduced by Sweden and the United Kingdom, the latter as a result of the recording of financial crisis interventions. Data for Bulgaria show a relatively high Q4.

Table 22: Other capital transfers and investment grants, receivable (D.92_D.99) quarterly general government revenue as a percentage of annual total

	2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TR	
EU27	19.2%	23.4%	24.7%	32.8%	17.8%	20.7%	26.3%	35.2%	15.4%	20.8%	26.3%	37.5%	17.9%	21.0%	18.1%	43.1%	-3.5%	21.5%	19.4%	62.7%	0.3%	
EA16	16.4%	24.3%	26.6%	32.7%	16.8%	21.0%	27.2%	35.0%	12.5%	21.5%	25.9%	40.0%	15.6%	22.4%	14.4%	47.6%	-34.4%	20.7%	12.6%	101.1%	0.2%	
BE	4.5%	27.6%	4.5%	63.4%	21.1%	26.4%	21.0%	31.5%	25.6%	9.7%	22.5%	42.2%	26.9%	18.6%	21.1%	33.4%	24.7%	20.6%	28.6%	26.1%	0.1%	
BG	2.3%	10.8%	29.8%	57.1%	18.9%	28.3%	22.1%	30.6%	31.1%	16.8%	24.0%	28.1%	16.8%	24.8%	26.7%	31.7%	24.7%	24.9%	25.6%	24.8%	0.5%	
CZ	6.2%	8.8%	16.0%	69.0%	22.5%	23.7%	20.8%	32.9%	12.3%	13.5%	26.9%	47.2%	5.6%	9.4%	28.7%	56.2%	4.8%	16.5%	26.6%	52.1%	3.7%	
DK	23.8%	15.9%	14.4%	45.8%	26.6%	25.9%	24.5%	23.0%	29.6%	24.6%	22.7%	23.1%	27.8%	26.7%	24.4%	21.1%	24.5%	24.8%	25.1%	25.5%	0.5%	
DE	22.4%	24.6%	21.0%	31.9%	25.3%	25.6%	18.8%	30.3%	19.3%	24.0%	24.0%	32.6%	31.9%	24.1%	16.9%	27.2%	21.6%	24.0%	20.6%	33.9%	0.5%	
EE	3.3%	11.2%	25.0%	60.5%	10.5%	10.4%	27.6%	51.5%	5.5%	12.5%	28.1%	54.0%	7.5%	15.3%	22.3%	54.9%	4.2%	16.9%	37.3%	41.7%	3.6%	
IE	25.0%	29.1%	29.1%	16.8%	24.5%	26.1%	27.0%	22.4%	25.1%	25.0%	25.0%	24.8%	25.1%	25.1%	25.0%	24.8%	23.6%	23.6%	24.6%	28.2%	3.4%	
EL	25.0%	25.0%	25.0%	25.0%	25.1%	25.1%	25.1%	24.7%	24.9%	25.0%	25.0%	25.2%	25.0%	25.0%	25.0%	25.0%	0.3%	19.7%	16.1%	63.9%	3.0%	
ES	-23.8%	13.3%	28.0%	82.5%	-73.2%	-20.2%	66.9%	126.5%	277.2%	74.8%	73.1%	-325.2%	62.7%	23.4%	51.2%	-37.4%	72.5%	19.4%	27.4%	-19.4%	-1.3%	
FR	21.2%	28.1%	28.4%	22.2%	-135.8%	1.6%	93.6%	140.7%	25.3%	25.3%	25.0%	24.4%	22.1%	22.9%	25.4%	29.6%	27.9%	28.6%	25.4%	18.2%	-0.5%	
IT	15.3%	16.9%	35.8%	32.1%	11.8%	17.5%	38.0%	32.7%	12.7%	23.3%	32.3%	31.6%	12.5%	19.2%	25.7%	42.6%	18.0%	22.4%	21.7%	37.8%	0.5%	
CY	15.6%	24.0%	11.2%	49.3%	14.6%	31.1%	11.7%	42.6%	18.9%	53.7%	14.9%	12.4%	10.4%	13.0%	5.2%	71.4%	6.8%	13.0%	6.3%	74.0%	0.3%	
LV	27.2%	21.8%	24.6%	26.4%	13.1%	18.9%	22.9%	45.2%	16.2%	25.3%	23.8%	34.6%	27.7%	18.8%	22.0%	31.5%	22.8%	13.0%	19.8%	44.4%	2.6%	
LT	14.3%	8.3%	26.4%	51.0%	11.8%	9.2%	27.0%	52.0%	9.8%	15.6%	23.4%	51.2%	11.9%	19.7%	23.4%	45.0%	24.7%	13.6%	19.9%	41.8%	4.8%	
LU	13.5%	27.4%	23.9%	35.2%	7.1%	19.6%	22.8%	50.5%	16.7%	24.8%	23.4%	35.1%	30.2%	19.6%	18.1%	32.1%	30.4%	28.9%	12.0%	28.7%	0.2%	
HU	4.5%	20.1%	28.3%	47.0%	12.0%	23.0%	25.5%	39.5%	13.2%	25.8%	32.1%	29.0%	14.7%	18.5%	10.3%	56.5%	20.5%	23.8%	19.2%	36.5%	3.0%	
MT	26.2%	15.5%	19.2%	39.1%	18.3%	19.8%	23.3%	38.6%	14.8%	22.6%	22.6%	40.0%	17.2%	29.1%	48.9%	4.9%	15.3%	26.0%	8.8%	49.9%	2.2%	
NL	22.5%	25.8%	29.6%	22.1%	20.2%	22.2%	23.0%	34.6%	23.0%	23.9%	19.1%	33.9%	42.1%	21.0%	16.7%	20.2%	29.8%	32.5%	15.7%	22.0%	0.1%	
AT	28.6%	144.2%	12.4%	-85.2%	13.1%	90.0%	-12.1%	9.0%	15.3%	-2.9%	73.5%	14.1%	5.3%	-2.7%	34.4%	63.1%	2.7%	-8.6%	27.2%	78.7%	0.1%	
PL	19.2%	25.8%	23.3%	31.7%	22.3%	24.5%	21.8%	31.3%	20.6%	22.0%	28.5%	28.9%	19.1%	22.9%	32.9%	25.1%	28.8%	27.2%	29.1%	14.8%	1.5%	
PT	21.8%	24.5%	22.3%	31.3%	18.0%	24.2%	18.9%	38.9%	21.3%	23.4%	19.9%	35.4%	15.4%	19.2%	19.8%	45.7%	8.2%	23.0%	18.1%	50.7%	1.8%	
RO	12.7%	13.4%	12.1%	61.9%	8.7%	18.8%	14.3%	58.2%	26.4%	27.3%	29.8%	16.5%	30.7%	17.3%	32.9%	19.0%	16.3%	39.5%	8.3%	35.9%	1.1%	
SI	13.7%	22.6%	36.0%	27.7%	5.9%	39.7%	7.7%	46.6%	17.6%	9.4%	13.9%	59.1%	8.3%	21.0%	12.8%	57.9%	8.2%	43.4%	11.0%	37.3%	0.8%	
SK	23.8%	14.3%	14.3%	47.6%	0.2%	0.0%	0.0%	99.8%	0.1%	0.3%	0.8%	98.8%	0.0%	0.0%	0.0%	100.0%	11.5%	10.6%	53.4%	24.4%	0.8%	
FI	23.6%	24.1%	25.8%	26.4%	24.3%	25.1%	25.3%	25.3%	23.4%	23.3%	24.8%	28.5%	24.2%	25.2%	26.0%	24.6%	28.8%	25.7%	23.6%	21.9%	0.2%	
SE	25.0%	25.2%	25.9%	23.9%	24.9%	23.8%	24.3%	27.0%	25.0%	24.9%	24.1%	26.0%	26.2%	26.9%	24.0%	23.0%	23.6%	24.5%	25.4%	26.5%	0.1%	
UK	50.8%	19.0%	10.5%	19.7%	21.9%	12.6%	24.1%	41.3%	28.3%	15.1%	27.6%	29.0%	35.2%	16.7%	16.2%	31.9%	24.1%	19.9%	24.6%	31.4%	0.2%	
IS	22.8%	23.4%	25.8%	28.0%	26.9%	23.1%	24.0%	26.0%	24.2%	25.2%	25.2%	25.5%	33.5%	27.7%	26.0%	12.7%	27.2%	24.0%	24.0%	24.8%	0.0%	
NO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.0%

The amounts of D.92_D.99 revenue are variable, but tend to be small and can be negative. The EU and EA aggregates show that relatively low amounts are recorded in Q1, and relatively high amounts in Q4.

Table 23: Market output, output for own final use and payments for other non-market output (P.11_P.12_P.131) quarterly general government revenue as a percentage of annual total

2005Q1	2005Q2	2005Q3	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3	2009Q4	% share of 2009 TR
20.3%	23.8%	22.8%	33.1%	20.4%	23.2%	23.6%	32.8%	21.0%	22.8%	22.6%	33.6%	21.1%	23.0%	23.2%	32.8%	21.1%	22.7%	22.6%	33.7%	5.5%
18.8%	23.3%	22.3%	35.7%	18.7%	22.8%	23.1%	35.4%	19.1%	21.7%	22.0%	37.1%	19.3%	22.1%	22.5%	36.0%	19.3%	21.9%	21.8%	37.0%	5.0%
24.6%	24.7%	25.1%	25.6%	24.5%	25.0%	25.2%	25.3%	24.7%	24.7%	25.0%	25.5%	24.5%	25.0%	25.2%	25.2%	23.9%	25.0%	25.6%	25.6%	3.7%
22.6%	26.8%	22.0%	28.6%	30.9%	26.0%	28.3%	14.8%	32.1%	26.3%	24.8%	16.8%	29.4%	24.3%	22.9%	23.3%	23.7%	27.6%	26.4%	22.3%	8.2%
25.5%	25.7%	21.0%	27.8%	25.7%	25.4%	21.1%	27.9%	25.4%	24.8%	21.9%	27.9%	25.5%	25.3%	23.2%	26.0%	24.4%	24.9%	23.7%	27.0%	7.2%
27.0%	24.1%	24.2%	24.7%	26.2%	23.8%	23.4%	26.6%	27.3%	24.6%	23.7%	24.4%	24.3%	24.6%	25.0%	26.1%	24.4%	26.2%	25.8%	23.6%	5.6%
22.5%	24.5%	25.1%	27.9%	23.2%	24.4%	24.4%	28.1%	23.6%	24.0%	24.8%	27.6%	23.3%	24.6%	24.9%	27.2%	22.7%	24.3%	25.3%	27.7%	4.6%
24.9%	23.2%	24.0%	27.9%	24.7%	23.6%	23.7%	28.0%	26.8%	23.3%	23.3%	26.5%	25.6%	22.8%	24.1%	27.5%	22.5%	22.4%	24.1%	26.0%	5.8%
16.7%	26.7%	23.0%	33.6%	23.5%	20.4%	22.8%	33.2%	22.4%	20.1%	21.7%	35.8%	24.3%	22.4%	21.3%	31.9%	19.4%	19.7%	24.0%	36.9%	6.5%
24.7%	24.7%	25.1%	25.5%	24.4%	24.4%	26.5%	24.7%	24.2%	24.2%	27.2%	24.4%	23.4%	23.5%	26.6%	26.5%	22.5%	22.8%	24.2%	30.5%	4.5%
22.1%	23.0%	23.1%	31.8%	21.8%	22.1%	23.5%	32.6%	22.3%	22.8%	23.2%	31.7%	21.7%	23.2%	25.3%	29.7%	21.8%	23.2%	24.4%	30.6%	3.7%
9.3%	20.5%	16.8%	53.3%	8.7%	18.7%	19.4%	53.2%	9.5%	15.9%	16.6%	57.9%	10.7%	15.4%	18.5%	55.4%	10.7%	15.5%	16.0%	57.9%	6.8%
27.1%	22.8%	25.5%	24.6%	26.5%	25.4%	26.8%	21.3%	26.1%	25.8%	25.9%	22.3%	26.1%	28.0%	23.0%	23.0%	26.8%	28.6%	23.1%	21.4%	2.7%
22.0%	20.7%	25.5%	31.7%	22.4%	24.9%	36.0%	16.7%	20.9%	25.5%	25.0%	28.6%	22.4%	27.5%	23.6%	26.6%	28.0%	23.6%	26.1%	22.3%	5.8%
23.9%	23.7%	24.4%	28.0%	20.1%	22.1%	25.9%	31.9%	22.8%	23.2%	23.9%	30.1%	26.0%	23.2%	27.3%	23.5%	28.1%	27.9%	19.9%	24.1%	10.1%
19.8%	22.1%	23.3%	34.8%	24.6%	21.4%	23.0%	31.0%	23.7%	21.2%	26.0%	29.0%	25.1%	23.6%	24.2%	27.2%	25.4%	22.5%	26.0%	26.1%	4.7%
8.7%	22.5%	21.5%	47.2%	10.2%	17.8%	21.9%	50.1%	11.0%	19.6%	17.8%	51.6%	8.2%	24.0%	22.4%	45.4%	18.0%	21.6%	18.1%	42.3%	4.7%
21.5%	26.5%	24.2%	27.8%	23.2%	27.0%	22.8%	27.0%	23.6%	25.6%	23.1%	27.7%	20.4%	26.5%	21.3%	31.9%	21.6%	28.4%	22.6%	27.4%	6.6%
24.1%	19.5%	22.8%	33.6%	24.5%	23.4%	23.3%	28.8%	25.4%	27.2%	22.2%	25.2%	27.7%	25.0%	22.3%	25.0%	21.7%	24.4%	25.1%	28.8%	4.9%
23.6%	26.9%	24.9%	24.6%	23.0%	26.2%	26.0%	24.8%	24.5%	24.6%	25.0%	25.9%	24.2%	26.7%	23.7%	25.3%	25.2%	24.9%	24.4%	25.5%	8.0%
23.1%	23.3%	22.3%	31.3%	21.9%	26.4%	21.6%	30.2%	22.6%	26.2%	22.0%	29.3%	22.2%	23.6%	25.5%	28.7%	21.9%	26.2%	23.2%	28.7%	3.9%
26.9%	23.5%	24.5%	25.1%	26.6%	22.9%	24.1%	26.4%	24.6%	23.7%	24.2%	27.6%	26.0%	25.0%	25.2%	23.8%	26.6%	23.6%	24.8%	25.1%	6.1%
19.4%	22.6%	27.1%	30.9%	22.7%	23.3%	23.9%	30.1%	19.5%	24.0%	23.8%	32.7%	21.5%	23.1%	24.5%	30.8%	21.1%	23.1%	24.4%	31.4%	5.9%
25.0%	22.9%	17.6%	34.5%	18.7%	20.9%	23.5%	36.9%	18.8%	23.0%	15.9%	42.2%	21.5%	21.4%	17.6%	39.5%	19.3%	20.6%	16.9%	43.2%	6.9%
23.2%	25.5%	25.1%	26.2%	23.3%	25.6%	25.0%	26.2%	23.2%	25.6%	25.1%	26.1%	22.9%	25.4%	25.1%	26.5%	23.6%	25.9%	24.7%	25.7%	6.5%
25.1%	22.2%	22.5%	30.2%	21.0%	24.5%	23.9%	30.7%	24.3%	22.9%	22.4%	30.4%	22.3%	23.3%	24.9%	29.5%	22.7%	26.7%	24.5%	26.1%	3.6%
19.5%	25.5%	23.1%	31.9%	19.9%	25.2%	22.8%	32.0%	19.7%	25.0%	22.5%	32.9%	19.4%	25.3%	23.2%	32.1%	20.4%	24.8%	22.7%	32.1%	10.9%
24.8%	25.4%	23.8%	26.1%	23.0%	24.8%	23.8%	28.3%	23.5%	25.6%	23.0%	27.9%	23.5%	26.6%	23.3%	26.6%	21.9%	25.2%	23.7%	29.2%	7.2%
22.4%	25.6%	24.5%	27.5%	23.7%	24.0%	25.8%	26.5%	25.2%	25.4%	24.6%	24.8%	25.8%	24.6%	25.7%	23.9%	26.7%	24.4%	25.0%	23.9%	7.2%
23.4%	24.1%	25.6%	26.9%	26.9%	23.6%	24.3%	25.2%	22.4%	25.0%	24.7%	27.9%	28.6%	26.9%	29.3%	15.1%	25.8%	24.9%	23.3%	26.0%	7.6%
24.3%	24.8%	25.4%	25.5%	25.0%	25.6%	25.0%	24.4%	24.2%	24.6%	25.4%	25.8%	25.6%	25.7%	25.5%	23.2%	24.2%	24.6%	25.2%	26.0%	4.8%

In this category, Q4 tends to be distinctly higher (exemplified by Ireland, France, Luxembourg, and Romania), while the other quarters are similar to each other.

ANNEX II

COMMISSION REGULATION (EC) No. 264/2000 of 3 February 2000 on the implementation of Council Regulation (EC) No. 2223/96 with respect to short-term public finance statistics

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community⁴⁵, as amended by Regulation (EC) No 448/98⁴⁶, and in particular Article 3(2) thereof,

Whereas:

- (1) Pursuant to Article 104/(2) of the Treaty, the Commission is to monitor the development of the budgetary situation.
- (2) Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies⁴⁷ considered appropriate to complement the multilateral surveillance procedure of Article 99(3) and (4) of the Treaty with an early warning system, under which the Council will alert a Member State at an early stage to the need to take the necessary budgetary corrective action in order to prevent a government deficit becoming excessive.
- (3) The report of the Ecofin Council on statistical requirements in economic and monetary union, approved on 18 January 1999, outlined in particular the need for common and harmonised short-term public finance statistics for Member States, in particular those who belong to economic and monetary union.
- (4) National accounts rules, especially European System of accounts 1995 (ESA 95) concepts, are regarded as instruments to ensure comparability and transparency of data between Member States.
- (5) A step-by-step approach towards the compilation of a full set of quarterly accounts for the general government sector in the framework of ESA 95 should be followed, starting from 2000 with a first set of components of the general government accounts being available according to ESA 95 concepts.

⁴⁵ OJ L 310, 30.11.1996, p. 1.

⁴⁶ OJ L 58, 27.2.1998, p. 1.

⁴⁷ OJ L 209, 2.8.1997, p. 1.

- (6) Priority should be given to components representing reliable predictors of trend in public finance and regularly available on time.
- (7) Taxes, actual social contributions and social benefits, as the first set of components, will provide early warning signals of possible risks to budgets and useful information on cyclical developments in the economy.
- (8) The Committee on Monetary, Financial and Balance of Payments Statistics (CMFB), set up by Council Decision 91/115/EEC⁴⁸, as amended by Decision 96/174/EC⁴⁹, has been consulted.
- (9) The measures provided in this Regulation are in accordance with the opinion of the Statistical Programme Committee (SPC), set up by Decision 89/382/EEC, Euratom⁵⁰,

HAS ADOPTED THIS REGULATION:

Article 1

Purpose

The aim of this Regulation is to define the list and the main characteristics of the ESA 95 categories of transactions to be transmitted quarterly by all Member States from the year 2000, in order to make available a set of common and harmonised short-term statistics on public finance.

Article 2

Categories concerned by the transmission of quarterly data

Member States shall transmit to the Commission (Eurostat) quarterly data for the following categories of general government resources and uses, as codified in ESA 95:
on the resource side:

- taxes on production and imports (D.2) – of which: value-added type taxes (D.211)
- current taxes on income, wealth, etc. (D.5)
- capital taxes (D.91)
- actual social contributions (D.611),

on the use side:

⁴⁸ OJ L 59, 6.3.1991, p. 19.

⁴⁹ OJ L 51, 1.3.1996, p. 48.

⁵⁰ OJ L 181, 28.6.1989, p. 47.

- social benefits other than social transfers in kind (D.62).

Article 3

Sources and methods to compile quarterly data

The compilation of quarterly data for the categories referred to in Article 2 shall respect the following rules:

1. quarterly data shall be based on direct information available from basic sources, such as for example public accounts or administrative sources, representing, for each category, at last 90 % of the amount of the category;
2. direct information shall be completed by coverage adjustments, if needed, and by conceptual adjustments in order to bring quarterly data in line with ESA 95 concepts;
3. the quarterly data and the corresponding annual data shall be consistent.

Article 4

Timetable for the transmission of quarterly data

1. Quarterly data shall be delivered to the Commission (Eurostat) within a period which shall not exceed three months from the end of the quarter to which the data relate.
2. Any revision of quarterly data for previous quarters shall be transmitted at the same time.
3. The first transmission of quarterly data shall relate to data for the first quarter of 2000. These data shall be delivered no later than 30 June 2000.

Article 5

Transmission of time-series

1. Member States shall deliver to the Commission (Eurostat) quarterly data for the categories referred to in Article 2 starting from the first quarter of 1991.
2. Backwards data shall be compiled according to sources and methods specified in Article 3(2) and (3).
3. Backwards data from the first quarter of 1998 until the fourth quarter of 1999 shall be transmitted to the Commission (Eurostat) no later than 31 December 2000.
4. Backwards data from the first quarter of 1991 until the fourth quarter of 1997 shall be transmitted to the Commission (Eurostat) no later than 30 June 2002.

Article 6

Transitional provisions

1. Transitional provisions shall concern Member States who are not in the position to transmit, from 2000, quarterly data according to the timetable described in Article 4(1) and according to sources and methods specified in Article 3.

2. These Member States shall transmit to the Commission (Eurostat) their «best quarterly estimates» according to the timetable described in Article 4.
3. They shall at the same time indicate which steps still need to be accomplished in order to comply with the sources and methods specified in Article 3.
4. The period to which the transitional provisions refer shall not exceed the timetable specified in the Annex to this Regulation.

Article 7

Implementation of the Regulation

1. Member States shall provide the Commission (Eurostat) with a description of the sources and methods used to compile quarterly data (initial description), no later than March 2000.
2. Any revision to the initial description of the sources and methods used to compile quarterly data shall be provided by Member States to the Commission (Eurostat) when they communicate the revised data.
3. The initial description and the possible revisions shall be subject to agreement between each Member State concerned and the Commission (Eurostat).
4. On the basis of the description(s) provided by Member States, the Commission (Eurostat) shall examine in particular the applicability of the 90 % criterion required in Article 3(1), for the first quarterly estimate concerning each of the categories referred to in Article 2. If it becomes apparent that a Member State is not able to meet the 90 % criterion under its national conditions, the Commission (Eurostat) may grant a specific derogation to the Member State concerned.
5. The Commission (Eurostat) will keep the SPC and the CMFB informed of the sources and methods used by each Member State.

Article 8

Entry into force

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.
Done at Brussels, 3 February 2000.

*For the Commission Pedro SOLBES MIRA Member
of the Commission*

ANNEX III

COMMISSION REGULATION (EC) No 1500/2000 of 10 July 2000 implementing Council Regulation (EC) No 2223/96 with respect to general government expenditure and revenue

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,
Having regard to the Council Regulation (EC) No 2223/96 of 25 June 1996 on the European System of national and regional accounts in the Community (ESA-95⁵¹), as last amended by Regulation (EC) No 448/98⁵² and in particular Articles 2(2) and 3(2) thereof,
Whereas:

- (1) Pursuant to Article 104(2) of the Treaty, the Commission is to monitor the development of the budgetary situation.
- (2) The aim of the content and format of stability and convergence programmes is to permit a fuller understanding of the paths of the government balance and of the budgetary strategy in general, and complementary information should be provided on expenditure and revenue ratios.
- (3) National accounts rules, especially ESA-95 concepts, are regarded as instruments to ensure comparability and transparency of data between Member States.
- (4) Annex A «European system of accounts ESA 1995» of the ESA-95 Regulation does not refer to government expenditure and revenue but provides the framework to specify them by reference to a list of ESA 95 categories.
- (5) The introduction of aggregates related to general government expenditure and revenue requires related amendments to the transmission programme of national accounts data.
- (6) An additional transmission, yearly in March, of general government main aggregates (annual data) will provide useful information on government deficit developments.

⁵¹ OJ L 310, 30.11.1996, p. 1.

⁵² OJ L 58, 27.2.1998, p. 1.

- (7) In accordance with Article 2(2) in conjunction with Article 3(2) of Regulation (EC) No 2223/96, amendments to ESA-95 which are intended to clarify and improve its content and require changes in the data requested from the Member States, shall be adopted by the Commission in accordance with the procedure provided for in Article 4 of the said Regulation.
- (8) The Committee on Monetary, Financial and Balance of Payments Statistics, set up by Decision 91/115/EEC⁵³, has been consulted.
- (9) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee, set up by Decision 89/382/EEC, Euratom⁵⁴,

HAS ADOPTED THIS REGULATION:

Article 1

The aim of the present Regulation is to provide the definition of general government expenditure and revenue, to supplement classifications of transactions in goods and services (P) and of distribution transactions (D) and to amend the transmission programme of national accounts data.

Article 2

Annex A (European System of Accounts ESA 1995) and Annex B (Transmission programme of national accounts data) of Council Regulation (EC) No 2223/96 of 25 June 1996 shall be amended in accordance with the Annex to the present Regulation.

Article 3

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 10 July 2000.

*For the Commission Pedro SOLBES MIRA Member
of the Commission*

⁵³ OJ L 59, 6.3.1991, p. 19.

⁵⁴ OJ L 181, 28.6.1989, p. 47.

ANNEX

Annexes A and B of Regulation (EC) No 2223/96 shall be amended as follows:

1. In Annex A:

(a) In Chapter 3, section 3.23, the following sentence shall be added:

«Other non-market output (P.13) can be subdivided into two items: «Payments for the other non-market output» (P.131), which consist of various fees and charges, and «Other non-market output, other» (P.132), covering output that is provided free.»

(b) In Chapter 3, sections 3.79 and 3.96 shall be replaced by the following:

«3.79 Final consumption expenditure (P.3) by government includes two categories of expenditures, similar to those by NPISHs:

- (a) the value of the goods and services produced by general government itself (P.1) other than own-account capital formation (corresponding to P.12) and sales. Market output (P.11) and payments for the other non-market output (P.131);
- (b) purchases by general government of goods and services produced by market producers that are supplied to households, without any transformation, as social transfers in kind (D.6311 + D.63121 + D.63131). This implies that general government just pays for goods and services that the sellers provide to households.»

«3.96 Final consumption expenditure (P.3) by general government or NPISHs are equal to the sum of their output (P.1), plus the expenditure on products supplied to households via market producers, part of social transfers in kind (D.6311 + D.63121 + D.63131), minus the payments by other units, market output (P.11) and payments for the other non-market output (P.131), minus own-account capital formation (corresponding to P.12).»

(c) In Chapter 4, section 4.105, third indent, related to «Other social security benefits in kind (D.6312)», the following sentence shall be added:

«Other social security benefits in kind can be therefore subdivided into those for which the service is produced by market producers and purchased by general government units or NPISHs (D.63121), and those for which the service is produced by non-market producers (D.63122).»

(d) In Chapter 4, section 4.105, fourth indent, related to «Social assistance benefits in kind (D.6313)», the following sentence shall be added:

«Social assistance benefits in kind can be therefore subdivided into those for which the service is produced by market producers and purchased by general government units or NPISHs (D.63131), and those for which the service is produced by non-market producers (D.63132).»

(e) In Chapter 8, a new version of 8.99 (a) shall be inserted as follows:

GENERAL GOVERNMENT EXPENDITURE AND REVENUE

8.99 (a) General government expenditure and revenue are defined by reference to a list of ESA 95 categories.

Government expenditure comprises the following ESA 95 categories, recorded under the use side of general government accounts, with the exception of D.3 and D.9 which are recorded under the resource side of general government accounts ⁽¹⁾ :	
P.2	Intermediate consumption
P.5	Gross capital formation
D.1	Compensation of employees
D.29	Other taxes on production
D.3	Subsidies, payable
D.4	Property income
D.5	Current taxes on income, wealth, etc.
D.62	Social benefits other than social transfers in kind
D.6311 + D.63121 + D.63131	Social transfers in kind related to expenditure on products supplied to households via market producers
D.7	Other current transfers
D.8	Adjustment for the change in net equity of households in pension funds reserves
D.9	Capital transfers, payable
K.2	Acquisitions less disposals of non-financial non-produced assets

⁽¹⁾ Adjustments for taxes and social contributions assessed but never collected, when recorded under D.9, are considered as a negative revenue.

Government revenue comprises the following ESA 95 categories, recorded under the resource side of general government accounts, with the exception of D.39 which is recorded under the use side of general government accounts:	
P.11	Market output
P.12	Output for own final use
P.131	Payments for the other non-market output
D.2	Taxes on production and imports
D.39	Other subsidies on production, receivable
D.4	Property income
D.5	Current taxes on income, wealth, etc.
D.61	Social contributions
D.7	Other current transfers
D.9 (1)	Capital transfers

By definition, the difference between general government revenue and general government expenditure is net lending (+)/net borrowing (–) of the general government sector.

The transactions D.41, D.7, D.92 and D.99 are consolidated. The other transactions are not consolidated.»

(f) In Annex IV, in Classification of transactions and other flows — Transactions in goods and services (products) (P), sub-heading P.1 Output, the following entries shall be added:

«P.131	Payments for the other non-market output
P.132	Other non-market output, other»

(g) In Annex IV, in Classification of transactions and other flows — Distributive transactions (D), sub-heading D.6 Social contributions and benefits, the following entries shall be inserted after D.6312:

«D.63121	Other social security benefits in kind provided by market producers
D.63122	Other social security benefits in kind provided by non-market producers»

⁽¹⁾ Adjustments for taxes and social contributions assessed but never collected, when recorded under D.9, are considered as a negative revenue.

(h) In Annex IV, in Classification of transactions and other flows — Distributive transactions (D), sub-heading D.6 Social contributions and benefits, the following entries shall be inserted after D.6313:

«D.63131	Social assistance benefits in kind provided by market producers
«D.63132	Social assistance benefits in kind provided by non-market producers»

2. In Annex B:(a)In the table entitled Overview of the tables, a new line 3 (a) shall be inserted as follows:

«2001	3	97-00	Main aggregates of general government	2»
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(b)Table 2 shall be replaced by the following:

«Table 2 — Main aggregates of general government			
Consolidation rules: the transactions D.41, D.7, D.92 and D.99 are consolidated. The other transactions are not consolidated.			
Code	List of variables	Transmission at t + 3	Transmission at t + 8
P.1	Output		X
P.11 + P.12	— Market output and output for own final use		X
P.13	— Other non-market output		X
P.131	— Payments for other non-market output		X
P.132	— Other non-market output, other		X
P.11 + P.12 + P.131		X	
P.2	Intermediate consumption	X	X
B.1G	Value added, gross		X
K.1	Consumption of fixed capital		X
B.1N	Value added, net		X

D.1P	Compensation of employees, payable	X	X
D.29P	Other taxes on production, payable	X	X
D.39R	Other subsidies on production, receivable	X	X
B.2N	Operating surplus, net		X
D.2R	Taxes on production and imports, receivable	X	X
D.4R	Property income, receivable	X	X
D.3P	Subsidies, payable	X	X
D.4P	Property income, payable	X	X
D.41P	— Interest, payable	X	X
D.42P + ...D.45P	— Other property income, payable	X	X
B.5N	Balance of primary incomes, net		X
D.5R	Current taxes on income, wealth etc., receivable	X	X
D.61R	Social contributions, receivable	X	X
D.611R	— Actual social contributions, receivable	X	X
D.612	— Imputed social contributions	X	X
D.7R	Other current transfers, receivable	X	X

D.5P	Current taxes on income, wealth etc., payable	X	X
D.62P	Social benefits other than social transfers in kind, payable		X
D.6311P + D.63121P + D.63131P	Social transfers in kind related to expenditure on products supplied to households via market producers		X
D.62P + D.6311P + D.63121P + D.63131P		X	
D.7P	Other current transfers, payable	X	X
B.6N	Disposable income, net		X
P.3	Final consumption expenditure		X
P.31	— Individual consumption expenditure		X
P.32	— Collective consumption expenditure		X
D.8	Adjustment for the change in net equity of households in pension funds reserves	X	X
B.8G	Saving, gross	X	X
B.8N	Saving, net		X
D.9R	Capital transfers, receivable	X	X
D.91R	— Capital taxes, receivable	X	X
D.92R + D.99R	— Investment grants and other capital transfers, receivable	X	X

D.9P	Capital transfers, payable	X	X
P.5	Gross capital formation		X
P.51	— Gross fixed capital formation	X	X
P.52 + P.53	— Changes in inventories and acquisitions less disposals of valuables		X
K.2	Acquisitions less disposals of non-financial non-produced assets		X
P.5 + K.2		X	
B.9	Net lending (+)/Net borrowing (-)	X	X
TE	Total General government expenditure	X	X
TR	Total General government revenue	X	X»

(c) Table 11 shall be replaced by the following:

(d) In the «Derogations concerning the tables to be supplied in the framework of the questionnaire ESA 95 by country, point 7.1 (IRELAND — Derogations for tables)» A new line 6 (a) shall be inserted as follows:

«2	Main aggregates of general government	Transmission at t + 3	Until 2002»
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(e) In the «Derogations concerning the tables to be supplied in the framework of the questionnaire ESA 95 by country, point 10.1 (NETHERLANDS — Derogations for tables)» A new line 6 (a) shall be inserted as follows:

«2	Main aggregates of general government	Transmission at t + 3	Until 2003»
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ANNEX IV

Regulation (EC) No. 1221/2002 of the European Parliament and of the Council of 10 June 2002 on quarterly non-financial accounts for general government

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(9) The Statistical Programme Committee (SPC), set up by Council Decision 89/382/EEC, Euratom^(*), and the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB), set up by Council Decision 91/115/EEC^(*), have each been consulted in accordance with Article 3 of those Decisions,

HAVE ADOPTED THIS REGULATION:

Article 1

Purpose

The purpose of this Regulation is to define the content of quarterly non-financial accounts for general government, to lay down the list of the ESA 95 categories to be transmitted by Member States from 30 June 2002 and to specify the main characteristics of these categories.

Article 2

Content of the quarterly non-financial accounts for general government

The content of the quarterly non-financial accounts for general government is defined in the Annex by reference to a list of ESA 95 categories constituting general government expenditure and revenue.

Article 3

Categories concerned by the transmission of quarterly data

1. Member States shall transmit to the Commission (Eurostat) quarterly data for the categories or groups of categories included in the list provided in the Annex, with the exception of those categories for which data must be transmitted pursuant to Regulation (EC) No 264/2000.

2. Quarterly data shall be transmitted for the following categories (or groups of categories) of general government expenditure and revenue:

(a) expenditure:

- intermediate consumption (P.2)
- gross capital formation + Acquisitions less disposals of non-financial non-produced assets (P.5 + K.2)
- gross fixed capital formation (P.51)
- compensation of employees (D.1)
- other taxes on production (D.29)
- subsidies, payable (D.3)
- property income (D.4)
- interest (D.41)
- current taxes on income, wealth etc. (D.5)
- social transfers in kind related to expenditure on products supplied to households via market producers (D.6311 + D.63121 + D.63131)
- other current transfers (D.7)

- adjustment for the change in net equity of households in pension funds reserves (D.8)
- capital taxes + Investment grants + Other capital transfers, payable (D.91 + D.92 + D.99).

(b) revenue:

- market output + Output for own final use + Payments for the other non-market output (P.11 + P.12 + P.131)
- other subsidies on production, receivable (D.39)
- property income (D.4)
- imputed social contributions (D.612)
- other current transfers (D.7)
- investments grants + Other capital transfers, receivable (D.92 + D.99).

3. Transactions D.41, D.7, D.92 and D.99 are consolidated within the general government sector. The other transactions are not consolidated.

Article 4

Compilation of quarterly data: sources and methods

1. Quarterly data relating to the first quarter of 2001 onwards shall be compiled according to the following rules:

- (a) quarterly data shall be based as much as possible on direct information from basic sources, with the objective of minimising, for each quarter, differences between the first estimates and the final figures;
- (b) direct information shall be completed by coverage adjustments, if needed, and by conceptual adjustments in order to bring quarterly data in line with ESA 95 concepts;
- (c) the quarterly data and the corresponding annual data shall be consistent.

2. Quarterly data relating to the first quarter of 1999 until the fourth quarter of 2000 shall be compiled according to sources and methods ensuring consistency between the quarterly data and the corresponding annual data.

Article 5

Timetable for the transmission of quarterly data

1. Quarterly data referred to in Article 3 shall be delivered to the Commission (Eurostat) at the latest by three months after the end of the quarter to which the data relate.

Any revision of quarterly data for previous quarters shall be transmitted at the same time.

2. The first transmission of quarterly data shall relate to data for the first quarter of 2002. Member States shall deliver these data no later than 30 June 2002.

However, the Commission may grant a derogation, not exceeding one year, concerning the date of the first transmission of quarterly data for the first quarter of 2002 onwards, in so far as the national statistical systems require major adaptations.

(*) OJ L 181, 28.6.1989, p. 47.

(*) OJ L 59, 6.3.1991, p. 19, Decision as last amended by Decision 96/174/EC (OJ L 51, 1.3.1996, p. 48).

(9) The Statistical Programme Committee (SPC), set up by Council Decision 89/382/EEC, Euratom⁽¹⁾, and the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB), set up by Council Decision 91/115/EEC⁽²⁾, have each been consulted in accordance with Article 3 of those Decisions,

HAVE ADOPTED THIS REGULATION:

Article 1

Purpose

The purpose of this Regulation is to define the content of quarterly non-financial accounts for general government, to lay down the list of the ESA 95 categories to be transmitted by Member States from 30 June 2002 and to specify the main characteristics of these categories.

Article 2

Content of the quarterly non-financial accounts for general government

The content of the quarterly non-financial accounts for general government is defined in the Annex by reference to a list of ESA 95 categories constituting general government expenditure and revenue.

Article 3

Categories concerned by the transmission of quarterly data

1. Member States shall transmit to the Commission (Eurostat) quarterly data for the categories or groups of categories included in the list provided in the Annex, with the exception of those categories for which data must be transmitted pursuant to Regulation (EC) No 264/2000.

2. Quarterly data shall be transmitted for the following categories (or groups of categories) of general government expenditure and revenue:

- (a) expenditure:
- intermediate consumption (P.2)
 - gross capital formation + Acquisitions less disposals of non-financial non-produced assets (P.5 + K.2)
 - gross fixed capital formation (P.51)
 - compensation of employees (D.1)
 - other taxes on production (D.29)
 - subsidies, payable (D.3)
 - property income (D.4)
 - interest (D.41)
 - current taxes on income, wealth etc. (D.5)
 - social transfers in kind related to expenditure on products supplied to households via market producers (D.6311 + D.63121 + D.63131)
 - other current transfers (D.7)

⁽¹⁾ OJ L 181, 28.6.1989, p. 47.

⁽²⁾ OJ L 59, 6.3.1991, p. 19. Decision as last amended by Decision 96/174/EC (OJ L 51, 1.3.1996, p. 48).

- adjustment for the change in net equity of households in pension funds reserves (D.8)
- capital taxes + Investment grants + Other capital transfers, payable (D.91 + D.92 + D.99).

(b) revenue:

- market output + Output for own final use + Payments for the other non-market output (P.11 + P.12 + P.131)
- other subsidies on production, receivable (D.39)
- property income (D.4)
- imputed social contributions (D.612)
- other current transfers (D.7)
- investments grants + Other capital transfers, receivable (D.92 + D.99).

3. Transactions D.41, D.7, D.92 and D.99 are consolidated within the general government sector. The other transactions are not consolidated.

Article 4

Compilation of quarterly data: sources and methods

1. Quarterly data relating to the first quarter of 2001 onwards shall be compiled according to the following rules:

- (a) quarterly data shall be based as much as possible on direct information from basic sources, with the objective of minimising, for each quarter, differences between the first estimates and the final figures;
- (b) direct information shall be completed by coverage adjustments, if needed, and by conceptual adjustments in order to bring quarterly data in line with ESA 95 concepts;
- (c) the quarterly data and the corresponding annual data shall be consistent.

2. Quarterly data relating to the first quarter of 1999 until the fourth quarter of 2000 shall be compiled according to sources and methods ensuring consistency between the quarterly data and the corresponding annual data.

Article 5

Timetable for the transmission of quarterly data

1. Quarterly data referred to in Article 3 shall be delivered to the Commission (Eurostat) at the latest by three months after the end of the quarter to which the data relate.

Any revision of quarterly data for previous quarters shall be transmitted at the same time.

2. The first transmission of quarterly data shall relate to data for the first quarter of 2002. Member States shall deliver these data no later than 30 June 2002.

However, the Commission may grant a derogation, not exceeding one year, concerning the date of the first transmission of quarterly data for the first quarter of 2002 onwards, in so far as the national statistical systems require major adaptations.

*Article 6***Transmission of backdata**

1. Member States shall deliver to the Commission (Eurostat) quarterly backdata for the categories referred to in Article 3, starting from the first quarter of 1999.

2. Quarterly data relating to the first quarter of 1999 until the fourth quarter of 2001 shall be transmitted to the Commission (Eurostat) no later than 30 June 2002.

However, the Commission may grant a derogation, not exceeding one year, concerning the date of the first transmission of quarterly data from the first quarter of 1999 onwards, in so far as national statistical systems require major adaptations.

*Article 7***Implementation**

1. Member States shall provide the Commission (Eurostat) with a description of the sources and methods used to compile the quarterly data referred to in Article 3 (initial description), at the same time as they start to transmit quarterly data according to the timetable referred to in Article 5(2).

2. Any revision of the initial description of the sources and methods used to compile the quarterly data shall be provided to the Commission (Eurostat) when the revised data are communicated.

3. The Commission (Eurostat) shall keep the SPC and the CMFB informed of the sources and methods used by each Member State.

*Article 8***Report**

On the basis of the data transmitted for the categories specified in Article 3, and after consulting the SPC, the Commission

(Eurostat) shall, by 31 December 2005 at the latest, submit to the European Parliament and the Council a report containing an assessment of the reliability of quarterly data delivered by Member States.

*Article 9***Transitional provisions**

1. Member States which are not in a position to transmit, during the transitional period provided for in paragraph 4, quarterly data from the first quarter of 2001 onwards according to the sources and methods provided for in Article 4(1) and to the timetable referred to in Article 5(1) shall apply paragraph 2.

2. The Member States referred to in paragraph 1 shall transmit to the Commission (Eurostat) their 'best quarterly estimates' (that is, incorporating all new information that becomes available during the process of compiling an improved system of quarterly non-financial accounts for general government) according to the timetable referred to in Article 5(1).

They shall indicate at the same time which steps still need to be accomplished in order to comply with the sources and methods provided for in Article 4(1).

3. During the transitional period provided for in paragraph 4, the Commission (Eurostat) shall examine the progress made by Member States towards full compliance with Article 4(1).

4. The transitional period shall start from the date of the first transmission referred to in Article 5(2) and shall end on 31 March 2005 at the latest.

*Article 10***Entry into force**

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 10 June 2002.

For the European Parliament

The President
P. COX

For the Council

The President
J. PIQUÉ I CAMPS

ANNEX

Content of the quarterly non-financial accounts for general government

Quarterly non-financial accounts for general government are defined by reference to the list of government expenditure and revenue included in Commission Regulation No 1500/2000.

General government expenditure comprises ESA 95 categories recorded under the use side, or the changes in assets side or the changes in liabilities and net worth side of the sequence of accounts for general government, with the exception of D.3 which is recorded under the resource side of general government accounts.

General government revenue comprises ESA 95 categories recorded under the resource or changes in liabilities in net worth side of the sequence of non-financial accounts for general government, with the exception of D.39 which is recorded under the use side of general government accounts.

By definition, the difference between general government revenue and general government expenditure, as defined above, is net lending (+)/net borrowing (-) of the general government sector.

Transactions D.41, D.7, D.92 and D.99 are consolidated within the general government sector. The other transactions are not consolidated.

The table below shows ESA 95 categories constituting general government expenditure and revenue. Categories shown in italics are already subject to transmission on a quarterly basis in the context of the Commission Regulation (EC) No 264/2000.

ESA 95 codes	General government expenditure
P.2	Intermediate consumption
P.5 + K.2	Gross capital formation + acquisitions less disposals of non-financial non-produced assets
P.51	Gross fixed capital formation
D.1	Compensation of employees
D.29	Other taxes on production
D.3	Subsidies, payable
D.4	Property income
D.41	Interest
D.5	Current taxes on income, wealth etc.
<i>D.62 + D.6311 + D.63121 + D.63131</i>	<i>Social benefits other than social transfers in kind + social transfers in kind related to expenditure on products supplied to households via market producers</i>
D.7	Other current transfers
D.8	Adjustment for the change in net equity of households in pension funds reserves
D.9	Capital transfers, payable
ESA 95 codes	General government revenue
P.11 + P.12 + P.131	Market output + output for own final use + payments for the other non-market output
D.2	<i>Taxes on production and imports</i>
D.39	Other subsidies on production
D.4	Property income
D.5	Current taxes on income, wealth etc.
D.61	Social contributions
D.611	<i>Actual social contributions</i>
D.612	Imputed social contributions
D.7	Other current transfers

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ESA 95 codes	General government revenue
D.9 (†)	Capital transfers, receivable
D.91	Capital taxes
B.8g	Saving, gross
B.9	Net lending/net borrowing

(†) Adjustments for taxes and social contributions assessed but never collected, when recorded under D.9, are considered as negative revenue.

European Commission

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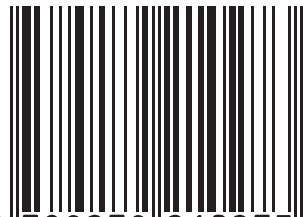
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