



EUROPEAN COMMISSION  
EUROSTAT

Directorate D – Government finance statistics (GFS)  
**D.3 – Excessive deficit procedure (EDP) 2**

Luxembourg, March 2024

# **FINAL FINDINGS**

## **EDP Dialogue Visit to Slovenia**

**8 – 9 September 2022**

## EXECUTIVE SUMMARY

Eurostat made a standard EDP dialogue visit (DV) to Slovenia on 8-9 September 2022. The purpose of the EDP DV was to review: the existing institutional responsibilities for compiling EDP statistics; the implementation of ESA2010 methodology, especially the sector classification of certain units and the implementation of the accrual principle (particularly for taxes and the related Covid-19 deferrals, for EU flows and the Recovery and Resilience Facility (RRF)); the recording of specific government transactions, with a focus on the activities of BAMC (Bank Assets Management Company - bad bank), financial derivatives, court decisions and guarantees; and, the follow up of the action points from the 2019 EDP dialogue visit and of the April 2022 EDP notification.

The institutional arrangements currently in place were reviewed. The discussion focused on the new draft of the EDP Inventory provided by the Slovenian statistical authorities to Eurostat in May 2022. The Slovenian statistical authorities will amend or complement certain sections in line with the discussions.

As regards the compliance with the Council Directive 2011/85, Eurostat welcomed the significant detail of the monthly cash data published by the Ministry of Finance and, also its full coverage (S.13).

Eurostat thanked the Slovenian statistical authorities for the progress made following up the action points arising from the 2019 EDP DV. All but four action points had been closed in the context of the 2020-2022 EDP notifications. The remaining outstanding issues associated with the calculation of the gross fixed capital formation (GFCF) and custom duties were discussed under the appropriate agenda items.

As regards the analysis of the EDP notification tables, the main open issues from the April 2022 EDP notification were discussed. These were: the monitoring of BAMC activities, the recording of the main taxes, the recording of the EU funds and RRF flows, and the rerouted transactions for the Slovenian development bank (SID).

The discussion continued on the application of the ESA 2010 sector classification rules, mainly on the definition of control, the reclassifications of units since the 2019 EDP dialogue visit and the sector classification of specific units (the Slovenian Air Navigation Services, the Slovenian Power Market Operator, DARS -a public motorway company- and the Slovenian Railways Group).

Eurostat reviewed the activities undertaken by SID Bank on behalf of government. The Slovenian statistical authorities explained that, from the October 2022 EDP notification, the funds managed by SID Bank on behalf of government would be treated as institutional units and would no longer be re-routed through government accounts. Eurostat highlighted the considerable size of the activities carried out by SID Bank with these public funds, as compared to its overall operations, and emphasized the need to monitor SID Bank's sector classification.

As regards implementation of the accrual principle, Eurostat verified the accrual adjustments for taxes (including deferrals related to Covid-19 pandemic), interest and EU flows (including RRF).

As regards the compilation's method for VAT, the Slovenian statistical authorities will revise the time series implementing a time-adjusted cash method of one month, removing the ad-hoc adjustments currently made. For customs duties collected on behalf of the EU,

the transactions recorded in government accounts should be purely financial, with only the imputed revenue related to collection costs impacting B.9. In relation to CIT, the Slovenian statistical authorities will analyse the CIT evolution and explain why it remained relatively resilient during the Covid-19 crisis. They will also propose a strategy to enhance the accuracy of the necessary forecasts entailed by the current compilation method.

In relation to the Covid-19 related schemes, the Slovenian statistical authorities will consider revising downwards the estimate for expected losses on tax/social contribution deferrals and on standardized guarantees schemes, which Eurostat judged rather high.

As regards interest, Eurostat had analysed the detailed interest data provided in advance of the EDP DV and concluded that they were consistent with those reported in the April 2022 EDP tables.

The Slovenian statistical authorities summarised the mechanism in place to deal with EU flows within the single treasury account, in particular for the advances received. Eurostat and the Slovenian statistical authorities discussed the compilation of RRF flows, notably the impact of the downward revision of the grant component allocated to Slovenia (down to EUR 1.5 billion from the EUR 1.8 billion initially allocated).

Discussions continued with recent developments around the court case against the Bank of Slovenia in connection with the bail-in operations conducted in 2013 and 2014 (BAMC). In 2022, there were decisions from the Court of Justice of the European Union and the Constitutional Court of the Republic of Slovenia. Eurostat recalled that any compensation is likely to be considered government expenditure, when the court decision is final.

As regards BAMC, Eurostat highly appreciated the Slovenian statistical authorities' efforts for regularly providing the granular data for BAMC portfolio of NPLs (in the context of EDP Notifications). Moreover, Eurostat and the Slovenian statistical authorities discussed the recording in EDP Annex 5 (Supplementary table for reporting government interventions to support financial institutions), of the various operations related to BAMC. Eurostat also welcomed the new valuation of NPLs, using the transfer value rather than the original nominal value. In addressing the gap between the cumulated deficit and the net financial assets, still large even after presenting the equity at market value, Eurostat enquired about the ownership of the banks rescued by the government prior to the rescues. Eurostat and the Slovenian statistical authorities also discussed the interest recording method and the valuation of fixed assets stocks (including holding gains). The Slovenian statistical authorities informed Eurostat that BAMC will cease to exist on 31 December 2022.

Eurostat appreciated the quality of the financial derivatives questionnaire compiled by the Slovenian statistical authorities on a voluntary basis, using the data mainly provided by the MoF (Treasury). Eurostat analysed the data and concluded that they were consistent with those reported in the April 2022 EDP tables.

As regards the recording of other government transactions, Eurostat recalled the importance of monitoring guarantees and NPLs to make sure that calls and debt cancellations were correctly reported. The issue of recording capital injections was also discussed. Eurostat advised the Slovenian statistical authorities to continuously monitor capital injections into public corporations.

## PROVISIONAL FINDINGS

### Introduction

In accordance with Council Regulation (EC) No 479/2009 of 25 May 2009 (the EDP Regulation) on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community, Eurostat carried out an EDP dialogue visit to Slovenia on 8-9 September 2022.

The delegation of Eurostat was headed by Ms Gita Bergere, Acting Head of Unit D.3 Excessive Deficit Procedure (EDP) 2. Representatives of DG ECFIN and the European Central Bank (ECB) participated in the meeting as observers. The Slovenian statistical authorities were represented by the Statistical Office of the Republic of Slovenia (SURs) and the Bank of Slovenia (BoS). Experts from the Ministry of Finance (MoF) also attended the dialogue visit. In addition, representatives from the Ministry for Infrastructure and the Office of the Republic of Slovenia for Recovery and Resilience participated in the discussion for some specific points in the agenda.

The previous Eurostat EDP dialogue visit to Slovenia took place on 20-22 November 2019.

With regard to procedural arrangements, the *Main conclusions and action points* would be sent to Slovenia for review. Then, within months, the *Provisional findings* would be sent to Slovenia for comments. After this, in accordance with Article 13 of the EDP Regulation, the *Final Findings* will be sent to Slovenia and the Economic and Financial Committee (EFC) and published on the website of Eurostat.

Eurostat appreciated the relevant background material provided timely by the Slovenian Statistical Authorities prior the EDP dialogue visit. Eurostat also thanked the Slovenian statistical authorities for their good cooperation and the transparent and constructive discussions during the EDP dialogue visit.

## 1. STATISTICAL CAPACITY ISSUES

### 1.1. Review of institutional responsibilities in the framework of the EDP data reporting and government finance statistics compilation

#### *Introduction*

The ‘*Memorandum of Understanding in the field of macroeconomic and financial statistics*’ (MoU) was established between SURS, the MoF and the BoS in 2004 and last amended in 2018. The responsibility for the EDP data reported to Eurostat lays with SURS and the BoS, with the MoF as data provider. The EDP Inventory was updated in September 2018 to include these new institutional responsibilities concerning the compilation of EDP tables and data sources. On 30 May 2022, SURS provided to Eurostat an updated EDP Inventory draft.

#### *Discussion*

Eurostat enquired about any changes in the institutional arrangements for the compilation of EDP since the latest EDP dialogue visit in 2019. SURS confirmed that there had been no changes as regards the responsibilities, data flows and internal audit arrangements. SURS and the BoS prepare the actual data for the EDP tables, while the MoF prepares the forecast for the current year.

Considering the turnover of personnel in the recent years, Eurostat asked how many people are involved in the compilation of the EDP tables and whether the internal control assessed the related impact on the quality of EDP data. SURS mentioned that four experts from SURS and one from the BoS prepare the EDP tables, additional questionnaires and other documents requested by Eurostat. SURS added that, based on their assessment, the number of human resources is sufficient considering the technical skills and high competency of the team. Notwithstanding the difficulties to find and keep competent people due to limitations imposed by the wage law on civil servants, it was mentioned that no changes on human resources are foreseen.

Eurostat thanked the Slovenian statistical authorities for the EDP Inventory draft provided in May 2022. Eurostat welcomed the alignment of the EDP Inventory with the MoU as regards shared responsibilities for the compilation of actual data between SURS and the BoS. However, Eurostat observed some inconsistencies in the draft compared to the MoU, specifically regarding institutional responsibilities for the Maastricht debt; the omission of the “*permanent working group*” chaired by SURS; and the elimination of the sentence on SURS’ veto right in case of disagreements on EDP matters. The Slovenian statistical authorities clarified that the Maastricht debt in EDP table 1 is compiled by SURS using the data transmitted by the BoS and that each of the three institutions involved in the compilation of the table is responsible for its own part, SURS having the final decision on EDP matters. Eurostat recalled the importance of retaining the reference to SURS’ role as coordinator with final decision rights in the event of disagreement between the institutions.

#### *Findings and conclusions*

Eurostat took note that the provisions of 2018 MoU on institutional responsibilities remain valid and there is no need for updating it. The EDP Inventory will be updated to align with the MoU. Eurostat also took note that SURS considers sufficient the number of experts compiling the EDP Notification, justified by their competency.

## **1.2. Data sources and revision policy, EDP inventory**

### **1.2.1. Data sources**

#### *Introduction*

SURS confirmed that there were no changes in the data sources since the 2019 EDP dialogue visit. However, Eurostat observed some amendments in the May 2022 EDP Inventory draft, which were subsequently discussed.

#### *Discussion*

Eurostat recalled that, according to the previous version of the EDP Inventory, SURS had signed agreements with all the institutions providing data sources. The scope, deadlines and modalities of delivery were also disclosed in the Inventory. It was reported that the Agency for Public Records and Related Services (AJPES) provided the annual financial statements of public units and corporations (profit and loss accounts, balance sheets and cash statements), while the Financial Administration of the Republic of Slovenia (FA) provided the data on VAT declarations, excise and import duties, PIT and CIT.

In the May 2022 EDP Inventory draft, that information was omitted. Eurostat enquired about any changes, and SURS explained that this information had been excluded because it is already included in the National Statistical Act, the legal basis in Slovenia for conducting statistical surveys for GFS and EDP data compilation and transmission. This act mandates the submission of data to SURS.

Eurostat insisted on the reinstatement of the information, as the EDP Inventory should independently document the methods, procedures and sources used for the compilation of deficit and debt data and the underlying government sector accounts according to ESA2010.

Furthermore, Eurostat asked the Slovenian statistical authorities to confirm the improvements regarding the availability of monthly budget statements and quarterly financial accounts survey. The MoF explained that the cut-off date for the monthly budget execution is usually set 20 days after the reported month, with the publication occurring on the last day of the following month. The MoF confirmed that budget statements are currently provided monthly to SURS within 20/30 days (for the State, municipalities and social security funds) after the end of the reported month.

The data from the financial accounts survey, structured like ESA table 27 and including counterpart information, conducted by the BoS and collected by AJPES, are available within 45–52 days after the end of the reported quarter. Eurostat suggested SURS to use the F.89 data for S.11, extracted from the survey, to better estimate S.13 taxes in the April EDP Notification. The BoS explained that the financial accounts survey (99% coverage of S.13, including all the units with balance sheets above EUR 8 million) is only used as a supplementary data source in the April EDP Notification, to double check the direct information on public companies (usually available by the end of March) or, lately, to estimate the missing data due to the prolongation of the deadline for reporting the financial statements of the companies in the context of the Covid-19 pandemic. The BoS explained that S.11 data on F.89 against S.13 might be not so reliable for the compilation of EDP data, given that data are not reported on each separate tax (the coverage of S.11 is around 85%).

The MoF confirmed that, once the Covid crisis has resumed, there are no further plans to delay the reporting obligations towards AJPES, nor tax declarations/settlements (CIT, PIT and VAT) to FA.

Additionally, Eurostat enquired about the accounting basis, data sources, and the link with the whole government account (WGA, the annual financial statement of the general government, excluding public corporations) - for each group of units within the general government. SURS explained that direct budget users, public funds and local communities use a cash-based bookkeeping system (budget execution) set by the Ministry of Finance; indirect budget users<sup>(1)</sup> use a mixed cash and accrual bookkeeping system (cash flow statements); while public corporations produce balance sheets, on an accrual basis, that are not aggregated into the WGA.

For transparency and clarity reasons, Eurostat recommended the Slovenian statistical authorities to reintegrate in the updated EDP Inventory the specific data sources and accounting basis, by group of units and type of tax. This should disclose data sources as used in the first and the second EDP Notifications, with footnotes regarding the exceptions/constraints due to Covid-19 related government measures.

The next point discussed under this agenda point was related to the data sources used for the compilation of gross fixed capital formation (GFCF) in the government finance statistics. This was one of the remaining action points of the previous EDP dialogue visit (2019-AP 2: *“The Slovenian statistical authorities will provide Eurostat with the template of the Investment Survey (INV). They will provide a reconciliation table, for the last four years, by the main units or groups of units, or at least at sub-sector level, between the information from the INV survey and the public accounts (cash budgets, WGA data, financial statements of public companies classified under S.13) and the link to the reported ESA P.51g of S.13.”*

Eurostat thanked the Slovenian statistical authorities for the data and the information submitted to Eurostat in November 2021 (the template of the Investment survey, the GFCF reconciliation table using different data sources) and in April 2022 (replies to Eurostat additional questions).

Eurostat noted that, in the past, the primary source for calculating the GFCF was the Investment Survey on GFCF, only available 12 months after the reporting period.

SURS confirmed that the survey is still used as a supplementary data source, for double checking the GFCF figures in the third EDP Notification, as it includes more granular details than the WGA, but its coverage does not include for example the bad bank (BAMC).

Eurostat commented on the two sets of GFCF data by main groups of units that were provided in advance of the meeting, one based on the WGA (reporting a plausible negative figure related to BAMC due to real estate sales), and another based on the Investment Survey (where BAMC is not included).

Eurostat noticed that, for 2017-2019, GFCF data represented the cash adjusted by using data from the WGA. But in 2020, Eurostat observed that GFCF data matched those presented in the survey. SURS informed that GFCF will be revised at end of September 2022 to eliminate the survey impact and to implement a vintage revision deriving from a reclassification related to research and development, from P2 to P.1 (without impact on B.9). Eurostat took note and closed the 2019-AP 2.

---

<sup>(1)</sup> Budget users are classified as direct or indirect depending on the way they obtain funding (directly from the State or via transfers/subsidies from the State).

### *Findings and conclusions*

Eurostat appreciated the good situation as regards the data sources for EDP in Slovenia. The Slovenian statistical authorities will update the text of the EDP Inventory on data sources according to the discussions on this agenda point (see action point 1 included in section 1.2.3 of this document).

#### **1.2.2. Revision policy between the April and October EDP reporting**

##### *Introduction*

SURS explained that there had been no changes since the last EDP dialogue visit as regards the revision policy on EDP and GFS reporting. Discussions focused on the planned EDP data, which had not been reported to Eurostat in the April 2022 EDP Notification.

##### *Discussion*

The Slovenian statistical authorities explained that revisions are implemented in the April and October EDP Notification for the four EDP years, and in the benchmark revision for the full time series, regardless of their individual impact on B.9. The next benchmark revision is scheduled in 2024. SURS further explained that, in the April EDP Notification, revisions may be made but they do not affect the components of the general government accounts of year T that are published as part of the quarterly GDP estimate in February of T+1. Any revisions in April are done in ESA categories that are not GDP relevant (to avoid discrepancies with published data). In the October EDP Notification, the data included in the updated GDP estimates (published in August) and in GFS are aligned. Eurostat agreed in principle with that approach, as long as the government deficit and debt are reported correctly in the EDP Notification of April. Eurostat thanked SURS for the clear clarifications and recommended to add these important details in the updated section on the revision policy of the EDP Inventory.

Eurostat also enquired about the planned data for 2022, that had not been reported by Slovenia in the EDP tables of the April 2022 Notification. Eurostat recalled that, according to Council Regulation (EC) No 479/2009, as amended, EU Member States must report their planned EDP-related data to Eurostat twice per year, at the end of March and the end of September. The MoF explained that the spring forecast for 2022 from the Institute of Macroeconomic Analysis and Development of Republic of Slovenia had been prepared with delays, and available only at the end of April 2022, when the EDP Notification was already closed. However, the MoF indicated that this was an extraordinary event which is not expected to repeat in the future.

Eurostat appreciated the good cooperation between the Slovenian statistical authorities and Eurostat and welcomed being informed about any future change in methods or data revisions as well as being consulted on significant methodological issues through bilateral ex-ante advice requests.

### *Findings and conclusions*

The Slovenian statistical authorities will update the text of the EDP Inventory on revision policy according to the discussions on this agenda point (*action point 1* included in section 1.2.3 of this document).



### 1.2.3. EDP Inventory

#### *Introduction*

The Slovenian statistical authorities provided an updated version of the EDP Inventory in May 2022.

#### *Discussion*

Eurostat welcomed the improvements in the draft in relation to receiving data on budget statements and on financial accounts surveys, and suggested further additions to several sections of the EDP Inventory, including the following:

- To add more information regarding the institutional responsibilities and data sources used for the compilation of interest.
- To describe the entire procedure of assessing control in order to clarify that ownership is not the only criterion.
- To add information about concessions, currently missing.
- To update and transmit to Eurostat for publication the Annex 1 of the EDP Inventory with the government list of units for 2021-2022 (names in English preferably).

Eurostat recommended the Slovenian statistical authorities to work together on updating the EDP Inventory, involving also the MoF.

#### *Findings and conclusions*

**Action point 1:** *The Slovenian statistical authorities will update the draft version of the EDP Inventory, considering all Eurostat's observations made in the meeting. This notably concerns:*

- a. the respective responsibilities and tasks of SURS, BoS, and MoF (including the Agency for Public Records and Related Services (AJPES) and the Financial Administration of the Republic of Slovenia) for EDP/GFS, the agreements with AJPES and Court of Audit;*
- b. the existence of a permanent working group or task force or task team as foreseen in the Memorandum of Understanding in the Field of General Government Accounts (MoU);*
- c. the precise list of accounting documents (distinguishing: executed budget, profit and loss, cash flow statement, balance sheets – summary or more detailed) by each group of units;*
- d. the revision policy;*
- e. the description of the data sources for compiling gross fixed capital formation;*
- f. the description of the data sources for compiling interests;*
- g. the definition of government control and*
- h. the information available on Energy Performance Contracts, concessions etc.*

*See discussion in each relevant part of the Final findings, for details or more issues to address.*

*Deadline: December 2023 <sup>(2)</sup>*

---

<sup>(2)</sup> AP.1 is closed. The updated version of the EDP Inventory was provided on 29 December 2022 and published on Eurostat website in January 2023.

### 1.3. Compliance with Council Directive 2011/85

#### *Introduction*

The national collection and the publication of the data required by *Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States* were discussed. Since January 2017, the fiscal data and the data on contingent liabilities are published at national level on the MoF website. SURS retained the responsibility for the quality of the data concerning the contingent liabilities of public corporations classified outside the general government and for the table that aligns the data presented on a cash basis with that following ESA 2010 rules.

#### *Discussion*

Eurostat welcomed the timeliness and the details published on the MoF website (revenues and expenditures by IMF GFSM 2014 classification type). The MoF informed Eurostat that fiscal monthly data on a cash basis for the whole general government are regularly published since the end of 2019. Monthly cash data for public companies, indirect budgetary users and extrabudgetary units, such as public funds, are estimated using the annual or the quarterly financial statements available and also other supplementary counterpart information on subsidies, investments and VAT. The MoF added that the monthly cash data for general government are revised every year in August to include the most recent data in the estimations. Eurostat appreciated the work done and recommended the MoF to clarify this aspect by including a footnote, such as “full coverage, including monthly estimates for the units that provide only quarterly and annual cash flows”. Eurostat also suggested Slovenian statistical authorities to add a new column totalling the annual fiscal cash data.

Eurostat noticed that the data on government guarantees published on the MoF website are consistent with the data reported in EDP questionnaire tables 9 (tables 9.1 and 9.2).

The total amount of standardised guarantees has been decreased by an imputed capital transfer of 10% as estimated losses at the inception – to be revised if there are no calls in the next years that justify the initial estimation. The Slovenian statistical authorities further indicated that there had been no associated calls in 2020 or 2021, to which Eurostat indicated that it judged the expected losses (10%) too high, and that a lower estimate of 5% would seem more realistic, while still high for Slovenia. Please see related action point 17 b) included in section 4.2.1 Taxes and social contributions.

In addition, Eurostat observed that the NPLs for 2015-2016 are currently missing on the MoF website, noting that at least BAMC loans should be reported. The MoF explained that this is most probably due to a technical error. Eurostat enquired about the zero values reported for NPLs for local and social security funds subsectors. The BoS confirmed that NPLs for S.1313 are very small. As for the off-balance PPPs, Eurostat took note that zero values have been reported for 2013-2020 for all government subsectors.

The liabilities of public corporations classified outside general government for 2018-2020 and the participation of government in the capital of corporations classified outside general government for 2013-2020 have also been published on the MoF website. These are consistent with the information provided to Eurostat at end of December 2021 in the context of the annual exercise at EU level which concluded with the publication of data in January 2022.

## *Findings and conclusions*

**Action point 2:** Eurostat welcomed the monthly cash data published by the MoF in the context of Council Directive 2011/85/EU, notably the significant detail published and also its full coverage (S.13). Eurostat noted that this exceptional coverage of the complete S.13 entailed the need for estimates for units delivering only quarterly or annual cash information. The Slovenian statistical authorities will:

- a. adequately add footnotes to the table to signal the estimates and
- b. consider adding annual totals in the table.

Deadline: December 2022 <sup>(3)</sup>

**Action point 3:** The Slovenian statistical authorities will correct the differences observable for Council Directive 2011/85/EU data reported in the questionnaire on contingent liabilities, EDP Questionnaire table 9.4 and the MoF website for standardized guarantees in 2020 as well as the missing values of non-performing loans (reported at 0 in 2015 and 2016) in the MoF website, as pointed out by Eurostat.

Deadline: December 2022 <sup>(4)</sup>

## **2. ANALYSIS OF EDP TABLES – FOLLOW UP OF THE APRIL 2022 EDP NOTIFICATION**

### *Introduction*

Eurostat appreciated the cooperation with the Slovenian statistical authorities during the latest EDP notification period and encouraged the EDP team of Slovenia to continue this cooperation.

### *Discussion*

The main issues of the April 2022 EDP notification have been followed up in the appropriate agenda sections of the EDP dialogue visit.

Under this agenda item, Eurostat and the SSA discussed the structure of the F.8/AF.8 data included in EDP tables 2, 3 and 4, in EDP questionnaire tables 4, as well as the detailed F.8 table for S.13 by ESA revenue and expenditure categories that was sent in the past to Eurostat. Eurostat recalled that the data split by group of units and by F.81 and F.89 categories allows Eurostat to check the data reported in EDP tables and to discover possible mistakes.

The Slovenian statistical authorities explained that the data provided is based on the WGA but had required a lot of analysis. Eurostat expressed its surprise, considering that the F.8 data are available per unit in the WGA and indicated that it recurrently receives, in the framework of EDP dialogue visits, detailed financial (ESA financial instruments) and non-financial accounts (by revenues and expenditures) of each unit presented in EDP questionnaire table 3. Slovenian statistical authorities mentioned that data could not be extracted automatically from the WGA, that additional work is necessary and that individual checks by units are made only if significant discrepancies are observed between B.9 and B.9f. Eurostat took note.

---

<sup>(3)</sup> AP.2 is closed. Website: <https://www.gov.si/en/topics/fiscal-policy/>, chapter Cash-based fiscal data.

<sup>(4)</sup> AP.3 is closed. Figures on the website corrected.

Further, Eurostat enquired whether the structure of the WGA had been improved in relation to F.8, as it was suggested in previous EDP dialogue visits (e.g., disclosing F.8 on GFCF and short-term F.8). The MoF and SURS confirmed that no changes had been implemented and clarified that estimations were made for the F.81 and F.89 of S.13 based on assumptions at aggregated level. The BoS also confirmed that the calculation of AF.81 in EDP table 4 is their responsibility and that the data regards the whole general government sector.

The BoS explained that long-term trade credits have been checked for reclassified companies (the balance sheets starting in 2019) as recommended by Eurostat in the previous EDP dialogue visit. Only small amounts of long-term trade credits had been found, that had been therefore reclassified as loans in 2020. The BoS also mentioned that money and banking statistics are used to double check the application of the 2012 Eurostat's decision on trade credits and advances (e.g., hospital factoring reclassified as loans). Eurostat took note and recommended the Slovenian statistical authorities to continue monitoring the long-term trade credits for the reclassified companies and the other units included in the general government sector.

Eurostat asked about any revisions of EDP tables planned for the October 2022 EDP notification. SURS said small revisions would be carried out for all the years notified, as part of the routine revision and of the other agreements made in the September 2022 EDP dialogue visit.

#### *Findings and conclusions*

**Action point 4:** *The Slovenian statistical authorities will consider providing to Eurostat a table on F.81 and F.89 by group of units as shown in EDP tables 2A, 2C, 2D (Other government bodies) in order to reconcile the Other accounts receivable/Other accounts payable between EDP tables 2, 3 and 4. The Slovenian statistical authorities will alternatively consider providing to Eurostat summary national accounts transactions (non-financial and/or financial accounts) by main units or group of units of central or general government, as this is routinely provided by some Member States (e.g. in the context of EDP dialogue visits).*

*Deadline: June 2023 <sup>(5)</sup>*

---

<sup>(5)</sup> AP.4 is closed. Since the EDP notification of October 2023, in EDP Questionnaire Table 3 the F.8s are provided by groups of units, namely for the main unit(s) of the three subsectors (i.e., State budget, local budgets, social security funds' budgets) and for other units.

### **3. FOLLOW-UP OF THE PREVIOUS EDP DIALOGUE VISIT**

#### *Introduction*

Twenty-three action points (APs) were included in the final findings of the EDP standard dialogue visit to Slovenia of 20-22 November 2019. All but four had been closed in the context of the 2020-2022 EDP notifications. The remaining outstanding issues (AP2 on GFCF, AP12 and AP13 on D.2 and D.5 type taxes, AP14 on custom duties), were discussed under the appropriate agenda items in the course of this meeting.

#### *Discussion*

The Slovenian statistical authorities confirmed that there are no new developments to be reported in relation to the closed action points under the clause of constant monitoring.

#### *Findings and conclusions*

Eurostat thanked the Slovenian statistical authorities for providing regular progress reports on the follow-up of the action points resulting from the 2019 EDP dialogue visit. Such reports had been supplied not only in the context of the EDP notifications, but also in the interim period. It represented a great deal of work and coordination efforts on the part of SURS, the MoF and the BoS.

### **4. METHODOLOGICAL ISSUES AND RECORDING OF SPECIFIC GOVERNMENT TRANSACTIONS**

#### **4.1. Delimitation of general government, application of the 50% rule in national accounts**

##### **4.1.1. Changes in sector classification since the 2019 EDP dialogue visit**

#### *Introduction*

Before the EDP dialogue visit, SURS provided to Eurostat a list of general government units by subsectors at the end of 2021 and 2018, and a list of removed/new units from/in S.13 between 2018 and 2021, broken down by subsectors. The total number of units in S.13 at the end of 2021 was 2634, five more than at the end of 2018 (44 new units, 39 having been removed).

The sectorisation practices and the current list of general government units were discussed at the meeting.

#### *Discussion*

Eurostat noticed that the text of the EDP Inventory draft related to the definition of control used for the reclassification of units inside and outside government sector is currently not fully in line with the ESA 2010 rules. Eurostat pointed out in particular that a decrease of the government equity ownership below 50% is not enough to reclassify a public company outside the general government. Government control should be assessed according to ESA 2010 and MGDD rules, considering not only the equity ownership share, but also the qualitative criteria. SURS clarified that the criterion of government ownership is applied together with qualitative criteria. Eurostat recommended SURS to specify this in the new EDP Inventory and asked the Slovenian statistical authorities about examples of units that were deemed to be controlled by government without it

owning more than 50% of the unit's equity (in addition to the known case of the Deposit Guarantee Fund). The Slovenian statistical authorities will check and come back with concrete cases.

Eurostat went through the list of units recently removed from the government sector (2021 compared with 2018) and enquired about some of the reclassifications. The Slovenian statistical authorities explained that public companies shown as “erased” (including some in bankruptcy) ceased their activity and were excluded from the Business Register list of Slovenia. As regards the other units reclassified outside S.13, the Slovenian statistical authorities explained that they have passed the 50% market/non-market test, or the government ownership decreased below 50%. The Slovenian statistical authorities explained that the later criterion referred to cases of universities, other educational institutes, museums, and asset management companies (DUP1 and Kanin ski resort).

As regards the removed universities (seven units), SURS explained that they were fully privately owned from inception but had been classified by error in the government sector based on their financial statements reported as providers of public services. Eurostat mentioned that if universities are considered non-profit institutions serving households (S.15), then control cannot be established through ownership because the ownership is linked to “for profit”. If universities are considered private profit institutions (market) and classified in the corporate sector (S.11), the government funding should be recorded as social transfers in kind (market production) and eliminated from the sale in the 50% market/non-market test. To be in S.15, the universities should be non-profit, but the private universities are established “for profit”. Eurostat highlighted the circularity governing the classification of private universities inside government.

In addition, the Slovenian statistical authorities clarified that DUP1 was a special purpose entity, with zero revenues and expenditures, sold by BAMC to an energy company (Panonia).

The Slovenian statistical authorities also explained that the Kanin ski resort unit was reclassified based on the 50% test. Eurostat inquired whether the test had been calculated for the parent company or at the level of unit managing the resort, as it seemed when reading the list provided. If it was the later, Eurostat explained that the 50% test cannot be applied because it is an ancillary unit of the parent. The Slovenian statistical authorities said that further checks would be needed.

Finally, Eurostat enquired about some of the new units listed in the government sector, in particular those reclassified into S.13 due to qualitative information. Slovenian statistical authorities explained that investigations on qualitative criteria on market public entities (for example: companies with revenues having the features of taxes) have been made following the previous EDP dialogue visit recommendations. The Slovenian statistical authorities confirmed that the entities reclassified inside S.13 are mostly small units.

Eurostat welcomed the progress made by SURS on updating the S.13 list of units considering also the qualitative criteria (control, other qualitative information, liquidation, etc.).

*Findings and conclusions*

**Action point 5:** *The Slovenian statistical authorities will provide a note with more information on the recent reclassifications of some units outside of the general government, notably DUP (asset manager), various universities and museums, including those based on SURS reassessment of the control of the unit.*

*Deadline: December 2022* <sup>(6)</sup>

The Slovenian statistical authorities will also update the text of the EDP Inventory on government control according to the discussions on this agenda point (*action point 1* included in section 1.2.3 EDP Inventory of this document).

#### **4.1.2. Government controlled entities classified outside the general government**

##### *Introduction*

The latest compiled questionnaire on government-controlled entities classified outside general government sector (PC questionnaire) covered the year 2020. It was sent to Eurostat in December 2021. The data for 2021 were not available before the 2022 EDP dialogue visit.

The questionnaire covered 489 entities. 473 of these were classified in S.11, while 16 of them were classified under S.12. The liabilities of these 489 entities totalled EUR 12,578 million at the end of 2020 (26.8% of GDP).

##### *Discussion*

Eurostat asked whether there was a change in the formula used to calculate the 50% test when compared to the 2019 EDP dialogue visit. SURS confirmed there have been no changes. Eurostat requested some clarifications about certain companies covered by the PC questionnaire, particularly:

- those reported as having failed to meet the 50% criterion for one or two consecutive years and those which had results of above but close to 50% (Slovenske Železnice d.o.o., Javno Podjetje Ljubljanski Potniški Promet d.o.o., Javno Podjetje za Mestni Potniški Promet Marprom d.o.o., Kontrola Zračnega Prometa Slovenije d.o.o.),
- those whose results varied significantly from one year to another (results below and above 50%) (Javno Podjetje Ljubljanski Potniški Promet d.o.o. and Kontrola Zračnega Prometa Slovenije d.o.o.),
- those with few employees (Elektro Energija, Podjetje za Prodajo Elektrike in Drugih Energentov, Svetovanje in Storitve d.o.o.),
- those which met the 50% test but made substantial losses (Termoelektrarna Šoštanj d.o.o., Slovenske Železnice d.o.o., Unior Kovaška Industrija d.d., Sava Turizem d.d., Hit Hoteli, Igralnice, Turizem d.d. Nova Gorica, Premogovnik Velenje d.o.o., Kontrola Zračnega Prometa Slovenije d.o.o.), and
- the units classified in S.12 that according to their names seem not to be financial institutions (Borzen operater trga z elektriko d. o. o. and BSP Energetska Borza d.o.o.).

SURS explained that units were reclassified into S.13 only if the 50% test failed for at least three consecutive years, and that cases with results around 50% were closely monitored. The three of the units mentioned as having failed to meet the 50% criterion for one or two consecutive years and with results of around 50% for the other reported

---

<sup>(6)</sup> AP. 5 is closed. A note addressing this issue was provided on 28 December 2022.

year(s) are transport companies with results highly affected by the Covid-19 pandemic. As this was considered to be a temporary situation, SURS concluded that there was no reason to reclassify these units inside the general government. The fourth company in this category (Slovenske Železnice d.o.o.) is the holding of the Slovenian Railways group, which is discussed in detail in a separate agenda point.

As regards Elektro Energija, an entity reported as having only two employees in the PC questionnaire, SURS clarified that its activity is the trading and sale of electricity and that perhaps, as it seems to have the features of an ancillary unit, it should be merged with the parent (GEN-I, trgovanje in prodaja električne energije, d.o.o.) and therefore reported together in the PC questionnaire.

As regards Termoelektrarna Šoštanj d.o.o., SURS explained that this thermal power plant made significant investments some years ago and that its significant losses for the period 2018-2020, somehow in contradiction with the high results of the 50% test, are justified by the impairment of assets (operating expenses of intangible and tangible fixed assets).

As regards the other companies with significant losses, SURS explained that this was mainly due to the Covid-19 pandemic. In addition, as regards Kontrola Zračnega Prometa Slovenije d.o.o. (Slovenia Control - Slovenian Air Navigation Services), Eurostat questioned the current sector classification based on the 50% test rather than on the qualitative criteria. Eurostat argued that this unit carries a government function, as police of the air and, even if it gets a fee recorded as a sale, it does not seem to have market activity. Therefore, Eurostat considered that its sector classification should be further analysed, in coordination with the situation existing in the other Member States.

In relation to Borzen operater trga z električno, d.o.o. and BSP Energetska Borza d.o.o., the Slovenian statistical authorities explained that these are energy stock exchange companies, possibly linked, and controlled indirectly by the government. Eurostat stated that being a stock exchange company does not imply an S.12 sector classification and it recommended the Slovenian statistical authorities to further analyse their current sector classification and clarify the reasons for the sizeable liabilities reported by Borzen.

#### *Findings and conclusions*

**Action point 6:** *The Slovenian statistical authorities will consider, in consultation with Eurostat, the appropriate classification of Slovenia Control, Slovenian Air Navigation Services, given its prerogative and its market or nonmarket character (examination of the economic significant price criterion) and prepare a note for Eurostat.*

*Deadline: June 2023 <sup>(7)</sup>*

**Action point 7:** *The Slovenian statistical authorities will explain with a note the classification of Borzen (Slovenian Power Market Operator) outside S.13 notably considering the significant liabilities of the company (EUR 258 million). This company is currently classified in S.12.*

*Deadline: June 2023 <sup>(8)</sup>*

---

<sup>(7)</sup> AP.6 is closed. On 30 June 2023, a note explained that the output of the unit is sold primarily to corporations, and the production costs are covered by sales, therefore the company is considered a public non-financial corporation.

<sup>(8)</sup> AP.7 is closed. After a discussion with Eurostat, Borzen was split, for statistical purposes, in two institutional units, and only Centre for Support (CS), the part of Borzen managing Renewable Energy Source schemes, was reclassified inside the general government sector, from the EDP notification of April 2023.



### **4.1.3. Sector classification of specific entities**

#### ***4.1.3.1. Sector classification of public companies following the qualitative test***

SURS explained that the qualitative test is made on an individual basis. For the public units recognised as market producers according to 50% test, the consideration is based on a buyers' type (to whom products are sold). Specifically, it takes into account whether the production constitutes ancillary services and if it competes with other producers.

Eurostat took note of the explanation.

#### ***4.1.3.2. Sector classification of head offices and holding companies and the presence of government control***

SURS explained that the sector classification of holding companies and head offices is regularly checked. According to SURS methodology, holding companies are classified in the financial corporations sector and head offices in the sector in which most of their branches are classified. SURS defines a holding as a unit where the financial assets due to its participation in subsidiaries represent at least 50% of its total assets and has at most two employees. A head office is a unit that meets the same threshold in reference to its assets but that have more than two employees. Based on these criteria, the correctness of the sector classification of holdings and head offices in the last three years has been checked; for those for which only data for two years were available also additional criteria have been considered (e.g., share of financial revenues as a percentage of total revenues, or the share of financial assets). The notion of control was determined by using criterion of ownership.

Eurostat took note of the explanation and recommended SURS to reevaluate the control definition for the government accounts (please see section 4.1.1).

#### ***4.1.3.3 DARS activities and sector classification***

##### *Introduction*

DARS (Družba za avtoceste v Republiki Sloveniji), the company managing motorways in the Republic of Slovenia, is a joint-stock company. The company was established in 1993. In 1994, government transferred to DARS the management of all existing motorways, as well as relevant infrastructure and plants. DARS is classified in the non-financial corporation sector (S.11) and is 100% owned by the government.

DARS operates through a concession contract in place since 2004 and concluded for a maximum term of 50 years. Since the 2010 amendments to the applicable legal framework, the company has been building motorways in its own name and on its own account. Within the scope of the concession contract, DARS main revenues are from vignettes and tolls, which are treated as sales in national accounts.

During the 2011 EDP dialogue visit, it was agreed that DARS was the real economic owner of the infrastructure.

The sector classification of DARS had been discussed with the Slovenian statistical authorities during previous EDP dialogue visits and in bilateral meetings. Each time, Eurostat had recalled the ESA 2010 rules governing the concession contracts and the need to repeat the analysis underpinning the sector classification of the assets or of the company in case of any significant changes in the concession contract or any related legal act affecting DARS's activities in the context of the contract.

## Discussion

Eurostat, SURS and the Ministry of Infrastructure discussed the new developments related to DARS.

DARS is profitable and complies with the 50% test, which was made available to Eurostat as part of the questionnaire on government-controlled entities classified outside general government:

DARS in the PC questionnaire	2018	2019	2020
results of the 50 % market/non-market test	180%	174%	145%

In addition, SURS provided to Eurostat the outstanding amount of government guarantees to DARS at the end of last years (EUR 1.6 billion in 2021, EUR 1.8 billion euro in 2020, EUR 2.0 billion in 2019, EUR 2.2 billion in 2018).

Eurostat recalled that in previous discussions it was agreed that DARS benefitted from a treatment that could be revaluated in case of amendments to the concession contract or of operations with significant amount of guarantees from government.

Eurostat also recalled the rules for the classification of the vignette revenue. This revenue might be considered as a tax in the absence of alternatives (such as vignettes for different period of time, and the existence of other national roads). Eurostat further added that in order to be considered a sale of service, the vignette should be sufficiently expensive so the balance between the annual cost of the vignette and the inconvenience of not having the vignette is such that a large share of the population does not buy the vignette or the annual vignette. The Slovenian statistical authorities argued that the recording of the vignette revenue as sale in national accounts had been agreed with Eurostat many years ago and that currently SURS does not have detailed information on the vignette revenue, such as the percentage of the different kind of vignettes sold or the number of cars registered in Slovenia that paid for the vignette. SURS agreed to contact DARS on the issue and, if available, to provide to Eurostat the related data and the connected analysis.

The Ministry of Infrastructure informed Eurostat that an addendum to the DARS concession contract was adopted in 2021, for the establishment of the motorway police, and that two new laws on government guarantees to DARS were adopted in 2019 (EUR 360 million) and 2022 (EUR 392 million), covering 100% of the loans to finance up to 50% of some new investments.

As regards the highway police, the Slovenian authorities explained that the possibility of creating it was part of the DARS concession contract of 2004. The addendum is in the interest of DARS, because it mitigates the maintenance cost that DARS incurs and also smooths the traffic flow by reducing the number of accidents. It was mentioned that the police also checks if heavy trucks have paid the overcharges fees and access load on the highways (this is done by means of new testing equipment).

The Slovenian authorities said that, after almost one year of service, the continuation of the highway police was under scrutiny at the ministry level. Eurostat asked further information on the costs and benefits for DARS and for the State in 2021 and 2022, more exactly for the investments in the new testing equipment and the additional human resources transferred from the existing personnel of the Police to the highway police (a unit within the Slovenian Police) for a better control of the heavy trucks. The Slovenian authorities explained that DARS has no jurisdiction on how to control the highways and that their supervision is the responsibility of the police. For this reason, DARS pays part

of the cost to the State.

As regards the two new laws providing government guarantees to DARS, the Slovenian authorities explained that they were issued for loans to finance half of the amounts of two investment projects. The other half is to be financed by DARS itself via loans from the private market without government guarantees and from its own resources (accumulated reserves from the profits of the past years). Eurostat enquired on whether DARS had ever borrowed on the market any amount without government guarantees. The Slovenian statistical authorities clarified that there had been no need in the past for DARS to borrow on the market, as its own funds sufficed (EUR 900 million) for financing the investments. Eurostat concluded that the two new government guarantees reduces the risks assumed by DARS in case more financing is required. <sup>(9)</sup>

In addition, Eurostat noticed that EUR 3 billion of DARS assets might be questionable in terms of ownership. EUR 2 billion correspond to the road assets transferred from the State at the signature of the concession contract that will be transferred back to the State for free at the end of the 50-year concession. The other EUR 1 billion are cash reserves mainly originated from the tolls and vignettes paid for the use of those road assets. Eurostat kindly asked the Slovenian statistical authorities to provide in writing complete information related to the two new laws and the analysis of its consequences for DARS recording in national accounts.

#### *Findings and conclusions*

**Action point 8:** *The Slovenian statistical authorities will provide a note with information:*

- a. *on the relative share of DARS revenue related to short term versus long term vignettes, and also on the proportion of resident car owners holding a vignette;*
- b. *on the new arrangement regarding the motorways police (number of additional staff patrolling the motorways, investment costs made for specific equipment, annual fee expected to be paid by DARS), as well as on new developments;*
- c. *on the additional guarantees provided following the 2019 and 2022 laws, including the amounts and timing involved and the text of the laws, if possible, in English.*

*Deadline: December 2022 <sup>(10)</sup>*

#### **4.1.3.4 The Slovenian Railways (Slovenske železnice - SŽ Group)**

##### *Introduction*

According to the EDP Inventory, public utility companies (ports, airports, roads, etc.) are included in the sector of non-financial corporations as market producers. The Slovenian Railways Passenger Transport and the Slovenian Railways Infrastructure are included in the general government sector as non-market producers. The Slovenian Railways Head Office (Slovenske železnice/SZ d.o.o.) and the Slovenian Railways Freight Transport (SŽ Tovorni Promet) are included in the sector of non-financial corporations.

The Slovenian Railways Head Office (SZ d.o.o.) is classified in S.11 based on the preponderance by added values of its subsidiaries, currently classified in S.11.

---

<sup>(9)</sup> The Slovenian statistical authorities explained, in a note dated 28/12/2022, that the new guarantees were not used, since no debt was taken due to the delay in the implementation of the projects.

<sup>(10)</sup> AP.8 is closed. On 28/12/2022 a note and other supporting documentation were provided with the information required.

During the 2019 EDP dialogue visit, the sector classification of each entity of the group was discussed. The SŽ Group comprises the parent company, SŽ d.o.o., and nine subsidiaries. At that time, Eurostat concluded that the existing sector classification of the ten companies in the group was correct. Nevertheless, it observed that SŽ d.o.o. had 461 employees (in 2018), whereas some of its subsidiaries had significantly more (notably SŽ Vleka in tehnika d.o.o., with 1,980 employees). The subsidiaries in charge of freight and passenger transport had 1,214 and 580 employees respectively.

### *Discussion*

Eurostat and the Slovenian statistical authorities discussed the organisation of the railways company Slovenske železnice Group, in particular the reasons for the perceived high number of staff employed by the units Slovenske železnice, d.o.o and SŽ Vleka in tehnika, compared to the number of employees in the rest of the companies of the group. Eurostat further inquired about what entity of the Slovenske železnice Group is employing the passenger and freight cargo train conductors and other travelling staff.

Eurostat and the Slovenian statistical authorities also discussed the consequences of the sale of 49% of the Freight Transport subsidiary (SŽ Tovorni Promet) in 2022 (and the potential purchase of another transporter) for the sector classification of SŽ d.o.o. Until December 2021, SŽ Tovorni Promet was owned by SŽ d.o.o. From January 2022, its owner is SŽ EP Logistika (owned itself by SŽ d.o.o (51%) and EP Holding (a Czech private investor). This change might lead to reclassification of SŽ d.o.o. from S.11 into S.13, as the predominant share of value added of its subsidiaries might no longer relate to non-financial corporations. SURS also informed that there are plans for obtaining a 50% share by SŽ d.o.o. in another unit (the NOMAGO group), which might keep the current classification unchanged.

### **Action point 9:** *In relation to the railway group:*

- a. *The Slovenian statistical authorities will provide a note with information on the reason for the high number of staff employed by Slovenske železnice d.o.o and SŽ Vleka in tehnika compared to the rest of the companies of the group and examine if these entities could be considered as essentially providing ancillary services to the group. To help this assessment, the Slovenian statistical authorities will notably clarify which entity of the Slovenske železnice Group is employing the passenger and freight cargo train conductors and other travelling staff. It will also verify if the current relationship with SŽ Tovorni Promet will continue after the partial sale or will be adapted or will be dropped altogether.*
- b. *The Slovenian statistical authorities will also monitor, in the light of the above, whether the partial sale of SŽ Tovorni Promet should have implications for the sector classification of Slovenske železnice, d.o.o., and provide to Eurostat a note on the issue.*

*Deadline: December 2022 <sup>(11)</sup>*

## **4.1.4. Re-routed transactions, assets and liabilities through government accounts SID Bank case and the related public funds managed on behalf of government**

### *Introduction*

---

<sup>(11)</sup> AP.9 is closed. On 28/12/2022 a note and other supporting documentation were provided with the information required.

During the 2019 EDP dialogue visit, Eurostat concluded that it was acceptable for SID Bank (Slovenska izvozna in razvojna banka) to continue to be classified within S.12, as long as any financial and non-financial transactions carried out on behalf of the government would be re-routed through the government accounts.

### *Discussion*

Eurostat and the Slovenian statistical authorities discussed the activity of SID Bank, the Slovenian promotional development and export bank, classified in S.12. Some of this unit's activities are made on behalf of government and are recorded in the government accounts and reported in EDP Questionnaire table 13. Eurostat pointed out that the transactions made on behalf of government are not accounted in SID's financial statements, but that they correspond to certain funds that are managed by SID on behalf of government. In this context, these operations should not appear in EDP Questionnaire table 13, as the scope of this table is for the re-routing of activities (first recorded in the balance sheet of a unit classified outside general government) through government accounts. SID Bank manages three kinds of funds: (1) export insurance (Contingency Reserve Fund), (2) EU Financial Instruments (Fund of Funds and Covid-19 Fund) and (3) guarantee schemes (ZIUZEOP and ZDLGPE) treated as standardised guarantees in government accounts (reported in EDP Questionnaire Table 9.4).

The Slovenian statistical authorities explained that, from the October 2022 EDP notification, the funds managed by SID Bank on behalf of government will be treated as institutional units classified inside general government and not shown as re-routed anymore. The Slovenian statistical authorities also mentioned that there are no other cases of re-routing in the Slovenian government accounts or other national development/promotional banks or sovereign funds in Slovenia.

Eurostat took note of this presentational change for the EDP Notification of Slovenia, without impact on net lending/net borrowing of the general government. Nevertheless, Eurostat highlighted the considerable size of the activities carried out by SID Bank in relation to the public funds, compared to SID total activities. This fact stresses the need to continue monitoring SID Bank sector classification. Eurostat recalled the ongoing discussions at European level in relation to the sector classification of development banks.

Finally, Eurostat indicated that the EDP Inventory should be updated accordingly as regards the number of public funds managed by SID Bank and their impact in the line other central government bodies in EDP table 2A.

### *Findings and conclusions*

**Action point 10:** *The Slovenian statistical authorities will remove the figures related to SID Bank from EDP Questionnaire table 13 given that they refer to funds that are managed by SID Bank but are not in SID Bank financial statements. As such the Slovenian statistical authorities are not rerouting any operation (balance sheet/transactions) but is merely classifying these funds inside general government. The Slovenian statistical authorities will instead provide, on the side of each notification, an additional summary table on stocks and transactions (financial and non-financial accounts) carried out by these various funds managed by SID Bank.*

*Deadline: April 2023* <sup>(12)</sup>

## **4.2. Implementation of accrual principle**

### **4.2.1. Taxes and social contributions (including Covid-19 deferrals), tax credits**

#### *Introduction*

Eurostat and SURS discussed the current compilation methods for Value Added Tax (VAT), Personal Income Tax (PIT) and Corporate Income Tax (CIT), the Covid-19 deferrals on taxes and social contributions and certain associated improvements planned.

#### *Discussion*

Eurostat recalled that its analysis of VAT monthly cash data for 2015-2021 had shown that the method used by SURS for the calculation of VAT deviated for a number of years from the time-adjusted cash method with one month time lag that is described in the EDP Inventory. This was due to some ad hoc adjustments made by SURS that had never been discussed with Eurostat.

It was also recalled that, during the April 2022 EDP Notification, SURS agreed with Eurostat's recommendation to revise the VAT series by using the simple TAC method with one month time lag and no further adjustments, other than those necessary in relation to the Covid-19 deferrals, or those agreed at EU level of the flat-rate in agriculture and MOSS. Given that the changes for 2020 and 2021 would not have been visible in the headline figures, Eurostat accepted SURS proposal that the revision for 2019-2021 would be implemented in the October 2022 EDP notification. With the "new VAT value", the B.9 impact would be EUR 74.3 million (+0.2pp of GDP) in 2019, EUR 10.2 million (0.02pp of GDP) in 2020 and EUR 10.2 million (0.02pp of GDP) in 2021.

Eurostat also encouraged the implementation of the revisions for the historical years already in the October 2022 EDP Notification, as the updated calculation included some deviations affecting the years prior to 2018.

Custom duties were also discussed. In April 2021, as a follow up of 2019-AP 14 on custom duties, Slovenia provided to Eurostat a note explaining the calculation related to Council Decision 2014/335 on the system of own resources of the European Union, according to which only 25%/20% of import taxes collected by Slovenia were kept in the government accounts as P.11 Market output in the period 2010-2020. The Slovenian bridge table also confirms this recording in government accounts. Eurostat disagreed with this recording as this is not considered a market output and proposed a P.131 recording (see 2022 MGDD, page 147, §67).

Eurostat explained that there seemed to be a confusion regarding the recording of custom duties as government revenue. It also noted that a D.995 expenditure was recorded for the amounts unlikely to be collected, based on the amounts assessed via custom declarations. This again would support the idea that custom duties have been fully impacting the B.9.

Slovenia explained that all import taxes represent custom duties collected on behalf of EU. It was clarified that the latest data provided to Eurostat referred to total import duties

---

<sup>(12)</sup> AP.10 is closed. The figures related to the funds administered by SID were removed from EDP Questionnaire table 13 and EDP Table 2A in the EDP notification of October 2022.

of residents and non-residents, which had not been recorded as tax revenues of S.13, but as D.2121 of the S.212 subsector. Eurostat pointed out that custom duties collected on behalf of EU impact the government accounts only through the retained amounts corresponding to the collection cost, which is recorded as government revenue. All the cash collected should be recorded as financial transactions in the government sector, except for the collection cost, which is retained by Slovenia and the imputed D.995 transaction removed.

Eurostat agreed with SURS's statement that the separation between import duties paid by residents or non-residents is not relevant for general government accounts (but is relevant for other parts of national accounts). Eurostat noticed that D.2121 recorded for S.212 in the latest ESA table 9 provided to Eurostat in October 2021 are not consistent with the set of data provided to Eurostat in the context of the follow up of 2019-AP14 on import duties. It would seem that only import duties of residents were reported in the ESA table 9, and not the total amounts. The situation observed among other countries in the EU was not homogenous, as some of them reported the full amount (residents and non-residents). Eurostat will think on the harmonisation issue and on how to collect the information on non-residents part.

Eurostat also asked whether an F.8 had been recorded as a counterpart of the cash collected, for the timing difference between the cash receipts on custom duties and the payment to the EU budget, and if this could be seen in EDP questionnaire table 4. SURS said that it would investigate the issue. Eurostat wondered if the amounts currently recorded in the government revenue as collection costs (20%/25% of the import duties impacting therefore the B.9 of S.13) were calculated on the basis of the total import duties (residents and non-residents) or only of the residents' part. SURS confirmed that the collection service was calculated based on the total amount.

SURS presented to Eurostat a new method for calculating PIT and CIT, by moving from accrual to cash recording. SURS considered that the sizeable revisions of these taxes in 2021 and 2022 can only be avoided in the future by using a cash recording method with no time-lag.

According to the current method used for determining the personal income tax (as described in the draft 2022 EDP Inventory), monthly prepayments are time lagged by one month; to this, the final annual tax assessed value relating to the reference year is added. In years before 2007, final annual tax values were compiled by using "time adjusted cash amounts which are attributed to the period when the activity takes place", with payments between May t+1 and April t+2 being recorded in year t.

SURS proposal for PIT was accompanied by new calculations for 2007-2019 (2019 because SURS assumes that all settlements are made within the next 2 years), as follows: for additional payments, actually paid amounts were used instead of data from tax assessments. In the proposed new method, additional payments from May t+1 until April t+2 were recorded in year t as additional payments from tax assessments relating to year t start in May t+1. With this method, calculation of personal income tax revenue was fully based on the TAC approach (prepayments and additional payments). Compared to the current value, personal income tax in the 2007–2019 period decreased by EUR 28 million (EUR 2 million on average per year). For the 1995–2006 period, additional payments were already calculated using the TAC method. Eurostat took note of the new proposed method by SURS, however with further revisions related to the forecast of the future settlements.

In relation to CIT, Eurostat took note of the mixed approach currently in place: adding to the cash collected an accrual adjustment based on the flows of settlements and refunds to occur as stated in the fiscal declaration of taxpayers. While there was no information whether those flows were eventually paid out, Eurostat agreed that the bias created was generally small (though could be adjusted). In addition, forecasts were necessary for the first notification.

SURS explained that for CIT, data on additional payments are not separately shown in the State budget, but together with advance payments, and another approach, therefore different than the new proposal for PIT will have to be devised.

A large upward revision in corporate income tax for 2021 was announced due to final settlements and better-than-expected business results. The issue was also rendered more complex by the Covid-19 deferrals, and SURS announced that some additional revenue would be recorded for 2020 (EUR 20 million). More generally, Eurostat noted that corporate income taxes seemed to be very strong in 2020 and 2021 despite the Covid-19 crisis.

Deadlines for corporations presenting financial statements and for the related corporate income tax declarations were prolonged due to the Covid-19 pandemic, from end of March to end of April/May for three years (2020-2022), which in turn implied/reinforced the need to forecast. Eurostat noted that if such prolongations would become permanent, this would put a new burden on SURS and would considerably alter the reliability of the crucial first estimate (April EDP notification).

As regards the Covid-19 deferrals, SURS used for the calculation of the deferred amounts related to the taxes and social contributions, for which TAC method was applied, the administrative data on filled requests for deferrals, and an amount of 10% was considered as unlikely to be collected (in agreement with Eurostat). During the EDP dialogue visit, Eurostat suggested to SURS to reassess the percentage of amounts unlikely to be collected and, if needed, to revise accordingly the tax figures in 2020 and 2021.

SURS clarified that no other government measures concerning taxes and social security contributions had been undertaken during 2022 or were foreseen. Covid-19 related measures were in effect until June 2021.

SURS informed about forthcoming revisions for PIT due to the inclusion of final tax assessment data for 2020 and of the exclusion of the repayments of deferred tax. This will increase the PIT in 2020 by EUR 2 million and in 2021 by 8 million. As regards the corporate income tax, excises and import duties, for which accrual was based on the assessment method, no additional Covid-19 related tax deferrals have been taken into account in the calculation of the accrual figures (as it was concluded that the deferrals do not affect the assessments but only the related cash payments). Eurostat recommended the monitoring of the reimbursement of the Covid-19 deferrals, including further adjustments, if needed, for the amounts considered unlikely to be paid.

As a follow up of an action point of the 2019 EDP dialogue visit (2019-AP 13), the Slovenian statistical authorities will report an improved EDP questionnaire table 5, which Eurostat appreciated very much. Compared to the EDP April 2022 version, the following changes will be made in F89 and AF.89 Other accounts receivable/payable relating to D.2 taxes (flows and stocks).

– for VAT refunds, other accounts payable will be excluded from other accounts



receivable in the period from 2009 on; for years before 2009, available data sources do not allow plausible separation between assets and liabilities;

- for ETS revenue, other accounts receivable will be moved to other accounts payable;
- for ETS revenue, the method for calculating other accounts payable for the 2012–2015 period will be aligned with the method for years after 2015;
- other accounts receivable/payable for VAT in 2019, 2020 and 2021 will be corrected for the ad hoc adjustments of SURS other than those agreed with Eurostat.

SURS explained that the stock of AF.89 on D.2 taxes includes, in addition to VAT, the excises and the local tax for use of land. Eurostat agreed with SURS proposal to implement the revisions in F.89 on D.2 in the October 2022 EDP Notification for the four years reported 2018-2021 and in the 2024 benchmark revision for the historical time series.

As regards tax credits, Slovenian statistical authorities mentioned there are no such cases in Slovenia.

### *Findings and conclusions*

#### **Action point 11:** *Regarding the compilation's method for VAT:*

- a. *the Slovenian statistical authorities will revise the time series along the lines of the exchange of e-mails with Eurostat, thus implementing a pure time adjusted cash method of 1 month, removing the ad-hoc adjustments currently made. This will have a B.9 impact for the years concerned (2019, 2020 and 2021)*

*Deadline: October 2022* <sup>(13)</sup>

- b. *the Slovenian statistical authorities will also correct the 2016 figures for D.21. SURS will confirm if this correction will be without impact on B.9 and, in this case, will explain why and detail the counterpart non-financial transactions impacted.*

*Deadline: Benchmark revision for the updated figure to be implemented. October 2022 EDP Notification for confirming the B.9 neutrality.* <sup>(14)</sup>

**Action point 12:** *Regarding custom duties, Eurostat took note that the transactions should be purely financial (i.e., collection on behalf of the EU). The Slovenian statistical authorities will:*

- a. *eliminate the D.995 that seems without justification in S.13 accounts, with a small B.9 impact;*
- b. *record the retained amount as P.131 instead of P.11 as currently recorded;*
- c. *verify where the financial transactions (F.89 pay towards EU) are reported in Questionnaire table 4 (and possibly explicitly identify these amounts) and*
- d. *verify the amounts reported as custom duties levied on residents reported in ESA table 9.*

*Deadline: a note and revisions in the October 2023 for the years reported in the EDP Notification and the next benchmark revision for the entire data series.* <sup>(15)</sup>

---

<sup>(13)</sup> AP.11a is closed. Revisions introduced with the EDP notification of October 2023.

<sup>(14)</sup> AP.11b is closed. The revision in 2016 VAT was B.9 neutral, since it had a counterpart transaction recorded as D.7 which was also removed.

*On its side, Eurostat will reflect on how custom duties collected on non-residents should be reported (in ESA table 9 or in Questionnaire on NTL - Detailed list of taxes and social contributions according to national classification, possibly as a supplementary item) in order to avoid missing amounts at the aggregated EU level.*

**Action point 13:** *Eurostat took note of the improved compilation method for PIT proposed by the Slovenian statistical authorities, while nonetheless noting that this would still entail significant forecasts. The Slovenian statistical authorities will reflect on the way forward and transmit, if applicable, the revised time series to Eurostat.*

*Deadline: April 2023 <sup>(16)</sup>*

**Action point 14:** *In relation to CIT, the Slovenian statistical authorities:*

- a. will correct the impact of the Covid-19 deferrals (concerning only final settlement) that were not properly taken into accounts (given the current CIT compilation method), which will result in a higher revenue of EUR 20 million in 2020 (and lesser revenue in following years);*
- b. will check/analyse again the CIT profile and explain to Eurostat with a note why the CIT remained relatively resilient during the Covid-19 crisis. The Slovenian statistical authorities will notably elaborate on the evolution of the Gross Operating Surplus (or other balances) of corporations that may have been positively influenced by government subsidies (or other grants) delivered by the various Covid-19 schemes;*

*Deadline: October 2022 <sup>(17)</sup>*

- c. will propose a strategy to ensure that the necessary forecasts entailed by the current method become reasonably/sufficiently accurate, avoiding significant revisions in the second EDP notification/October (as this has been the case in recent years) or alternatively consider a simpler method such as the simple time adjusted cash method. The strategy will be detailed in a note, which should explain the forecast approach in a sufficient detail;*

*Deadline: December 2022 for a note – April 2023 for the implementation of any change <sup>(18)</sup>*

- d. will investigate with the Ministry of Finance the possibility of increasing the detail of the information on CIT included in the State Budget (adding at least a distinction between prepayments, final settlements and refunds), which could then allow a sort of time adjusted cash method (similar to what the SURS is proposing for PIT). This may ultimately lead to a pure cash-based method.*

*Deadline: June 2023 for a note on the results of the investigation <sup>(19)</sup>*

**Action point 15:** *The Slovenian statistical authorities will raise the awareness of the Ministry of Finance/Financial Administration of the Republic of Slovenia and other parties about the importance (for the compilation of accurate and timely statistics of*

---

<sup>(15)</sup> AP.12 is closed. All the required corrections in the recording of excise duties were implemented. Eurostat clarified that, in ESA table 9, D.2121 revenue of S.212 should include only import duties paid (in Slovenia and in other Member States) by Slovenia's residents, gross of the collection costs, and not the import duties paid in Slovenia by non-residents.

<sup>(16)</sup> AP.13 is closed. A note describing the new method and other supporting data was provided to Eurostat on 15/11/2022.

<sup>(17)</sup> AP.14a and AP.14b are closed. Correction introduced and explanation provided as part of the EDP notification of October 2022.

<sup>(18)</sup> AP.14c is closed. A note and a file with CIT data were provided on 28/12/2022.

<sup>(19)</sup> AP.14d is open.

government deficit and debt) of maintaining the original deadline of end of March for presenting the corporate income tax declarations as well as for presenting the financial statements.

*Deadline: continuous* <sup>(20)</sup>

**Action point 16:** *The Slovenian statistical authorities will provide Eurostat with the improved Questionnaire table 5 (which shows the stocks and flows of fiscal receivables/payables) that was presented for the meeting: stocks corresponding to the January flows for time adjusted cash-based taxes, use of assessment data for CIT/PIT and excise duties, separating assets and liabilities. ETS (Emissions Trading System) will now be shown on the liability side. Data will be shown since 2009. Questionnaire table 4 and EDP table 3 will be consistently adapted. Implementation in ESA table 27 (for years not included in the EDP Notification) can be adapted according to the BoS revision policy.*

*Deadline: October 2022* <sup>(21)</sup>

**Action point 17:** In relation to the Covid-19 schemes with expected losses:

- a. *the Slovenian statistical authorities will consider revising downwards the estimate for expected loss on tax/social contribution deferrals, which Eurostat judged relatively high (10%). The Slovenian statistical authorities will provide to Eurostat a note on this issue and adapt the figure if necessary;*
- b. *the Slovenian statistical authorities will also consider revising downwards the estimate for the expected loss on standardized guarantee schemes, which Eurostat also judged high (10%). Considering there was no call in 2020 and 2021, a lower estimate of 5% would seem more realistic, while still high for Slovenia.*

*Deadline: October 2022* <sup>(22)</sup>

#### **4.2.2. Interest**

##### *Introduction*

According to the EDP Inventory, all interest revenue and expenditure of the main units are recorded in the working balances of EDP Tables 2A, 2C and 2D on a cash basis. For other government bodies, data on interest revenue and expenditure are available in their annual accounting statements, with different accounting basis (cash for indirect budget users and public funds, accrual for corporations and legal persons of private law). Further adjustments are made to arrive at the total value of interest revenue and expenditure in government accounts (payments of interest in advance, accrual interest, swap operations, EFSF loan, other government bodies, FISIM on loans, PPPs, etc.).

Before the 2022 EDP dialogue visit, Eurostat asked SURS to send the updated questionnaire on cash and accrual flows of interest expenditure and revenue by instrument for 2013-2021. This document formed the basis for the discussions that took place.

##### *Discussion*

---

<sup>(20)</sup> AP.15 is closed.

<sup>(21)</sup> AP.16 is closed. Improved EDP Questionnaire delivered as part of the EDP notification of October 2022.

<sup>(22)</sup> AP.17a is open. A note on the issue was provided on 29 September 2023, when it became clear that the imputed estimate for expected losses was too high. The revision will be implemented as part of the benchmark revision, in September/October 2024. AP.17b is closed. D.99 decreased in October 2022.

Eurostat took note that the cash-flows associated to premiums and discounts (EUR 0.2 billion in 2021) of government debt are neutralised under “other financial transactions” in EDP table 2A. The premiums and discounts are spread over the life of the instrument. Premiums are treated as negative expenditure and discounts as expenditure. The net annual accrued amount is reported in the line “difference between interest paid (+) and accrued (EDP D.41)(-)”. Repayment of discounts are identifiable from repayments of debt.

Eurostat enquired SURS and the BoS about the cooperation with the Treasury (the MoF) for obtaining the granular data and precalculated figures for interest (follow up of action point 20.b of the 2019 EDP dialogue visit). Slovenian statistical authorities confirmed that a specific working template has been predefined, which includes all the information necessary to compile the interest in the EDP tables and in the related questionnaires.

Eurostat observed that the stock of coupons was falling continuously in the last years. The MoF explained that this was the result of intensified operations in the management of debt since 2016, with cross currency transactions, and repurchase of domestic bonds - especially in 2021 – with a small premium for repurchase and new bonds issued at bigger premium.

#### *Findings and conclusions*

Eurostat analysed the detailed interest data and concluded that they were consistent with those reported in the April 2022 EDP tables.

Eurostat recommended SURS to update the EDP Inventory with additional information regarding the institutional responsibilities and data sources used for the compilation of interest, adjustments included. See action point 1 included in the section 1.2.3.

### **4.2.3. EU flows (including the COVID-19 Fund of Funds and the RRF)**

#### *Introduction*

Eurostat discussed the recording of EU funds, especially the flows and stock presentation (net/gross, consolidated/non-consolidated) as recorded in the EDP tables, as well as in EDP questionnaire table 6, Annex 8 on Covid-19 measures and Annex 9 on RRF recording. The verification included the neutralisations made, the financial corrections (as included in the dedicated excel table regularly provided to Eurostat for each EDP Notification) and the recordings related to the Fund of Funds (financial instruments) and the RRF.

#### *Discussion*

The Slovenian statistical authorities summarised the mechanism in place for the management of EU flows within the single treasury account, in particular for the advances on EU flows, EU Fund of Funds and the RRF.

Firstly, as regards the advances, SURS confirmed there are no changes since the 2019 EDP dialogue visit. The MoF provides to the Slovenian statistical authorities the amounts corresponding to the flows of the special account created for EU funds at the Treasury. As regards the EU flows neutralisation and the EU financial corrections for the period 2004-2021, SURS confirmed that there have been no changes since the last transmission in April 2022 of the excel table on detailed EU flows by categories of expenditure and by beneficiary. Eurostat took note and recommended the continuous monitoring.

Secondly, the Slovenian statistical authorities recalled the functioning of the Fund of Funds, set up in 2017 to deploy EU financial instruments. This fund is managed by SID Bank and is included in the general government sector as the government provides guarantees to it. The recording in government accounts follows Eurostat's guidance on recording EU financial instruments: an F.8 liability towards the EU and an F.4 asset towards the final recipient in the financial accounts are shown, the recording of expenditure on fees as D.7, and any write-off as D.9 in the non-financial accounts with a decrease of F.8 in the financial accounts. The impact on B.9 is neutral. The Slovenian statistical authorities confirmed that the same holds true for the Covid-19 Fund of Funds, set up in 2020.

The Slovenian statistical authorities further explained that EU funds used for the financing of the Covid-19 related measures followed the same procedures and recording in government accounts as for non-Covid-19 related measures.

Thirdly, as regards the operations related to the RRF funds, SURS explained that a new budgetary fund was established (*"Recovery and Resilience Plan Budgetary Fund"*). The fund operates in a similar way as other budgetary funds. However, the management of the RRF differs from the management of other EU funds. The recording is the following:

- prepayment by the Commission is recorded in a special bank account; in national accounts this advance payment is recorded only in the financial accounts as F.89 payable and offset changes in the special bank account recorded as F.2;
- from the bank account, funds are transferred to the State budget and recorded at the same time as revenue and expenditure, working balance is thus neutral;
- the fund records revenue from the State budget and at the same time the State budget records expenditure;
- in order to neutralize the impact of the fund's balance, there is an adjustment made in other accounts payable.

Eurostat took note of the new special fund created for RRF and presumably recorded in EDP table 2A, in the section "Non-financial transactions not included in the working balance", together with the existing Budget reserve fund (the line in EDP table 2A is called "reserve public fund"). For better presentation, Eurostat suggested the label to be presented in a plural form.

Eurostat and the Slovenian statistical authorities discussed the compilation of the figures related to the RRF, notably the impact of the downward revision of the grant component allocated to Slovenia (EUR 1.5 billion from EUR 1.8 billion). Slovenia had submitted no claims to the EU at the time of the meeting (a first claim would be submitted in the last quarter of 2022, for EUR 57 million gross and a net value of EUR 12 million to receive). Slovenia had received an advance of EUR 231 million and spent EUR 111 million in 2021 (leading to an ESA revenue of this latter amount). The spending is recorded when the budget reserve fund created to this effect is making the payment (e.g., to the supplier), upon request of the beneficiary, which is after each project step has been realised. Slovenia mentioned the possibility to adjust its Recovery and Resilience Plan on the basis of general inflation or to address the effect of increases in energy prices.

Eurostat thanked the Slovenian statistical authorities for the clarifications related to the newly created funds in relation to Covid-19 and RRF and underlined that according to the instructions related to the recording of RRF funds in the new dedicated supplementary table (Annex 9), the RRF flows should not be reported in EDP questionnaire table 6, but only in Annex 9. SURS explained that they had overlooked this

aspect in the April 2022 EDP Notification and agreed to exclude the RRF flows from the EDP questionnaire table 6 in the October 2022 EDP Notification.

#### *Findings and conclusions*

**Action point 18:** *In relation to the RRF, the Slovenian statistical authorities will monitor the impact of the change in grant allocation, and the impact on B.9 of any change/update of RRF.*

*Deadline: progress report by April 2023* <sup>(23)</sup>

**Action point 19:** *The Slovenian statistical authorities will edit EDP Table 2A on “reserve public fund” adjustment line, so that it will be spelled in plural.*

*Deadline: October 2022* <sup>(24)</sup>

#### **4.2.4. Military expenditure**

##### *Introduction*

Data on military expenditure as reported by SURS in the context of the April and October EDP Notifications was discussed within this point of the agenda.

##### *Discussion*

Eurostat took note that there have been no changes regarding the recording and the method used for the accrual adjustments in EDP tables and EDP questionnaire table 7 since the 2019 EDP dialogue visit.

##### *Findings and conclusions*

Eurostat recommended the Slovenian statistical authorities to continue monitoring the military expenditure and to inform Eurostat about any related development.

#### **4.2.5. Court decisions**

##### *Introduction*

Before the EDP dialogue visit, Eurostat had asked SURS to send a note on cases of court decisions and their implementation in government accounts. SURS provided information on the court case against the Bank of Slovenia (BoS) in connection with the bail-in operations conducted in 2013 and 2014 (action point 17 of the 2019 EDP dialogue visit) and some updates regarding the court case on repayments to Ljubljana Banka (LB) deposit holders in Croatia and Bosnia, also discussed in the previous EDP dialogue visit.

##### *Discussion*

Eurostat enquired about the recent progress in the court case against the BoS brought by creditors in connection with bail-in operations related to BAMC, conducted in 2013 and 2014. The Ministry of Finance informed that the Constitutional Court of the Republic of Slovenia had referred eight questions to the Court of Justice of the European Union for a preliminary ruling on the interpretation of Articles 123 and 130 TFEU, Articles 7 and 21 of Protocol No 4 on the Statute of the European System of Central Banks and of the

---

<sup>(23)</sup> AP. 18 is closed. Correction in the RRF table introduced with the EDP notification of April 2023.

<sup>(24)</sup> AP.19 is closed. Correction in the label (adding “s” to fund) implemented with the EDP notification of October 2022.

European Central Bank, and Directive 2006/48/EC and Directive 2013/36/EU. The Advocate General of the Court of Justice of the European Union presented her Opinion in this case on 31 March 2022. The Constitutional Court of the Republic of Slovenia then received an answer from the Court of Justice of the European Union. In light of this response, the Constitutional Court decided to repeal the Law on judicial and out-of-court protection of former holders of eligible liabilities of banks. Following this repeal, the Government formulated a new legislative proposal and initiated a public consultation on it.

Eurostat took note that no final decision had been reached at the time of the EDP dialogue visit by the Constitutional Court of Republic of Slovenia in this matter, and that the impact in national accounts will occur once a final decision has been made by the Constitutional Court. Eurostat recalled that any compensation is likely to be seen as a government expenditure. Eurostat also enquired on whether any provisions in relation to this case had been recorded in the accounts of BoS and about the dividend policy of the entity. The BoS confirmed that no reserves have been made for the case, despite the initial plan of the BoS to build a buffer using the dividends that would otherwise have been paid to the State, as presented to Eurostat in the 2019 EDP dialogue visit. Eurostat took note and asked the Slovenian statistical authorities to monitor the final decision and to provide to Eurostat the estimated impact of the compensation and the proposed recording in government accounts.

Secondly, SURS presented updates on the court case on the repayments to Ljubljana Banka (LB) deposit holders in Croatia and Bosnia. In 2014, a capital transfer was recorded in government accounts at the amount of EUR 257 million, representing the principal component of the estimated repayments to the deposit holders. By the end of 2021, a total of EUR 206 million had been paid, of which EUR 0.4 million in 2020 and 2021. The last payments are expected to be made in 2025 (though later payments cannot be excluded). It is expected that the total amount paid will not reach the amount of the capital transfer recorded in 2014. Eurostat thanked for the updates and recommended Slovenian statistical authorities to continue monitoring the amounts paid and to keep Eurostat informed on the cumulated payments until they will end.

Eurostat enquired about the status of another court case, also discussed in the 2019 EDP dialogue visit (action point 18 of the 2019 EDP DV), related to a court ruling against Slovenia's Nova Ljubljanska Banka (NLB) in Croatia. The case concerned a special law adopted in 2018 to protect the bank's value after its privatisation in 2019, and further proceedings in which the plaintiffs are claiming that NLB is responsible for liabilities arising from the foreign currency deposits held with the Zagreb branch of NLB (estimated impact of EUR 22 million). SURS agreed to further check the situation as they were not aware of any final decision on this court case.

#### *Findings and conclusions*

**Action point 20:** *The Slovenian statistical authorities will update Eurostat about progress in the court case against the BoS and provide a clear description of the recording in GFS/EDP of all the related transactions and positions (see also the AP17 of the 2019 EDP dialogue visit).*

*Deadline: Continuous* <sup>(25)</sup>

**Action point 21:** The Slovenian statistical authorities will provide to Eurostat the super

---

<sup>(25)</sup> AP.20 continuous. Notes with updates on the issue were provided on 31/03/2023 and 29/09/2023.

dividend test (including the calculations made) for dividends paid to the State by the BoS for 2013-2021.

*Deadline: October 2022 EDP Notification <sup>(26)</sup>*

**Action point 22:** *The Slovenian statistical authorities will inform Eurostat about progress and recording in government accounts of two other court cases discussed also in the previous EDP dialogue visits: court decision against Slovenia's Nova Ljubljanska Banka (NLB) in Croatia and court decision related to the repayments to Ljubljanska banka (LB) deposit holders in Croatia and Bosnia and Herzegovina (AP18 of the 2019 EDP dialogue visit and AP26 of the 2017 EDP dialogue visit).*

*Deadline: April 2023 EDP Notification <sup>(27)</sup>*

### **4.3. Recording of specific government transactions implementation of accrual principle**

#### **4.3.1. Government intervention to support financial institutions**

##### *Introduction*

The Bank Assets Management Company (BAMC in English, DUTB in Slovenian) is a 'bad bank' established in March 2013 to address the restructuring of banks in bankruptcy. It operates through the management of bank claims taken over from rescued banks in 2013, 2014, 2016 (Nova Ljubljanska Banka (NLB), Nova Kreditna Banka Maribor (NKBM), Probanka, Faktor Bank, Banka Celje and Abanka). These rescues were structured via specific operations, such as: conversions of non-performing loans (NPLs) to equity and to real estate swaps, proceeds of real estate collateral obtained at auction, recoveries and partial or total write-offs, but also bank recapitalisations, bank mergers, new loans, sales of NPLs and acquisitions of other NPLs of clients already in its portfolio. The recording in government accounts of all the above operations have been discussed and agreed with Eurostat in the past.

##### *Discussion*

As regards the method of calculation used for the recording of interest in relation to BAMC, Eurostat observed an implied interest rate of 3% on average recorded in national accounts, which might seem plausible. However, further details have been asked regarding the valuation in business accounting. According to BoS, the data on interest for 2013-2019 in the BAMC business accounting are the same as reported in the non-financial government accounts, only the interest actually paid being recorded. For 2020 and 2021, there are differences due to the changed methodology in the BAMC business accounting (the revenues from interest have been recorded only when the payment by the debtor exceeded the payment of principal), while in the non-financial government accounts it remained the same.

The BoS clarified some aspect of the valuation of BAMC's fixed assets that are disclosed to Eurostat in the supplementary table for reporting government interventions to support financial institutions. In particular, it explained that real estates had been valued at the lower of cost and net realizable value. Net realizable value has been estimated as the fair value less the selling costs of the real estate. The BAMC conducts real estate revaluations once a year, on 31 December, by taking into account changes in market conditions,

---

<sup>(26)</sup> AP.21 is closed. Superdividend test related to the Bank of Slovenia provided on 30/09/2022.

<sup>(27)</sup> AP.22 is closed. Note provided on 31/03/2023, no new developments in both cases.



changes in real estate management costs and time of sale. The comprehensive evaluation was performed by certified appraisers nominated by BAMC.

Eurostat thanked for the data and information provided on interest and fixed assets and concluded that the current methods used for BAMC are acceptable. Eurostat asked the Slovenian statistical authorities to transmit the BAMC annual reports for 2019-2021 (preferably in English).

Additionally, Eurostat highly appreciated the Slovenian statistical authorities efforts for regularly providing the granular data for BAMC portfolio of NPLs (in the context of EDP Notifications) in accordance with the agreements with Eurostat for the calculation and the assessment of the impact on the government deficit. BAMC recorded deficit in years 2013–2016, and surplus in following years 2017–2021.

Eurostat and the Slovenian statistical authorities further discussed the recording, in the supplementary table for reporting government interventions to support financial institutions, of the various operations related to BAMC. The Slovenian statistical authorities had provided before the meeting a table compiled separately for BAMC and for the State budget. Eurostat appreciated the excellent detail of the data provided, notably with complete ESA non-financial and financial accounts of BAMC. Eurostat also welcomed the new valuation of non-performing loans, using the transfer value rather than the original nominal value (according to action point 19 of the 2019 EDP dialogue visit). Eurostat noted that there was a large gap between the accumulated B.9 impact of government interventions to support financial institutions and the net assets position held in 2021.

In relation to the supplementary table, Eurostat recalled that, for BAMC, Part 1 included interest received, dividends and D.99 other capital transfers revenues (within the ‘Other’ item) on the revenue side. Interest paid and D.99 Debt to real estate, D.99 Purchase at auction, D.99 Debt to equity, and D.99 Write-offs (within the ‘Other’ item) figured on the expenditure side. In Part 2, the item ‘Other financial assets of general government entities’ included BAMC’s total assets (Deposits, Debt securities, Loans, Equity, Other accounts receivable, Real estate. For loans transfer value is used only in Annex 5, but not in ESA table 27/6/7), while the item ‘Other liabilities of general government entities’ included BAMC’s liabilities data on loans and debt securities. In Part 3, the item ‘Other financial assets of general government entities’ included transactions in assets due to change in debt data and net revenue/cost from Part 1, while the item ‘Other liabilities of general government entities’ included change in debt from loans and debt securities.

For the State budget, Part 1 included on the revenue side dividends received in recent years and guarantee fees and interest received before 2016. The expenditure side included interest paid and capital injections into banks, recorded as capital transfers before 2015. In Part 2, the asset side in the ‘loans’ item for 2009-2012 included deposits in banks provided by the Republic of Slovenia as financial assistance, and for 2014-2015 it included the loans to Probanka and Factor banka. On the asset side, within item ‘equity’, market value of equity stake in banks held by the Republic of Slovenia is reported, as well as the value of capital injection into SID Bank (in 2009). The amount increased for part of the capital injection into NKBM, treated as a financial transaction (EUR 27 million in 2013), the capital injected into Banka Celje, treated as a financial transaction (EUR 81 million in 2014) and the privatisation of NKBM (equity decreased for EUR 27 million in 2016). On the liability side, the ‘debt securities’ item increased/decreased in line with changes on the assets side and net revenue/cost from Part 1. In Part 3, on the assets side, current transactions were reported, e.g., the sales

value of NKBM EUR 250 million in 2016, the sales value of NLB in 2018, the sales value of Abanka EUR 444 million in 2020 is reported and the super dividends of NLB and Abanka. On the liability side, debt increased/decreased according to changes in asset and net revenue/cost from Part 1.

Eurostat took note of the BoS's explanations about the compilation of Annex 5 separately for BAMC and the State budget. In addition, for the assessment and the understanding of the large gap continuing to exist between the cumulated deficit and the net financial assets (even after presenting the equity at market value), Eurostat enquired the Slovenian statistical authorities about the ownership of the banks rescued by the government (public/private) prior to the rescues. The BoS mentioned that it will check the banks' shareholders situation and come back with the requested data.

In addition, Eurostat asked the BoS about the amount of NPLs in the BAMC's books at the end of 2021. The BoS said a total stock of NPLs with a nominal value of EUR 914 million was recorded in the government accounts (ESA tables 27/6/7), against a transfer value of approximately EUR 211 million (considered to be the maximum possible remaining impact on B.9 in the next few years).

SURS informed Eurostat that BAMC will cease to exist on 31 December 2022, when all remaining rights and obligations of BAMC will be transferred to Slovenski državni holding (Slovene Sovereign Holding, SDH) or its legal successor.

Eurostat took note and suggested to the Slovenian statistical authorities to reflect on a way to ensure a regular separate annual reporting on BAMC assets and liabilities also after their transfers to SDH, as there might be a possible remaining impact on B.9 at the end of 2022 to be recorded in the following years.

#### *Findings and conclusions*

**Action point 23:** *In relation to BAMC, the Slovenian statistical authorities will:*

a. *provide to Eurostat the BAMC annual reports of years 2020/2021, possibly in English (as they were available in the past), as well as a public link on where to find the annual reports;*

*Deadline: October 2022* <sup>(28)</sup>

b. *provide to Eurostat a short note describing the ownership of the banks rescued by the government (public/private) prior to the rescues (over the years 2008-2012/2013);*

*Deadline: June 2023* <sup>(29)</sup>

c. *provide to Eurostat a short note clarifying which transactions, if any, will be recorded in GFS/EDP in relation to the termination of BAMC planned for 31/12/2022 and the transfer of the remaining assets/liabilities to the Slovene Sovereign Holding, currently classified in S.13. The Slovenian statistical authorities will devise a way to report the legacy assets/liabilities and non-financial transactions, in Annex 5 and with sufficient details in a separate table (as previously the case with BAMC).*

*Deadline: June 2023* <sup>(30)</sup>

---

<sup>(28)</sup> AP.23a is closed. BAMC financial reports provided on 30/09/2022.

<sup>(29)</sup> AP.23b is closed. File delivered on 10/05/2023.

<sup>(30)</sup> AP.23c is closed. E-mail delivered on 30/06/2023.

### **4.3.2. Guarantees (including the Covid-19 schemes)**

#### *Introduction*

Before the visit, the Slovenian statistical authorities had provided a list of guarantees by subsectors and beneficiary for 2019-2021. This information was used as an input into the discussion.

#### *Discussion*

Eurostat observed that, in 2021, the biggest recipients of government guarantees had been DARS, the EFSF, SID Bank, the Thermal Electric company (Termoelektrarna), the BAMC, the Eko Sklad, Slovenski Regionalno Razvojni Sklad and the Slovenian Railway company (Slovenske železnice). Eurostat also observed that these data were consistent with EDP questionnaire tables.

Moreover, Eurostat recalled that it was agreed in the EDPS WG that the EFSF guarantees should not be considered in the reported totals. In addition, Eurostat enquired to what referred the amount reported for SID Bank for the period 2019-2021 (EUR 669 million). Eurostat also asked SURS to comment on the zero stock of guaranteed debt reported for the Slovenian Railways in 2020 and 2021 (despite having a stock for previous years). SURS agreed to make further checks and to inform Eurostat accordingly.

#### *Findings and conclusions*

Eurostat concluded that the impact of guarantees was correctly recorded in the EDP tables, but further checks should be made as regards the EFSF and SID Bank guarantees reported in the EDP questionnaire tables 9.

### **4.3.3. Debt assumptions, debt cancellations, debt write-offs and government claims**

#### *Introduction*

Before the EDP dialogue visit, SURS had provided Eurostat with an updated list of government claims, stocks and transactions for 2019-2021.

#### *Discussion*

SURS informed Eurostat that, as regards debt assumptions and debt write-offs, there have been no new operations for the period 2017-2021. As regards the data on debt cancellation, SURS explained that the amounts have been provided annually by all units at the central government level that granted loans, with the exception of BAMC, which provided data on a quarterly basis. SURS confirmed that debt cancellations are recorded in the non-financial accounts as capital transfers, and in the financial accounts as loans. Data on debt cancellations have been recorded in EDP table 2A within the item “non-performing loans”, except for BAMC, for which they have been recorded within the B.9 of other central government bodies. Eurostat observed that the debt cancellations reported in EDP table 2A are consistent with the related data reported in EDP questionnaire table 8.

SURS also informed Eurostat that there have been no debt assumptions and debt write-offs in relation to the Covid-19 measures for the period 2020-2021. SURS explained that the Slovene Enterprise Fund and the Public Fund for Regional and Rural Development

granted loans for EUR 169.5 million in the context of Covid-19 crisis in 2020 and 2021. A potential loss has been estimated, and the amounts of EUR 4 million in 2020 and EUR 13 million in 2021 were imputed as D.99 capital transfer accordingly.

#### *Findings and conclusions*

Eurostat took note of SURS's clarifications and recommended that SURS continue to monitor the NPLs unlikely to be recovered. In the light of ESA 2010 rules, if no repayment occurred for a certain period, a capital transfer should be imputed.

#### **4.3.4. Capital injections in public corporations**

##### *Introduction*

Before the visit, Eurostat had been provided with up-to-date information on capital injections by subsectors and beneficiary, as well as on their treatment in national accounts for 2017-2021.

##### *Discussion*

During the discussions, SURS explained that there had been no changes in the statistical treatment of capital injections since the 2019 EDP dialogue visit. At the central government level, there had been no capital injections into public corporations outside S.1311 treated as capital transfers in the period 2017–2021, with the exception of capital injections by BAMC. At the local government level, the amounts are small and shown aggregated.

##### *Findings and conclusions*

Eurostat took note of SURS's explanations and recommended that it continuously monitor the injections of capital into public corporations, in order to record the capital transfer and/or the acquisition of the equity shares of the government correctly.

#### **4.3.5. Dividends, super dividends**

##### *Introduction*

Before the EDP visit, the Slovenian statistical authorities had provided Eurostat with the list of dividends paid to the government by individual companies and their profit for 2019-2021, accompanied by a note on the treatment of super dividends.

##### *Discussion*

SURS confirmed that the general rules have been followed for the recording of super dividends in government accounts. It explained that the super dividends have been calculated as the difference between profit after tax for the individual enterprise and the amount of profit withdrawn by the central budget (cash), taking into account the equity share of the Republic of Slovenia. In addition, SURS mentioned that 80% of the value of dividends at local level is covered applying a threshold of EUR 0.1 million.

Eurostat enquired further on the BoS's and NLB's dividends and checked the super dividends test applied to the dividends paid by the BoS to the State budget for the period 2019-2021. SURS clarified that the government ownership on NLB was 25% at end of 2021.

#### **4.3.6. Findings and conclusions**

Eurostat thanked the Slovenian statistical authorities for the data provided and the related explanations.

#### **4.3.7. Financial derivatives**

##### *Introduction*

The use of financial derivatives and their recording in national accounts were discussed under this item of the agenda.

During 2019, Eurostat held intensive discussions with SURS and the BoS on the recording in the government accounts of specific cases of financial derivatives (interest rate swaps (IRSs), swaptions and novation derivative operations).

##### *Discussion*

The Slovenian statistical authorities recalled that they disagreed with Eurostat's proposed treatment of the cash collateral received (accounted as debt) and by the MGDD interpretation concerning IRS novation/restructuring. They thought their practice of renegotiating IRS against the premium on swaptions did not amount to restructuring in the MGDD sense. In their view, such renegotiation should not lead to an increase in the Maastricht debt for the market value of the swap, but solely for the amounts of the premium used.

Eurostat took note that the Slovenian statistical authorities had nonetheless followed its recommendations on the recording of financial derivatives in the EDP tables. Eurostat noted that in case the Slovenian authorities envisaged the opportunity to use the central counterparty in their derivative operations, this would have the likely statistical implication to avoid including the cash collateral in the debt and creating off-market swaps following IRS renegotiations.

Eurostat appreciated the quality of the financial derivatives questionnaire compiled by the Slovenian statistical authorities on a voluntary basis, using the data mainly provided by the MoF (Treasury) in the template agreed with SURS and BoS, following action point 20 b) of the 2019 EDP dialogue visit. The MoF explained that the main types of derivatives used were cross currency swaps, interest rate swaps, interest rate swaptions and forward interest rate swaps. Eurostat had analysed the data and concluded that they were consistent with those reported in the April 2022 EDP notification tables, with some suggestions aimed at improving the presentation, i.e., moving the notional amounts of the Cross Currency Swaps on the side of the derivative (generally an asset).

The Slovenian statistical authorities presented a new case, where a unit classified inside general government had entered into an interest rate cap (IR cap) in February 2021. An interest rate cap is a type of interest rate derivative in which the buyer receives payments at the end of each period in which the interest rate exceeds the agreed strike price. The purpose of concluding an IR cap was to protect the company's cash flows when repaying interest on a long-term bank loan. In 2021 there was recording only in financial accounts of the central government, the amount of premium paid was recorded in F.7 receivable.

Eurostat took note of the case presented and tentatively agreed with the recording, while requesting the Slovenian statistical authorities to enquire whether the contract contains a financing element, in case the contract was "deep in the money" (as the strike price is 0). In that case, an F.4 recording may be considered (for a part).

The Slovenian statistical authorities explained that the interest cap was concluded at the market price for this type of instrument on the date of conclusion, when market interest rates were still strongly in the negative zone and far from today's levels. The unit chose a bank which was the cheapest among the providers to hedge the interest rate risk. The Slovenian statistical authorities added that the market price of the instrument on the date of the conclusion expressed only the market price of the instrument for hedging against interest risks and did not contain any elements of financing.

Eurostat ended the discussion on derivatives by noticing that some parts regarding the collaterals and the recording related to unwinding the swap had been deleted in the 2022 draft EDP inventory. As this is an important information, Eurostat recommended Slovenian statistical authorities to reinclude this information in the text.

#### *Findings and conclusions*

Eurostat recommended Slovenian statistical authorities to update the EDP Inventory, reincluding the description of collaterals and unwinding the swaps, or a revised description, if needed. Please see action point 1 included in section 1.2.3. EDP Inventory.

#### **Action point 24:** *In relation to financial derivatives:*

- a. *Eurostat welcomed very much the derivative table filled by the BoS (with the MoF support), which shows very well the various operations undertaken since 2012. A minor adaptation is needed to move the notional amounts of the Cross Currency Swaps on the side of the derivative (asset generally).*
- b. *Eurostat generally agreed that the EUR 12 million paid in 2021 by the government unit buying the IR cap should enter the financial accounts, tentatively under derivatives. The Slovenian statistical authorities will nonetheless enquire whether the contract contains a financing element, in case the contract was “deep in the money” (as the strike price is 0). In that case, an F.4 recording may be considered (for a part). Given that the instrument is on the asset side, there is however no potential impact on the government debt.*

*Deadline: October 2022 EDP Notification* <sup>(31)</sup>

### **4.3.8. Public Private Partnerships (PPPs) and concessions**

#### *Introduction*

According to the EDP Inventory, the national definition of “public-private partnership” includes various forms of cooperation between the public and private sectors. In the national definition, public-private partnership are those contractual relationships between a public and a private partner where:

- contracts are long-term (at least 10 years),
- the contractual relationship includes investments in fixed assets (e.g., kindergarten, road, school, hospital) purchased, built or renovated by a private partner,
- private partner provides services with fixed assets (which relate to concession contract), which are regularly paid for by a public partner and not by other sectors (households, companies),

---

<sup>(31)</sup> AP 24 is closed. Note provided on 30 September 2022.

- after the end of a contractual relationship, the assets usually become the property of a public partner,
- public partner pays for the services of a private partner, usually directly, but also indirectly (e.g., municipality provides funds to public institution for the payment of services).

Before the EDP dialogue, Eurostat had requested the Slovenian statistical authorities the list of PPPs, the list of concessions and SURS' analysis of their sector classification in the light of ESA 2010.

### *Discussion*

As a prudential approach and in view of the burden of analysing each contract, SURS said that all PPPs (according to ESA 2010 definition) are included on government balance sheet and reported in EDP questionnaire table 11.

The Slovenian Authorities further explained that PPPs are not common in Slovenia, and they are usually at local government level. All PPPs must be, by legislation, registered at the MoF.

The necessary information on identified PPPs have been collected by SURS with the annual investment (INV) survey, in which all government units had taken part. Special questions about PPP contracts (the related investment, the duration and the annual payments) have been included in the template of the INV survey. PPPs have been reported in business accounting as operational leases and investment expenditure as off balance. SURS explained that also a financial lease has been reported in general government accounts (as a P.51 recording). Four new contracts have been signed between 2019-2021 and they concerned kindergartens, gyms, and public lighting.

Eurostat thanked the Slovenian Authorities for the updated list of PPPs and asked whether there have been any developments as regards the plans presented in the 2019 EDP dialogue visit for improving the data collection for PPPs via the WGA data source available at the MoF. The Slovenian statistical authorities said that the project is ongoing and will inform Eurostat on further future developments.

Furthermore, Eurostat asked additional information on each concession included in the list provided before the EDP dialogue visit in order to assess the current recording in national accounts. The Slovenian Authorities explained that the list of concessions has been produced by the Ministry of Infrastructure, which distinguishes among the following types:

a) Concessions classified outside S.13 where the grantor was the central government and the concessionaire a public non-financial unit:

- DARS d.d. (one concession, 100% owned by S13) – construction and management of motorways, concession contract from 2004, duration 50 years, at the end of the contract the assets will be transferred to government, no concession fees, annual compensations for the right of superficies being paid; for more information, please see section 4.1.3.3.

- HESS d.o.o. (one concession, owned by several S11001 units) – construction of five hydroelectric power plants and use of water for electricity production, concession contract from 2002, duration 50 years, concession fees, at the end assets will be transferred to government.

- HSE d.o.o. (several concessions and other activities, 100% owned by S13) – construction of 9-12 hydroelectric power plants and use of water for electricity production, concession contract from 2020, it holds no assets yet.
- Private old people’s homes (concession and other activities, private ownership) – institutional care for the elderly, duration around 30 years.

b) Contracts of concessions classified inside S.13 where the grantor was the central government and the concessionaire a public non-financial unit reclassified into general government (the main source of income not coming from the final users):

- 2TDK d.o.o. (one concession, 100% owned by S13) - construction and management of railways, concession contract from 2019, duration 45 years, no concession fees, at the end assets transferred to government.
- INFRA d.o.o. (one concession, 100% owned by S13) - regulation of water, State and local infrastructure related to the construction of hydroelectric power plants, concession contract from 2004, duration 50 years, no concession fees.

c) Concessions classified outside S.13 of whose grantor was the local government and of whose concessionaire was a public non-financial unit:

- non-financial market units (different activities, different ownership) - construction of a treatment plant and a concession for wastewater treatment, several concession contracts from 2000–2008 with a duration of 25 years, concession fees.

Eurostat thanked Slovenian authorities for the information provided as regards the existing concessions in Slovenia and it recommended the Slovenian statistical authorities to add summary information on concessions in the EDP Inventory.

#### *Findings and conclusions*

Eurostat took note of the PPPs list available at SURS, all classified within government. Eurostat also took note of the list of concessions.

Eurostat recommended SURS to add in the EDP Inventory information about concessions. Please see action point 1 included in the section 1.2.3.

### **4.3.9. Energy performance contracts**

#### *Introduction*

Before the EDP dialogue visit, Eurostat had asked SURS to provide a list of the energy performance contracts (EPCs) and SURS analysis on their sector classification in the light of ESA 2010.

#### *Discussion*

SURS explained that the MoF and the Ministry of Infrastructure (MoI) are responsible for collecting information on EPCs at central and local government level. However, SURS has also established cooperation with local authorities, which have provided additional information about individual contracts. Eurostat recommended the Slovenian statistical authorities to include in the EDP Inventory more information about the data sources and the information collected on EPC.

As a prudential approach and in view of the burden of analysing each contract, SURS said that all the investments related to EPCs have been recorded on government balance



sheets since 2016, the first year when such contracts were detected. The contracts concerned renovation mainly of public buildings and schools.

Eurostat took note of the prudential approach followed in Slovenia. Nevertheless, it enquired the Slovenian authorities whether the EPC template, of which draft was discussed in the past with Eurostat, has been finalised. Slovenian authorities said that it will investigate its status and inform Eurostat.

#### *Findings and conclusions*

Eurostat took note of updated EPCs list available at SURS for which a related impact has been recorded in the government deficit and debt reported to Eurostat in the April 2022 EDP Notification.

### **4.3.10. Emission trading permits**

#### *Introduction*

In Slovenia, issuance of emission permits started in 2012. According to the Environmental Protection Act, SID Bank is authorised to act as official auctioneer of emission allowances in the name and on behalf of the Republic of Slovenia. In auctions organised by the joint auctioning system of EU members (the European Energy Exchange), SID Bank sells emission allowances on behalf of the Republic of Slovenia and transfers the proceeds to the account of the Republic of Slovenia. In the State budget, proceeds are recorded in balance A (revenues and expenditures of the State budget) under “proceeds from sales of property rights and other intangible fixed assets” and are earmarked as revenue of the Climate Fund.

In national accounts, proceeds are recorded as other tax on production (D.29). SURS uses the TAC method for calculating accrual as suggested by Eurostat in the 2019 EDP dialogue visit.

#### *Discussion*

SURS presented the current recording as reported to Eurostat in the April 2022 EDP notification. Revenue from the sale of emission trading permits has been recorded in government accounts as other tax on production (D.29). Its accrual value in the period from 2016 on has been calculated by time-forwarding cash value by one year. The difference between accrual and cash value has been recorded as F.89 receivable, although SURS agreed to record them as F.89 payable in the next EDP notification, following Eurostat’s recall of its recommendation in the context of the request for clarification of the 2020-2021 EDP notifications.

For the 2012–2015 period, there have been some differences in the recording. Accrual value had been calculated by summing up data from May year  $t$  to April year  $t+1$ , when the permits for the year  $t$  had to be submitted. SURS said that the 2012-2015 recording will be aligned with the recording for the current periods in one of the next revision rounds, at the latest in the 2024 benchmark revisions.

#### *Findings and conclusions*

Eurostat took note of the recording of ETS impact in government accounts and of SURS’s proposal to align the 12 months considered in the TAC method for the whole series at the latest in the next benchmark revision.

F.89 related to ETS will be shown on the liability side starting with the October 2022 EDP Notification. For more information, please see action point 16 and the related discussion included in section 4.2.1.

#### **4.3.11. Others: privatisation, UMTS, sale and leaseback operations, securitisation**

##### *Introduction*

Before the EDP dialogue visit, Eurostat asked SURS to draft a note on the other specific government transactions, both current (2018-2021) and future (if any): privatisations, UMTS, sale and leaseback operations, and securitisations.

##### *Discussion*

#### **Privatisations**

SURS informed that two privatisation cases exceeding 0.01% of GDP had been recorded in the government accounts between 2018 and 2021. In 2018, Nova Ljubljanska Banka had been sold for EUR 669.5 million (with the government retaining 25% of shares, percentage also valid at the end of 2021), and in 2020 Abanka had been sold (100%) for EUR 444,2 million, following the agreement with the European Commission reached in 2013-2014.

Eurostat took note of this information.

#### **UMTS**

UMTS recording from the October 2019 EDP notification was in line with Eurostat's Guidance Note on Mobile Phone Licences, exploration rights and other licences, published in 2017, for all years concerned. In Slovenia, UMTS licences were sold in 2001, 2002, 2006 and 2014, while in 2016 and 2021 radio frequencies were sold for the provision of mobile communication services. Since the 2019 EDP dialogue visit, a large amount from UMTS sale was recorded in 2021 (EUR 166 million). All transactions on licences were recorded as D.45 and F.89 for time differences.

#### **Sale and leaseback operations and securitisations**

According to the Slovenian statistical authorities, no operations relating to sale and leaseback and securitisations had taken place in Slovenia. Eurostat took note of this information.

##### *Findings and conclusions*

Eurostat thanked the Slovenian statistical authorities for the clarifications and information on privatisations, UMTS, sale and leaseback operations and securitisations in Slovenia.

### **5. ANY OTHER BUSINESS**

#### **5.1. ESA 2010 Transmission Programme, transmission of GFS data**

#### **5.2. Any other business**

No further issues were discussed.

# EDP dialogue visit to Slovenia

## Agenda

1. Statistical capacity issues
  - 1.1. Review of institutional responsibilities in the framework of the EDP data reporting and government finance statistics compilation
  - 1.2. Data sources and revision policy, EDP inventory
  - 1.3. Compliance with Council Directive 2011/85
2. Analysis of EDP tables – follow up of the April 2022 EDP Notification
3. Follow-up of the previous EDP dialogue visit
4. Methodological issues and recording of specific government transactions
  - 4.1. Delimitation of general government, application of the 50% rule in national accounts
    - 4.1.1. Changes in sector classification since the 2019 EDP dialog visit
    - 4.1.2. Government controlled entities classified outside the general government
    - 4.1.3. Sector classification of specific entities
    - 4.1.4. Re-routed transactions, assets and liabilities through government accounts
  - 4.2. Implementation of accrual principle
    - 4.2.1. Taxes and social contributions, tax credits
    - 4.2.2. Interest
    - 4.2.3. EU flows
    - 4.2.4. Military expenditure
    - 4.2.5. Court decisions
  - 4.3. Recording of specific government transactions
    - 4.3.1. Government intervention to support financial institutions
    - 4.3.2. Guarantees
    - 4.3.3. Debt assumptions, debt cancellations, debt write-offs and government claims
    - 4.3.4. Capital injections in public corporations
    - 4.3.5. Dividends, super dividend
    - 4.3.6. Financial derivatives
    - 4.3.7. Public Private Partnership and concessions
    - 4.3.8. Energy performance contract
    - 4.3.9. Emission trading permits
    - 4.3.10. Others: privatisation, UMTS, sale and leaseback operations, securitisation
5. Any other business
  - 5.1. ESA 2010 Transmission programme, transmission of GFS data
  - 5.2. Any other business

## **List of participants**

### **National Statistical Office**

Ms Mojca Škrlec (Head of Macroeconomic Statistics)

Ms Karmen Hren

Ms Marjana Klinar

### **National Central Bank**

Ms Saša Kovačič

### **Ministry of Finance**

Mr Peter Štemberger

Mr Anže Podnar

Mr Josip Mihalic

Mr Matej Čepeljnik

Mr Leo Knez

Ms Katarina Koler

### **Ministry of Infrastructure**

Ms Anita Goršek

### **EUROSTAT**

Ms Gita Bergere

Mr Philippe de Rougemont

Ms Daniela Comini

Ms Nicoleta Savu

### **DG ECFIN**

Mr Mitja Košmrl

### **ECB**

Ms Dagmar Hartwig Lojsch