



EUROPEAN COMMISSION  
EUROSTAT

Directorate D: Government Finance Statistics (GFS) and quality

Luxembourg, 15 September 2017

## **FINAL FINDINGS**

### **EDP standard dialogue visit to Greece**

**31 January - 01 February 2017**

## **Executive summary**

Eurostat undertook a standard EDP dialogue visit to Greece on 31 January – 1 February 2017. The main aim of this dialogue visit was to discuss methodological issues and specific government transactions in the light of the implementation of the ESA2010 methodology and the provisions of the ESA 2010 Manual on Government Deficit and Debt. Particular attention was given to some sector classification issues and bank recapitalisation operations, as well as some specific contractual arrangements of PPPs and concessions. In addition, data sources for the EDP data compilation were reviewed and some issues raised in the context of the previous EDP visits were further clarified.

First, the institutional arrangements currently in place were discussed. Eurostat took note of the Memorandum of understanding update progress.

Second, the progress made in strengthening existing or creating new data sources was discussed. Eurostat took note of the new data source for concessions and the progress made in establishing and using KOMVOS database for the local government sub-sector, covering non-financial transactions. The EETAA and KOMVOS data sources will be used in parallel until the financial data is included in KOMVOS. Eurostat was also informed about the introduction by GAO of the new monthly data source for SSF. The progress made in building up the register of local government controlled units was reviewed. It has been concluded that the ESA2010 EDP Inventory is close to completion and that after some further editing a final text could be made public.

On the discrepancies between the ESA quarterly financial accounts and EDP reporting, the Bank of Greece (BoG) will reclassify TEKE and CDLF inside sector S.13 in the April 2017 EDP notification. Eurostat stressed the importance of consistency in GFS reporting in terms of sector classification and treatment of transactions in financial and non-financial accounts.

As regards statistical discrepancies, observable on a unit by unit basis, the discussion will continue once updated data will be provided to Eurostat. Eurostat took note that part of the discrepancies might be caused by non-availability of information on holding gains/losses in the survey data. Eurostat also pointed out that the splitting of the Common capital investment should be done consistently for all the subsectors. The Greek statistical authorities were asked to explain further the accounting basis of the public institutions, as well as to provide the chart of accounts.

The few remaining issues from the October 2016 EDP notification were clarified. Further clarifications were asked on the adjustment for the balance of Treasury accounts in table 2A. Explanations will be provided on any future corrections for the 2012-2015 figures as well as for the amounts reported for 2016.

Eurostat noted, that taking into account the significant amount of data provided on the side of the notified tables, the detail coverage of the EDP Questionnaire could be improved considerably.

A number of operations undertaken by TAIPED were discussed with the Greek statistical authorities. The need to establish structured communication between ELSTAT and TAIPED

was emphasized. ELSTAT has to be provided with up to date information on new concession agreements as well as on changes to existing contracts so that their impact will be captured appropriately in the deficit and debt figures. ELSTAT was asked to analyse a number of projects and report back to Eurostat on: the concession for the 14 regional airports, the extension of the AIA concession.

The Hellinikon transaction (taking into account the economic substance and to what extent the sale of shares might include an element linked to the sale of land), the current recording of the assets in national accounts in the ongoing concession for the exploitation of Piraeus Port, the unbundling of ADMIE and the restructuring of government holdings in PPC.

The discussion continued on the application of the ESA2010 sector classification rules. Particular attention was paid to the sector classification of the newly created entities HCAP and EDIS. It has been agreed that ELSTAT will classify these two units inside the general government sector. The nature and the practical implementation of the sector classification rules for the Institution for Growth in Greece and Public Properties Co were also discussed. Further analysis of these units is expected from ELSTAT.

The Greek statistical authorities were asked to investigate the possible holding of shares by SSF and to update the questionnaire on government controlled units with the missing information.

On the implementation of the accrual principle the delays in clearing tax refunds observed in 2015 was discussed. ELSTAT will investigate whether there is a need for an introduction of a time adjustment for tax refunds. The offsetting of government claims against corporations with their tax liabilities, when there is no cash flow, was discussed. Further information on this issue and amounts for 2016 was asked from GAO.

The reporting of discounts on T-bills in EDP tables 3 was discussed. The PDMA was asked to provide further details and fill in the Questionnaire on the recording of interest.

Concerning transactions undertaken in the context of financial crisis, government interventions into National bank of Greece (NBG) and Piraeus banks were followed up. It has been agreed that following the rules on capital injections in the light of privatisation, the amount of 2.029 billion of the NBG CoCos, which in the previous EDP transmission has been recorded as a capital transfer, should be considered as a financial transaction of equity, thus improving the B.9 in 2015. In the context of the 2015 capital injections into the above banks, Eurostat agreed with ELSTAT's updated calculation on 'apportioned losses', which took into account bondholders' losses. Further considerations will be given to the statistical treatment of payments received in 2016 on the CoCos in 2015, on whether, and how, to apply the super-dividend test.

As regards the PPP projects, the two new contracts were discussed with the Greek statistical authorities in the view to apply the Guide to the Statistical treatment of PPPs. Eurostat asked for confirmation that the new PPP contracts are identical to the already analysed contract of Central Macedonia and for the new formulation of the refinancing clauses.

The situation with the EPCs and concessions was reviewed. ELSTAT's analysis was asked on the concession contract for the Kastelli-Heraklion airport.

On the derivative transactions, the non-availability of information for other central government bodies was noted and the entries in EDP table 3 resulting from the unwinding of swaps were clarified. The Greek statistical authorities will monitor any development related Goldman Sachs swap and to collateral exchanges between the NBG and the Hellenic Republic.

Eurostat appreciates the information provided by Greek Statistical Authorities prior and during the EDP standard dialogue visit. Eurostat also thanks the Greek statistical authorities for their co-operation during the EDP visit as well as during the videoconference and considers that the discussions were productive.

## **Final findings**

### **Introduction**

In accordance with Council Regulation (EC) No 479/2009 of 25 May 2009, as amended, 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 Greece on 31 January – 1 February 2017.

The delegation of Eurostat was headed by Ms Lena Frej Ohlsson, Head of Unit D-2 Excessive Deficit Procedure (EDP) I. Eurostat was also represented by Mr Luca Ascoli, Mr Philippe de Rougemont, Ms Lourdes Prado Ureña and Ms Rasa Jurkonienė. Representatives of DG ECFIN, the European Central Bank (ECB) and the International Monetary Fund (IMF) also participated in the meeting as observers. The Greek authorities were represented by the Statistical Office (ELSTAT), the General Accounting Office of the Ministry of Finance (GAO) and the Bank of Greece (BoG). In addition, representatives from the following entities participated in the discussion for some specific points in the agenda: the Public Debt Management Agency (PDMA), the Ministry of Infrastructure and Transport, the Greek Single Payment Authority (G-SPA) and the Special Secretariat for PPPs of the Ministry of Development. The expert providing technical assistance to ELSTAT also participated in the visit.

A few technical issues that were not covered in the EDP dialogue visit were followed-up by Eurostat and ELSTAT via videoconference on 1-2 March 2017. The Greek authorities were represented by the Statistical Office (ELSTAT), the Bank of Greece (BoG) and the Greek Single Payment Authority (G-SPA). A representative from DG ECFIN was following the videoconference as observer. The conclusions from the videoconference are included in these findings.

The previous Eurostat EDP dialogue visit to Greece took place on 17-19 February 2016 (Part I) and 22-24 March 2016 (Part II). An ad-hoc visit was undertaken by Eurostat on 27-28 June 2016.

Eurostat carried out this EDP dialogue visit in order to review data sources for the EDP data compilation, to clarify some sector classification issues as well as some specific contractual arrangements of PPPs and concessions; to review the implementation of the ESA 2010 methodology in the recording of some specific government transactions, in particular relating to the bank recapitalisations.

With regard to procedural arrangements, the Main conclusions and action points would be sent to Greece for review. Then, within weeks, the Provisional findings would be sent to Greece for review. After this, the Final Findings will be sent to Greece and the Economic and Financial Committee (EFC) and published on the website of Eurostat.

Eurostat appreciated the information provided by the Greek statistical authorities prior and during the EDP dialogue visit. Eurostat also thanks the Greek statistical authorities for the co-operation during the mission.

## 1. STATISTICAL INSTITUTIONAL ISSUES

### 1.1. Institutional responsibilities in the framework of the compilation and reporting of EDP and government finance statistics

#### *Introduction*

Eurostat enquired on the progress on updating the Memorandum of Understanding (MoU) between the institutions involved in the EDP.

#### *Discussion*

The Greek statistical authorities informed Eurostat, that the draft text of the new Memorandum of Understanding was sent for comments to GAO and to the BoG. The comments were received in November and December 2016 respectively. ELSTAT considers that there is a need for further discussions so that the cooperation between these three institutions could be defined in detail and the agreement on the final text could be reached. On Eurostat's question on the foreseen time frame, ELSTAT answered that the process is lengthy and the task is time consuming. Bilateral discussions will be held first and then they will be followed by meetings of the three parties together. According to ELSTAT estimations, it could be realistic to finalise the work on the MoU before October 2017 EDP notification. Eurostat took note of this.

Eurostat noted that cooperation between the institutions is essential, and that it is already foreseen in the existing 2010 MoU. Moreover, the absence of an updated MoU, or the fact that some requested data are not listed explicitly in the MoU does not mean that there is no obligation to cooperate and/or provide the data.

In addition, Eurostat enquired on the non-availability of the English version of MoU in ELSTAT's web page, which was available before. ELSTAT explained that the English text will be made available soon.

#### *Findings and conclusions*

- (1) Eurostat took note of the current progress on the Memorandum of Understanding between GAO, ELSTAT and the BoG. ELSTAT will send to Eurostat an updated MoU once available. *Deadline: October 2017<sup>1</sup>*.

### 1.2. Data sources and revision policy

#### 1.2.1. Changes in data sources and revision policy

#### *Introduction*

Eurostat enquired about any changes in the existing data sources as well as any new developments in establishing new data sources.

---

<sup>1</sup> Information on the current situation was provided to Eurostat on 11/08/2017.

## *Discussion*

Eurostat enquired on how data sources are established for the units newly reclassified inside general government. ELSTAT explained that these units have an obligation to fill in both quarterly and annual online surveys and official letters informing them on their new reporting responsibilities are being sent by the Public Sector Surveys Section. Standard surveys are being filled in by the so called other central government bodies (S.1311.2), local government and social security funds units, whereas a specific, tailor made questionnaire is being sent to TEKE.

ELSTAT informed Eurostat on the new arrangements on data collection for concessions starting on March 2016 where contacts with the Ministry of Infrastructure (responsible for concessions) have been established. ELSTAT is also in contact with Ministry of Finance (responsible for PPPs). Data for both PPPs and concessions is collected on a quarterly basis.

## *Local government data sources*

Following up on discussions held in the previous EDP visits, Eurostat asked about the usage of the new KOMVOS database and the old database EETAA. ELSTAT explained that the KOMVOS data collection system is being used for the non-financial transactions. KOMVOS is a more advanced data collection system, and includes more detailed information as the data is presented using four digit codes for revenue and expenditure items (the old database operated on the two digit codes). As regards the financial stocks and flows, they are not included in KOMVOS, so for financial data EETAA database is still being used. ELSTAT informed Eurostat about the plans to include financial data – stocks and transactions into KOMVOS database.

As regards forthcoming EDP notification, ELSTAT explained that first data for the year 2016 will become available via KOMVOS in March 2017, so it will be used in the April 2017 EDP notification. Also quarterly data for 2016 was compiled using already KOMVOS data. In terms of timelines KOMVOS is not providing data sooner than it was available under EETAA (40 days after the end of the period), but the level of detailed however has improved.

## *List of local government units and units controlled by local government*

ELSTAT explained that the work of building up a comprehensive register of local government companies continues and that the improved register now includes more local government units operating under private law.

Regions have legal obligations to keep a register of units. After requesting this register data, ELSTAT managed to include some further units in its own Register.

As regards public utility companies, they will be reclassified inside local government, mainly due to the lack of autonomy of decisions. Moreover, this is an ongoing procedure and more public utility companies may be reclassified in S.1313.

The Greek Audit Office has recently found a specific group of units operating under public law – school commissions. There should be around 700 of such entities. In terms of non-

financial transactions, school commissions receive transfers from Municipalities (amounting to around 100 million EUR per year) to pay their utility bills. Eurostat asked whether school commissions fulfil the criteria to be considered as institutional units, whether those units have separate bank accounts, and whether they produce financial statements. ELSTAT explained that, in fact, these units act like agents and that their legal framework and activities have to be examined further.

Eurostat asked about the status of the figures reported under the line “*Net borrowing (-) or net lending (+) of other local government bodies*” in EDP table 2C. ELSTAT clarified that, in fact, the B.9 reported in this line is a cash balance, without other accounts receivable/payable. The accrual adjustments for these other local government bodies are thus done under the lines for receivables/payables. Eurostat took note that the EDP table 2C adjustment lines “Other accounts receivable (+)” and “Other accounts payable (-)” include F.8 not only relating to the main local government entity (S.1313.1) but also to other local government bodies (S.1313.2).

#### *Social Security Funds (SSF) data sources*

ELSTAT informed Eurostat about the new monthly data source for SSF newly launched by GAO. This database will allow for better timelines, will have more analytical data and will reduce the burden for the reporting entities. For the time being, ELSTAT intends to keep their survey in parallel, however, once the GAO data source is fully implemented, there might be considerations to abolish ELSTAT’s survey on SSF. Eurostat enquired whether the new data source includes financial flows and stocks. ELSTAT answered that, at this stage, it is not clear whether the new data base will include financial data. Eurostat stressed the importance of the availability of the integrated data sources. Eurostat also explained that the aim to decrease the reporting burden for entities should not come at the cost of not having integrated financial flow and balance sheet data, furthermore the fact that some information on the financial side is available in money and banking statistics should not preclude units reporting their full financial statements. ELSTAT confirmed that, financial data will be collected, if not via GAO, then by the current Social Security Funds survey continuing running in parallel.

#### *Findings and conclusions*

- (2) With respect to local government data compilation, Eurostat took note of the progress made with using the KOMVOS database of the Ministry of Interior. Eurostat encouraged the Greek authorities to extend KOMVOS, by including financial data (transactions and balance sheets), which are crucial information (including for cross-checking purposes) and which may also allow eventually abandoning the current local government EETAA survey. *Deadline:* Progress report – November 2017<sup>2</sup>.
- (3) With respect to SSF data compilation, Eurostat took note of the progress made with the new GAO monthly database. Eurostat also encouraged GAO to include financial data (transactions and balance sheets) as well as the active

---

<sup>2</sup> An email on the issue was sent to Eurostat on 16/03/2017.



exploitation of this database by ELSTAT. *Deadline: Progress report – November 2017.*

- (4) In relation to the work undertaken by ELSTAT to establish a complete register of units of local government, Eurostat encourages ELSTAT to progress so that all the units are properly captured in government deficit and debt. *Deadline: continuous. Progress Report – October 2017.*

### **1.2.2. EDP Inventory**

#### *Introduction*

The current situation with the update of ESA 2010 *EDP inventory of the methods, procedures and sources used for the compilation of deficit and debt data and the underlying government sector accounts* (EDP Inventory) were discussed under this point of the agenda.

#### *Discussion*

Following up on the action point from February 2016 EDP visit, the Greek statistical authorities have provided an updated ESA 2010 EDP Inventory to Eurostat for comments. Eurostat sent its comments just before this EDP visit. Eurostat thought that generally the current text of the EDP Inventory provides good level of details and overall it should not require a lot of effort to finalise the text. However in some parts, further editing could be useful, and some further explanations or longer descriptions could be provided. This applies, among others, to the data sources and the compilation of financial accounts and B.9f and the adjustment lines in EDP tables 2A-D. ELSTAT explained that their intention is to work on the update following Eurostat's comments and to produce a final version ready to be published. ELSTAT clarified that, as regards the number of units, mentioned in the text, this refers to the situation as of October 2016.

#### *Findings and conclusions*

- (5) ELSTAT will finalize the EDP Inventory in order to have it published before the summer. *Deadline: June 2017<sup>3</sup>.*

### **1.2.3. Progress on the work reducing statistical discrepancies**

#### *Introduction*

Statistical discrepancies have been discussed extensively in the previous EDP visits. The discussion continued on the existence of discrepancies on entity by entity basis and overall discrepancies for government sub-sectors.

#### *Discussion*

The issue of the Greek financial accounts (ESA table 27) was discussed under this point of the agenda. Eurostat stressed that after the CMFB consultation on TEKE, when clearly the majority of votes were for the reclassification of the unit inside the general government, BoG will implement this in QFAGG data. The BoG confirmed this and also the reply

---

<sup>3</sup> The EDP Inventory was provided to Eurostat on 27/07/2017.

provided in the previous QFAGG reporting, that the reclassification of TEKE and CDLF will be done for the April 2017 EDP notification.

Eurostat stressed the importance of having the same coverage of units, as well as the same classification of transactions in both non-financial and financial accounts.

The BoG did not specify further whether the reclassification will be reflected also in the quarterly data and indicated that there are some technical and also legal issues, as the BoG cannot disclose data on deposits for these two institutions. Eurostat emphasised the need to ensure that the years of reclassification of CDLF and of TEKE were identical between EDP tables and ESA table 27, judging that the argument put forward to justify a difference (relating to an indirect break in statistical confidentiality) was against commonly agreed statistical compilation principles and was thus irrelevant.

ELSTAT explained that recent exercises of compiling EDP table 3 from the surveys data have been very burdensome. As the surveys do not contain certain transaction codes, it is difficult to achieve consistency. Also the common capital figures are at market value, contributing to the problems of full reconciliation. Eurostat took note of these limitations; nevertheless Eurostat thought that in the future survey data could be used for crosschecking the BoG information.

ELSTAT also pointed out that the disaggregated debt data, previously made available by the PDMA, and used to cross check debt database, was not sent to ELSTAT for the years 2015 and 2016. Eurostat thought that the data transmission should be restored.

The nature of the working balance of the EDP table 2D was clarified under this point. Contrary to what could be expected, the working balance in the EDP table 2D is not the balance of inflows and outflows of the social security funds. It represents in fact a sum of some of the sub-accounts further adjusted by the ELSTAT. For example, all codes representing financial flows are excluded. Eurostat explained that, ideally, the preference is to have a purer working balance and to observe the adjustments implemented within the EDP table. Eurostat thought that for transparency reasons, a comment should be inserted in the EDP table 2D, indicating the precise compilation formula used for the working balance of social security funds (SSF).

#### Vertical discrepancies by unit

Detailed tables on discrepancies on a unit by unit basis covering other central government bodies, public hospitals and social security funds were provided prior to visit to Eurostat as a follow up of AP13 from the June 2016 EDP visit.

As regards Social Security Funds, Eurostat provided its consideration on the possible sources for statistical discrepancies. One of the reasons for discrepancies could be the structure of the survey gathering data and the accounting basis of the units in question. For example there could be an issue if only inflows and outflows are monitored and no data on cash of equivalent asset is collected. Another source for discrepancy, especially for the SSF sub-sector, is the common capital, the differences in existing accounting classification and the statistical classification. Further issue could arise in case checks are widely used: the

recording basis might be different if inflows/outflows are recorded on a check cashed basis or (on the contrary) on a check issuance basis. The Greek statistical authorities explained that, in the case of SSF, the check issue is not really relevant, as payments are mainly made by bank transfers.

Eurostat noted that, generally, on a unit basis it is possible to reconcile the accounts of the entity with the cash statement from a bank account. Eurostat asked whether all public units in Greece follow double entry accounting. The Greek statistical authorities explained that the entities that are following chart of accounts of public entities have double entry accounting. However, a number of entities under public law, have simple cash accounting. Eurostat explained that the first step would be to understand which source is causing discrepancy and then try to solve it. In case there is an understanding that SSF discrepancies are caused by revaluation effects, additional questions could be added to the survey or alternatively, implicit holding gains/losses could be calculated on the whole portfolio and then distributed adequately. Eurostat noted that given that the holding gain on the total stock is known, and the stock is known, the issue is to approximate the holding gains per each unit's holdings. This exercise will allow decreasing discrepancies on unit level. The Greek statistical authorities explained that, so far, BoG data is received by sub-sector, thus it should be investigated whether data on a unit by unit basis is available and could be provided to ELSTAT.

On the detailed file of OCGB, Eurostat made some comments on the structure of the tables. It is not always clear why in some cases there are no figures for B.9 or for B.9f, also whether some zeros may refer to a non-response. For some units discrepancies seem rather big. The Greek statistical authorities explained that after the data provision to Eurostat in the context of the action point, the work continued, and some discrepancies on the unit basis were further analysed and consequently decreased. Updated information was available. Eurostat asked for the updated file.

As regards public hospitals, Eurostat enquired whether all hospitals are on the same accounting basis. The Greek statistical authorities explained that, a majority of hospitals follow the public accounting system, which is close to a cash basis. A few big hospitals, on the other hand, follow the general chart of accounts and have double entry accounting systems. Eurostat asked the Greek statistical authorities to send a current version of the chart of accounts applicable to public institutions (and to the State). Eurostat took note that some public entities follow double entry accounting and asked for the note summarising the situation in Greece.

#### *Findings and conclusions*

- (6) ELSTAT will insert a comment in EDP table 2D, indicating the compilation formula used for the working balance of SSF. *Deadline: April 2017 EDP notification*<sup>4</sup>.

---

<sup>4</sup> AP implemented in the April 2017 EDP notification

- (7) As done for earlier years, PDMA will provide disaggregated debt data to ELSTAT for the years 2015 and 2016, to be used for crosschecking the debt database. *Deadline: By February 2017*<sup>5</sup>.
- (8) BoG will reclassify TEKE and CDLF inside GG in the quarterly ESA accounts to be transmitted by the April 2017 EDP notification. In this context, Eurostat stressed the importance of maintaining consistency in terms of sector classification and classification of transactions in both financial and non-financial accounts. *Deadline: April 2017 EDP notification*<sup>6</sup>.
- (9) As regards the statistical discrepancies, observable on a unit by unit basis, updated information will be provided to Eurostat, reflecting more recent information as well as the comments made by Eurostat. *Deadline: April 2017 notification*<sup>7</sup>.
- (10) ELSTAT will estimate the implicit holding gains on assets of the EBFs, SSF, and LG units, where applicable, using survey data on the stock of claims as well as the BoG data on holding gains of the total portfolio held in Common Capital, and thereby calculate an 'adjusted code 7000'. *Deadline: from June 2017*<sup>8</sup>.
- (11) ELSTAT will provide to Eurostat a note explaining the accounting basis of the public institutions in general, and to confirm whether it follows a double entry accounting system, or not. *Deadline: April 2017 EDP notification*<sup>9</sup>.
- (12) ELSTAT will send to Eurostat the current version of the chart of accounts applicable to public institutions (and to the State). *Deadline: April 2017 EDP notification*<sup>10</sup>.

## **2. FOLLOW-UP OF THE EDP VISITS OF 2016**

### **2.1. Adjustments for Treasury accounts**

#### *Introduction*

The issue of Treasury accounts was discussed with the Greek statistical authorities for a long time. It was discussed already in the missions of 2008. However since then the data sources have not improved significantly.

In the April 2016 EDP notification Eurostat questioned the significant amounts reported for 2015 (EUR 506 mn) as compared to previous years, where amounts were quite stable. In the October 2016 EDP notification, the adjustment for Treasury accounts reported in EDP table 2A1 (line G2) was revised compared to the April 2016 figure, by excluding amounts

---

<sup>5</sup> AP implemented

<sup>6</sup> The reclassifications in ESA table 27 were undertaken in the April 2017 EDP notification, however due to other issues full alignment between QFAGG and EDP data is not ensured.

<sup>7</sup> Information was provided to Eurostat on 12/04/2017. AP implemented.

<sup>8</sup> AP not yet implemented.

<sup>9</sup> AP not yet implemented

<sup>10</sup> AP implemented. Information was provided to Eurostat on 30/06/2017.

seemingly referring to military equipment. This change was undertaken pending a more detailed analysis by GAO.

### *Discussion*

Eurostat recalled the issue with the reporting of balances of Treasury accounts in the last EDP notification (item G.2 in EDP table 2A). Eurostat asked about the results of the investigations and what the situation will be in the April 2017 EDP notification. The Greek statistical authorities explained that the double counting of military equipment will not happen, however their analysis showed that some mistakes occurred in October 2016 and will have to be corrected. The correction of the mistake might mean reverting to the April 2016 figure. Eurostat thought that more details are needed on this adjustment line, namely the reasons and justification of the revision of 2015 figure and the detailed explanation of the 2016 figure. GAO was invited to provide a note explaining the above points in detail.

Eurostat enquired on the nature of the Treasury accounts: whether they are internal Treasury accounts, or, instead, they are sub-bank accounts of the Single Treasury Account (account 28) at the BoG. The Greek statistical authorities will clarify this.

Eurostat recalled that the issue of Treasury accounts was discussed in the dialogue visits since 2008, and stressed the importance to make progress in analysing the numerous items of Treasury accounts and classifying them according to their nature: financial, non-financial, impacting B.9, impacting debt.

### *Findings and conclusions*

- (13) Eurostat invites ELSTAT to undertake further work to clarify the adjustment for the balance of Treasury accounts in table 2A (item G2). GAO will provide a note explaining the latest developments, the corrections to be undertaken in the next notification, and a detailed explanation of the 2016 figure. *Deadline: April 2017 EDP notification*<sup>11</sup>.
- (14) The Statistical authorities will clarify to what extent the Treasury accounts (or which ones thereof) represent sub-bank-accounts of the Single Treasury Account (account 28) of the State at the BoG, or represent internal accounts. *Deadline: April 2017 notification*<sup>12</sup>.
- (15) Eurostat recalled a need for the Statistical authorities (mostly GAO and BoG) to complete the analysis and classification of Treasury accounts according to their nature (i.e. impacting B.9, the debt, or being financial in nature). *Deadline: October 2017 notification.*

## **2.2. Practical issues in relation to the reclassifications of:**

- Consignment Deposits & Loans Fund (CDLF) (consignment, interest, fisim and investment in bonds/repos)

---

<sup>11</sup> AP implemented

<sup>12</sup> AP implemented

## *Introduction*

A brief discussion on the outstanding issues took place under this point of the agenda.

## *Discussion*

The Greek statistical authorities explained that currently no information is available on the non-performing loans (NPLs) of CDLF. What is known to ELSTAT is the amount of provisions on the NPLs reported in the CDLF accounts. ELSTAT also confirmed that CDLF's NPLs do not concern public entities liabilities, but only private entities liabilities. Currently interest on the NPLs is accruing. The amounts however are not significant (around 25 million EUR yearly). It was confirmed that a further discussion on the accrued interest on the non-performing loans was planned in the Methodological Task Force.

As regards the consignment, it has been confirmed by ELSTAT that it is recorded in the debt as AF.2. Eurostat agrees with this recording, pending further clarifications in the Methodological Task Force.

The issue of the split of CDLF investments in the Common Capital between F.2, F.3 and F.4 was briefly touched upon. Eurostat pointed out that, in general, the profile for splitting investments of SSF, local government and for example CDLF should be the same, unless there are good reasons to divert. ELSTAT explained that SSF made net investments in the first quarter, whereas CDLF mostly in the fourth quarter. ELSTAT explained that, as regards stocks of CDLF investment, the data was provided directly by the BoG. Eurostat enquired what exactly is provided by the BoG; only total stocks or also the apportioned amounts. It has been agreed that the working file from the BoG will be provided to Eurostat.

## *Findings and conclusions*

- (16) ELSTAT will provide Eurostat with the estimate of the amounts of non-performing loans (NPL) of CDLF, as well as the amounts of accrued interest on these NPL. *Deadline: June 2017*<sup>13</sup>.
- (17) In the context of the work of the MGDD Task force, ELSTAT and Eurostat will investigate the appropriateness of accruing interest on non-performing loans. *Deadline: October 2017*<sup>14</sup>.
- (18) Eurostat recalled the current practice of adjusting survey data on financial assets transactions for net placements in Common Capital, splitting net investment flows as F.2/F.3/F.4. Eurostat see no objections to this practice as long as this adjustment is soundly compiled and sufficiently documented. In particular, BoG and ELSTAT will ensure that the statistical adjustments related to Common Capital are consistent or plausible across subsectors. *Deadline: April 2017 EDP notification*<sup>15</sup>.

---

<sup>13</sup> Information was provided to Eurostat on 07/06/2017. AP implemented.

<sup>14</sup> The issue was discussed in the Methodological TF meeting on 11-12 May 2017.

<sup>15</sup> Some information was received on 07/04/2017.

- (19) Eurostat asked BoG to send (through ELSTAT or with ELSTAT in copy) the detailed working tables on Common Capital. *Deadline: April 2017 EDP notification*<sup>16</sup>.

- TEKE (refundable contributions and contributions to the Single Resolution Board (SRB))

### *Introduction*

The issue of the contributions collected by TEKE was discussed.

### *Discussion*

Eurostat asked the Greek statistical authorities to quantify the contributions collected by TEKE in 2015 and to specify what part referred to the so called refundable contributions and what part was collected with the aim to be transferred to the SRB. The Greek statistical authorities explained that, all in all, 306 million EUR were collected in 2015 by TEKE, of which 92 million EUR referred to the ex-ante contributions to the SRB. All contributions collected were currently recorded as a national tax (D.29). Some tax revenue was offset by the resolution interventions that were recorded as D.99. The Greek statistical authorities explained that in fact in 2016 TEKE transferred 27 million EUR to the SRB and that this amount referred to the 2015 contributions. The national accounts will be revised for TEKE in the next EDP notification, by recording D.9 payable with a counterpart in F.8, corresponding to the SRB contributions so that the neutral impact on the B.9 would be ensured in both 2015 and 2016.

### *Findings and conclusions*

- (20) ELSTAT will amend the 2015 national account for TEKE (with a capital transfer expenditure matched with a payable to the EU), for the 27 million euros pertaining to year 2015 that were passed to the SRF in 2016. *Deadline: April 2017*<sup>17</sup>.

## **2.3. Progress report on TAIPED transactions (regional airports, AIA, Hellinikon, Piraeus Port Authority)**

### *Introduction*

A number of transactions involving TAIPED have been discussed in the previous EDP visits. Under this point of the agenda Eurostat followed up on previous discussions with the view to assess the potential impact on government accounts in 2016.

### *Discussion*

ELSTAT has informed Eurostat that steps were taken to strengthen communication with TAIPED. Eurostat stressed the importance for ELSTAT to get access to all relevant information on all TAIPED transactions (both new transactions and changes to the existing ones) as they might have a direct impact on government accounts. Eurostat also suggested formalising the communication by asking TAIPED to nominate a contact person for regular exchange of information with ELSTAT.

---

<sup>16</sup> Information was provided to Eurostat on 13/03/2017

<sup>17</sup> AP implemented in the April 2017 EDP notification

The Greek authorities informed Eurostat on the current changes as regards TAIPED (HRADF) incorporation in the holding structure of the HCAP. The Law prescribes that, until the legal provisions on the mother company (HCAP) are finalized and the unit starts operations, the subsidiaries continue their work as usual. For the moment there were no changes to the day to day activities of TAIPED. It is still not very clear what will be the tasks of the mother company. Naturally some accountability from the subsidiaries is expected and it might be that the mother company's consent on certain actions/projects could be needed. Eurostat took note of this information.

### Regional airports

ELSTAT recalled that there are two concession agreements each covering a cluster of 7 regional airports. The contracts foresee that the concessionaire will pay an upfront fee as well as annual fee. Eurostat asked whether the concessions have started and whether payments were made. ELSTAT explained that, to their knowledge, there has not been any upfront payment yet, as the concessions have not started yet. The Greek statistical authorities explained that the concession contracts have been signed and that they have been ratified by Law. However, both contracting parties have to fulfil certain conditions, for the contracts to enter into force. The Law on concessions foresees that payment of any fees is related to the closing of the financing clause. So far the financial clause of the project has not been finalised: it is expected to happen in March 2017. ELSTAT will review the recording of the payment of the upfront fee to clarify if this impact for its full amount the government deficit at inception, or it will be spread over the life of the contract (40 years).

The Greek authorities explained that investments by the concessionaire are foreseen in these contracts. The contract specifications foresee an asset meeting IATA standards. It is difficult to judge on the exact investment costs, however, according to estimations, they might reach 300 million EUR. The construction phase should last the first four years. The investment will involve both building new assets and renovating existing assets. Eurostat stressed the importance for ELSTAT to get timely information on the undertaken construction/renovation.

### Athens International Airport (AIA)

Eurostat enquired on the state of play on the prolongation of concession for AIA. Eurostat asked whether the extension of the contract will entail a simple extension of the date or if it will constitute substantial modification of the existing contract. If the latter is the case, having in mind that the concessionaire is a public company, there might be some deficit and debt implications. The Greek authorities explained that, in fact, the extension should not be seen as retendering, but only extension of the existing concession, as main conditions will not be renegotiated. However, a sale of AIA shares is foreseen, so it might be that the concessionaire will not be a public company anymore. The prolongation of the concession would also entail some fees. ELSTAT was invited to closely monitor the issue and to report to Eurostat once information becomes available.



### Hellinikon

Hellinikon SA is a Special Purpose Vehicle, established in 2011 for the management and development of the land and facilities of the former Athens Airport. Hellinikon SA has been privatised and a Share Sale and Purchase Agreement (SPA) was signed in 2014. The Greek statistical authorities explained the essence of the Hellinikon transaction. Under the deal, *Lamda Development SA* will acquire 100% of Hellinikon shares. It will also get ownership over 30% of the site (land) as well as right to lease the whole site for 99 years.

The Greek authorities explained that the transaction has not been finalised yet, as some environmental approval is still needed. After the financial closing is achieved, *the Hellenic Republic Asset Development Fund* (HRADF) will receive 300 million EUR. The total value of the transaction is foreseen to reach 950 million EUR. The contract foresees also that HRADF has the right to 30% of proceeds of the company that are above a certain limit, (so called *earn out right*), after seven years since contract commencement date.

Eurostat noted, that more information on this transaction should be made available to ELSTAT. Legally the deal looks like privatization (sale of shares). However, in substance, it involved sale of assets (land) and a lease contract for 99 years. The question is how this transaction should be interpreted in national accounts, where an economic substance is the main criterion to judge. The Greek authorities explained that legal ownership of the land is with the Greek government and TAIPED/HRADF. Hellinikon did not own the land; it had exploitation rights over land and was managing the site. The sale of 30% of land will give the investor full ownership of their land, it could resale it or rent.

The Greek authorities confirmed that this operation has not been finalised yet, and that no cash flows were observed in 2016. The goal is to finalise by December 2017.

Eurostat noted that it seems that two transactions are happening at the same time, sale of financial asset and a sale of non-financial asset. Further details on this operation are needed; including the valuation of the land. ELSTAT will monitor the transaction and provide to Eurostat an analysis on how it should be reflected in national accounts.

### Piraeus Port Authority

The Piraeus Port Authority (OLP SA) is a publicly owned company that under a concession agreement is using and developing the land, buildings and facilities of the Piraeus Port. OLP has been included in the portfolio of the HRADF for privatization. The Greek authorities explained that 67 per cent of the share capital of OLP was sold to foreign investors under the share and purchase agreement in 2016. The agreement foresees that 51% of shares are transferred against cash at inception, and the remaining stake of shares will be transferred after 5 years, once the investor fulfil certain conditions and undertakes required investments. Following privatisation, the concession contract between OPL and Greek government was also amended. Eurostat asked whether any cash was received in 2016. The Greek statistical authorities confirmed that the transaction has occurred the third quarter in 2016 and that it was treated as financial transaction. Eurostat also asked whether the amount paid at inception does include remuneration for the extension of the concession contract. Eurostat also asked on who is considered the economic owner of the port assets. The Greek

authorities explained that legally the owner is the State, but in national accounts the assets are recorded on the balance of the public corporation. ELSTAT will analyse the transaction and provide a note to Eurostat on the proper statistical treatment.

#### Other foreseen TAIPED transactions

The forthcoming privatisations of Trainose S.A., Egnatia Motorway S.A., Hellenic Post, and the partial sale of HELPE were briefly discussed. The Greek authorities confirmed that no transaction on foreseen privatizations took place in 2016. Eurostat noted that these transactions should be closely monitored and properly captured in Greek national accounts.

#### Changes in the Greek electricity market

The plans to partly privatise ADMIE (Independent power transmission operator) from its parent company PPC (Public Power Corporation SA) were discussed. Eurostat noted that following publicly available information, the Greek government owns 51% of PPC shares, and ADMIE is 100% owned by PPC. Currently both PPC and ADMIE are government controlled entities classified in S.11. There are plans to change the ownership structure of ADMIE: PPC would keep 51% ownership, however not directly but via a holding company. 24% of shares will be put for privatisation, the Greek government will own remaining stake also via a holding company. Eurostat asked whether ELSTAT has analysed this case and has full access to information, and also whether any transaction has taken place already. ELSTAT informed Eurostat that so far no flows were observed and no further details are available on this operation. Eurostat pointed out the importance for ELSTAT to gather all the information on ADMIE unbundling process and in the restructuring of government holdings in PPC, including the proper sector classification of the two holding companies and the nature of the tax revenue in the context of indirect privatisation, as defined in ESA 20.209.

#### Findings and conclusions

- (21) Eurostat stressed the importance of ELSTAT having timely access to full information on all operations undertaken by TAIPED, as they have direct impact on the Greek deficit and debt figures. Eurostat suggests that TAIPED nominates a contact person to ensure regular communication with ELSTAT and to provide information on new concession agreements as well as changes in existing contracts. *Deadline: continuous. Progress Report – October 2017.*
- (22) In relation to the concession on 14 regional airports, expected to reach financial close in 2017, ELSTAT will analyse the contracts and provide its analysis on the statistical treatment to be followed. *Deadline: November 2017.*
- (23) In relation to the extension of the AIA concession, ELSTAT will analyse the contract and possible statistical recording implications. *Deadline: November 2017.*

- (24) As regards the transaction concerning Hellinikon, ELSTAT will monitor the developments and provide its analysis, taking into account the economic substance of the transaction. *Deadline: November 2017.*
- (25) For the Hellinikon transaction, ELSTAT will notably analyse whether, or to what extent, the sale of shares by TAIPED might include an element linked to the sale of land. *Deadline: November 2017.*
- (26) Concerning the ongoing concession contract between the Greek government and OLP SA for the exploitation of Piraeus Port, ELSTAT will investigate the current recording of the assets in national accounts and will provide a note on the statistical treatment to be followed. *Deadline: End February 2017<sup>18</sup>.*
- (27) In relation to the Piraeus Port Authority share and purchase agreement, ELSTAT will carefully analyse whether the cash received by TAIPED would include an element linked to the extension of the concession. *Deadline: End February 2017<sup>19</sup>.*
- (28) As regards the unbundling of ADMIE and the restructuring of government holdings in PPC, ELSTAT will monitor the developments and report back to Eurostat. *Deadline: as soon as available<sup>20</sup>.*

## 2.4. EU funds

### *Introduction*

The discussion on the appropriate recording and reporting of EU flows continued, following up on previous EDP visits. Currently, flows related to EU development funds are recorded in Greek national accounts on a so-called claim basis; that is: in case when the final beneficiary is a government unit, the government revenue is recorded at the time government sends documents to the European institutions. In the past EDP visits Eurostat asked the Greek statistical authorities to consider whether existing data sources would allow changing the method and to move to the time of expenditure. Among other information provided to Eurostat before the January-February 2017 EDP visit, the Greek statistical authorities have provided an analytical table depicting the National strategic reference framework (ESPA) data by year of expenditure and by year of claim. This table was used as an input for the discussion in the meeting. Other issues relating to the EU flows were the recording of so-called EU financial instruments and the impact from the increased EU contribution rates.

### *Discussion*

Eurostat asked whether there has been any specific event in relation to EU flows in 2016 and in particular if anything has changed in relation to financial instruments. The Greek authorities explained that nothing specific happened in 2016. ELSTAT recalled that the

---

<sup>18</sup> AP implemented. ELSTAT note on the issue dated 18/08/2017.

<sup>19</sup> Information was provided to Eurostat on 02/08/2017. AP implemented.

<sup>20</sup> Information was provided to Eurostat on 04/08/2017.

decision on the increase of the share of EU contribution to 100% is valid until the 31<sup>st</sup> of March 2017.

The Greek statistical authorities also clarified that the increased rate of EU contribution is aimed at increasing the money absorption rate, and it does not impact the overall ceiling of EU funds approved for the whole period: 20.2 billion EUR.

The Greek authorities explained that the European Commission (EC) has decided to pay 10% more above the regular co-financing rate. This increase is booked at the time when the EC took the decision, thus there is an impact on government revenue. Eurostat thought that a way to look at this is as if EC would be giving an advance, recorded in the accounts as F.8 payable. The Greek statistical authorities explained that a similar situation occurred also in 2011, when EU co-financing was increased by ten percentage points. In 2011, and also now following the EU decision on the increase in the contribution rate, additional claims were submitted on the amounts claimed previously. This resulted in 2015 in around 500 million EUR of revenue. Eurostat took note of the explanation.

Some aspects of the reporting of EU funds in the table 6 of the *Questionnaire related to the notification tables* were clarified. Eurostat noted that line 33 “*Stocks of receivables of general government against the EU*” is filled, however no amounts are shown under item 35 “*Stocks of payables of general government against the EU*”. Eurostat noted that the stocks of receivables against the EU could be seen as claims submitted but not yet paid. As for payables, cash receipts from the EU advance payments are normally recorded as payables in national accounts. Following such recording, towards the end of the programme, claims are recorded not as increase in receivables, but as a decrease in payables.

Eurostat also enquired about the amounts reported under item 19 “*other payments relating to penalties*”. The Greek statistical authorities explained that the so called financial correction is reported there, referring to the cases when Greece has to pay back money to the EU budget. Usually it concerns agricultural projects.

Eurostat also asked why the upper part of the Questionnaire table – item 1 to 7 – is left empty. The Greek statistical authorities clarified that advance payments from the EU are not entering the working balance. Eurostat was of the opinion that figures could nonetheless be shown under items 1, 2 and 5. The Greek statistical authorities explained that, in their view, this part of the table is hardly applicable in cases when recording follows claim and not expenditure basis. Eurostat noted that, in such a case, item 5 should show expenditure that is recognised statistically, whereas inflows that are entering the working balance from the EU are the observable cash flows.

Eurostat also enquired about which Treasury accounts are concerned by EU flows. From the information made available to Eurostat, it seems that account 200850 (ESPA) and account 4071 are excluded from the adjustment for Treasury accounts in EDP table 2A. The Greek statistical authorities will clarify/ confirm this understanding.

Eurostat asked the Greek statistical authorities to update the so-called triangle table on EU flows by adding two columns: one including the totals of claims submitted year by year and

a second one including amounts yet to be paid. The updated table should also include a few additional lines to capture information on EU advance and its amortisation. The Greek authorities explained that there are two types of EU advance: one received at the beginning of the programming period, and another so called annual advance. The initial EU advance is amortised at the end of the programming period, so at the end of the programme the stock of payables will go down. The annual advances, however, are cleared yearly, in the beginning of year t+1. In the year 2016, Greece did not use the entire annual advance, and thus had to reimburse the EU. However, it has been decided by the EU to offset this with the 2017 advance. So, in 2017, Greece will receive less cash, as the debit note of 2016 will be incorporated in 2017 EU annual pre-payment.

Having taken into account this information, Eurostat asked the Greek authorities to add six additional lines relating to these advances: on ‘initial’ EU advances received at the beginning of the programme and their amortisation, on ‘annual advances’ received at the beginning of each year and their amortisation/redemption, as well as on the stock of advances existing at the end of the year.

#### Analytical table depicting recording on expenditure basis

Eurostat observed that, in relation to the so called triangle table (showing data by the year of submission of claim and the year of payment), the analytical table covers only part of EU programmes: National Strategic reference framework (ESPA). The analytical table reconciling the data by year of expenditure and the year of claim was discussed in detail.

Eurostat noted that the expenditure is taken from the Public Investment Programme (PIP) data. The amounts of expenditure in a particular year differ substantially when compared with the claims submitted that year. In addition to the removal of the national co-financing part (as EU is financing rate is 90%), some other adjustments are implemented: (1) *expenditure transferred to other programmes*, (2) *expenditure permanently corrected at the end of each year* and (3) *expenditure temporary excluded at the end of each year*. Eurostat enquired on the nature of each of these adjustments.

The Greek statistical authorities explained that *item B “expenditure transferred to other programs”* refers to projects that initially were foreseen to be financed from a certain operational programme and were later on transferred to another operational programme. An example was given of certain road construction projects moved from central government programmes to regional government programmes. By the same token, some waste management projects were removed from the regional and moved to the central government programmes.

*Item D “Expenditure permanently corrected at the end of each year”* refers to the claims that will not be submitted to the EU as the projects were found not eligible for EU financing by Auditing bodies. *Item E “Expenditure temporary excluded at the end of each year”* also refers to cases when some irregularities were identified by the auditors, however in this case, there is a possibility to resubmit claims later on, after some corrections are introduced.

Eurostat appreciated the explanations and pointed out that the explanatory note could include a more detailed description of each of the adjustment lines and examples what this means in practice. Eurostat noted that, at this stage, it is still too early to judge whether the available data would allow for changing the method and asked for the analytical table updated with the recent information, so that the changes over time of this table could be better observed and understood.

### *Findings and conclusions*

- (29) Eurostat appreciated the information provided on EU funds and, taking into account the highly technical and complex nature of the issue, proposed to continue the discussions. In particular, ELSTAT and Eurostat will reflect on the appropriate recording of the 2015 EU decision extending EU financing to 100%<sup>21</sup>.
- (30) The Greek statistical authorities will provide to Eurostat an updated triangle table on EU flows by adding two columns: one including the totals of claims submitted year by year and a second one including amounts yet to be paid. Also additional lines relating to advance payments are to be added to the table: on 'initial' EU advances received in the beginning of the programme and their amortisation, on the 'annual advances' received in the beginning of each year and their amortisation/redemption, as well as on the stock of advances existing at the end of the year. *Deadline: April 2017 notification*<sup>22</sup>.
- (31) The current method of the recording of EU funds, based on claim submissions, will remain unchanged in the April 2017 EDP notification. The analytical additional table filled for the EDP dialogue visit, on National strategic reference framework (ESPA) data, providing information by year of expenditure and by year of claim, should be updated with the most recent data. This will allow understanding how the table changes over time. *Deadline: end of May 2017*<sup>23</sup>.
- (32) The explanatory note related to this additional table on EU flows will be complemented with a couple of concrete examples, for each adjustment lines (A to G). *Deadline: end of May 2017*<sup>24</sup>.
- (33) ELSTAT will complete EDP questionnaire table 6 (on EU flows), notably lines 1, 2, 5 (related to flows transiting via the working balances) as well as line 35 (stock of payables due to the EU). *Deadline: April 2017 notification*<sup>25</sup>.
- (34) The Statistical authorities will provide a note clarifying which Treasury accounts are involved in relation to EU funds (accounts 200850, 7100, etc). *Deadline: end of May 2017*<sup>26</sup>.

---

<sup>21</sup> Information was provided to Eurostat on 25/07/2017

<sup>22</sup> Data was provided to Eurostat on 05/04/2017.

<sup>23</sup> Information was provided to Eurostat on 21/07/2017. AP implemented.

<sup>24</sup> Information was provided to Eurostat on 21/07/2017

<sup>25</sup> AP was partially implemented in the April 2017 EDP notification.

<sup>26</sup> AP not yet implemented

### 3. FOLLOW-UP OF THE OCTOBER 2016 EDP REPORTING – ANALYSIS OF EDP TABLES

#### 3.1. Trade credits of S.1311.2

##### *Introduction*

The data sources for trade credits were discussed under this point of the agenda.

##### *Discussion*

Eurostat noted that currently the data on the stock of trade credits is not available for all the sub-sectors of general government. This is also indicated in the footnote of the Eurostat's *Note on stock of liabilities of trade credits and advances* that is published with each EDP notification. The Greek statistical authorities confirmed that the current footnote in the above note is correct: the data includes budgetary central government, public hospitals and local government sub-sector (not full coverage). For other central government bodies (S.1311.2), other local government bodies and social security funds, there is no direct data. Eurostat explained that F.81 in substance represents the gap between the payment and the delivery. ELSTAT noted that on P.1, P.2 and P.51 the accrual adjustments are nonetheless made and reported in the ESA tables. This implicitly represents flow of F.81. However, to what extent the flows could be used to generate stocks remains to be seen. The Greek statistical authorities will take steps to complete the coverage for AF.81

##### *Findings and conclusions*

- (35) In the absence of direct information on F.81 trade credits (transactions and stocks), for selected government units, ELSTAT will report the F.81 based on the accrual adjustments on the relevant ESA categories (P.1, P.2, P.51 etc). On this basis, ELSTAT will complete the coverage for the estimate of the stock of AF.81. *Deadline: April 2017 notification for F.81 and October 2017 for AF.81*<sup>27</sup>.

#### 3.2. Questionnaire related to the EDP tables

##### *Introduction*

Eurostat took stock regarding the existing situation of the coverage of the *Questionnaire related to the notification tables* and identified areas that would benefit from further improvement.

##### *Discussion*

Eurostat took note that, currently, a lot of detailed information is provided by the Greek statistical authorities for the regular EDP visits, also in each notification round. In contrast to this, the level of details filled in the tables of the *Questionnaire related* is not very high. It was sometimes difficult to compare the information available in the Questionnaire tables with the details as provided in the EDP tables and with data as provided by the other Member States.

---

<sup>27</sup> A note on the issue was provided to Eurostat on 19/07/2017

Eurostat stressed that to fill in the Questionnaire is a legal obligation of the Member States. In addition, the information presented in an organised way, is subject to certain horizontal checks and this allows for identification and subsequent correction of errors. Standardised questionnaires also give Eurostat a horizontal dimension, and allows for analysis of phenomenon across the Member States.

Some area for improvement in Questionnaire table 6 (see agenda point 2.4) was already identified. Eurostat stressed the need for progress on questionnaire tables 10.1A and 10.1.B, which are currently empty. Some inconsistencies that are observable in the Questionnaire table 8 in comparison with EDP table 3B should also be corrected.

As regards the splits of F.8, as reported in the Questionnaire tables 4, Eurostat noted that some further splits by ESA categories and by groups of units would be appreciated for all government subsectors. The Greek statistical authorities noted that as regards local government receivables/payables, the split is available for municipalities, regions, and other local government bodies. ELSTAT will investigate what further splits are already available and fill in the details in the questionnaire tables 4.

#### *Findings and conclusions*

- (36) Eurostat strongly encouraged ELSTAT to improve the detail coverage of the EDP Questionnaire on EDP tables in general, in a cost-efficient manner, based on the significant amount of data provided on the side of the notified tables. This will ensure that Greece fulfils its reporting requirement, boost the visibility of the significant detail provided by ELSTAT to Eurostat, and facilitate cross-checking the quality of this information. As a priority, ELSTAT will fill the table 10.1.A and 10.1.B, currently empty. *Deadline: April 2017*<sup>28</sup>.
- (37) ELSTAT will provide further split of table 4.1/4.2 on payables/receivables, using the detailed information already provided elsewhere, according to a split that ELSTAT will consider meaningful/appropriate. *Deadline: April 2017 notification*<sup>29</sup>.
- (38) ELSTAT will ensure that EDP table 3B and EDP questionnaire table 8 fully align (e.g. concerning CDLF lending activity). *Deadline: April 2017 notification*.

---

<sup>28</sup> AP was partially implemented in the April 2017 EDP notification

<sup>29</sup> Some progress on this AP was achieved in the April 2017 EDP notification. AP is partially implemented.



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

##### **4.1. Delimitation of general government, application of market/non-market rule in national accounts**

###### **4.1.1. Analysis of specific units: IFG, HCAP, ETAD, EDHS, etc.**

###### *Introduction*

Following up on the discussion in the 2016 EDP visits, the sectorization of IfG and ETAD was analysed further. Also, the main features and sector classifications of the new units– HCAP and EDIS were discussed.

###### *Discussion*

###### *The Institution for Growth in Greece (IfG)*

The sector classification of the IfG was on the agenda of the 2016 EDP visits. ELSTAT was requested to monitor the entity and to provide its analysis, which should include: the control criterion and the recording of the 2015 transactions. As a follow up from the 2016 EDP visits, ELSTAT provided a note on the structure and activities of the IfG funds. This note was used as basis for the discussion in the meeting.

The Institution for Growth in Greece (IfG) is founded in Luxembourg and governed under the Law of Luxembourg. Its owner is a Dutch company. It is foreseen that the participation of the Greek State to the IfG will not exceed fifty percent of its capital. The aim of IfG is to channel resources to Greek small and medium enterprises (SMEs), to finance infrastructure projects and possibly to participate in venture and risk capital funds. IfG is set up like an “umbrella” fund which is subdivided in different sub-funds, one for each activity. The Greek statistical authorities explained that the IfG “umbrella” fund is currently not yet operational.

The only unit that is operational since 2014 is the SPV “*IfG - Greek SME Finance SA*”. This fund was established in Luxembourg and operates under Luxembourgish law. The Greek statistical authorities explained that, after analysing the 2014 financial reports (as 2015 reports were not yet available), they can confirm that IfG - Greek SME Finance SA in 2014 issued debt in the form of bonds. Around 100 million of bonds were acquired by the Greek State via ETEAN and 100 million EUR by the KfW, a German public financial institution.

The Greek statistical authorities confirmed that the 100 million capital increase by ETEAN in exchange for bonds took place in 2014, however the cash settlement occurred in January 2015. These transactions were captured in the accounts of ETEAN.

During the meeting, the possibility of rerouting IfG - Greek SME Finance SA transactions via government was discussed. The entity itself could remain classified in S.2.

### Hellenic corporation of assets and participations (HCAP)

Following up on Action point 31 of the June 2016 EDP visit, the Greek statistical authorities provided their analysis of HCAP and two of its subsidiaries. The Hellenic Corporation of Assets and Participations S.A (HCAP) was established in 2016. The Greek State is its sole shareholder. The corporation should serve public interest and manage and exploit Greek State assets. HCAP is created as a holding structure. Its subsidiaries are: the Hellenic Financial Stability Fund (HFSF), the Hellenic Republic Asset Development Fund (HRADF - TAIPED), the Public Properties Company (PPCo - ETAD), and the newly created unit Public Participations Company (PPC – EDIS).

The Greek statistical authorities, in their analysis, consider the HCAP as an entity having autonomy of decision. However, the unit is controlled by government and its main objective is to serve public policy. The Greek statistical authorities conclude that HCAP is to be considered as a public head office, as the unit is exercising managerial control over its subsidiaries, and exercise powers towards subsidiaries that go beyond simple shareholder's representation in the Assemblies of the subsidiaries. Following MGDD rules on sector classification of public head offices *when a public head office controls mostly non-market subsidiaries, it should be classified in the general government sector*; the Greek statistical authorities propose to classify HCAP inside S.13.

Eurostat took note that the entity is very new, as it was registered only in October 2016. No financial statements are available and the number of employees is not known so far. Eurostat understands that just on the basis of the law it is very difficult to conclude whether the entity is a head office or not. Legally an entity might be called one way, but in substance it could be acting more like a holding company. Nevertheless, Eurostat noted that even if further analysis of the HCAP activities, its human and physical means, and also the source of its revenue and the nature of its expenditure, would show that the unit is, in fact, a holding, this would not change the sector classification inside the general government.

### Public participations company (EDIS)

Answering to the same AP31, as for HCAP, the Greek statistical authorities provided their analysis on EDIS, its activities and sector classification. EDIS is a subsidiary of HCAP. Similarly to its parent company, EDIS was also created in 2016. The main objective of EDIS is to manage State's holdings in public corporations with the aim of increasing their value. The shares of a number of public enterprises were transferred to EDIS. EDIS itself is organised as a holding structure, its subsidiaries are public transportation companies (OASA, OSY), rail company (OSE), urban rail transport company (STASY), ATTICO METRO company, Thessaloniki and Athens waters supply companies, public power company (DEI) and some others.

The Greek statistical authorities in their analysis consider that EDIS is publicly controlled and serves public purpose. As it is foreseen that the unit will exercise managerial control over its subsidiaries, it is considered a public head office. Given the fact that a majority (8 out of 12) of its subsidiaries are classified in S.13, as non-market units, EDIS should also be classified inside the general government sector.

Public Properties Co. (PPCo or ETAD)

The sector classification of ETAD has been discussed with the Greek authorities in the February 2016 EDP dialogue visit. As ETAD became a subsidiary of HCAP (2016), the sector classification was reviewed. The Greek statistical authorities provided their analysis on the ETAD activities in the light of HCAP holding structure.

ETAD, currently classified in S.11, is a corporation with the mission of developing and managing real estate properties. ETAD owned part of the real estate, another part was transferred to ETAD from the State following the Law No 4389/2016. ETAD also manages assets that belong to entities of public law, entities of private law and to public enterprises. ETAD develops and manages the real estate, by undertaking reconstruction, by preparing the public assets for disposal, also by renting properties and leasing the assets. ETAD also cooperates with HRADF, by providing real estate management services, such as pre-privatisation asset management, real estate consulting, technical and legal services.

In previous discussions on the entity, Eurostat asked for details on whether there are some specific government restrictions on PPCo's management or eventual disposal of assets. Another issue was the non-availability of company's accounts.

In their note the Greek statistical authorities provided information on the entities' market/non-market test for the period 2011-2015, where results showed well beyond 100% for the whole period.

Eurostat asked about the nature of the assets managed by ETAD. The Greek statistical authorities answered that these are mainly commercial properties, some related to the tourism industry. Currently ETAD manages assets that it owns, but also assets that belong to legal entities under public law. Eurostat asked whether ETAD receives some fees for its management service and pays dividends. Eurostat noted that when looking at the 50% test details, the receipts are rather high compared with costs. This could be explained by the fact a majority of assets are not recorded on the unit's balance sheet. Also, it seems that ETAD is renting out properties, receiving revenue from rent, but do not transfer the proceeds to the property owners. Eurostat explained that, for an entity acting on a commercial basis, we would normally expect to see rent revenue as well as amortisation of assets. Eurostat also asked about the difference between the two revenue categories: "*sale of service income*" and "*income from leases*". It is important to clarify whether all ETAD revenue can be seen as sales and as such be included in the 50% test calculation. The question is where the assets managed by ETAD are classified. If the majority of assets are legally on the balance sheets of other entities, maybe they should be rerouted through ETAD, imputing depreciation as ETAD costs. Eurostat also noted that when a unit that is fully owned by government merely provides service to government, one way to look at this unit is to consider it as an ancillary unit of government.

### *Findings and conclusions*

- (39) The Greek statistical authorities and Eurostat will examine the appropriate statistical treatment for the existing IfG sub-fund and its transactions. *Deadline: October 2017.*
- (40) Eurostat and ELSTAT agree with the classification of HCAP and EDIS in S.13. *Deadline: April 2017<sup>30</sup>.*
- (41) ELSTAT and Eurostat will clarify the sector classification of ETAD, taking into account qualitative and quantitative criteria. *Deadline: October 2017.*

#### **4.1.2. Questionnaire on government controlled entities classified outside the general government sector**

##### *Introduction*

The *Questionnaire on government controlled entities classified outside the general government sector*, provided to Eurostat in December 2016, referring to year 2015, was discussed under this point.

##### *Discussion*

Eurostat stressed the importance of having a full register of public units classified inside or outside the general government sector. Eurostat noted that the list in the questionnaire is not exhaustive, especially for the local government sub-sector.

Eurostat also pointed out that, in a majority of cases, two digit NACE codes are provided, whereas the instructions require four digit code reporting. Information is not complete for all the years – in some cases, the 50% test information is missing for one or more years.

As regards public banks, Eurostat noted that the current questionnaire includes only Piraeus and NBG. However, following the action point 5 of the February 2016 EDP visit, it was agreed that the four systemic banks are to be considered as government controlled starting from 2013, and as such should be included in the Questionnaire. The Greek statistical authorities replied that, in their view, the situation changed after the 2015 recapitalisations. Eurostat recalled that in spite of decreasing government shareholdings in the banks, the entities are still to be considered as publicly controlled. This is mainly due to veto rights maintained by government on the main decisions and the rights to appoint key personnel.

In addition, Eurostat pointed out that in the current questionnaire, Attica bank, owned by the social security funds sub-sector is omitted. The Greek authorities confirmed that it will be included in the next transmission. Eurostat asked ELSTAT to investigate if there were other cases of social security owned companies that are to be included in the Questionnaire.

Eurostat also pointed out that proper coverage of government controlled entities is important also for collection and publication of data on contingent liabilities in the framework of the Directive 85/2011.

---

<sup>30</sup> HCAP was classified inside general government in the April 2017 EDP notification.

## *Findings and conclusions*

- (42) ELSTAT should investigate the possible holding of shares by SSF. It is not uncertain whether there could be similar holding to the one in Attica Bank. *Deadline: October 2017*<sup>31</sup>.
- (43) ELSTAT will complete the questionnaire on government controlled entities by including all public units at all government levels, will fill in missing information for already included units, and will also include all banks controlled by government, as previously agreed. *Deadline: December 2017*<sup>32</sup>.

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

### **4.2.1. Taxes and social contributions**

#### *Introduction*

Prior to the EDP visit ELSTAT provided a note on the recording of the ENFIA tax (real estate tax) and details on monthly tax revenue by tax for the period January 2014 – September 2016.

#### *Discussion*

As regards the time of recording of ENFIA tax, ELSTAT confirmed that the Eurostat's advice is followed. That is a time adjusted cash method is applied, using a time lag of two months. Amounts that are received after February t+1 are recorded on pure cash basis and are not being accrued back to the year t.

Eurostat noted that, looking at the total tax cash figures, the tax revenue in the third quarter of 2016 was higher than in previous years, and mainly due to increase in income tax figures. The Greek statistical authorities did not have an outright explanation to this. However, it has been mentioned that in 2016 Government has proceeded with the confiscation of bank accounts of those tax payers that owned money to the State. Eurostat thought that the reasons for such an increase should be properly investigated, as it is not excluded that there several different factors contributing to it.

Eurostat also asked whether tax refunds were incorporated in the calculation of income tax. The Greek statistical authorities explained that tax refunds are deducted from income tax, so the figures are net of refunds. Eurostat noted that, given the former issue, maybe the stopping/slowing down of tax refunds (as observed in 2015) also contributed to the increase in net tax revenue.

ELSTAT explained that their preliminary investigation showed that the delay in clearing the tax refunds that occurred in December 2015 was a rather exceptional case and no such pattern has otherwise been observed in 2016. However, it is not excluded that the situation might occur again sometimes in the future. Eurostat encouraged ELSTAT to analyse the situation in 2016, whether there were delays in clearing tax refunds and due to this there might be a need for the introduction of some adjustments.

---

<sup>31</sup> Information was provided to Eurostat on 04/08/2017. AP implemented.

<sup>32</sup> Information was provided on 24/05/2017. AP is partially implemented.

The issue of offsetting of corporation's claims against government with their tax liabilities, with no cash flow, was discussed. Eurostat asked what entries are being made in national accounts, and under what ESA categories imputations are done. ELSTAT explained that in such cases information is received from GAO. GAO explained that the recording is similar to cases when cash transactions are observed. Eurostat noted that in statistics, expenditure has been accrued already (EDP table 2A) where there is any specific adjustment implemented?

The Greek statistical authorities clarified the data sources for taxes. The General Secretariat for public revenue provides data on tax refunds (unpaid). The tax cash data is provided by GAO. This cash data does however include offsets (not cashed). In case of offsets, the revenue is recorded in the working balance, as if cashed, improving government B.9. To neutralise this, an adjustment is made in EDP table 2A, reflecting the decrease in payables. Therefore imputed tax revenue is neutralised by a decrease in payables. Eurostat encouraged GAO to analyse further the flow of information between the different institutions (General secretariat for public revenue, GAO and ELSTAT) in the case of offsetting of tax liabilities against government arrears, and to provide offset figures for the year 2016.

### Pensions

Eurostat asked about the delays in pension payments. The Greek statistical authorities explained that one issue is the backlog of the lump sums for which the public servants are entitled upon retirement. Separately there is an issue with delays in regular pension payments. The lump sums that were not paid were recorded as payables. ELSTAT recalled that, following the Law of 2016, some of the lump sums had been cancelled out. The change in stocks of payables was recorded, for the time being, as other changes in volume. Eurostat asked whether pension arrears are included in the figures on government arrears, as published by GAO. The Greek statistical authorities agreed to verify this.

### *Findings and conclusions*

- (44) ELSTAT will analyse the need for a possible accrual adjustment on the tax refunds for 2016 and will report back to Eurostat. *Deadline: April 2017*<sup>33</sup>.
- (45) GAO will clarify the internal procedure followed for the offsetting of tax liabilities against settlement of arrears, will explain the flow of information between the different institutions involved in the compilation of GFS and will provide an estimate of such figures for 2016. *Deadline: April 2017*<sup>34</sup>.
- (46) From the next EDP notifications, ELSTAT will rename item H.49 of the analytical table 2A1 (currently "settlement of government arrears") as "*direct settlement of arrears of the State and transfers to other government sub-sectors in relation to arrears*" so that the nature of this adjustment line would be properly reflected. The detailed breakdown of this line should also be

---

<sup>33</sup> Information received on 30/03/2017 and 06/04/2017. AP implemented.

<sup>34</sup> AP not yet implemented

provided, in each notification, either in the analytical table 2A1 or in the explanatory note. *Deadline: April 2017 EDP notification*<sup>35</sup>.

- (47) GAO will check whether the outstanding pension liabilities referring to past years are included in their publication of government arrears. *Deadline: April 2017 EDP Notification*<sup>36</sup>.

#### **4.2.2. Deferred tax assets (DTAs)**

As regards deferred tax assets (DTAs), the Greek statistical authorities explained that there were no developments since the last EDP visit. The issue is nevertheless closely monitored and Eurostat will be informed of any events.

#### **4.2.3. Interest**

##### *Introduction*

Adjustments for accrued interest, as reported in the EDP tables, were discussed under this point of the agenda.

##### *Discussion*

Before the EDP visit, Eurostat asked the Greek statistical authorities to fill in a new *Questionnaire on the recording of interest* for the period 2014-2015. The PDMA had some technical questions to clarify on the Questionnaire template, on terminology used and on sign conventions. After the discussion, the PDMA undertook to fill in the template and send the table to Eurostat.

The discussion continued on the reporting of interest flows in the EDP tables. Eurostat noted that the adjustment lines for accrued interest as reported in EDP table 2A1 and 3B1 (covering the main central government unit – the State) are reconcilable and that the amounts reported differ only due to the adjustment on index linked bonds.

The Greek statistical authorities confirmed the descriptions provided in the EDP Inventory, i.e. that the flows of premiums at issuance and discounts at redemption are not entering the working balance of the EDP table 2A. Eurostat observed that the line for *Issuances above (-) / below (+) nominal value* in EDP table 3B is showing zeroes for almost all years. The Greek statistical authorities commented that in the last four years there had been no discounts/premiums due to borrowing from the Troika. Eurostat asked about the short-term securities, which stock in 2015 amounted to 12 billion EUR. The Greek statistical authorities clarified that discounts on T-bills are reported under the line *Difference between interest (D.41) accrued (-) and paid (+)* in the EDP table 3B. Eurostat thought that this practice was not fully aligned with the Guidelines and it had to be clearly described in the EDP Inventory. In addition, a comment should be inserted in the EDP table 3B, flagging that the discounts on T-bills are currently included in the line *Difference between interest (D.41) accrued (-) and paid (+)* instead of the line dedicated to issuance above/below par.

---

<sup>35</sup> AP implemented in the April 2017 EDP notification

<sup>36</sup> AP implemented, information received on 13/03/2017.

Eurostat asked how the flows attributable to so called “coupon sold” are reported in EDP tables 2. The Greek statistical authorities explained that so called “coupons sold” would be included in the working balance as an inflow and a correction would be implemented under the line for accrued adjustment for interest. Eurostat took note of the explanation.

#### *Findings and conclusions*

- (48) The Greek statistical authorities will insert a comment in EDP table 3B flagging that the discounts on T-bills are currently included in the line *Difference between interest (D.41) accrued (-) and paid (+)* instead of the line *Issuances above (-)/ below (+) nominal value*. *Deadline: April 2017 EDP notification*<sup>37</sup>.
- (49) Taking into account the explanations made during the meeting, PDMA will complete the specific table on interest sent in advance of the mission and provide it to ELSTAT and Eurostat. *Deadline: April 2017 EDP notification*.

### **4.3. Recording of specific government transactions**

#### **4.3.1. Government transactions in the context of the financial crisis**

##### *Review of 2015 recapitalisations*

###### *Introduction*

The issue of the statistical treatment of the National Bank of Greece (NBG) and the Piraeus Bank re-capitalisations undertaken by government in 2015 was discussed in the EDP visits of 2016. It was agreed that the calculation should be done for the losses borne by government in proportion to its shareholding and that only losses from the second half of 2013 to the end of 2015 should be taken into account.

As far as the CoCos subscribed by government in the two banks are concerned, a capital transfer was recorded for the full amount given the context of the losses incurred by the two banks following the 2013 recapitalisations undertaken by government, the nature of the instrument and the fact that they were subscribed only by government.

###### *Discussion*

Recent developments potentially leading to changes in the statistical treatment of the above transactions were discussed.

##### *Repurchase of CoCos by NBG*

In December 2016, after the sales of its 100% ownership in Finansbank, NBG proceeded to the repayment of the CoCos amounting to 2,029 million EUR. ELSTAT considers that the amount of 2,029 million of the NBG CoCos, which in the previous EDP transmission had been recorded as a capital transfer, should now be considered as a financial transaction of equity, on the basis of privatisation rules. This would entail an improvement of government deficit of 2015 (by EUR 2,029 million or 1.15% GDP) to be reported in April 2017. Eurostat agreed.

---

<sup>37</sup> AP implemented in the April 2017 EDP notification. ELSTAT email of 10/04/2017.



The BoG objected that the two injections using the same instrument (CoCos) would result in different treatment in national accounts. Eurostat explained that the rule on capital injections in the context of privatisations was applicable in the case of NBG, as the repayment took place within one year. The situation was different in the case of Piraeus Bank, and therefore the injection remains classified as D.99.

#### Treatment of bondholder losses (bail-in)

Following the bail-in approach, part of the losses should also be apportioned to the bondholders. The calculation of the apportioned losses needs therefore to be updated taking the above into account, by reducing the losses by the amounts of bondholders losses. This however should not change the result in the case of Piraeus, and in practice will not change the result in the case of NBG either.

#### Coupon payments on CoCos

In December 2016, the HFSF also received in cash around 331 million EUR related to annual coupon payments of CoCos. The question is how to treat these amounts in national accounts, and whether they are to be treated as interest or instead be assimilated to dividends and a so called super-dividend test is then to be applied. Eurostat agreed to analyse the issue further.

#### *Findings and conclusions*

- (50) Following the repayment of CoCos by NBG in December 2016, Eurostat and ELSTAT agreed that the capital injection should be treated as a financial transaction following the rules on capital injections in the context of privatization. Accordingly, the deficit of 2015 will be revised downwards compared to the October 2016 EDP notification, decreasing by 2,029 million EUR. *Deadline: April 2017 EDP Notification*<sup>38</sup>.
- (51) In relation to the capital injections in the context of 2015 bank recapitalisations, Eurostat agrees with ELSTAT's updated calculation on 'apportioned losses', which takes into account bondholders' losses. This however will not change the result of the capital injection test, as compared to the October 2016 EDP notification. *Deadline: April 2017 EDP notification*<sup>39</sup>.
- (52) Eurostat will consider the statistical treatment of payments received in 2016 on the CoCos subscribed by the HFSF in 2015, and in particular on whether, and how, to apply the super-dividend test. *Deadline: April 2017 EDP Notification*<sup>40</sup>.

#### Resolutions in 2015 and link with non-payment to SRB

Please see point 2.2.

---

<sup>38</sup> AP implemented in the April 2017 EDP notification.

<sup>39</sup> AP implemented in the April 2017 EDP notification

<sup>40</sup> AP implemented in the April 2017 EDP notification

### 4.3.2. Capital injections in public corporations, dividends, privatization

#### *Introduction*

Due to time constraints this point was discussed only very briefly.

#### *Discussion*

From the information that was provided to Eurostat prior to the EDP visit, it seems that there were no capital injections in public corporations involving significant amounts, aside from the banking sector. The Greek statistical authorities informed Eurostat that, following the rules on multilateral development banks, an injection into the Black sea trade and development bank was treated in national accounts as acquisition in equity, whereas the injection in IDA was recorded as capital transfer.

As regards dividends received by the Greek State, Eurostat asked about the treatment of the amounts which were labelled as “*distribution of reserves*”. In general, distribution of reserves in national accounts should be treated as financial transaction. The Greek statistical authorities explained that the tables on dividends that were provided to Eurostat include all distributions received by the state and that the figures will be checked whether in national accounts they are to be treated as dividends or as financial flows.

#### *Findings and conclusions*

- (53) In relation to the preliminary report on dividend received by the State in 2016, ELSTAT will verify that dividends (D.42) exclude ‘distribution of reserves’. *Deadline: April 2017 notification*<sup>41</sup>

### 4.3.3. Public Private Partnerships, concessions and EPCs

#### PPPs

#### *Introduction*

The two PPP contracts on design, financing, construction, maintenance and operation of the waste treatment facilities in the Epirus region and by Serres municipality, that were provided to Eurostat before the EDP visit, were discussed under this point.

#### *Discussion*

Eurostat noted that the discussions in the meeting will be based on the ELSTAT note, listing the features of the PPP contracts and analysing them, as the contracts themselves are available only in Greek. The analysis will be based on the provisions of the *Guide to the Statistical Treatment of PPPs* (Guide), published by Eurostat and the EIB in September 2016. The Greek statistical authorities explained that the two contracts are identical and in fact are also very similar to the previous PPP contract of Western Macedonia. The only difference with the latter is the EU financing part, which is foreseen in both Serres and Epirus PPPs. The part of EU financing within the total cost of construction costs constitute 15 million out of 35 million and 20 million out of 49 million EUR respectively.

---

<sup>41</sup> AP implemented in the April 2017 EDP notification

Eurostat noted that the unitary charge payments are partly based on availability and partly on demand. Eurostat recalled that the contract foresees a maximum demand of 63 thousand tons per year and asked what would happen if it would exceed this limit? The Greek authorities explained that the 63 thousand tones is the maximum capacity that is requested by the contract for which the contractor has an obligation to treat waste. In case there would be need for higher capacity, the public authority would need to amend the specification of the contract, otherwise the private partner do not have any obligation to treat this excess waste.

Eurostat asked what is foreseen under contractual provisions for benchmarking, a technique used to reset periodically prices by reference to a benchmark. The Greek authorities explained that benchmarking is allowed only for services of a secondary nature (e.g. secondary fuels, security and public utility service). This is done also to reflect the movements in energy prices.

On the share of third party revenues that the public partner will receive, the Greek authorities explained that a certain level of third party revenue is foreseen in the base scenario, and that the private partner will be entitled for it for the full amount. Only amounts that are in excess of the established limit would be shared with the public partner (50%). The Greek statistical authorities provided a numerical example illustrating that in the event when third party revenue would double, as compared to the base case scenario, the part that would be received by the public partner would not exceed the 5% threshold. Eurostat recalled the provision in chapter 5.5 of the Guide stating that if the forecasted third party revenues to be received by the public partner over the life of the contract change significantly, this would require a re-assessment of the PPP statistical treatment. The Greek authorities confirmed that this could be followed up.

Eurostat noted that the current contractual provisions do not meet the Guide's provisions (chapter 9.3) on the Authority taking the benefits of insurance costs changes. The Greek authorities agreed that there is a non-compliance, and explained that some changes to this contractual clause could be implemented in the future, taking into account the situation in the insurance market.

Eurostat enquired about the PPP refinancing provisions and recalled in particular, that in line with the *Guide*, an Authorities right to require the partner to proceed with a refinancing does influence the statistical classification of a PPP. The Greek authorities explained that the current wording of the contract foresees that, in case the conditions on the market are favourable, the Authority might ask a private partner to obtain terms for potential refinancing. If there is a clear refinancing gain, the Authority can instruct the partner to proceed with the proposed refinancing. The Greek authorities explained that, in their view the public partner cannot force the private partner to proceed with refinancing, no matter what. Refinancing would be possible only if it is beneficial for both parties. Eurostat thought that this clause is not fully in line with the Guide, as the public partner has the right to ask for investigation of the refinancing possibilities and, if the new terms seem to be favourable and there are some refinancing gains foreseen, has the right to ask the private partner to proceed with the refinancing.

Eurostat asked about the provisions of sharing of refinancing gains. The Greek authorities explained that the current text foresees 50% and higher shares of refinancing gains (depending on the amounts) going to the Authority. Eurostat recalled that the Guide foresees a share going to the Authority, not exceeding one third of total gains.

The Greek authorities explained that given specific circumstances and the fact that Greece is under adjustment programme, maybe the first option foreseen in the Guide would be more appropriate, that is, allowing the Authority the share of any refinancing gain that results from identifiable actions of government. Eurostat clarified that the provisions should refer to specific government actions but should not cover general macroeconomic risks.

The Greek authorities explained that they investigate the possibility to go for public partners share not higher than 33%, and in addition, in some cases when the gains are clearly due to the deliberate actions of government, the gain sharing could result in higher share for the Authority. Eurostat pointed out that the Guide does not foresee any of these approaches (government action) or another (one third share) and that there seems to be no way the two approaches could be combined. The Greek authorities commented that, if they would opt for the first option - sharing of gains resulting from identifiable actions of government, this would mean that in some cases there will be no gain sharing at all. Eurostat confirmed that, following the first approach in case a refinancing gain is realized not due to government action, all of it goes to the private partner. Alternatively, if all or part of the gain is due to the action of government, there will be sharing, depending on how much of the gain is attributable to the particular government action. Eurostat noted that, if the PPP contract clause on refinancing gain sharing will be changed, the wording should be consulted with Eurostat. The Greek authorities agreed to send the new wording of the clause on the refinancing gain sharing.

### *Findings and conclusions*

(54) In relation to the two PPPs on waste management, currently in preparation, ELSTAT will send to Eurostat the following information:

- Confirmation that the new PPP contracts are identical to the PPP on Central Macedonia (except for the EU financing), which has already been provided to Eurostat and was analysed.
- The new wording of the refinancing clauses (in particular as regards the sharing of refinancing gains and the extent to which government can impose a refinancing)

*Deadline: April 2017 EDP notification<sup>42</sup>.*

### *EPCs and Concessions*

#### *Introduction*

The existence of EPCs in Greece and Eurostat's current methodological work on EPCs were discussed under this point.

The discussion then continued on the Kastelli-Heraklion concession project.

---

<sup>42</sup> Information provided on 06.03.2017 and on 20.02.2017. AP is partially implemented.

## *Discussion*

### EPC

As regards EPCs, the Greek statistical authorities confirmed the information provided in the previous EDP visits: currently there are no EPC contracts in Greece.

Eurostat made a short overview of the work undertaken in the area of EPCs. The issue has been discussed in specialised task force. The intention is to produce an update of the guidance on the statistical treatment of EPCs, following the consultation of the EDPS WG and DMES.

### Kastelli-Heraklion airport concession

The concession project for design, construction, operation, maintenance and exploitation of the new international airport in Kastelli, Crete, is in the pipeline. It is planned that the Kastelli airport will replace the existing Heraklion Airport, which will cease all commercial aviation operations. The Ministry of Infrastructure has launched a tender and bids were submitted in October 2016. The Greek statistical authorities explained that so far one offer was submitted. The estimated value of the project is around 1 billion EUR and the construction cost, as estimated by the State, would be around 750 million EUR.

The Greek authorities explained that it is foreseen that government will have a stake in the SPV. Eurostat noted that under the existing rules on concessions, in cases when the concessionaire is a government controlled entity and is deemed to have no autonomy of decisions, the concessionaire should be classified inside general government sector.

The Greek authorities explained that in the past, concession contracts were constructed in a way that the SPV would have predominant private ownership. However for the Kastelli airport concession a decision was taken for the State to hold a stake in the SPV. In terms of shareholders contributions, share capital is injected only by the private partners, whereas government gives capital in kind. Also, despite the fact that the State keeps a stake in the SPV, the management is done by the private partner. Similarly to the AIA concession, that was contracted in 1996, the contract describes in detail how powers are divided between private and private owners. Eurostat made a remark that concession rules were not in place back in 1996, and it is quite likely that under current rules the assets of the AIA concession would be recorded on government balance sheet.

Eurostat stressed that the sector classification of the concessionaire is very important and all information should be made available to ELSTAT once the contract is signed.

Another aspect of the Kastelli airport concession that has been raised in the meeting is the government right to keep some part of passenger tax. It is foreseen that during the construction period, 75% of the passenger tax goes to the private party, and 25% to the aviation authority. A maximum limit over the five years is 120 million Eur.

### Other existing concession projects

Eurostat noted that under the current rules, for concessions, similarly as for PPPs, in case some concession clauses are being changed, further analysis should be undertaken to determine whether this is to be considered as a substantial change. A substantial change directly alters the balance of risks and rewards, or the nature of control, in a way that would imply a change in the statistical treatment. In such cases, projects have to be re-analysed under the existing rules.

The Greek statistical authorities recalled that, following consultations with Eurostat, five existing motorway concessions were reclassified on government balance sheet in 2013-2015.

Eurostat commented that in case of reclassification, the deficit impact is not necessary exactly matching the change in actual debt and some specific calculations should be undertaken. In the Greek case a compilation method based on a lease and lease back model was used pending further clarification of the rules to be applied on such calculations. In case some fine-tuning in method will come out as a conclusion in the EDPS WG discussions, there might be a need for some further minor changes.

#### *Findings and conclusions*

- (55) In relation to the concession contract for the Kastelli-Heraklion airport, currently under preparation, ELSTAT will send the final information on the project together with their analysis, once the contract is signed, and notably the nature of the SPV and the extent of government funding. *Deadline: As soon as available*<sup>43</sup>.

#### **4.3.4. Financial derivatives**

##### *Introduction*

The discussion started on the use derivatives and the reporting of F.7 transactions in EDP tables. It continued by gathering information on the recent developments in relation to the Goldman Sachs (GS) swap.

##### *Discussion*

The Greek authorities explained that currently only interest rate and currency swaps are being used in Greece. The latter are used for hedging SDR loans, whereas IRS are used to hedge against interest rate risks.

Eurostat noted that the F.7 in table 3B1 (the State) is equal (for 2014 and 2015) to “*settlements under swap contracts*” as reported in EDP table 2A, meaning that for the State this adjustment line encompasses only streams of payments on swaps.

Eurostat noted that, in general, transactions in derivatives include interest paid on a swap and also any gain or loss realised in the event of unwinding of a swap. Eurostat asked whether currently the information on F.7 is consistent in EDP T3 and as reported in financial accounts.

---

<sup>43</sup> AP not yet implemented

Eurostat enquired, in case a currency swap is unwound, whether the full information on the generated loss or a gain is available. The Bank of Greece explained that currently two derivative related figures are received from GAO/PDMA: the valuation and a flow (transaction) in market value.

As there are regular repayments of foreign currency debt, swaps are being regularly unwound, so the phenomenon has to be properly reported in the EDP tables 3. Eurostat explained that in EDP tables 3 a counterpart entry should be recorded under “*Appreciation (+)/ depreciation (-) of foreign currency debt*”. Amounts on unwinding of swaps should be provided to the BoG so that it is properly included in the financial accounts and in EDP table 3B.

Eurostat noted that transactions in F.71 differ in EDP table 3B1 (covering the State operations) and EDP table 3B, especially for 2012. Eurostat asked which other central government units (S.1311.2) are using derivatives. The Greek statistical authorities explained that the PDMA covers only information on the State. There are some derivative flows in the Consignment Deposits & Loan Fund (CDLF), however they are small. The Greek statistical authorities recalled that the F.71 liability figure refers to State warrants that were issued in 2012 and in national accounts recorded as derivatives. The BoG is including derivative information from HFSF. The Greek statistical authorities will check whether there are other entities of the sub-sector S.1311.2 that are using derivatives.

#### *Findings and conclusions*

- (56) The Greek statistical authorities will take measures to collect information on possible derivative transactions of the other central government bodies (S.1311.2) that are currently not monitored. *Deadline: April 2018*<sup>44</sup>.
- (57) The amounts of the unwinding of swaps should be reported under Financial derivatives (F.71) in both financial accounts (ESA table 27) and EDP tables 3, together with a matching entry in *Appreciation (+)/ depreciation (-) of foreign currency debt* in EDP tables 3. *Deadline: April 2017 EDP notification.*<sup>45</sup>

#### *Recent developments in relation to the Goldman Sachs (GS) swap*

##### *Introduction*

Eurostat enquired on any developments relating to the former Goldman Sachs (GS) swap that, via novation, had been acquired by the National Bank of Greece (NBG).

The discussion tackled also the PDMA securities issued for collateral posting purposes.

##### *Discussion*

Eurostat asked whether there have been any transactions taking place between the NBG and the Hellenic Republic in relation to the so called GS swap and in case transactions took place in 2016, what accounting implications they might have on government accounts. The

---

<sup>44</sup> Information on the progress on this AP was provided to Eurostat on 17/08/2017.

<sup>45</sup> AP not yet implemented

PDMA explained that, up to now, no deal was concluded. However some discussions took place and possibly a transaction will take place in 2017. Eurostat noted that, in this case, such information would also be important for the DG ECFIN in their work on forecasts. PDMA explained that the current situation is unchanged, a SPV (TITLOS PLC) is holding the swap and the bonds of TITLOS are held by the NBG as an asset. The NBG foresees to close down TITLOS PLC as well as cancel out the securities held by TITLOS. In case NBG would have the swap related claim against the Greek government, it would be able to exchange it with other assets that would qualify as eligible collateral with the ECB.

The Greek government would issue 18 month Greek government bonds, at par, with zero coupons. The bond issued will have selling restrictions; they could be used exclusively for funding. Then the Greek government would enter securities lending agreement with the NBG. In exchange for government bonds, the NBG will pledge with Government the GS swap claim that it holds against the Hellenic Republic. The nominal value of government securities on loan to the NBG would be equal to the present value of the swap flows (amounting to around 3.3 billion EUR). This security lending operation will neither change the ownership of the swap, nor the ownership of government bonds. As the ownership will remain with original counterparties, the Greek government would continue paying on the IRS. The operation will be done following ISDA master agreement, under Greek law. The operation will be also scrutinised by the DG COMP with the view to assess the existence of state aid elements.

Eurostat took note of the described operation, and encouraged the Greek statistical authorities to inform Eurostat about the details of the operation, once it is finalised, so that the proper treatment in the EDP statistics could be agreed.

On Eurostat's question on the existing practice of securities issuance for collateral posting purposes, the PDMA explained that according to the 2014 Law No 4254, PDMA is authorised to issue securities for repo operations and for collateral purposes (Credit support annex – CSA). These securities are specific T-bills that are not tradable. Currently T-bills issued for NBG collaterals amount to 1.9 billion EUR, and the T-bills issued for collateral purposes with the other Greek banks amount to around 2.1 billion EUR. The T-bills issued for repo operations amount to around 11 billion EUR. As for these 11 billion EUR of repos, the counterpart is Common capital, so in substance government entities.

#### *Findings and conclusions*

- (58) The Greek statistical authorities will monitor any development related to collateral exchanges between the NBG and the Hellenic Republic, currently under discussion, and will inform Eurostat. *Deadline: as soon as available.*
- (59) Eurostat will reflect on the appropriate accounting treatment of debt securities issued for collateral posting purposes. *Deadline: as soon as available.*

#### **4.3.5. Guarantees**

No discussion



#### **4.3.6. Debt assumptions, debt cancellations and debt write-offs**

No discussion

#### **4.3.7. UMTS and other licences**

- TV broadcasting licences

##### *Introduction*

The recent sale of the television broadcasting rights and their recording in national accounts were discussed briefly, also taking into accounts the subsequent court case.

##### *Discussion*

Regarding the treatment of TV licences sold in 2016, Eurostat wanted to clarify the treatment in national accounts. Eurostat confirmed its view that, in the case when the sale took place in the third quarter 2016, but the licences became available for use only in January 2017 there should be no entries in the non-financial accounts in 2016. Eurostat also pointed out that generally the proceeds from the sale should be spread over the duration of the contract. As regards the Court case where the sale was contested, the developments have to be closely monitored by the Greek statistical authorities. This court case will likely be without impact on the 2016 recording.

##### *Findings and conclusions*

- (60) Concerning proceeds received in 2016 Q2 from the sale of television licences, ELSTAT will ensure that the two recording principles are applied, likely resulting in an F.8 recording for the year 2016: (a) amounts to record impacting B.9 cannot pre-date the availability of the licences (1 January 2017), (b) amounts have to be spread over the licence life. The ongoing court disputes related to this matter, which would likely be without impact on the recordings of 2016, will be closely monitored by ELSTAT (for future recording, from 2017 onwards). *Deadline: April 2017 notification*<sup>46</sup>

#### **4.3.8. Disposals of non-financial assets by general government**

- Sale and leaseback operations

No discussion.

#### **4.3.9. Others: carbon trading rights, military expenditure, securitisation, and pension issues**

No discussion.

### **4.4. Important issues for year 2016 relevant for the April 2017 EDP Notification**

##### *Introduction*

A number of issues that might potentially impact the year 2016 figures were discussed under this point.

##### *Discussion*

---

<sup>46</sup> AP partially implemented in the April 2017 EDP notification

### The recording of the ESM disbursement for arrears clearing

Eurostat asked how flows are recorded. The Greek authorities explained that the cash flows from the ESM are made to the State, which settles some arrears or further transfers amounts to other government sub-sectors. The Greek statistical authorities explained that in 2016 around 2.8 billion of arrears were settled for the whole general government sector.

Cash flows from the ESM are not transiting the working balance (as it is a financial transaction). Accordingly, the EDP table 2A is adjusted by adding the item H49 "*Settlement of government arrears*". This line, which in the third quarter of 2016 showed an amount of 1.7 billion EUR, includes both the arrears of the State and transfers to other sub-sectors. Eurostat thought that in this case the title of the line could be changed to: "*direct settlement of arrears of the State and transfers to other government sub-sectors in relation to arrears*". The other sub-sectors use these funds to repay their arrears. In ESA this subsequent transfer is recorded as D.73.

Data sources for payables and arrears were clarified. The Greek statistical authorities explained that the data on arrears is collected by GAO, whereas data on payables is collected by ELSTAT. The latter collect data on stocks and transactions for the State, Public hospitals and Social security funds. As regards so called extra budgetary funds, S.1311.2, there is no special data collection on payables: data is obtained from the regular questionnaire. As a result it is not possible to distinguish between F.81 and F.89 for S.1311.2. By convention, all payables of the SSF are treated as F.89, and all payables of public hospitals are considered trade credits F.81. Eurostat thought that where available, further splits of F.8 could be reported in the Questionnaire table 4.

### Package of measures approved on 23 May 2016

Eurostat enquired whether ELSTAT had analysed the potential EDP/GFS implications of the measures approved by the Greek Parliament in May 2016. Eurostat noted that the creation of the Hellenic Corporation of Assets and Participations (HCAP) was discussed under point 4.1.1, whereas changes in relation to the electric operator (ADMIE and PPC) were touched upon under item point 2.3 on TAIPED.

Eurostat asked whether the creation of an Independent Authority for Public Revenue replacing the current General Secretariat for Public Revenue, in charge of taxes, could have an impact in terms of data sources on taxes. The Greek statistical authorities answered that they do not see expect difficulties in relation to this change.

As regards the creation of a market for the sale of Non-performing Loans (NPLs), Eurostat enquired on the latest developments. The Greek statistical authorities answered that they did not have any new information on this, but agreed to monitor the developments in the future.

### Rebates and claw-backs concerning EOPPY

Eurostat recalled that the laws on claw backs and rebates were foreseen until 31 December 2015 and asked ELSTAT whether there had been a prolongation or a new law was passed in 2016. The Greek statistical authorities explained that the EOPPY claw backs and rebates

continue also in 2016. There was no new law; but the effect of the existing law was prolonged. ELSTAT will follow the same treatment in 2016 as in 2015.

ELSTAT also informed Eurostat that a new law was passed on claw backs and rebates for public hospitals. It was also noted that there could be a data source issue, because contrary to EOPPY, in this case not one, but a number of units will be concerned. The amounts in 2016 are not expected to be significant, nevertheless Eurostat asked for ELSTAT's analysis of this law and information on the recording in national accounts.

#### ANFA and SMP payments

ANFA and SMP payments were suspended in 2015 by a Eurogroup decision, and up to now these payments were not reinstated. The Greek statistical authorities confirmed that, following the Eurostat's advice on the subject<sup>47</sup>, as there is no obligation for other Member States to pay, accruing ANFA payments was suspended. Subsequently, a zero will be reported in EDP table 3B1 for 2016.

As regards SMP payments, having in mind their conditional nature and following Eurostat's advice, the time of recording is when the Eurogroup stipulates that the transfers are to be made.

Eurostat asked whether there has been any voluntary payment from the BoG in 2016, and if yes for what amount. The Greek statistical authorities explained that in 2016 the BoG transferred to government 260 million EUR. Eurostat recalled that such payment should be taken into account while calculating BoG net operating income, which is needed for the application of the super-dividend test. The Greek statistical authorities noted that this should not change the overall result of the super-dividend test as the profits of 2015 were high.

- (61) ELSTAT will report whether the payment received in 2016 from BoG in relation to ANFA (260 million euro) was included for the super-dividend test (i.e. calculation of the BoG net operating income), and/or whether this would have made a material difference for general government B.9. *Deadline: April 2017 EDP notification*<sup>48</sup>.
- (62) ELSTAT will report to Eurostat on the new law concerning claw-backs and rebates for hospitals, and provide their analysis of the recording implications. *Deadline: April 2017*<sup>49</sup>.

---

<sup>47</sup> <http://ec.europa.eu/eurostat/documents/1015035/6761701/Advice-2015-EL-Recording-ANFA-revenue-in-quarterly-accounts-2015.pdf/59921762-0289-4a1c-b473-fd1ba71fdcf1>

<sup>48</sup> AP implemented in the April 2017 EDP notification.

<sup>49</sup> A note on the issue was provided to Eurostat on 20/03/2017. AP implemented.

## **List of Participants**

### **Greek Statistical Office (ELSTAT)**

*Maria Stavropoulou – Director of National Accounts Division*

*Konstantinos Chrissis– Head of Section General Government Accounts Section*

*Nena Papadopoulou*

*Christos Zervos*

*Dionysia Arvaniti*

*Theodoros Karopoulos*

*Panagiotis Papanikolakos*

*Dimitrios Avouris – Kalamas*

*Maria Kontothanasi*

*Aikaterini Magkouta*

*Ioannis Chiotis*

### **General Accounting Office of the Ministry of Finance (GAO):**

*Dimitrios Karatzas*

### **Public Debt Management Agency (PDMA):**

*Dimitrios Margetis*

*Anastasia Vardavaki*

*Fotini Venizelou*

### **G-SPA**

*Vasiliki Alesta*

### **Bank of Greece:**

*Mirella Papageorgiou*

*Heraklios Lykiardopoulos*

### **Ministry of Infrastructure (Concessions):**

*Panagiotis Petroulias*

*Ioannis Karnesis*

### **Ministry of Development (PPP Special Secretariat):**

*Nikolaos Mantzoufas*

*Nikolaos Sergis*

*Alexandra Doga*

### **Eurostat:**

*Lena Frej Ohlsson*

*Luca Ascoli*

*Philippe de Rougemont*

*Lourdes Prado Ureña*

*Rasa Jurkonienė*

### **DG ECFIN**

*Milan Lisický*

***ECB***

*Henri Maurer*

***IMF***

*Viera Karol'ová*

**Technical assistance to ELSTAT**

*Martin Kellaway*

## **EDP dialogue visit to Greece, 31 January – 1 February 2017 Agenda**

- 1. STATISTICAL CAPACITY ISSUES**
  - 1.1. Institutional responsibilities in the framework of the compilation and reporting of EDP and government finance statistics**
  - 1.2. Data sources and revision policy**
    - 1.2.1. Changes in data sources and revision policy**
    - 1.2.2. EDP Inventory**
    - 1.2.3. Progress on the work reducing statistical discrepancies**
- 2. FOLLOW-UP OF THE EDP VISITS OF 2016**
  - 2.1. Adjustments for Treasury accounts**
  - 2.2. Practical issues in relation to the reclassifications of:**
    - CDLF (consignment, interest, fisim and investment in bonds/repos)
    - TEKE (refundable contributions and contributions to the SRB)
  - 2.3. Progress report on TAIPED transactions (regional airports, AIA, Hellinikon, Piraeus Port Authority)**
  - 2.4. EU funds**
  - 2.5. Accrued interest on preference shares purchased in 2009**
- 3. FOLLOW-UP OF THE OCTOBER 2016 EDP REPORTING – ANALYSIS OF EDP TABLES**
  - 3.1. Trade credits of S.1311.2**
  - 3.2. Questionnaire related to the EDP tables**
- 4. METHODOLOGICAL ISSUES AND RECORDING OF SPECIFIC GOVERNMENT TRANSACTIONS**
  - 4.1. Delimitation of general government, application of market/non-market rule in national accounts**
    - 4.1.1. Analysis of specific units: IFG, HCAP, ETAD, EDHS, etc.**
    - 4.1.2. Questionnaire on government controlled entities classified outside the general government sector**
  - 4.2. Implementation of the accrual principle**
    - 4.2.1. *Taxes and social contributions:***
      - Tax refunds
      - ENFIA tax
    - 4.2.2. *DTAs***
    - 4.2.3. *Interest***

- 4.3. Recording of specific government transactions**
    - 4.3.1. Government transactions in the context of the financial crisis**
      - Review of the 2015 recapitalisations:
        - Treatment of bondholder losses (bail-in)
        - Calculation of the apportioning
        - Repurchase of CoCos by NBG
      - Resolutions in 2015 and link with non-payment to SRB
    - 4.3.2. Capital injections in public corporations, dividends, privatization**
    - 4.3.3. Public Private Partnerships, concessions and EPCs**
    - 4.3.4. Financial derivatives**
      - Recent developments in relation to the GS swap
    - 4.3.5. Guarantees**
    - 4.3.6. Debt assumptions, debt cancellations and debt write-offs**
    - 4.3.7. UMTS and LTE**
      - TV broadcasting licences
    - 4.3.8. Disposals of non-financial assets by general government**
      - Sale and leaseback operations
    - 4.3.9. Others: carbon trading rights, military expenditure, securitisation, and pension issues**
  - 4.4. Important issues for year 2016 relevant for the April 2017 EDP Notification**
    - General issues
    - Package of measures approved on 23 May 2016
    - Rebates and claw-backs concerning EOPPY
    - ANFA and SMP
  - 4.5. Impact of debt relief measures**
- 5. OTHER ISSUES**
  - 5.1. ESA 2010 Transmission Programme relating to the GFS tables**
  - 5.2. Compliance with Council Directive 2011/85**
  - 5.3. Any other business**
- 6. CONCLUSIONS AND ACTION POINTS**