



EUROPEAN COMMISSION EUROSTAT

Directorate D Government finance statistics (GFS)

- FINAL FINDINGS -

EDP dialogue visit to Poland

1-2 March 2018

Executive summary

Eurostat undertook an EDP dialogue visit to Poland on 1-2 March 2018 as part of its regular visits to Member States and with the aim to assess the existing statistical capacity, to review the implementation of ESA 2010 methodology, to review the recording of specific government transactions, and to assure that provisions from the ESA 2010 Manual on Government deficit and debt and recent Eurostat decisions are duly implemented in the Polish EDP tables and national accounts.

First, the follow-up of the action points of the previous EDP dialogue visit and Ad-hoc visits were reviewed. Eurostat took note that almost all action points have been implemented whereas, due to ongoing developments in the Polish economy, issues still open were discussed during this visit.

Concerning the EDP Notification, GUS agreed to improve the presentation of other accounts receivables/payables and to provide an additional breakdown, by unit, of significant amounts reported under 'other claims' and 'other liabilities'.

Regarding the delimitation of general government, GUS was asked to improve the availability of data for SPVs, holding companies and head offices and other entities with less than 9 employees, with a view of regularly collecting the necessary information for EDP purposes.

The discussion then focused on the sector classification of railway companies in the context of the inclusion of subsidies in the sales for market/non-market test. As a result, Eurostat asked the Polish authorities to closely analyse whether subsidies are directly linked to the volume or value of output of the public transport companies, and thus can be included in the sales according to ESA2010. Based on the results, GUS should recompile the market/non-market test for all public transport units and to reclassify them if necessary.

Particular attention was paid to the statistical implications of the regulated and commercial pillars of the 'Mieszkanie Plus' program. The new unit, created under the regulated part, the KZN – *Krajowy Zasób Nieruchomości*, was classified in general government. Activities of this unit are in the preliminary phase and no housing investment started so far. Eurostat did not express objections as regards the market character of the commercial pillar run by BGKN – *BGK Nieruchomości*. On a related issue, Eurostat asked GUS to re-visit the S.11 sector classification of the public building associations (TBS - *Towarzystwa Budownictwa Społecznego*) with regard to the involvement of local government.

An extensive enquiry took place with regard to the unusual high level of VAT refunds observed in December 2016, followed by the significant drop in the first months of 2017. Following the information provided by the Ministry of Finance during the meeting, it was revealed that the accelerated reimbursement of VAT refunds observed in December 2016 was triggered by a specific government decision. As a result, Eurostat asked GUS to undertake a correction in the EDP data reallocating the accelerated VAT refunds to the months when they normally should have been reimbursed (January and March 2017).

With regard to capital injections, Eurostat expressed its objections on the late availability of relevant information for the purpose of statistical analysis. Eurostat asked GUS to immediately analyse the very sizeable government capital injection undertaken by government into BGK (0.3% GDP) in the third and fourth quarter of 2017 in order to decide, together with Eurostat, whether this should be classified as a non-financial or financial transaction. In addition, it stressed the need of a structural improvement in this regard for the future such as full information on capital injections is available immediately after a transaction takes place in order to allow a timely analysis of the statistical implications.

Afterwards, the discussion was directed towards the analysis of the recapitalisation of the coal mining company, the *Polska Grupa Górnicza* - PGG S.A. undertaken in 2017 by its shareholders, solely public companies. PGG purchased four coal mines from the distressed KHW (*Katowicki Holding Węglowy* S.A), two of which were immediately decommissioned and transferred to government. It resulted in PGG taking over 240 mln of assets in exchange of 1.2 bn of liabilities, therefore conveying a clear benefit to KHW. Eurostat stated that there are strong indicators that this recapitalisation was carried out to cover losses of PGG resulting from the aforementioned transaction. In this context, Eurostat asked GUS to consider whether the public corporations carrying out this injection acted in fact for public policy purposes and not for commercial reasons.

Concerning the Energy performance contracts (EPCs), the Polish statistical authorities informed that all contracts signed since 2015 are recorded on government balance. The contracts have followed the similar model and included clauses having nature of minimum revenue guarantee.

Regarding the emission permits, Eurostat concluded that the current method used to calculate taxes seems to be legitimate. Nevertheless, GUS was encouraged to re-visit the possibility of using the 'probability approach' in consultation with the data provider.

Some other issues were also discussed such as guarantees, military equipment expenditure, debt assumptions, debt cancellations and debt write-offs. Eurostat did not express any major objections on the recording of these transactions.

Eurostat welcomed the transparent, well-structured and comprehensive approach by the Polish statistical authorities to the EDP related work. Eurostat appreciated also the documentation provided by the Polish statistical authorities prior to and during the EDP dialogue visit.

Provisional findings

In accordance with article 11(1) of Council Regulation (EC) No 479/2009, as amended, on the application of the Protocol on the excessive deficit procedure annexed to the Treaty on the Functioning of the EU, Eurostat carried out an EDP dialogue visit to Poland on 1-2 March 2018.

The delegation of Eurostat was headed by Mr Luca Ascoli, the acting Director of Directorate D and Head of Unit D1 (Excessive Deficit procedure and methodology). Eurostat was also represented by Mr Thomas Forster and Ms Malgorzata Szczesna-Rundberg. The Directorate General for Economic and Financial Affairs (DG ECFIN) also participated in the meeting as observer. The Polish authorities were represented by the Statistics Poland (Główny Urząd Statystyczny – GUS), the Ministry of Finance (MoF), the National Central Bank (Narodowy Bank Polski – NBP) as well as by representatives of various government departments.

For the specific items of the agenda, the representatives of the Bank Gospodarstwa Krajowego (BGK), of the Polish Development Fund (PFR S.A.), of the BGK Nieruchomości S.A., of the Zakład Transportu Miejskiego and of the Krajowy Ośrodek Bilansowania i Zarządzania Emisjami (KOBiZE) were present.

Eurostat carried out this EDP dialogue visit in order to review the implementation of ESA 2010 methodology, to assure that rules of the ESA 2010 Eurostat Manual on Government Deficit and Debt are complied with and to make sure that Eurostat decisions are duly implemented in the Polish EDP and Government Finance Statistics (GFS) data.

The main aims of the dialogue visit were to discuss the delimitation of the general government and the market / non market test, to review the implementation of accrual principle, focusing mainly on the tax refunds and to review the recording of specific government transactions.

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

Eurostat appreciated the documentation provided by the Polish statistical authorities prior the EDP dialogue visit. Eurostat also thanked the Polish statistical authorities for their co-operation during the visit and consider that the discussions were transparent and constructive.

1. STATISTICAL ORGANISATIONAL ISSUES

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

Eurostat reviewed the institutional responsibilities in the framework of the reporting of data under the EDP and government finance statistics. In Poland, there are two institutions involved in the compilation of the data: the Statistics Poland (**GUS** - *Główny Urząd Statystyczny*) and Ministry of Finance (**MF** - *Ministerstwo Finansów*). GUS is responsible for the compilation of non-financial and financial accounts of general government, whereas the Ministry of Finance compiles the quarterly Maastricht debt. All EDP Tables are compiled by GUS except for the statistics on debt in Table 1 and planned data that are provided by MF. In addition, the National Bank of Poland (**NBP** - *Narodowy Bank Polski*) is involved in the EDP process with regard to the EDP methodology, as it compiles annual financial accounts for all sectors of the economy.

Cooperation in the field of EDP methodology takes place under the General Government Statistics Working Group (GGSWG) which is a consultative and advisory body to the President of GUS. Its aim is to coordinate the exchange of information between the institutions, the preparation of proposals concerning methodological and organizational issues. Decisions are taken after consultations by the Chairman, which is always an expert from GUS. In case of doubt, the Chairman shall submit the case for a decision to the President of GUS. The final approval of EDP data is done by GUS.

A formal agreement on the cooperation between the concerned institutions as co-compilers of EDP data does not exist, but the Official Statistics Act dated 29 June 1995 and the annual regulations of the Council of Ministers on the programme of statistical surveys of official statistics (PBSSP) give mandate to collect the data needed for the compilation of GFS/EDP statistics.

Discussion and methodological analysis

The Polish statistical authorities explained that there had been no changes in the institutional responsibilities in the framework of the EDP data compilation since the last EDP dialogue visit in 2015. GUS informed Eurostat that the on-going re-organisation in the government departments' structure and responsibilities would not impact the institutional arrangements for the EDP data flows. In the context of the changes, Eurostat highlighted the importance of assuring the completeness of the data on capital injections that are undertaken and reported to GUS by various departments of government.

Next, GUS provided an overview of the issues discussed during the meetings of the GGSWG in 2017, with a particular focus on sector classification cases. Among others, GUS informed Eurostat that the new Water Act was approved, which resulted in the consolidation of certain units as well as the creation of the new unit, *Państwowe Gospodarstwo Wodne Wody Polskie*. Following the statistical analysis with regard to supervising and regulating body, *Wody Polskie* was classified inside general government. GUS added that the appropriate statistical recording of water fees, the main source of revenues of this unit, is still under analysis.

Another subject, discussed by the GGSWG in 2017, was classification of the PGE EJ1 (special purpose vehicle of the PGE S.A. - Polska Grupa Energetyczna S.A.), which is involved in the development of the Polish nuclear power program.

GUS pointed out that the construction of a nuclear power plant had not started yet and that the activities of *PGE EJ1* were closely monitored in view of gathering information to undertake the statistical analysis of potential implications for EDP data.

Findings and conclusions

Action Point 1: GUS will provide the new legal act on water law and an analysis of the sector classification of the *Państwowe Gospodarstwo Wodne Wody Polskie* (including the sources of revenues and their recording in national accounts).¹ *Deadline: end July 2018*

Action Point 2: GUS will provide a note on the sector classification of the unit responsible for nuclear power construction and processing (including information on its activity in the process of nuclear power construction, current debt and sources of the revenues).² *Deadline: end June 2018*

1.2. Data sources and revision policy, EDP inventory

Introduction

Under this item of the agenda, Eurostat enquired about data sources, revision policy and the update of the ESA 2010 EDP inventory.

Discussion and methodological analysis

Regarding the **data sources**, the Polish statistical authorities explained that there had been no significant changes since the last EDP dialogue visit. A detailed description of the data sources by the government sub-sector is part of the EDP inventory, publicly available on the Eurostat website³.

Nevertheless, there have been some additions to the data sources related to the implementation of the new methodological guidelines (mainly for mobile phone licences) and reclassification of some units into general government.

Moreover, GUS updated Eurostat on the advanced developments aimed at improving data sources for local government and for the enterprises with the public capital.

For local government, to improve data on non-cash transactions, a new statistical survey (RF-03) was elaborated and will be launched for the first time in 2018 to collect information for the year 2017. The survey will be used to collect data on sale and leaseback, dividends,

¹ The note was provided on 5 November 2018.

² The note was provided on 4 July 2018.

³ <https://ec.europa.eu/eurostat/documents/1015035/8572485/PL-EDP+Inventory-May18.pdf/f07f6ceb-4247-4107-8050-eea34029541a>

public-private partnerships, special purpose entities, liabilities by groups of creditors, assumptions of liabilities and long-term liabilities that are restructured or taken over by financial institutions.

To improve the implementation of the ESA2010 concept of control, another statistical survey was launched in 2017 – *AP-01 Statistical questionnaire for enterprises with public capital*. It is aimed at a structural collection of information necessary for the sector classification of units according to ESA2010. It contains questions about the control and other questions on qualitative criteria to establish whether the entity is undertaking market activity. The survey covers entities with public capital, in which the number of employees is 10 people and more.

Eurostat congratulated the Polish statistical authorities on the work undertaken to improve the data sources for local government and the implementation of the concept of control and qualitative criteria in order to specify whether the producers are market producers. GUS agreed to report to Eurostat on the results of the first dispatch of the questionnaire and inform about the quality of information gathered.

Next, the **revision policy** was briefly discussed as the Polish statistical authorities informed Eurostat that there had been no major changes since it was reviewed in 2015. Generally, the basic information of the *April (first) notifications* is revised and complemented with finalised data in the *October notifications (second)*. The final data for public finance sector are available at the end of May T+1, which are then adopted by Parliament and audited by the Supreme Audit Office. Around that time, the data for other units have also final status.

Methodological revisions resulting from the implementation of Eurostat decisions and guidance notes or MGDD updates are usually made as soon as possible, mostly in the same year. Data for new entities reclassified are usually also immediately included in the EDP data. However, for small units with negligible impact on deficit and debt, the financial accounts and EDP debt data are fully revised whilst their net lending/net borrowing is included under one transaction in non-financial accounts. The complete revision of non-financial accounts is conducted at a later stage, in order to ensure the consistency with non-financial accounts for all sectors.

Revisions are coordinated within national accounts. All changes are made at the same time in all institutional sectors. These revisions are carried out at least for the time series covered by the EDP tables, if not agreed otherwise with Eurostat.

Finally, the discussion focused on the update of the **EDP inventory**, which is published on the website of Eurostat as well as nationally. Prior to the visit, GUS provided the updated version of the EDP Inventory, for Eurostat approval. Eurostat indicated that, upon the analysis, it may contact GUS for further clarifications before the publication in Eurostat website. In addition, Eurostat noted that it would like to receive the update bridge table between public accounts (budgetary reporting) and (ESA 2010) national accounts data.

Findings and conclusions

Action Point 3: GUS will send to Eurostat a summary of the results of the first dispatch of the Questionnaire AP-01: for enterprises with public capital and of the Questionnaire RF-03: for local government, including information on the identified quality issues and the impact on the EDP notification.⁴ *Deadline: end August 2018*

Action Point 5: Eurostat will review the recently updated EDP Inventory and, if necessary, it will ask GUS for clarifications and alignments before the publication on Eurostat website.⁵ *Deadline: end April 2018.*

2. FOLLOW-UP OF THE EDP DIALOGUE VISIT IN 2015 AND AD-HOC VISITS IN 2016 AND 2017

Introduction

All action points from the 2015 EDP dialogue visit were implemented by the Polish statistical authorities. The action points resulting from the 2016 Ad-hoc visit are closed, whereas some action points of the 2017 Ad-hoc visit are still open.

Discussion and methodological analysis

Eurostat appreciated the efforts and involvement of the Polish statistical authorities in the implementation of action points. It was noted that, due to the long-term developments on particular cases, some action points from the ad-hoc visit of 2017 were still open and would be discussed under the relevant agenda points of this visit. It concerned the issues related to the:

- **AP 1 (2017)** GUS will provide to Eurostat, as soon as possible, the first estimation of the potential impact of VAT frauds on the GNI/GDP figures. Eurostat will consult internally and with other European Commission services and will reflect on the issue in the context of the April 2017 EDP notification (*for discussion under agenda point 4.3.1*)
- **AP 4 (2017)** GUS is to analyse the aspects related to statistical classification of the Polish Development Fund with regard to the recent changes in its statutes and to the creation of the PFR capital group. The analysis should include a detailed presentation of the role and the tasks of the PFR SA in relation to its subsidiaries and a description of the financial flows within the group (*for discussion under agenda point 4.2.2*)
- **AP 8 (2017)** GUS should undertake an extensive statistical analysis of the entities involved and transactions carried out within the 'Mieszkanie Plus' programme, and in particular assess the sector classification of the National Housing Fund. In this context,

⁴ The note was provided on 4 September 2018.

⁵ Following Eurostat comments, the final version of the Inventory was provided by GUS on 4 June 2018 and published on Eurostat website.

Eurostat will provide to GUS (by the 3rd of April 2017) a list of questions in order to facilitate the analysis (*for discussion under agenda point 4.2.1*)

Findings and conclusions

Action Point 22: Following the discussions during the dialogue visit, Eurostat will send to GUS an update of the on-going action points from the previous visits and the revised timetable for their implementation.⁶ *Deadline: end March 2018*

3. FOLLOW-UP OF THE LATEST EDP REPORTING – ANALYSIS OF EDP TABLES AND THE RELATED QUESTIONNAIRES

First, Eurostat thanked the Polish statistical authorities for their timely and accurate transmission of EDP tables and the relating questionnaires.

Next, Eurostat followed up on the outstanding issues from the October 2017 EDP Notification. The discussion covered the revision in interest for local government in 2016, the necessary improvements in the presentation of other accounts receivables/payables in EDP Questionnaire and the estimation of super-dividends for local government (*addressed under agenda point 4.4.4.*)

3.1. Difference between interest paid and interest accrued for local government in 2016.

Introduction

During the October 2017 EDP Notification, Eurostat enquired about the revision (from 6 mln to 112 mln PLN) reported for the *Difference between interest paid and interest accrued* for local government in 2016 (EDP Table 2C and Table 3D). During the clarification period, GUS informed Eurostat, that it was related to the revised interest of securities issues by local government reported by Miasto Stołeczne Warszawa linked to the change in the method for the calculation/valuation of financial liabilities to the *adjusted purchase price*. Taking into account the negligible impact on the deficit/debt figures, Eurostat asked GUS to further investigate the details and re-visit the correctness of this recording after the notification period.

Discussion and methodological analysis

The Polish authorities explained that, according to the detailed information received from Miasto Stołeczne Warszawa, out of 112 mln PLN, the value of 53 mln PLN (interests of local securities) was derecognised from financial costs and the value of 56 mln (discount from local securities) was derecognised from prepayments and accruals and recorded as future expenses. This revised recording was apparently triggered by a change in the legal basis, which is being clarified with Miasto Stołeczne Warszawa.

⁶ Taking into account the points implemented during the April 2018 EDP Notification, the consolidated information was provided on 27 April 2018.

Moreover, GUS informed Eurostat that it investigated other local entities with regard to similar recordings and it did not find any major revisions or anomaly in other cities or local entities. The issue seems to concern only the valuation method applied by Miasto Stołeczne Warszawa.

Eurostat expressed its view that the change in the calculation of the financial liabilities should be recorded as 'other changes' in the financial account and it should not impact the capital account. Thus, the above mentioned amounts (53 mln PLN and 56 mln PLN) should be recognised as expenditure of Miasto Stołeczne Warszawa.

Action Point 20: GUS will adjust the data for interest for the city of Warsaw in the April 2018 notification taking into account that a change in the valuation of financial liabilities in the public accounts should not impact the capital account.⁷ *Deadline: end March 2018*

Action Point 21: GUS will provide a note on the new accounting regulation with regard to valuation of debt and its impacts on the accrual recording of interest (if any).⁸ *Deadline: end May 2018*

3.2. Breakdown of other accounts receivable/payable

Introduction

Another follow-up from the October 2017 EDP Notification was the presentation of other accounts receivable/payable in Tables 4.1.1 and 4.1.2 of the EDP Questionnaire. Poland reports significant values under the aggregated positions 'other claims' and 'other liabilities', which are subject to significant revisions between the spring and autumn notifications. Eurostat found that this approach complicates the verification of the data and necessitates numerous questions to be asked during the clarification periods.

In addition, more generally in relation to other accounts receivable/payable, Eurostat asked GUS to show separately and indicate in references/comments the transaction type: F.81 or F.89, to investigate and re-visit the reporting of 'zeroes' under 'receivables/payables relating to financial instruments', and to provide a split between transfers outside S.13 and transfers between subsectors (indicating a relevant subsector). Prior to the meeting, GUS provided a proposal of the improved presentation of Tables 4.1.1 and 4.1.2 of the EDP Questionnaire.

Discussion and methodological analysis

Eurostat enquired about the compilation process and the data sources used for 'other claims' and 'other liabilities' within other accounts receivable/payable. In reply, GUS explained that this aggregated presentation is linked to the limitations in the data sources. During the spring notifications, the data are not finalised for many units and estimations must be done for such institutions as public universities, public health care institutions, institutions of culture and the Polish Academy of Science. Moreover, due to the unavailability of many units' balance

⁷ This was implemented in the context of April 2018 EDP Notification.

⁸ The note was provided on the 28 August 2018.

sheets in April notification, other data sources are used in spring and autumn notifications, which also affect the revisions. The preliminary or estimated data used in April are then revised with the finalised data in the October notification.

Eurostat took note of the explanation provided and welcomed the proposal of the improved presentation provided for the purpose of the meeting. It included 'other claims' and 'other liabilities', as reported in October 2017 EDP Notification, presented with the additional breakdowns by individual units or group of units. Also, other technical issues (as mentioned in *Introduction*) were resolved. Eurostat enquired whether this detailed breakdown could be provided by GUS systemically with every EDP notifications. In reply, GUS explained that this detailed compilation is a very time-consuming exercise and, due to the work burden for March 2018, it would be not able to submit it with the April 2018 EDP Notification but it could be provided at a later stage, some months later. For the autumn notification, with the availability of the final data and more time available for compilation, GUS would be able to provide this detailed breakdown simultaneously with the EDP notification. The operational solution for the future spring notification was agreed to be discussed at a later stage.

Furthermore, Eurostat enquired about some figures reported under other accounts receivables/payables. In particular, there was a discussion about the sizable revision for 2016 in compensation of employees (from 374 to 742 mln PLN) observed in October 2017 EDP Notification. It was related to data reported under the budgetary paragraph 407 – additional annual remuneration and annual awards for soldiers. GUS clarified that the data provided in April 2017 EDP Notification were preliminary. The Ministry of Defence payroll list cannot be completed before the entity has full information about the number of persons entitled to receive these remunerations, which can occur after the annual budget report has been submitted. In the context of potential reoccurring revisions, Eurostat indicated that the alternative approach would be to use the estimate for this transaction in the spring notifications. GUS was encouraged to investigate the cash and accrual data and to report to Eurostat on the way forward regarding this issue.

Findings and conclusions

Action Point 7: GUS will provide a detailed breakdown, by particular units and/or groups of units, of 'other claims' and 'other liabilities' reported in the April 2018 EDP notification.⁹

Deadline: end June 2018

Action Point 8: GUS will analyse the impact of 'additional annual remuneration and additional rewards for soldiers' on the accrual data in 2016 in view of cash data for 2017 and the budgeted cash data for 2018.¹⁰ *Deadline: end March 2018*

⁹ This was accomplished on the 30 May 2018.

¹⁰ The note was provided on 30 March 2018.

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. Implementation of the new MGDD¹¹ (2016 edition)

Introduction

Eurostat published an updated MGDD in March 2016. Several chapters were significantly revised. During the October 2017 EDP Notification, Eurostat asked about the implementation of the provisions of the new MGDD. The Polish statistical authorities informed that all chapters were implemented, except for some points related to chapter I.2.3 “Concept of a government-controlled institutional unit”. The outstanding issues covered mainly the re-classification of State Treasury Foundations and the sector classification of indirect controlled entities (for small units).

Concerning the State Treasury foundations, for October 2017 EDP Notification, these units were reclassified to general government with the deficits impacting the B.9 from 2016 onwards. However, due to non-availability of the data, and taking into account the insignificant amounts involved, the debt impact of this reclassification was to be included in the April 2018 EDP Notification.

Discussion and methodological analysis

Referring to data for the **State Treasury foundations**, the Polish authorities explained that, for compiling October 2017 EDP Notification, they used the information from statistical report SOF-1, which has limited financial data (no information about liabilities). As part of S.13, starting from the second quarter of 2017, foundations are obliged to provide data on their claims and liabilities in another report (RF-02 report).

Moreover, GUS informed Eurostat that it asked directly all reclassified foundations about their outstanding debt at the end of 2016. Eurostat acknowledged progress and the steps undertaken in order to obtain the data on liabilities of the State Treasury Foundations. GUS confirmed that the April 2018 EDP Notification will include the debt data of State Treasury Foundations from 2016 onwards.

In addition to State Treasury Foundations, there are also other public foundations operating in Poland. In most cases, the initial capitalization was provided by government; however their activities are conducted independently of the founder. The profits are usually devoted to the development of the foundation itself. Eurostat enquired if some of these NPIs carry out some regulatory activities. GUS explained that usually it is not the case but it could be double checked. It was confirmed that the National Bank of Poland does not have any foundations.

¹¹ Manual on government deficit and debt

Eurostat asked GUS to review the activities of all public foundations to verify that they do not act on behalf of government.

In addition, Eurostat asked GUS to provide a list of government controlled units in which government owns less than 50% of equity and explain which other control criteria have been decisive in determining government control.

Further, Eurostat enquired about other aspects related to the implementation of revised Part I of MGDD, and in particular about **public units in liquidation**. GUS explained that the information about such units is received from National Court Register (Krajowy Rejestr Sądowy). It then results in the modification in the name of the unit visible in the database of units for statistical purposes (Baza Jednostek Statystycznych). GUS informed that once a unit in liquidation fails the 50% test, it is immediately reclassified inside general government in line with the MGDD. With regard to the qualitative criteria, the supplementary information about the government control is available from 2017 onwards from the new Questionnaire AP-01.

Finally, Eurostat re-visited the approach of the Polish authorities with regard to the identification and the sector classification of **public head offices (HO) and holding companies (HC)**.

GUS informed that in 2015, when implementing ESA2010, it conducted, together with the National Bank of Poland, a survey to identify the potential public head offices and holding companies. As a result, 18 public units were identified, out of which, based on the statistical analysis, 5 units were found to be classified as head offices, others being regular corporations. The identified units carried out mainly managerial activities, representing over 50% of their activities. According to the MGDD rules, the subsidiaries of the HOs were analysed in terms of market/non-market test. Based on the results obtained in 2015, it was found that none of the HOs should be reclassified to general government.

Eurostat enquired about the subsequent updates of the analysis and asked if there is a continuous monitoring in place in view of new units being created. In particular, Eurostat asked GUS to review the sector classification of Enspirion Sp. z o.o., a subsidiary of ENERGA, taking into account the results of market/non-market tests.

The Polish authorities explained the practical difficulties they had been facing with the regular analysis of head offices and holding companies. They highlighted that some of them and, in particular, most of their subsidiaries are small, created very recently and GUS does not have access to their financial statements. This is because the small units (employing up to 9 people) are not covered in Poland by the structural business statistics surveys (SBS).

Eurostat pointed out that progress needs to be done with regard to availability of information on publicly controlled small entities, in particular for units acting as special purpose vehicles, holding companies and head offices where the potential impact on government aggregates might be non-negligible. The Polish authorities were asked to re-analyse the situation in detail and find a solution to ensure the regular availability of this information for EDP purposes.

Findings and conclusions

Action Point 4: GUS will provide a list of government controlled units in which government owns less than 50% of equity and explain which other control criteria have been decisive in determining of government control.¹² *Deadline: end August 2018*

Action Point 9: GUS will finalize the statistical analysis of foundations at local government level and will reclassify them, if appropriate, into general government.¹³ *Deadline: end September 2018*

Action Point 10: GUS will review the activities of all public foundations to verify that they do not act on behalf of government and thus need to be reclassified into general government.¹³ *Deadline: end August 2018*

Action Point 11: GUS will analyse the situation as far as the lack of data for SPVs, holding companies and head offices and other entities with less than 9 employees is concerned, with a view of regularly collecting the necessary information for EDP purposes.¹³ *Deadline: end July 2018*

Action Point 12: On this basis, GUS will compile the market/non-market test for all subsidiaries (including with less than 9 employees) of the identified head offices and undertake relevant reclassifications into general government.¹⁴ *Deadline: end August 2018*

Action Point 13: GUS will review the sector classification of Enspiron Sp. z o.o., a subsidiary of ENERGA, taking into account the results of market/non-market test for 2017.¹⁵ *Deadline: end March 2018*

4.1.2. Application of the market/non-market test for railway companies

Introduction

In Poland, the market / non market criterion is generally tested on a unit by unit basis, on a yearly basis (in November). However, in case of organisational changes of the existing units or in case of newly created units, the test is conducted outside the usual annual pattern, according to the needs of statistical analysis. Non-market criterion is being examined using qualitative and quantitative analysis. The qualitative criteria are examined, among others, on the basis of the AP-01 Statistical questionnaire for enterprises with public capital. For the quantitative analysis, the market/non-market test is used (sales covering 50% or more of costs, as defined by ESA2010). In case of existing units, longer time series are analysed (the market/non-market analysis covers the years: t-3 to t). For new units, business plans are taken into consideration.

¹² The note was provided on 28 August 2018.

¹³ These action points are ongoing.

¹⁴ The note was provided on 5 November 2018.

¹⁵ The note was provided on 30 March 2018.

Under this item of the agenda, the discussion focused on the calculation of the market/non-market test for railways companies. In particular, the main issue was the subsidies received from government by these units and if and how they are taken into account in the calculation of market/non-market test (included or not in the sales).

There is a considerable number of railways companies in Poland. Three of them are classified inside general government based on the results of market/non-market test. These are as follows: 1) *PKP PLK* - railways infrastructure operator, 2) *Przewozy Regionalne* – interregional passenger transportation and 3) *Koleje Dolnośląskie* – passenger transportation in Lower Silesia region.

Other railway companies, classified outside general government, include: *PKP Intercity* (passenger transportation), *PKP Cargo* (freight transportation) and many other smaller units operating in the particular regions of Poland. Many of them (including the biggest one) are part of the PKP Group that was created in 2001, following the restructuring of the sector and separating the transportation business from the railway infrastructure management.

Discussion and methodological analysis

With regard to units outside S.13, the Polish authorities provided very detailed information, by unit, presenting an overview of subsidies received, the amounts of subsidies included and excluded from the sales, and the market/non-market test results with and without subsidies.

Eurostat pointed out that the level of received subsidies (currently included in the sales) is significant for many units and thus can be decisive for the results of market/non-market test. Eurostat stressed the need for the detailed analysis of the exact nature and characteristics of subsidies in order to verify if they fulfil the ESA definition of subsidies on products (and not on production). In this regard, the payments received from government should be analysed to determine if they are directly linked to indicators of the volume or value of output of the railway company, and thus can be included in the sales according to ESA2010 3.33. Eurostat re-called that any payments that do not have this character and are intended to cover the overall deficit of a company should be treated as subsidies on production (ESA2010 3.34) and not treated as sales.

Next, Eurostat questioned the sector classification of two units that had not been passing the 50% test for the last three years and are still classified outside general government. It concerned '*Łódzka Kolej Aglomeracyjna Sp. z o.o.*' and '*Pomorska Kolej Metropolitalna Sp. z o.o.*'. Eurostat stated that, based on the market/non-market test results, these units should be reclassified inside general government in April 2018 EDP Notification. The results of another unit, *Koleje Małopolskie Sp. z o.o.*, created in 2015, should be under a close observation with a view of possible reclassification if the unit fails the 50% test for the third consecutive year.

Further in the discussion, Eurostat enquired about the main source of the revenues of the passenger railways companies. In case of *Szybka Kolej Miejska*, according to the information received from the representative of the *Zarząd Transportu Miejskiego w Warszawie* (local government body, responsible of the management of public transport in Warsaw) during the

meeting, revenues seemed to be based on cost reimbursement plus limited profit received from government and not related to the sales of tickets.

Observing this case, Eurostat questioned about other railways companies or even other public transport companies (i.e. trams, bus, metro) that might be reimbursed along the similar approach.

GUS answered that further investigation is needed in order to answer in detail to the questions raised by Eurostat. In particular, more information needs to be gathered about the subsidies received by the railways companies, and the basis and the calculation mechanism of the amounts allocated to particular units.

Findings and conclusions

Action Point 14: GUS will analyse the subsidy schemes in place for public transport companies and will provide a note to Eurostat on the different type of subsidies, the formula on which those subsidies are paid to the transport companies and how these subsidies are to be classified in national accounts (i.e. subsidies on production or subsidies on product). In this context, GUS, in particular, will check carefully the nature of subsidies to those units where the market/non-market test is above 50% solely because of the inclusion of the subsidies in its calculation.¹⁶ *Deadline: progress report for end March 2018*

Action Point 15: GUS will provide a note to explain on what basis the business accounting of public transport companies' records subsidies under the accounting item 'sales' and whether those subsidies meet the ESA criteria for being subsidies on products.¹⁷ *Deadline: progress report for end March 2018*

Action Point 16: On this basis, GUS will recompile the market/non-market test for all public railway companies and, if applicable, reclassify the units to the general government sector.¹⁸ *Deadline: progress report for end March 2018*

Action Point 17: GUS will reclassify the railway companies where the market/non-market test is below 50% despite the fact that the sales of these units include subsidies and the 50% test did not show a clear and steady increase of sales to cost ratio.¹⁹ *Deadline: end September 2018*

Action Point 18: GUS will identify cases similar to Szybka Kolej Miejska and reclassify in government all these public transport companies where the revenues of the transport companies are not linked to the sale of tickets (where revenues from tickets go directly to

¹⁶ The progress report was provided on 30 March, the note was provided on 28 August 2018.

¹⁷ The progress report was provided on 30 March, the note was provided on 28 August 2018.

¹⁸ The progress report was provided on 30 March, the note was provided on 28 August 2018. Reclassifications were implemented in the context of October 2018 EDP Notification.

¹⁹ It was implemented in the context of April and October 2018 EDP Notifications.

government) but are mainly subsidised on the basis of cost reimbursement.²⁰ *Deadline: for SKM: end March 2018, for other relevant entities: end of September 2018*

4.1.3. Government controlled entities classified outside the general government (public corporations)

Introduction

The Polish statistical authorities provided, prior to the meeting, an updated Questionnaire on government controlled entities classified outside general government, which was discussed under this point of the agenda. The Questionnaire does not include small units, i.e. employing up to 9 persons, as they are not covered by the structural business statistics (SBS) survey that is the main data source for the compilation of the Questionnaire. For small units, only an annual sample survey exists covering 5% of the population.

Discussion and methodological analysis

GUS informed Eurostat that the method of identification and classification of public units was not changed since the last EDP dialogue visit. The process of classification of public corporations controlled by government is explained in detail in the EDP Inventory.

Eurostat, together with the Polish statistical authorities, reviewed the list of government controlled entities and discussed some specific cases.

Eurostat noted that the market / non-market test for some units was below or just above 50 % in the last three years and asked the Polish statistical authorities to closely monitor such units.

Then, Eurostat observed that some units, controlled by central governments, are classified in NACE 84 (*Public administration and defence; compulsory social security*). Eurostat underlined that NACE 84 may point at products not sold at an economically significant price, with ESA2010 3.26 and 3.84 requiring a classification of such units inside the general government. The Polish statistical authorities agreed to examine the correctness of the NACE code allocated to these units and, if confirmed, to re-visit their sector classification.

Eurostat also detected some units, controlled by central government, having NACE activity 79, i.e. *Travel agency, tour operator and other reservation service and related activities*. Eurostat questioned what could be considered as a sale for such units. As in the previous case, the Polish statistical authorities agreed to check to examine the correctness of NACE allocation to these units and, if confirmed, to re-visit their sector classification.

Findings and conclusions

Eurostat took note of the classification process of public corporations controlled by government.

²⁰ It was implemented in the context of April and October 2018 EDP Notifications.

Action Point 26: Eurostat will contact GUS bilaterally about the issue of some public units that do not seem to have complied with the 50%-test for three years in a row and are still recorded in S.11.²¹ *Deadline: 19 March 2018*

4.2. Sector classification of specific units and statistical recording of their activities

4.2.1. 'National Housing Fund' and 'Mieszkanie Plus' program

Under this agenda point, the potential statistical implications of the newly created '*Mieszkanie Plus*' housing program were analysed. It was a continuation of discussion that was started during the Eurostat ad-hoc visit in March 2017 when the program was still in its preliminary phase and the legislative process was not yet finalised. In the context of implementation of action points, GUS was monitoring the developments and informing Eurostat on a regular basis about progress on this matter. Prior to the meeting, GUS provided an updated note presenting the scheme, the recent development and the preliminary analysis of their statistical implications.

Discussion and methodological analysis

The Polish authorities informed Eurostat on the Act on the National Immovables Stock (Krajowy Zasób Nieruchomości - KZN) on 9 August 2017.²² The Act came into force on 11 September 2017 and it is the basis for the implementation of the National Housing Program – '*Mieszkanie Plus*'.

The '*Mieszkanie Plus*' program is supposed to provide support for the construction of rentable housing at moderate prices and rents using public land. For investments related to the construction of affordable apartments for rent (with an option to buy) two models exist:

- regulated by the Act of 20 July 2017 on the National Immovables Stock (KZN), and
- commercial – implemented by BGK Nieruchomości (BGKN).

Krajowy Zasób Nieruchomości

GUS confirmed that in the framework of the regulated part of the program, the new public unit, KZN was created and classified inside general government (S.1311). KZN is publically controlled since all members of the supervisory board are appointed by the supervising ministry. KZN is an entity established to carry out strictly defined functions (public policy purposes), i.e. it is to increase the availability of housing and create a stable framework for financing housing. All the daily activities of KZN as well as the administrative tasks are specified in a great detail in the legislation, so the range of independent decisions of the bodies of KZN is limited. KZN is supposed to finance its actions from property revenues. At the moment of the meeting, the activities under this program were only in the preliminary phase and no housing investments had started.

²¹ The note was provided on 30 March 2018.

²² In the previous legislative proposals, it was referred to as National Housing Fund.

Eurostat took note of the information and asked to be updated once the housing investment of the KZN will start, in particular with regard to its cooperation and the involvement of public and private operators.

BGK Nieruchomości

Regarding the commercial part, the main actor is BGK Nieruchomości S.A. (BGKN), a subsidiary of Bank Gospodarstwa Krajowego (BGK). The activities of BGKN are related to fund management. The entity is classified outside the general government sector, i.e., in the financial corporations sector (S.12). The representatives of BGKN were present in the meeting and provided the following clarifications.

The housing investment program is implemented with the use of financing from a fund managed by BGKN and funds of cooperating entities and started in 2016. The main aim of this program is constructing affordable rental flats (including those with the option to ultimately transfer the ownership right) on land of local government units, companies with State Treasury shareholdings and private entities, under commercial terms and conditions.

The cooperation with BGKN can be established by any entity interested in participating in the program, i.e., the participation in the program is voluntary. The most common condition for the initiation of cooperation is the offer of a property by interested entities, which can be used for the construction of affordable rental flats and the signing of an agreement with BGKN that specifies the mutual obligations of the parties.

BGKN organizes the program using two action models:

- 1) it acquires a property from a partner at market price with the intention to implement a housing investment or
- 2) it establishes a company with a partner to implement such an investment.

BGKN independently organizes finances and manages the investment processes and among others it initiates cooperation with entities interested in participating in the program and selects the place of construction of affordable flats for rent. The Minister of Investment and Development does not participate in the operational activity of the company.

Housing investments are implemented without state budget funds or funds obtained from trading State Treasury assets. Investment funds of Bank Gospodarstwa Krajowego provide financing. So far, housing investments have started in 7 municipalities. Five of them are being implemented in cooperation with local government units or entities connected with local governments, while two with private entities.

Furthermore, BGKN concluded 24 (conditional) investment agreements due to planned construction of affordable rental flats: 21 with local governments and 3 with private entities or State Treasury companies. These agreements concern the construction of over 7.6 thousands flats.

Eurostat took note of the information and stated that, based on the information available, this part of the '*Mieszkanie Plus*' program seems to be on a commercial basis and correctly recorded without impact on government accounts.

During the exchange of information in the meeting, the issue of the BGK activities in relation to social housing was brought in the discussion. Eurostat was informed that BGK is lending money to the public building associations that are run by municipalities. These are long-term, preferential loans (below-market) with no margin added. This line of BGK activities is conducted by the fund that is classified inside general government (in the past *Krajowy Fundusz Mieszkaniowy*, currently *Fundusz Dopłat*).

Eurostat enquired more about the functioning of public building associations (Towarzystwa Budownictwa Społecznego - TBS). GUS explained that their offer is addressed to a group of people with average incomes, i.e. to such citizens, whose income exceeds the limits set for persons applying for the allocation of communal or social housing, and at the same time the level of such income is too low to become the owners of apartments. A TBS can be created by local government(s) or various private persons. GUS informed that TBS units are currently classified in S.11.

In response, Eurostat stated that GUS should carefully analyse the set-up and the activities of those units in order to re-confirm the current sector classification considering the scope of involvement of local governments in its operations and the market/non-market character of its activities. The aspects that should be taken into account include the eligible dwellers of the flats, the process of rent determination, possible caps on the level of rents, the termination of rental agreements, etc.

Action Point 19: GUS will closely analyse the classification of the non-profit social housing associations currently classified in S.11, on the basis, among others of the involvement of the local government in the social housing scheme (e.g. determining the rent and the eligible dwellers).²³ *Deadline: end June 2018*

²³ The note provided on 4 September 2018.

4.2.2. Polish Development Fund (PFR) Group, including the involvement of Bank Gospodarstwa Krajowego (BGK)

Introduction

This agenda point was to follow-up on the classification of the Polish Development Fund (*Polski Fundusz Rozwoju* – PFR S.A.) and to review the information available so far on the creation of the PFR Group.

PFR S.A. is one of the main pillars of the extensive government Plan for Responsible Development. PFR was created in the context of the transformation of the unit Polish Investments for Development (PIR S.A.) in March 2016. PFR S.A. is owned by the State Treasury (owning 98.7% of the shares) and Bank Gospodarstwa Krajowego (owning 1.3% of the shares).

PFR S.A. is mainly engaged in fund management activities involving the management of assets of four investment funds created within TFI BGK. At the same time, PFR is a capital investor in these funds, investing almost 1.2 billion zlotys to date. The total value of assets managed by PFR is 6.5 billion zlotys and allocated in the following way:

- FIZAN Capital Infrastructure Investment Fund,
- FIZAN Debt Infrastructure Investment Fund,
- FIZAN Local Government Investment Fund,
- FIZAN Polish Business Investment Fund.

Each fund has its own individual strategy based on best practice in the investment process. The market nature of the projects financed is supervised by independent investment committees in which decision-making power rests mainly with experienced professionals from the private sector. The funds offer a wide range of financial instruments, e.g. subordinate debt, equity capital, mezzanine capital, etc. The projects are aimed at developing infrastructure, increasing the competitiveness of Polish businesses, and modernizing local government assets.

The issue of the sector classification of PFR was extensively discussed during the Eurostat ad-hoc visit in November 2016 and March 2017. In view of not yet finalized organizational changes, the following action point was agreed in March 2017: *GUS is to analyse the aspects related to statistical classification of the Polish Development Fund with regard to the recent changes in its statutes and to the creation of the PFR capital group. The analysis should include a detailed presentation of the role and the tasks of the PFR SA in relation to its subsidiaries and a description of the financial flows within the group (AP4).*

Prior to this visit, GUS informed Eurostat that the formal situation of PFR S.A. had not yet changed and thus the statistical classification of this unit also remains unchanged (for the time being classified to subsector Financial auxiliaries (S.126) and FIZAN funds to subsector non-MMF investment funds (S.124)). GUS informed Eurostat that the legislative project 'Act of the Development Institutions' is under preparation and is expected to be adopted in the first half-year of 2018. The representatives of the BGK clarified that the idea of the creation of a

capital group was not valid any longer. The focus was currently on creating a common framework for some major public financial institutions (PFR S.A, BGK, KUKE and others) to cooperate closer for enhancing investment in Poland.

GUS also informed Eurostat about the progress in the access to the information on projects realised by PFR S.A., as required by Action Point 5 from the Ad-hoc visit in 2017: '*GUS will report to Eurostat on the progress in establishing of a regular exchange of information on the transactions carried out by the PFR Group, which will be necessary to analyse the accounting implications of classification of the entities involved and the possible re-routing of transactions undertaken on behalf of government.*'

Consequently, a *Memorandum of Understanding* was signed between GUS and PFR S.A. regarding a regular quarterly exchange of information on the projects realized by this unit. Eurostat welcomed this development and asked GUS if there are still any outstanding issues in this respect. GUS replied that the cooperation with PFR works well and that bilateral discussions are organised if there is a need for analysing particular projects in more detail.

GUS recalled that one of the projects conducted in 2016, Trasa Łagiewnicka, was classified inside general government. The related debt was considered as government debt due to the fact that it was incurred by a special purpose entity (SPV) controlled by government.

GUS presented the statistical analysis of the PFR S.A. projects undertaken in 2017, a list with the projects was sent to Eurostat prior to the meeting. GUS concluded that there was no need for rearranging any of the projects to government as they operated according to market criteria.

Findings and conclusions

Eurostat concluded that, at the moment, there are no indications to change the sector classification of PFR S.A. However, the close monitoring of PRF S.A. projects should be continued and should result in the regular updates to Eurostat, prior to EDP notifications.

4.2.3. EFSI Investment Platforms envisaged or already created in Poland

Introduction

The Polish authorities provided information about two EFSI Investment Platforms which have been created so far in Poland. For both of them, the implementing unit is Bank Gospodarstwa Krajowego (BGK). The first one is called '*BGK Mid-Cap Investment Platform*' and involves the EIB guarantees provided to BGK for granting loans to small and medium-sized enterprises. The second one is directed towards '*Poland Social and Affordable Housing*'. It foresees the establishment of an investment platform to finance projects related to the construction of affordable rental housing, as well as construction of apartments for rent with the possibility of their subsequent purchase. The project includes municipalities throughout Poland and has links with the '*Mieszkanie Plus*' program described above under agenda point 4.2.1.

Discussion and methodological analysis

Eurostat enquired with GUS about the statistical implications of these projects. GUS explained that the contracts had not yet been signed. Upon finalization of contracts, GUS will analyse the statistical classification of investment platforms and inform Eurostat about the potential implications for the EDP statistics.

4.3. Implementation of accrual principle

4.3.1. Accrual taxes and social contributions (incl. analysis of the tax revenues and tax refunds in the years 2013-2017)

Introduction

Concerning data sources, for the calculation of the VAT for GDP and EDP purposes, GUS uses databases from **the Ministry of Finance** that in turn are based on information from tax offices. The database provides information on cash revenues and expenditure, as well as receivables and payables. VAT refunds are presented with minus sign in the same database like receipts from VAT. During the preparation of the EDP notification and calculation of GDP data, GUS does not make any adjustment due to VAT refunds. The Polish statistical authorities use a one-month time adjustment to calculate accrual data for VAT revenues, including VAT refunds. It is due to one-month delay in payment of VAT.

Discussion and methodological analysis

The discussion predominately focused on the issue of the unusual pattern of the VAT refunds observed at the end of 2016 and in the first months of 2017. In December 2016, VAT refunds were significantly higher (13.2 bln PLN) than in the preceding months of the year (on average 7 bln PLN). In January, they dropped substantially to the level of 3.9 bln PLN.

The VAT refunds were subject to an extensive analysis during the Eurostat Ad-hoc visit in March 2017. As a follow-up, Eurostat asked GUS to analyse the monthly time series of the VAT refund in order to understand if the unusual pattern, observed in December 2016 and first months of 2017, were due to a one-off reason (and if yes, which one) or due to structural changes in the VAT refund mechanism, which would require a possible reconsideration of the one-month time lag currently used for the calculation of the accrual data (*2017 Action Point 2*). Taking into account the importance of the subject, Eurostat also asked the Polish statistical authorities to provide monthly data on the level of VAT refunds on a regular basis.

The exchange of information and the discussion on the issue continued on a bilateral basis after the meeting. In particular, Eurostat enquired about the reasons for this development, and particularly on whether it was triggered by an administrative decision.

GUS conducted an analysis of monthly VAT data for the period 2014 to January 2017. Based on that, they concluded that the level of VAT refunds remained stable during this period for the months in question. GUS was not able to explain the reasons for the significant peak of

VAT refunds observed in December 2016 followed by the major drop in January and to lesser extent also in February and March 2017.

Eurostat asked then the representative of the Ministry of Finance if they would be able to provide some clarification and insight into the major increase in VAT refunds by the end of 2016.

The representative of the Ministry of Finance explained that the government had made efforts to shorten reimbursement periods for the VAT in order improve the cash liquidity of tax payers. However, with regard to December 2016, he said that the increased VAT refunds followed an administrative decision to speed up the reimbursement in comparison with previous years. He also emphasized the exceptional character of this event.

Considering this new information that surfaced during the meeting, Eurostat concluded that a correction needed to be undertaken in the GFS/EDP data in order to allocate the accelerated refunds to the months in which they normally would have been reimbursed between January and March 2017.

Closing the discussion, Eurostat strongly emphasised that the detailed information on the VAT refunds, their level and potential changes in the refunds pattern, should be made available to GUS for the purpose of statistical analysis and quality assurance of EDP data. Eurostat encouraged a closer cooperation in this respect between the Polish statistical authorities and the relevant data providers.

Next, Eurostat revisited the issue of miscalculation of GDP/GNI raised by government and which figured so prominently at the beginning of 2017, supposedly due to the VAT fraud. The Polish statistical authorities presented the results of the extensive analysis conducted in this field and identified the areas for further work, also at the European level. Taking note of the information presented, Eurostat concluded that this issue will not lead to correction of the EDP debt and deficit ratios at this stage.

Findings and conclusions

Action Point 6: GUS will send to Eurostat the VAT, CIT and PIT revenues and refunds on a monthly basis, and in particular the data for January and February 2018. *Deadline: 19 April 2018*²⁴

Action Point 23: Due to an acceleration of reimbursement resulting from a government decision, VAT amounts, which normally should have been reimbursed between January and March 2017, were exceptionally reimbursed in December 2016. Recognizing the exceptionality of the event, GUS and Eurostat will decide on the amount of the correction to be now imputed across the years 2016 and 2017.²⁵ *Deadline: end March 2018*

²⁴ The relevant data was provided to Eurostat on the 9 April 2018.

²⁵ This action point was implemented in the context of April 2018 EDP Notification.

Action Point 24: Eurostat took note that the issue of miscalculation of GDP/GNI raised by government and which figured so prominently at the beginning of 2017, in fact, will not at present result in any correction to EDP debt and deficit ratios.

4.3.2. Accrued interest

Introduction

The methodology for the calculation of government accrued interest payable was discussed. Interest expenditure and revenue is registered in the State Budget on a cash basis. Data concerning difference between interest paid (+) and interest accrued (-) (EDP D.41) is obtained from the Ministry of Finance. The calculation of the servicing costs of Treasury securities is based on a security-by-security database. Using this information, accrual adjustments are made.

For local government budgetary units, data for interest on an accrual basis are calculated using cash values adjusted by claims and liabilities from Budgetary Reporting from MoF. For other central and local government bodies, data on interest are available directly on accrual basis.

Regarding government securities, the *Working Balance (i.e. budget)* includes flows associated with premium and discount which are on cash basis. In EDP table 2 the working balance includes premiums and discounts, which are then eliminated in other accounts receivable. In national accounts, premiums are removed from revenue and treated as negative expenditure.

Discussion and methodological analysis

Further, Eurostat and the Polish statistical authorities examined the table on interest provided prior the meeting. Eurostat noted that the table seem to be consistent between stocks and flows and the EDP tables.

4.3.3. EU flows

Introduction

Since 2015, the stock of receivables of general government against the EU has rapidly and significantly increased. Eurostat raised the issue during the October 2017 notification period and ask the Polish statistical authorities to investigate the reasons of this accumulation of receipts for reimbursement from the EU.

Discussion and methodological analysis

The Polish statistical authorities explained that the rise in the stock of receivables against the EU is due to the increase in expenditure in comparison to inflows from the EU in the form of both advance payments and reimbursement of expenditure.

Eurostat asked when the expenditure is generally recognised. The Polish statistical authorities explained that the expenditure is recognised when the money is spent (at issuance of the invoice), after the application for reimbursement has been accepted. Then the invoices are sent to Brussels for reimbursement. In general, there should be no long delays in the actual EU payments, unless the EU suspends payments and expenditure has to be further justified.

Eurostat enquired if the stocks of receivables are expected to continue to increase in 2017. GUS answered that the data for 2017 had not yet been analysed and the issue would require further investigation and cooperation with the Ministry of Finance.

Findings and conclusions

Action Point 25: GUS will investigate the issue of amounts recorded among EU receivables and report on the possibility that such amounts will not be reimbursed and on whether they would be in a position to receive this information from the relevant authorities. *Deadline: end May 2018*

4.3.4. Military equipment expenditure

Introduction

The recording of military equipment follows Eurostat rules. Amounts are being recorded on a delivery basis when the economic ownership is transferred to government. The information on deliveries is obtained from the Ministry of Defence, as in the budgetary reporting the recording of military equipment follows the cash expenditure.

Discussion and methodological analysis

The representative of the Ministry of Defence explained that there are multi-annual programmes for military equipment in Poland. The programmes are linked to the process of modernisation of the military equipment in Poland. The deliveries are recognised following the formal acceptance of the equipment and all its functionalities. GUS is informed on a regular basis about the formal acceptance of the military equipment.

Findings and conclusions

Eurostat took note of the explanations provided.

4.3.5. Court decisions with impact on government accounts

GUS explained that it obtains information about open court cases mainly from Ministry of Finance and the media. There are no ongoing court cases with potentially major impacts on government deficit and debt.

4.4. Recording of specific government transactions

4.4.1. Public Private Partnerships, concessions and energy performance contracts

Public-Private Partnerships (PPP)

Introduction

The updated list of all PPP projects was provided to Eurostat prior to the meeting, including the amounts involved and whether the PPP is recorded on the balance sheet of the government or the private partner.

Discussion and methodological analysis

The Polish authorities explained that the provided list of the PPP projects covers exclusively the PPP projects in the understanding of ESA2010 and MGDD. GUS stressed that this clarification was important in the context of the significantly broader concept and the different definition of a 'private-public partnership' existing in the Polish law. It was re-confirmed that all projects identified so far as PPP projects in statistical terms are classified on government balance sheet.

The main source of information about projects for GUS (from 2016 onwards) is the database of PPP undertakings (according to the Polish law PPP meaning) operated by Ministry of Investment and Economic Development. The projects with the availability payment or with other type of payment from general government are analysed in details by GUS (i.e. analysis of the contracts). The database includes information on both on-going and planned projects.

GUS explained that, as regards the planned projects, there are currently around 160 planned projects (according to the Polish law PPP meaning) at a very different preparatory stages and volume. For practical reasons, an ex-ante analysis of GUS is made in reference to the biggest projects with already defined financial rules (e.g. motorways, incineration plant in Poznań) or at the request of the public partner (e.g. Regional Court Nowy Sącz). In consideration of resources there is no possibility to conduct ex-ante analysis of every planned project.

GUS informed that it is in the process of analysing two local projects that started in 2017: the sewage treatment plant in Mława and the road project in Wałcz. The results are foreseen to be incorporated in the April 2018 EDP Notification.

Findings and conclusions

Eurostat took note of these explanations and asked to be informed on any further developments.

Concessions

Introduction

Concession contracts are based on the '*Act on concession on construction work or services*' in Poland. In addition to the regular concessions so-called concessional private-public partnerships exist in Poland, which, in statistical sense, are also concessions as the final users are the main payers.

Discussion and methodological analysis

The Polish statistical authorities explained that, according to the above mentioned Act, the concessionaire bears the risks connected with the building, exploitation or the providing of services and it is exposed to market fluctuations. It means that, according to the law, even if the concessionaire functions properly, it does not have the guarantee to recover the investment costs or the costs connected with the building exploitation or the costs of the services defined in contract. This principle is formulated directly in the act.

The Polish statistical authorities explained that, the essential rule for concessions in Poland is that government payments are the minority of the concessionaire revenue. They added that, according to their knowledge, also the majority of the investment costs in such type of undertakings are born by the concessionaire. Taking this into account, concessions are generally classified outside the general government sector in Poland.

With regard to the so-called concessional PPPs, GUS analyses the fundamental parameters, meaning the short description of the project, the amount of capital expenditure, the financing sources and the remuneration rules. So far, GUS did not identify any project that should be classified in S.13. Projects observed in the period 2013-2017 were prepared by local governments and concerned areas such as transport services, car-parks, broadband networks, services connected with the sport and touristic infrastructure, public transport infrastructure, management of facilities (e.g. technology parks, congress centres). The counterparts were private companies.

Findings and conclusions

Eurostat took note of these explanations and indicated that particular attention in the statistical analysis should be paid to the projects with a significant level of capital expenditure.

Action Point 30: GUS will provide to Eurostat a full list of concessions (signed in 2014-2017) with capital expenditures.²⁶ *Deadline: end May 2018*

²⁶ The note was provided on 30 May 2018.

Energy performance contracts (EPC)

Introduction

In September 2017, Eurostat published a guidance note on the recording of EPCs in government accounts. In the meeting, the discussion focused on the implementation of this guidance note.

Discussion and methodological analysis

GUS informed that the Eurostat Guidance Note of 7 August 2015 was implemented and that the assets related to EPC contracts signed from 2015 onwards are classified in the general government sector. It concerns the following three contracts: Kobyłka municipality, Dębe Wielkie municipality and Płock city.

Moreover, GUS also indicated that the EPC contracts analysed so far follow a similar model in Poland. Their characteristic is a clear distinction between payments made in the investment phase and payments for the operational phase. Although payments for the investment part are usually paid back during the whole life of the contract, the default in the operational phase or lack of savings have no influence on this part of payments. Independently of the level of services and the level of performance in the operational phase, the private partner always received the return of investment costs (regardless of the savings achieved). Moreover, the contracts often foresee limits of penalties, e. g. 40% of investment costs. GUS interprets these clauses as a minimum revenue guarantee and, for these reasons, the projects are recorded in the accounts of general government.

Finally, GUS explained that it is in the process of analysing four more contracts signed in 2017 (in Sosnowiec, Opalenica, Wiązowna and Zgierz).

Findings and conclusions

Eurostat took note of the information provided and highlighted the ongoing discussions on the statistical recording of EPC in the EDPS WG.

4.4.2. Guarantees

Introduction

The Polish statistical authorities provided a list of outstanding guarantees for the central and local government subsector, by guarantee called and repaid.

Discussion and methodological analysis

Eurostat reviewed the data on government guarantees for the years 2013-2016, including the debt of companies benefiting from guarantees. The main beneficiaries of the government guarantees in recent years were the Bank Gospodarstwa Krajowego and the PKP Intercity S.A. (passenger railway company).

Eurostat further enquired about the guarantees provided to the BGK. GUS explained that these are guarantees provided to the Bank Gospodarstwa Krajowego (S.12) in relation to road projects. During the discussion, it was clarified that these road projects are realised by the National Road Fund, an entity classified inside general government. The National Road Fund is managed by BGK but its debt is already included in the general government debt. In view of the above, Eurostat explained that guarantees which are covering debt that is already recognised in the EDP debt figure should neither be reported in EDP Questionnaire tables 9 (government guarantees) nor as contingent liability in the context of Directive 2011/85.

A similar reasoning should be applied to the guarantees granted to *Autostrada Wielkopolska II* and *GTC* which are operators of motorways recorded as on-balance PPP projects. The related debt is already included in government debt, thus these guarantees should be also excluded from the reporting of guarantees in national accounts.

Furthermore, the Polish statistical authorities confirmed that the ‘three calls rule’ is being applied, i.e. repeated calls on a guarantee over three consecutive years lead, in the third year, to the entirety of the remaining guarantee being treated as if called. However, there have been no such calls in the past years.

Findings and conclusions

Action Point 32: GUS will adjust the reporting on government guarantees and exclude those guarantees that already had resulted in an increase of government debt.²⁷ *Deadline: end March 2018*

4.4.3. Government claims; debt assumptions, debt cancellations and debt write-offs

Introduction

Eurostat reviewed the data on government claims, debt, debt cancellation and debt write-offs by government for years 2013-2016, submitted by the Polish statistical authorities before the visit.

Discussion and methodological analysis

First, the Polish statistical authorities re-confirmed that there were no debt assumptions in the years 2013-2016. They also confirmed that they record a capital transfer as counterpart transaction in national accounts if a debt cancellation takes place.

They explained that the write-offs reported for 2016 referred to claims of Huta Baildon S.A. (92.0 mln PLN) and Spółdzielnia Mieszkaniowa Starówka (4.1 mln PLN) due to the liquidation of these entities.

²⁷ This action point was implemented in the context of April 2018 EDP Notification.

GUS pointed out that the data sources for these transactions at the level of local government would be improved by the implementation of the new reporting form RF-03 as explained above under agenda point 1.2.

Findings and conclusions

Eurostat took note of these explanations.

4.4.4. Capital injections into public corporations, dividends, privatization (incl. follow-up on restructuring of the coal mining sector in Poland)

Introduction

First, Eurostat enquired about the data sources for the capital injections and in particular, about the frequency of obtaining the relevant information by GUS. Then, the discussion focussed on the recapitalisation of the coal mining company Polska Grupa Górnicza (PGG) S.A. undertaken by its shareholders (solely public companies) that took place in 2017.

Discussion and methodological analysis

Capital injections

Firstly, the data source used by GUS for the capital injections and their frequency was examined by Eurostat. GUS informed Eurostat that the data on capital injections are undertaken and reported by various departments of government. After collecting the data, the MGDD rules are tested on a case by case basis. As a general rule, the most important criterion for the classification of injections is the operating profit of the company for the last three years. In case when a company had operating losses for three years in a row or made any exceptional one-off loss, a non-financial transaction for the full amount is recorded. Otherwise, the capital injection is recorded as a financial transaction. GUS also investigates the participation of private shareholders in a capital injection and if the shares of the company are quoted or unquoted. In case when the injection is made into a new corporation, GUS checks if the new unit will not be used only for public policy purposes or if, after a "normal" temporary period of losses (start-up losses), the corporation would be structurally profitable. If the above conditions are fulfilled, such a transaction is treated as a financial transaction for its full amount.

For local government, the information on capital injections is provided by the Ministry of Economic Development and then GUS decides how the transaction should be treated in national accounts and EDP. Values are not significant and they do not appear each year. In addition, all purchases of shares and equities by local authorities are treated as non-financial transactions (with impact on B.9).

Next, in the context of the upcoming April 2018 EDP Notification, Eurostat asked about the capital injections undertaken in 2017. GUS replied that complete information is not yet available to them and is expected to arrive by the 10th of March. Following a question of Eurostat, the Ministry of Finance answered that the major injections were undertaken into the

Bank Gospodarstwa Krajowego (BGK) for an amount of 6.5 bln PLN (approx. 0.3% GDP) and into Polish Television for an amount of 800 mln PLN.

In response, Eurostat expressed its astonishment and concerns that crucial information becomes available only with delay for the purpose of statistical analysis, which jeopardizes the appropriate recording in the April 2018 EDP Notification. Eurostat asked GUS to analyse immediately the very sizeable capital injection undertaken by government in BGK in the third and fourth quarter of 2017 in order to take a decision, jointly with Eurostat, on whether this should be classified as non-financial or financial transaction. In addition, it stressed the need of a structural improvement in this regard for the future such that full information on capital injections will become available immediately after a transaction takes place in order to allow a timely analysis of the statistical implications.

Recapitalisation of Polska Grupa Górnicza S.A.

Then, the discussion was directed towards the analysis of the recapitalisation of the coal mining company Polska Grupa Górnicza S.A. undertaken by its shareholders, solely public companies, that took place in 2017.

The restructuring of the coal mining industry in Poland was extensively discussed during the Eurostat ad-hoc visit in March 2017. Afterwards, GUS monitored the developments and provided to Eurostat, on a regular basis, the updates on transactions conducted and the amounts involved. In the restructuring process of the financially-distressed public coal mine holding company, Kompania Weglowa (KW), two companies played a major role.

The first one, Spółka Restrukturyzacji Kopalń (SRK), the government owned coal mining restructuring company, took over a number of coal mines of KW which had been assessed as unprofitable and without positive future outlook. SRK is classified inside general government.

The second company, Polska Grupa Gornicza (PGG), a new unit, was created to acquire and to consolidate the best performing assets of Kompania Weglowa and to manage the outstanding debt of the distressed holding. The shareholders of PGG included solely public companies, most of them big players in the energy sector and one government entity.

In addition, in 2017, PGG took over four mines of another unit, the distressed and indebted Katowicki Holding Węglowy (KHW). The debt of KHW increased significantly in the past years and amounted to 1.2 bln PLN in 2017. The transaction was carried out without cash - in exchange for the assets of the KHW, the entire debt of KHW was taken over by PGG. The assets taken over by PGG were valued at 240 mln PLN. The non-productive assets of the KHW were planned to be transferred to the SRK (S.13) in the first half of 2018.

After the acquisition of new mines, the Polska Grupa Górnicza was recapitalized by its shareholders with an amount of over 1 bln PLN. In addition, PGG issued bonds for an amount of 1.2 bln PLN, as a result of which KHW's earlier liabilities were extinguished.

During the discussion, it turned out that two of the coal mines that were taken over by PGG were decommissioned shortly after and also transferred to government (to SRK). After having analysed the financial flows related to the transaction, Eurostat concluded that PGG took over 240 mln PLN of assets of coal mines in exchange of 1.2 bln PLN of liabilities, providing a clear benefit to KHW. As a result, government and public companies were forced to recapitalize PGG with an amount of 1 bln PLN.

Eurostat stated that there are strong indications that this recapitalisation was carried out to cover losses of PGG resulting from the aforementioned transaction. In this context, Eurostat asked GUS to consider whether the public corporations carrying out this injection acted in fact for public policy purposes and not for commercial reasons.

Findings and conclusions

Action Point 28: Eurostat invites GUS to analyse immediately the very sizeable capital injection undertaken by government in BGK in the third and fourth quarter of 2017 in order to take a decision, jointly with Eurostat, on whether this should be classified as non-financial or financial transaction.²⁸ *Deadline: 23 March 2018*

Action Point 29: GUS should be provided with full information on sizeable capital injections without delay, i.e. immediately after a transaction takes place, in order to allow a timely analysis of the statistical implications.²⁹ *Deadline: progress report by end of May 2018*

Action Point 31: GUS will immediately analyze the purchase by PGG (Polska Grupa Górnicza S.A.) of four coal mines from KHW (Katowicki Holding Węglowy S.A.) (two of which were immediately decommissioned and transferred to government) which resulted in PGG taking over 240 mln PLN of assets in exchange of 1.2 bln PLN of liabilities, therefore conveying a clear benefit to KHW. As a result, government and public companies were forced to recapitalise PGG with an amount of 1 bln PLN, and this recapitalisation should be assessed fully taking into account the above.³⁰ *Deadline: 23 March 2018*

Dividends

Introduction

For central government, information on dividends received by government is obtained from the Ministries that exercise the ownership rights over public enterprises. While carrying out the super-dividend test, the dividends received are compared with the operating profit from the previous year. This is due to the fact that dividend to be paid out is usually made based on the results of the previous economical year. In general, GUS carries out the super-dividend test twice a year, before April and October notification and is applied to all dividends paid to central government.

²⁸ The notes were provided on 20 March and 13 September 2018.

²⁹ The note was provided on 20 May 2018.

³⁰ This was implemented in the context of April 2018 EDP Notification.

Interim dividends are extremely uncommon in Poland. They are recorded as a non-financial transaction up to the limit of the operating profit earned during the part of the year elapsed until the payment was decided. In case when dividends exceed this amount, they are recorded as a financial transaction.

Discussion and methodological analysis

The discussion focused on the data sources on dividends at the level of local government. In particular, the implementation of the super-dividend test for the local government was analysed in detail. GUS informed Eurostat that the general information on dividends received by the local government is obtained from the Ministry of Finance. As a next step, GUS sends a request to local governments to obtain the names of companies which paid-out dividends. Then, GUS carries out the super-dividend test, however, only for the biggest transactions (i.e., for payments above 10 mln PLN). Due to the late availability of the source data, the test is carried out only once a year, before the autumn notification.

During the October 2017 Notification, GUS was encouraged by Eurostat to investigate the possibility of using a coefficient in order to incorporate an estimate of super-dividends already in the spring notification.

In response, GUS analysed the figures and proposed to Eurostat the average value of the super-dividend calculated on the basis of historical data. The approach will be applied starting from the April 2018 EDP Notification.

Findings and conclusions

Eurostat took note of the explanation and the method proposed highlighting that the estimate should be adjusted on an annual basis.

4.4.5. Others: Financial derivatives, Sale and leaseback operations, UMTS, Emission trading permits

Financial derivatives

Introduction

Prior to the meeting, the Polish authorities provided a detailed note on the types of derivative transactions active at the end of 2017 and explained their reporting in EDP/GFS data. The main financial derivatives used are:

- **Off-market interest rate swaps (IRS)** concluded on the domestic market and used almost every year for the liquidity management of the State budget. These are short term transactions (maturity below 1 year) with the Ministry of Finance making an up-front payment. These transactions are reported in EDP/GFS data, according to the MGDD, as loan granted by the State Treasury whereas the market component of the swap with interest on the security is reported separately.
- **Cross currency swaps (CIRS)** related to existing T-bonds denominated in foreign currencies. The EDP debt is reported 'after swap' and the interest on securities is reported separately from the cross-currency cash flows.

Discussion and methodological analysis

The Ministry of Finance indicated that above mentioned transactions and FX swaps are used for liquidity and debt management. So far, MoF has not used bilateral collateral in derivative transactions, but it intends to negotiate them in the future.

Findings and conclusions

Eurostat took note of the explanations and indicated that the issue of the statistical recording of cash collateral on swaps is being currently discussed in the Eurostat Methodological Task Force with the view of incorporating accounting guidance in the upcoming MGDD update.

Sale and leaseback operations

Introduction

Eurostat enquired about the data sources and availability of information on sales and leaseback operations undertaken by local government. At the level of central government, these transactions will be covered by the budgetary reporting to the Ministry of Finance. Until now, no such contracts were reported at the central government level.

Discussion and methodological analysis

The Polish statistical authorities explained that until now, the information on sales and leaseback operations for local government was mainly gathered from the media and then verified by analysing copies of individual sale and leaseback contracts received from the units concerned. In addition, GUS informed Eurostat that they would start to receive regular

information about these transactions within the framework of annual survey (RF-03 reporting) in 2018.

Moreover, GUS explained that, at that moment, all sales and leaseback operations identified at the local government level are classified as financial lease in national accounts, according to the ESA 2010.

Findings and conclusions

Eurostat took note of these explanations. Eurostat welcomed the measures undertaken to systematically gather information on sales and leaseback operations conducted by local government units. Eurostat again stressed that particular attention should be paid to the cases where the sales and leaseback agreements are signed with a public unit.

UMTS

Introduction

Poland implemented the Eurostat guidance note on "mobile phone licenses, explorations and other licenses" of 27 March 2017 in the context of the April 2017 EDP notification. Data were revised for the years 2013-2016. The revenue from the sale of frequency bands was spread over the license duration and recorded as rent (D.45), instead of an acquisition less disposal of a non-produced non-financial asset (NP). The backward years will be revised in the next benchmark revision.

Discussion and methodological analysis

GUS informed Eurostat that the next tender of mobile phone licences would probably take place in 2018 or 2019. At the moment, the second round of consultations on the tender conditions, for a general exclusive frequency license in the 450 MHz band, is ongoing.

Findings and conclusions

Eurostat took note of these explanations.

Emission trading permits (ETS)

Introduction

The amounts collected from the sale of emission permits should give rise to revenue of the type of a *tax on production (D.29)* according to ESA 2010 15.40. The appropriate time of recording is the triggering of the event, i.e. the moment emissions of CO₂ are made, to be approximated by the time at which permits are surrendered.

Discussion and methodological analysis

Prior to the meeting, the Polish statistical authorities provided a filled questionnaire on emission permits and a note describing the method chosen for calculating the value of taxes to be recorded. The Polish authorities explained that, in Poland, the first auctions of emission permits took place in 2013. Starting from 2014, the value of tax was calculated on the base of models, as described in the MGDD. However, due to problems with algorithms and changes in the MGDD allowing also the use of FIFO method, GUS decided to implement the 'first in first out' method for calculating the tax revenue due the sale of emission permits. The representatives of the National Centre for Emissions Management (KOBIZE) clarified that the available data sources do not include the information about the amount of foreign emission trade permits surrendered in Poland. Eurostat also acknowledged that this issue is currently discussed in the EDPS WG and the result could be integrated in the next edition of the MGDD.

Findings and conclusions

Action Point 27: GUS will analyse the issue and send a note to Eurostat on whether the so-called 'probability approach' for ETPs would be applicable in the case of Poland, taking into account the elements that surfaced in the discussion with KOBIZE representatives as well as the significant amount of foreign ETPs surrendered in Poland.³¹ *Deadline: end May 2018*

³¹ The note was provided on 4 September 2018.

EDP-dialogue visit to Poland, 1-2 March 2018

Starting on 1 March 2018, 9:00

Draft agenda

1. Statistical organisational issues

- 1.1. Review of institutional responsibilities in the framework of the EDP data reporting and government finance statistics compilation
- 1.2. Data sources and revision policy, EDP inventory

2. Follow-up of the EDP dialogue visit in 2015 and Ad-hoc visits in 2016 and 2017

3. Follow-up of the latest EDP reporting – analysis of EDP tables and the related questionnaires

- Difference between interest paid and interest accrued for local government in 2016.
- Breakdown of other accounts receivable/payable.

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. Implementation of the MGDD (2016 edition), state of play
- 4.1.2. Application of the market/non-market test
 - Railway companies
- 4.1.3. Government controlled entities classified outside the general government (public corporations)

4.2. Sector classification of specific units and statistical recording of their activities

- 4.2.1. 'National Housing Fund' and 'Mieszkanie Plus' program
- 4.2.2. Polish Development Fund (PFR) Group, including the involvement of Bank Gospodarstwa Krajowego (BGK)
- 4.2.3. EFSI Investment Platforms, created and envisaged, in Poland in the context of the Juncker Plan

4.3. Implementation of accrual principle

- 4.3.1. Accrual taxes and social contributions
 - Analysis of the tax revenues and tax refunds in the years 2013-2017
- 4.3.2. Accrued interest

4.3.3. EU flows

4.3.4. Military expenditure

4.3.5. Court decisions with impact on government accounts

4.4. Recording of specific government transactions

4.4.1. Public Private Partnership, concessions and energy performance contracts

4.4.2. Guarantees

4.4.3. Government claims; debt assumptions, debt cancellations and debt write-offs

4.4.4. Capital injections in public corporations, dividends, privatization

4.4.4.1. Follow-up on restructuring of the coal mining sector in Poland

4.4.5. Others: Financial derivatives, Sale and leaseback operations, UMTS, Emission trading permits

5. Other issues

5.1.1. ESA 2010 Transmission Programme

5.1.2. Any other business

EDP dialogue visit to Poland, 1-2 March 2018

List of participants

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Ms Jolanta Szostak	MoF, Income Taxes Department
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Mr Damian Brzuszek	MoF, Public Debt Department
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