

Structure of General Government Debt 2015

National Reference Metadata in Euro SDMX Metadata Structure (ESMS)

National Statistics Office (NSO)

Time Dimension: 2015

Data Flow: GOVDD_ESMS_A_MT

Concept name	
1 Contact	
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2 Metadata update	
2.1 Metadata last certified	30/06/2015
2.2 Metadata last posted	30/06/2015
2.3 Metadata last update	30/06/2015
3 Statistical presentation	
3.1 Data description	Government Finance Statistics (GFS) form the basis for fiscal monitoring in Europe, most notably for the statistics related to the Excessive Deficit Procedure (EDP). The EDP is established in the Treaty and specified

	<p>in the Stability and Growth Pact legislation. The Member States report data related to the EDP to the Commission (Eurostat) which, in turn, is responsible for providing the data to the Council.</p> <p>European GFS, including the statistics for the EDP, are produced in accordance with the European System of Accounts 2010 (ESA 2010), and the EU manual for national accounts, supplemented by further interpretation and guidance from Eurostat, in particular the Manual on Government Deficit and Debt (http://ec.europa.eu/eurostat/documents/3859598/5937189/KS-GQ-14-010-EN.PDF/).</p> <p>Council Regulation 479/2009 requires that Member States report government deficit/surplus (hereinafter deficit) and debt data related to the EDP twice per year: before 1 April and 1 October for the preceding four calendar years and a forecast for the current year. The data are reported in harmonised tables. The EDP tables are designed specifically to provide a consistent framework, with a link to the transition between the national budgetary aggregates and the ESA deficit/surplus (Table 2) and the link between the deficit and changes in the debt (Table 3). They should be fully consistent with GFS data delivered to Eurostat in the ESA 2010 transmission programme.</p> <p>The EDP notification tables contain the following detail for general government and its sub sectors:</p> <ul style="list-style-type: none"> • Table 1: Summary table on deficit and debt, including auxiliary indicators (Gross Fixed Capital Formation, Interest and Gross Domestic Product- GDP) • Tables 2A - 2D: Transition from the working balance to the deficit/surplus for general government sub sectors • Tables 3A - 3E: Transition from the deficit/surplus to the change in debt for general government and its sub sectors • Table 4: Supplementary data
3.2 Classification system	<p>The classification system is defined in ESA 2010: classification of institutional sectors and classification of transactions, other flows and balance sheet items (assets/liabilities). The ESA 2010 classification may be accessed here: http://nso.gov.mt/metadata/classificationdetails.aspx?id=ESA%202010.</p>
3.3 Coverage - sector	<p>Data covers the consolidated General Government Sector (S13) and its subsectors.</p>
3.4 Statistical concepts and definitions	<p>The concepts for EDP statistics are explained in Council Regulation (EC) N 220/2014, as amended, and Council Regulation (EC) N 549/2013 (ESA 2010) and subsequent legal amendments, supplemented by further interpretation and guidance from Eurostat, in particular the Manual on Government Deficit and Debt.</p> <p>The government deficit/surplus is the net borrowing/net lending (B.9) of general government as defined in the ESA 2010. It is the difference between the revenue and the expenditure of the general government sector. The government debt is defined as the total consolidated gross debt at nominal value at the end of the year in the following categories of government liabilities (as defined in ESA 2010): currency and deposits (AF.2), securities other than shares excluding financial derivatives (AF.3, excluding AF.34), and loans (AF.4). At the national level, data for the general government sector are consolidated between sub sectors.</p> <p>The working balance is the most often used concept and is a measure of the country's budget deficit/surplus as it generally appears in public accounts and budgetary presentations. In other words, for example, for central government it should normally correspond to the budgetary outcome voted by the parliament.</p> <p>The deficit and debt data are reported by sub sectors of general government: central government (S.1311), state government (S.1312), local government (S.1313) and social security funds (S.1314).</p> <p>The transition from the working balance to the deficit/surplus (EDP tables 2A - 2D) is explained by the following items, based on example for central government:</p>

- Difference between interest paid and accrued (EDP_D.41)
- Other accounts receivable / other accounts payable
- Working balance of entities not part of central government
- Net borrowing or net lending of other central government bodies
- Other adjustments

The transition from the deficit/surplus to the change in debt is explained by the following items:

- Net acquisition of financial assets: Currency and deposits (F.2), Securities other than shares (F.3), Loans (F.4), Shares and other equity (F.5), Other financial assets (F.1, F.6,F.7 and F.8)
- Net incurrence of liabilities in financial derivatives (F.71)
- Net incurrence of other liabilities (F.5, F.6, F.72 and F.8)
- Issuances above/below nominal value
- Difference between interest (EDP_D.41) accrued and paid
- Redemptions of debt above/below nominal value
- Appreciation/depreciation of foreign-currency debt
- Changes in sector classification (K.61)
- Other volume changes in financial liabilities (K.3, K.4, K.5)
- Difference between capital and financial accounts (B.9-B.9f) and other statistical discrepancies.

The Maastricht definition of debt is total gross debt at nominal value outstanding at the end of the year and consolidated between and within the sectors of general government for the following categories of government liabilities (defined in ESA 2010): currency and deposits (AF.2), debt securities (AF.3) and loans (AF.4). This definition is in accordance with Council Regulation (EC) No 3605/93, as amended by Council Regulation (EC) No 475/2000 and by Commission Regulation (EC) No 351/2002.

The compilation of General Government debt data according to Maastricht debt complies with ESA 2010 rules, especially concerning the sector classification of institutional units, the consolidation rules, the classification of financial transactions and of financial assets and liabilities, and the time of recording, but valuation rules are however differently defined. Maastricht debt is in nominal value, which is considered equivalent to the face value, and represents in some cases the value of right/commitment on principal resulting from a financial instrument. ESA2010 debt is market value, based on the price of a security as determined dynamically by buyers and sellers in an open market and includes also accrued interest.

3.5 Statistical unit

The statistical unit is an institutional unit as defined in ESA 2010. The institutional units are grouped into General Government Sector and its sub-sectors.

3.6 Statistical population

In Malta, the General Government Sector (S13) consists of (1) the Central Government (S1311), which includes the Budgetary Central Government and the Extra-Budgetary Units (EBUs), and (2) Local Government (S1313), which comprises 68 local councils, 5 regional committees and the Local Council Association.

The central government:

- The Budgetary Central Government is made up Government Ministries and Departments which are engaged in the public services for social policy, health, education, public administration, finance, environment etc.
- The EBUs are institutional units, which are non-market producers, owned and supported by the government. These EBUs are established by various Acts of Parliament. They are independent, have their own set of accounts, have only limited ministerial supervision, and only their operational budgets need to be approved by the Parliament. Their operations are related to various issues such as health, education, housing, transport and recreational issues and some of the agencies manage significant levels of state assets.

The local government:

	<p>The local government in Malta consists of 68 local councils which perform specific functions like waste collection, local enforcement system, street cleaning, maintenance of public gardens, etc. They are mostly financed by grants, the latter created by appropriations from the Government. They have, though, a certain degree of autonomy with respect to own expenditures financed by their own local revenue. The group of local councils is deemed as an independent sub-sector of the General Government although their functions in Malta are rather limited and their finances are mainly grants from the Government.</p>
3.7 Reference area	Malta.
3.8 Coverage - Time	Data series covers from 1995 onwards.
3.9 Base period	Not applicable.
4 Unit of measure	Euro thousands. Prior to year 2008 the unit of measure was the Maltese Liri (Lm) and the conversion rate to euro (€) used was the fixed rate of 0.4293.
5 Reference Period	The reference period is calendar year. Stocks (such as debt) are as at end of the calendar year.
6 Institutional Mandate	
6.1 Institutional Mandate - legal acts and other agreements	<p>Malta Statistics Authority's (MSAs) Act XXIV of 2000 and the Memorandum of Understanding between the NSO and Central Bank of Malta. National accounts are compiled in accordance with the European System of Accounts (ESA 2010) adopted in the form of a Council Regulation (EC) dated 21 May 2013, N 549/2013.</p> <p>As a member of the European Union (EU), Malta has to observe the Council Regulation (EC) No. 223/2009 dealing with the collection and dissemination of official statistics. Moreover, all council regulations dealing with the collection of official statistics need to be observed by the NSO.</p> <p>For EDP statistics, the legal basis is the Council Regulation (EC) N220/2014 amending Council Regulation N479/2009 on the application of the Protocol on the Excessive Deficit Procedure annexed to the Treaty on European Union (Maastricht Treaty). The provisions on the Excessive Deficit Procedure (Maastricht Treaty) are extended by the Stability and Growth Pact in the context of the Amsterdam Treaty.</p>
6.2 Institutional Mandate - data sharing	EDP data is shared between the institutions forming part of the Government Finance Statistics Committee: the NSO, Central Bank of Malta (CBM), Ministry for Finance and Treasury Department.
7 Confidentiality	
7.1 Confidentiality - policy	<p>At National level: Confidentiality is one of the major principles guiding the activities of the NSO.</p> <p>Article 40 of the MSA Act stipulates the restrictions on the use of information and in Article 41, the prohibition of disclosure of information. Furthermore, Section IX of the Act (Offences and Penalties) lays down the measures to be taken in case of unlawful exercise of any officer of statistics regarding confidentiality of data. No cases of breaches in the law have ever been recorded.</p> <p>Since its inception, the NSO has always operated within a culture of strict confidentiality to which it is also bound by the provisions of the Data Protection Act. This Act, which came fully into effect on July 15, 2003, seeks to protect individuals against the violation of their privacy by the processing of personal data.</p> <p>Refer also to the NSO policy "Confidentiality of Personal and Commercial Data" –</p>

	<p>http://nso.gov.mt/en/nso/About_NS0/Documents/NSO_Policies/Confidentiality_of_personal_and_commercial_data.pdf.</p> <p>Also further information on access to microdata is available on the NSO's website through: http://nso.gov.mt/en/Services/Microdata/Pages/Access-to-Microdata.aspx.</p> <p>During 2009, the NSO has set up a Statistical Disclosure Committee to ensure that statistical confidentiality is observed, especially when requests for microdata are received by the NSO.</p> <p>Upon employment, the NSOs employees are informed of the rules and duties pertaining to confidential information and its treatment. According to the MSA Act, before commencing work, every employee is required to take an oath of secrecy whose text is included in the Act.</p> <p>At European level: Regulation (EC) No 223/2009 on European statistics (recital 24 and Article 20(4) of 11 March 2009 (OJ L 87, p. 164), stipulates the need to establish common principles and guidelines ensuring the confidentiality of data used for the production of European statistics and the access to those confidential data with due account for technical developments and the requirements of users in a democratic society.</p> <p>At National level: Confidentiality is one of the major principles guiding the activities of the NSO.</p>
7.2 Confidentiality - data treatment	EDP data is not treated for confidentiality.
8 Release policy	
8.1 Release calendar	<p>General Government finance data are released by the NSO according to a pre-announced schedule that is available on the NSO's website (http://nso.gov.mt/) three months in advance.</p> <p>Malta is also subscribed to the SDDS (Special Data Dissemination Standard), a monitored metadata standard, established by the International Monetary Fund (IMF) focusing on economic and financial indicators. SDDS metadata about Malta may be accessed through the following link: http://dsbb.imf.org/Pages/SDDS/CtyCtgList.aspx?ctycode=MLT while information for any combination of countries and data categories on a quarter-ahead basis may be accessed here: http://dsbb.imf.org/Pages/SDDS/CustomizedQuery/ByARC.aspx.</p>
8.2 Release calendar access	http://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx .
8.3 Release policy - user access	<p>A list of NSO policies can be accessed through: http://nso.gov.mt/en/nso/About_NS0/Pages/NSO-Policies.aspx.</p> <p>Policies directly related to the user's access to statistical data include:</p> <ul style="list-style-type: none"> • Dissemination Policy – https://nso.gov.mt/en/nso/About_NS0/Documents/NSO_Policies/Dissemination_07_2014.pdf • Relations with the Media Policy – https://nso.gov.mt/en/nso/About_NS0/Documents/NSO_Policies/Relations_with_the_media.pdf • Confidentiality of Personal and Commercial Data Policy – https://nso.gov.mt/en/nso/About_NS0/Documents/NSO_Policies/Confidentiality_of_personal_and_commercial_data.pdf
9 Frequency of	EDP data is published bi-annually (April and October), Quarterly General Government Sector data: revenue,

dissemination	expenditure, financial assets and liabilities and debt are published in January, April, July and October.
10 Dissemination format	
10.1 Dissemination format - News release	<p>The NSO publishes a news release on the EDP data in April (for the 1st submission of EDP) and October (for the 2nd submission) of each year. The publication dates for these news releases coincide with Eurostat's press release of the EDP data for the EU Member States.</p> <p>The EDP news release, which covers the years reported in the EDP notification, consists of: http://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_A2/Public_Finance/Pages/Government-Debt-and-Defecit-under-the-Maastricht-Treaty.aspx.</p> <p>A brief commentary, including an explanation on the EDP data and on revisions;</p> <ul style="list-style-type: none"> • Deficit and debt data in absolute figures and as a per cent of GDP, for the General Government Sector and sub-sectors; • A table on the transition between the working balance and the ESA 2010 General Government Sector (with explanatory notes for each item); • A table on the composition of the stock flow adjustment; • Latest list of Extra Budgetary Units; and • Methodological notes. <p>The link to the news release is:</p> <p>In addition to the EDP news release, the NSO issues a news release on the quarterly accounts for the General Government Sector: in April with data up to the fourth quarter of the previous year and in October with data for the second quarter of the current year.</p> <p>This release includes quarterly ESA 2010 data on:</p> <ul style="list-style-type: none"> • Total revenue and Total expenditure of the General Government Sector • Components of General Government Sectors revenue • Components of General Government Sectors expenditure • Financial Accounts for General Government Financial Stocks in Assets • Financial Accounts for General Government Financial Stocks in Liabilities • Financial Accounts for General Government Financial Transactions in Assets • Financial Accounts for General Government Financial Transactions in Liabilities • General Government debt, split by sub-sector, and the stock of government guarantees on debt.
10.2 Dissemination format - Publications	Not applicable.
10.3 Dissemination format - online database	A time series of data presented in the Government Finance news releases is available, in greater detail, at the online Statistical Database- StatDB - on the NSO website http://nso.gov.mt/statdb/start .
10.4 Dissemination format - microdata access	Not applicable.

10.5 Dissemination format - other	The GFS data is disseminated also in various Government publications such as the Economic Survey, the Budget Speech and the Stability and Growth Pact.
11 Accessibility of documentation	
11.1 Documentation on methodology	The methodology for EDP statistics is set out in the Council Regulation (EC) N 220/2014 amending Council Regulation (EC) N 479/2009 and subsequent legal amendments, supplemented by further interpretation and guidance from Eurostat, in particular the Manual on Government Deficit and Debt.
11.2 Quality management - documentation	<p>The EDP Consolidated Inventory is a description of sources and methods that are used in the Excessive Deficit Procedure notifications. This document refers to the National Statistics Office's bi-annual EDP notifications before 1st April and 1st October each year, and can be accessed through: http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Government-Debt-and-Deficit-under-the-Maastricht-Treaty.aspx.</p> <p>Moreover the Public Finance Unit documents all the work processes and procedures in area of the Government Finance Statistics for internal purposes.</p>
12 Quality management	
12.1 Quality assurance	Quality of data is assured by adherence to the ESA 2010 and ESA 2010 Manual on Government Deficit and Debt and by the validation of the Member States' data by Eurostat.
12.2 Quality management - assessment	When compiling the general government deficit and debt statistics, quality is ensured by ascertaining that the data reported for the general government revenue and expenditure, financial assets and liabilities, and debt, are perfectly consistent with the latest Government Finance Statistics as reported in the ESA 2010 Transmission Tables.
13 Relevance	
13.1 Relevance - User Needs	<p>Local users - Central Bank of Malta, Ministry of Finance, Economic Policy Department, researchers, students, politicians, etc.</p> <p>Foreign users: European Commission, European Parliament, European Council, International Monetary Fund (IMF), World Bank (WB), International Agencies, Credit Rating Agencies, researchers, students, etc.</p>
13.2 Relevance - User Satisfaction	<p>The most recent User Satisfaction survey was carried out by the National Statistics Office in the first quarter of 2014, to measure the degree to which it meets its obligations towards its users. The results were published in a dedicated news release and may be accessed here: http://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_01/Methodology_and_Research/Pages/User-Satisfaction-Survey.aspx.</p> <p>Results for the Public Finance Unit:</p> <ul style="list-style-type: none"> • Quality of news releases: high/good 68.5% • Timeliness of news releases by domain: high/good 84.9% • Usefulness of news releases by domain: high/good 79.6% • Quality of requests by domain: high/good 56.6% • Timeliness of requests by domain: high/good 67.1%
13.3	100% complete as all data required by the EU Council Regulations in the area of the Government Finance

Completeness	Statistics are available.
14 Accuracy	
14.1 Accuracy - overall	The General Government deficit and debt data is perfectly consistent with the ESA2010 transmission Table 0200 (Main Aggregates of General Government), Table 27 (Quarterly financial accounts of the General Government) and Table 28 (Quarterly General Government debt).
14.2 Sampling error	Not applicable.
14.3 Non-sampling error	Potential non-sampling errors may arise due to manual coding of each individual revenue and expenditure item, and manual data inputting.
15 Timeliness and punctuality	
15.1 Timeliness	EDP data is reported twice per year: before 1 April and before 1 October. Quarterly General Government Sector non-financial, financial and debt is reported 90 days after the reference period.
15.2 Punctuality	Considering News Releases related to Quarterly Accounts for General Government, and Government Deficit and Debt, which were disseminated between June 2012 and June 2015, no news release was late, therefore the ratio of punctual news releases stands at 100%.
16 Comparability	
16.1 Comparability - geographical	Data are comparable across Europe, as harmonised European rules (ESA 2010, and ESA 2010 Manual on government deficit and debt) are used by all Member States for compiling the EDP data.
16.2 Comparability - over time	Malta's General Government data from 1995 onwards is comparable.
17 Coherence	
17.1 Coherence - cross domain	Council Regulation 220/2014 amending Council Regulation 479/2009 requires consistency of reported EDP data with the GFS data delivered to Eurostat in the ESA 2010 transmission programme. This consistency is verified by Eurostat in the course of validation of the Member States' EDP data and during the EDP standard dialogue visits (once every two years).
17.2 Coherence - internal	Consistency is ensured within and between the EDP tables and the ESA transmission programme.
18 Cost and Burden	Not available.
19 Data revision	
19.1 Data revision - policy	A proper written revision policy related to EDP data and the underlying ESA 2010 government accounts is not in place. However, the following revision procedures are followed:

	<p>For EDP data, the data for year t-4, t-3, and t-2 is considered final. However, if exceptional revisions are necessary NSO will still adopt these revisions for years considered final. The main reasons for revisions, which are sometimes beyond NSOs control, are:</p> <ul style="list-style-type: none"> • Availability of audited accounts for extra budgetary units and local councils, mainly for year t in the 2nd EDP notification. • Revisions in the accruals templates collected by the Treasury. Whenever the Treasury detects mistakes or methodological errors, it requests the department concerned to adopt the correct methodology and revise back data accordingly. • Reclassifications of units within or outside the General Government Sector. <p>In the quarterly non-financial accounts for the General Governments Sector, the revision policy is:</p> <ul style="list-style-type: none"> • For the first two accounts from the full sequence of accounts, which are used for the compilation of the GDP, revisions are in line with the National Accounts policy; in general 12 to 16 quarters are revised. • For the quarterly general government sector non-financial accounts, for the June transmission (Q1) and December transmission (Q3) the policy is to not revise annual net lending / net borrowing (B9) data. Annual data is revised only at the time of the submission of the April and October EDP notifications. <p>The general NSOs revision policy is available on the NSOs website through: https://nso.gov.mt/en/nso/About_NSO/Documents/NSO_Policies/Revisions_of_Official_Statistics.pdf.</p>
<p>19.2 Data revision - practice</p>	<p>Revisions due to changes in methodologies at EU level, e.g. introduction of the NACE Rev. 2 classification, new European System of Accounts (ESA 2010) or new decisions or guidelines issued by Eurostat in the area of the government finance statistics, are adopted when required by Eurostat.</p> <p>Revisions due to potential errors in the EDP Notification are made on detection, or in the subsequent EDP notification in line with European Statistics Code of Practice principle 6.3: Errors discovered in published statistics are corrected at the earliest possible date and publicised.</p>
<p>20 Statistical processing</p>	
<p>20.1 Source data</p>	<p>The databases (upstream data systems) available to the NSO and used for the compilation of the EDP Notification and quarterly and annual government finance statistics are:</p> <ul style="list-style-type: none"> • Departmental Accounting System (DAS): Government's computerised accounting system to which all Government Ministries and Departments are linked through networking. The system is owned and managed by the Treasury. A corporate chart of accounts (COA) permits a standardised range of budget line items to be used across the board. All accounts in the COA were coded by an Action Group in accordance with the requirements of the ESA 2010, as well as in accordance with the IMF manual on Government Finance Statistics. This database is on a cash basis and caters for all the transactions of the Budgetary Central Government. NSO has online (read-only) access to this system. Specific report generators are used to extract data based on ESA 2010 on a quarterly basis. NSOs demands for new reports are satisfactorily met by the Treasury Department. The output is an ASCII file, which is then converted into spreadsheet form and inputted manually in the NSOs systems. • Financial Data Reporting System (FDRS): Launched in 2010 by the Ministry for Finance, the FDRS is geared towards attaining real time financial data pertaining to Government Entities (Extra Budgetary Units and major public corporations). It facilitates the surveillance of budget implementation and the formulation of budget policy governing the administration of public funds as part of government's ongoing fiscal consolidation process.

	<p>There are four templates, namely:</p> <ol style="list-style-type: none"> 1 Monthly Template whereby entities are required to submit the income statement 2 Quarterly EBU Template whereby Extra Budgetary Units are required to submit their balance sheet with counterpart information and other data 3 Quarterly Non-EBU Template whereby Public Corporations are required to submit their balance sheet position and other data; and 4 Quarterly Workforce Template whereby entities are required to submit their employment data. <p>The templates are to be submitted within 22 calendar days following the end of the respective period. The Public Finance Unit has online (read-only) access to this system. This system caters for the quarterly and annual financial and non-financial data of the EBUs and the major public corporations. Data is extracted from this system in PDF files and then inputted manually into our systems. NSO sends clarification requests to the Financial Management and Monitoring Control Unit (FMMU) or directly to EBUs.</p> <ul style="list-style-type: none"> • Treasury’s Accruals templates: On a quarterly basis the Treasury collects accruals data for the Budgetary Central Government (covering all the Government Ministries and Departments). Data are requested for the stock position of the accrued expenditure, accrued income, debtors, creditors, deferred income and prepayments. This information is monitored by the Accounting Methodology and Compliance Unit at the Treasury. These data are used to supplement the cash data. The templates are saved on a shared server which is accessible to the NSO. Data for each Ministry and Department is extracted in spreadsheet form and manually inputted into the NSOs system. <p>The data sources for the compilation of the debt include:</p> <ol style="list-style-type: none"> 1 Debt Management Unit within the Treasury; 2 CBM for data on the euro currency and foreign loans; 3 FDRS for EBU's data; 4 Audited accounts for EBUs and Local Councils; 5 Malta Stock Exchange for information on holders of domestic debt; 6 European Financial Stability Facility (EFSF) rerouted debt data supplied by Eurostat.
20.2 Frequency of data collection	Data from the DAS and FDRS is available on a monthly basis, while the Treasury's accruals templates are available on a quarterly basis.
20.3 Data collection	The DAS, FDRS and Treasury's accruals template are administrative reports. The Public Finance Unit has online access to these administrative sources.
20.4 Data validation	<p>A number of internal controls are in-built in the Public Finance Unit systems and are used both for annual and quarterly reporting. These are the following:</p> <ul style="list-style-type: none"> • Since the working balance includes the Consolidated Fund cash balance, as published on a monthly basis by the NSO; when recording all the cash transactions (revenue and expenditure) in ESA coding, consistency is ensured by the fact that the result must match the working balance result; • Recording of all revenue and expenditure transactions of the Consolidated Fund consistently with totals for each category, e.g. recurrent revenue, personal emoluments, operational and maintenance expenses, programmes and initiatives, contributions to government entities, interest expenditure and capital expenditure; • Monthly cash deficit of the Consolidated Fund reconciled with the CBM figures; • Annual ESA deficit result is calculated from two sources; the reconciliation between the working balance (in cash) to the compilation of the ESA B9 working table and the normal compilation of the quarterly non-financial accounts; • Quarterly and annual data have to be additive; Reconciliation from working balance to the ESA net lending / net borrowing (B9) (described in detail in 20.5); Questionnaire related to the EDP

and the EDP tables have in built vertical checks and balances; Consistency between accrual adjustments reported in non-financial and financial accounts;

- Consistency between revenue and expenditure amounts for the current and capital transfers in between the sub-sectors of General Government (S13);
- Consistency between the opening balance of a period in financial accounts and closing balance in the previous period;
- Summation of transactions, revaluations and other changes in volume should equal to flow; and
- Checks regarding consolidated and non-consolidated financial accounts (the B9f of the consolidated and non-consolidated financial accounts must match and the consolidated element between the financial assets and financial liabilities must be equal.

At the Treasury Department, the Accounting, Methodology and Compliance Unit (AMCU) has the responsibility to conduct sample checks by reconciling cash data as reported in the DAS with the accrual data submitted by the Government Ministries and Departments. Then, AMCU outlines any shortfalls in reporting and brings it to the attention of the Departments/Ministry concerned. Furthermore, the Public Finance Unit conducts checks on the Treasury's accruals templates, and each quarter queries are sent to the AMCU in respect of changes in debtors and creditors greater than 1.0 million. In some instances, due to more information available at the Public Finance Unit, the AMCU is informed about any payables or receivables not being recorded or captured in the Treasury's accruals templates.

20.5 Data compilation

The general government deficit and debt data is compiled in accordance with the principles set out in the ESA 2010 and the Manual on Government Deficit and Debt. EDP debt is recorded at nominal value while in the financial accounts the debt instruments are recorded at market value. Data for revenue and expenditure are recorded on accruals basis.

The components of Malta's General Government deficit are as follows (this is reconciliation between the working balance (in cash) to the ESA B9:

- The working balance (deficit/surplus) of the Consolidated Fund Quarterly accruals data covering Ministries and Departments collected by the Treasury Department. (Ref. 2.3.1.2.c and Annex IX)
- Non-Financial transactions in the below the line accounts (TCF). (Ref. 3.2.1.4)
- Time adjusted cash for VAT, Income Tax and Social Security Contributions. (Ref. 6.1): Revenues from VAT, Income Tax and Social Security Contributions are recorded using the time-adjusted cash method in accordance with Council Regulation 2516/2000. Following a study undertaken by NSO in 2008, Eurostat approved a time adjustment of t+1 for VAT and t+2 for Income Tax and Social Security Contributions.
- Accrued interest receivable and payable (Ref. 3.2.3.4.1 and 6.4)
- Malta Government Stock premium proceeds (Ref. 3.6.3)
- Application of the super-dividend test to Central Bank profits transferred to Government and to dividends received. (Ref. 7.13 and 7.4)
- Church Stock Adjustment (Ref. 3.2.3.4.2)
- Adjustment for the neutrality of EU Funds (Ref. 6.2)
- Emission trading permits (Ref. 7.9)
- Adjustment for EU Own Resources (Ref 6.2.1.)
- European Financial Stability Facility (EFSF) re-routing. (Ref. 7.2.1.)
- Equity injection test (Ref. 7.3)
- Recurrent and capital transfers within General Government sector (S.13) that are consolidated
- National Accounts adjustments: output for own final use; FISIM and consumption of fixed capital
- Other quarterly and annual adjustments necessary to fulfil compliance with the ESA 2010 methodology and the Manual on Government Deficit and Debt

The sections in brackets refer to further information that can be obtained from Malta's EDP Inventory:

http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Government-Debt-and-

[Deficit-under-the-Maastricht-Treaty.aspx](#).

The components of Malta's General Government debt are as follows:

- Euro coins issued in the name of the Treasury
- Treasury Bills
- Malta Government Stocks
- Foreign Borrowing
- Domestic loans with Commercial banks
- Debt of Extra Budgetary Units
- Debt of Local Councils
- European Financial Stability Facility (EFSF) re-routing - The EFSF was established on 7 June 2010 for the purpose of providing stability support to Euro Area Member States (EAMS). The EFSF finances such support by issuing or entering into bonds, notes, commercial paper, or other financing arrangements. The operations are backed by guarantees of the EAMS on the basis of an agreed 'adjusted contribution key'. On 27 January 2011, Eurostat decided that the debt issued by the EFSF for each support operation must be rerouted to the public accounts of the EAMS providing guarantees, proportionately to their contribution key. Therefore the recording of such flows will impact the gross government debt (as defined in the Maastricht Treaty) but not the net debt. In addition, all revenue/expenditure streams (interest, margins and service fees) will be recorded in the general government accounts, resulting in a positive impact on the deficit/surplus of the EAMS.

20.6 Adjustment

The Government Finance Statistics that is seasonally adjusted and transmitted to Eurostat is the quarterly aggregated total government revenue and expenditure data. The Tramo-Seats model is applied through Demetra + software.

21 Comment

Not applicable.