Inventory of the methods, procedures and sources used for the compilation of deficit and debt data and the underlying government sector accounts according to ESA 2010

Finland

October 2026

Background

Compilation and publishing of the Inventory of the methods, procedures and sources used to compile actual deficit and debt data is foreseen by Council Regulation 479/2009, as amended.

According to Article 8.1: *"The Commission (Eurostat) shall regularly assess the quality both of actual data reported by Member States and of the underlying government sector accounts compiled according to ESA 95.... Quality of actual data means compliance with accounting rules, completeness, reliability, timeliness, and consistency of the statistical data. The assessment will focus on areas specified in the inventories of Member States such as the delimitation of the government sector, the classification of government transactions and liabilities, and the time of recording."*

In line with the provisions of the Regulation set up in Article 9, "*Member States shall provide the Commission (Eurostat) with a detailed inventory of the methods, procedures and sources used to compile actual deficit and debt data and the underlying government accounts. The inventories shall be prepared in accordance with guidelines adopted by the Commission (Eurostat) after consultation of CMFB. The inventories shall be updated following revisions in the methods, procedures and sources adopted by Member States to compile their statistical data*".

The content of the Inventory and the related guidelines have been endorsed by the Committee on Monetary, Financial and Balance of Payments statistics in June 2012 and are followed by all EU Member States. This version introduces references to the ESA 2010 and the updates mirroring the changes introduced by the ESA 2010. It also includes changes introduced by the MGDD 2022 version.

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Annex I – list general government units

A. Institutional arrangements, sources, procedures and methods used for the calculation of deficit and debt data

This chapter provides a summary description on the general government sector components and specifies institutional responsibilities and basic data sources used for EDP tables and for the compilation of general government national accounts. Special attention is given to EDP tables: detailed description of components of the working balance and the transition into B.9 (net lending/net borrowing); compilation of Maastricht debt and of stock-flow adjustments; explanation of the link between EDP table 2 and 3, balancing process and statistical discrepancies.

1. General Government

This section describes the coverage of the General Government sector and the sub-sectors for Goodland.

The general government sector is composed by 3 sub-sectors: S.1311, S.1313 and S.1314. It includes:

1.1. Central government subsector (S.1311)

The central government sector of Finland consists of

- central government agencies (the budget economy)
- extra-budgetary funds (excl. State Pension Fund)
- universities (13 units in 2023)
- universities of applied sciences (4 units in 2023)
- Aalto Holding Ltd
- Business Finland Ltd
- Business Finland Venture Capital Ltd
- Finlogic Ltd
- Finnhems Flight Services Ltd
- Finnhems Ltd
- Finnish Fund for Industrial Cooperation Ltd (Finnfund)
- Finnish Industry Investment Ltd
- Finnish Institute of Occupational Health
- Finnish Minerals Group Ltd
- Finnish National Gallery
- Finnish Student Health Service
- Gasonia Ltd
- Governia Ltd
- Hansel Ltd
- Haus Kehittämiskeskus Ltd
- Itla Children’s foundation
- Itärata Ltd

- Leijona Catering Ltd
- Länsirata Ltd
- Old Deposit Guarantee Fund
- Real Estate Ltd Arctic Centre
- Real Estate Ltd Helsingin Mannerheimintie 13
- Real Estate Ltd Äänekosken Torikatu 4
- Senate Properties
    - Defence Properties Finland (subsidiary of Senate Properties)
    - 12 other property company subsidiaries of Senate Properties
- Solidium Ltd
- Suomi-rata Ltd
- Tapio Ltd
- The Finnish Climate Fund (formerly known as Vake Ltd.)
- The University of Helsinki Funds
- Traffic Management Company Fintraffic Ltd
    - Fintraffic Railway Ltd (subsidiary of Fintraffic Ltd)
    - Fintraffic Road Ltd (subsidiary of Fintraffic Ltd)
    - Fintraffic Vessel Traffic Services Ltd (subsidiary of Fintraffic Ltd)
- University of Helsinki facility services Ltd
- University of Helsinki Research Foundation
- university property companies (27 units in 2023, incl. property company subsidiaries)
- VTT Ltd (Technical Research Centre of Finland Ltd)
- Yleisradio Ltd (public broadcasting company)

1.2. State government subsector (S.1312)

There is no state subsector in Finland.

1.3. Local government subsector (S.1313)

In 2023 local government was divided into two sub-sectors: S.13131 Local government excl. wellbeing services county administration and S.13132 Wellbeing services county administration.

The main groups included to local government excl. wellbeing services county administration are municipalities (309 municipalities in 2023) and joint municipal authorities (104 joint municipal authorities in 2023). In 2023 there were 31 quasi-corporations classified to the local government excl. wellbeing services county administration sector. Quasi-corporations are legally part of the municipality under which they are operating, in other words they do not have independent legal status. Quasi-corporations operating as market producers are classified as public corporations.

In addition, Ålands Landskapsregering (the Åland Government), Kuntaliitto (Association of Finnish Local and Regional Authorities), KT Kuntatyönantajat (KT Local Government Employers) and Kuntien takauskeskus (Municipal Guarantee Board) are classified to the Local government excl. wellbeing services county administration subsector.

Local government (excl. wellbeing services county administration) includes also 13 universities of applied sciences units in 2023.

The main groups included to wellbeing services county administration are wellbeing services counties (21 wellbeing services counties in 2023) and joint county authorities for wellbeing services (3 joint county authorities for wellbeing services in 2023).

As a result of ESA 2010 implementation, several incorporated units were classified to local government sector. In 2023, there was 129 incorporated units classified to local government excl. wellbeing services county administration sector and 22 incorporated units classified to wellbeing services county administration sector.

1.4. Social security funds subsector (S.1314)

Sub-sector social security funds are divided into employment pension schemes S.13141 and other social security funds S.13149. Employment pension schemes S.13141 consists of pension insurance companies (4 units in 2024), industry-wide pension funds (4 units in 2024), foundations (8 units in 2024) and other pension insurance institutions (8 units in 2024).

Other social security funds S.13149 consists of Social Insurance Institution, Employment Fund, unemployment funds (16 funds in 2023), employee sickness funds (119 funds in 2024), and funeral and redundancy relief funds (2 funds in 2024). Except for the Social Insurance Institution, all these units belonging to S.1314 are - to different extents - under the supervision of Financial Supervisory Authority, which maintains a list of them, and also collects financial statement data for e.g. all pension insurance companies and pension funds and foundations.

The classification of employment pension schemes inside general government sector in Finland is grounded on the decisions of Eurostat on the issue (Eurostat news release No 10/97, 3 February 1997).

2. Institutional arrangements

This section provides general information on institutional arrangements relating to the production and dissemination of government deficit and debt statistics:

- responsibility of national authorities for compilation of individual EDP tables and underlying government national accounts, as defined by ESA 2010 Transmission Programme;
- institutional arrangements relating to public accounts which are used by statistical authorities for compilation of government national accounts and EDP tables;
- general overview about bookkeeping system used by public units, internal quality checks and external auditing;
- communication between individual national authorities involved in EDP;
- publication of deficit and debt statistics.

Legal basis for the compilation of GFS and EDP data

There is no specific law relating to EDP or GFS statistics – all statistics are compiled under general statistical law of Finland.

2.1. Institutional responsibilities for the compilation of general government deficit and debt data

This section describes institutional responsibilities for compilation of Government Finance Statistics (national accounts for general government and EDP tables). Further related information is described in section 2.3 Communication.

National accounts data for general government are transmitted to Eurostat[1] via the following tables (see the related EU legislation)[2] :
Table 2 – Main aggregates of general government (annual data)
Table 6 – Financial accounts by sector (annual data)
Table 7 – Balance Sheets for financial assets and liabilities (annual data)
Table 801 – Non-financial accounts by sector (quarterly)
Table 9 – Detailed Tax and Social Contribution Receipts by Type of Tax or Social Contribution and Receiving Sub-sector (annual data)
Table 11 – Expenditure of General Government by function (annual data)
Table 25 - Quarterly Non-financial Accounts of General Government
Table 26 – Balance sheets for non-financial assets (annual data)
Table 27 – Quarterly Financial Accounts of General Government
Table 28 – Quarterly Government Debt (Maastricht Debt) for General Government
Data on government deficits and debt levels are reported to Eurostat twice a year (in April and October) in EDP notification tables[3].

[1] https://ec.europa.eu/eurostat/data/database
2 https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1581327918231&uri=CELEX:32013R0549

[3] https://ec.europa.eu/eurostat/web/government-finance-statistics/excessive-deficit-procedure/edp-notification-tables

Institutional arrangements, sources, procedures and methods used for the calculation of deficit and debt data

Table 1. - Institutional responsibilities for the compilation of general government national accounts and EDP tables

Institutional responsibilities *(the appropriate cells are crossed)*			**NSI**	**MOF**	**NCB**	**Other**
Compilation of national accounts for General Government:						
Nonfinancial accounts	annual		x			
	quarterly		x			
Financial accounts	annual		x			
	quarterly		x			
Maastricht debt	quarterly		x			
Compilation of EDP Tables:						
EDP table 1	actual data	deficit/surplus	x			
		debt	x			
		other variables	x			
	planned data	deficit/surplus		x		
		debt		x		
		other variables		x		
EDP table 2 (actual data)	2A central government		x			
	2B state government					
	2C local government		x			
	2D social security funds		x			
EDP table 3 (actual data)	3A general government		x			
	3B central government		x			
	3C state government					
	3D local government		x			
	3E social security funds		x			
EDP table 4			x			

NSI - National statistical institute including units subordinated to the NSI (the latter is to be specified in comments)
MOF – Ministry of Finance/Economy including units subordinated to the MOF (to be specified in comments)
NCB – National Central Bank
Other – other national body, to be specified in comments

Institutions involved in the compilation of EDP notifications are:
* Tilastokeskus - Statistics Finland
* Valtiovarainministeriö - Ministry of Finance

Institutional arrangements, sources, procedures and methods used for the calculation of deficit and debt data

As can be seen from the table above, Statistics Finland is responsible for all actual and statistical data relating to EDP statistics. The Ministry of Finance is responsible for forecasting, i.e. planned data. Final approval is done accordingly – Statistics Finland approves all the actual data and MoF approves the planned data.

EDP tables are transmitted to Eurostat by Statistics Finland via EDAMIS Web Portal (in electronic form)

2.1.1 Existence of an EDP unit/department

There is no specific EDP unit at Statistics Finland. The EDP is one of the responsibilities of EDP team, which has experts from the group of Government Finance and Sector Accounts and the group of Balance of payments and financial accounts at the Economic Statistics department at Information and Statistical service area in Statistics Finland. All the GFS statistics transmitted to Eurostat are compiled in the same department (Economic Statistics) of Statistics Finland and for that reason that department is also responsible for classification and methodological decisions applied in the compilation of the national accounts.

Because in Statistics Finland EDP tables are derived statistics from the national accounts (both from non-financial accounts and financial accounts) process, the compilers of EDP statistics are mainly the same staff that also compiles subsectors for annual and quarterly national sector accounts. In practise, that means for example that the person responsible for social security accounts for the purpose of quarterly and annual non-financial accounts is compiling table 2D, and the person responsible for compiling central government financial accounts is responsible for the table 3D.

At Statistics Finland, EDP statistics is derived statistics from compilation process of national accounts (both non-financial and financial accounts) and can't really be described as an independent production line. Without regular process of compilation of quarterly and annual national accounts on sector level there wouldn't be EDP statistics either. Incoming source data is provided to Statistics Finland for the purpose of compiling national accounts and there are very few data which is used only for EDP compilation. It works also other way around, the demands of the EDP process are already taken into account when designing data collection for national accounts purposes.

2.1.2 Availability of resources for the compilation of GFS data

The EDP Team (12 persons) takes a major responsibility for the compilation of the government financial statistics. Taking into account three people who only work with GFS, we have overall 15 people who work directly with EDP and GFS statistics. Organisation chart of the Statistical service area:

Please see also 2.1.1.

2.2. Institutional arrangements relating to public accounts

Generally, "public accounts" are basic source data for GFS compilation, i.e. EDP tables as well as annual and quarterly accounts for general government. Public accounts are used by public units and refer to accounting records and relating accounting outputs (e.g. financial statements) based on the accounting framework defined by a national legislation. This section provides a general overview on institutional responsibilities relating to public accounts. Further details on public accounts for individual government subsectors are described under relevant sections on data sources and EDP tables.

2.2.1 Legal / institutional framework

The central government applies the State Budget Act in terms of accounting, preparation and presentation of annual financial statements and budgeting and reporting. Valtiontalouden tarkastusvirasto VTV (The National Audit Office of Finland - NAOF) reviews management of the central government finances. Audit work of VTV also covers central government transfers and subsidies paid to municipalities, companies, and other entities. It checks the quality and consistency of management, and the efficiency and effectiveness of actions.

Institutional arrangements, sources, procedures and methods used for the calculation of deficit and debt data

Audits take place each year and the financial audit report is public. Reporting is required by law.

The purpose of a financial audit conducted by VTV is to ensure that regulations on the state budget and central government finances are complied with, and that correct and sufficient information on the profit, expenditure and financial position of the central government and its accounting offices is provided in reports. Financial audits result in concrete corrections and actions to develop the central government. An audit supports the fulfilment of Parliament's budgetary and legislative power and appropriate internal control, compliance with the principles of good governance and fiscal principles, as well as the efficiency and development of administration. An audit also supports administration under the Government in the management of central government finances and promotes the sharing of good practices.

Overview of the accounting and auditing arrangements – Central government

Name of the public entity	**Accounting laws/ standards**	**Types of audit performed**	**Frequency**
State budgetary units	State Budget Act (13.5.1988 /423), State Budget Decree (11.12.1992 / 1243), Government Accounting Board resolutions	Definition of the role of the National Audit Office: - Financial audit - Performance audit - Compliance audit	Each year
Extra-budgetary funds	State Budget Act (13.5.1988 /423) and specific laws on separate legal entities (this may include Accounting Act (30.12.1997 / 1336) and Auditing Act (18.9.2015/1141)), Government Accounting Board resolutions	Financial audit mainly done by private sector auditors (Authorized Public Accountants) and/or Chartered Public Finance Auditors VTV (NAOF) audits the financial statements of three extra-budgetary funds (Fire Protection Fund, Oil Protection Fund and State Television and Radio Fund) and prepares audit reports on them	Each year
Universities	Accounting Act (30.12.1997 / 1336), Auditing Act (18.9.2015/1141), Universities Act 24.7.2009 / 558), Accounting Board resolutions	Financial audit by private sector auditors (Authorized Public Accountants)	Each year

Incorporated units	Accounting Act (30.12.1997 / 1336), Auditing Act (18.9.2015/1141), Accounting Board resolutions	Financial audit by Authorized Public Accountants	Each year

The local government applies the Accounting Act in General accounting. The annual financial statements are audited by Chartered Public Finance Auditors.

Overview of the accounting and auditing arrangements – Local government

Name of the public entity	**Accounting laws/ standards**	**Types of audit performed**	**Frequency**
Municipalities	Municipalities Act (10.4.2015/410), Accounting Act (30.12.1997 / 1336), Auditing Act (18.9.2015/1141), Accounting Board's sub-committee resolutions	Financial audit by Chartered Public Finance Auditors	Each year
Joint municipal authorities	Municipalities Act (17.3.1995 / 365), Accounting Act (30.12.1997 / 1336), Auditing Act (18.9.2015/1141), Accounting Board's sub-committee resolutions	Financial audit by Chartered Public Finance Auditors	Each year
Wellbeing services counties	Wellbeing services county Act (29.6.2021/611), Accounting Act (30.12.1997 / 1336), Auditing Act (18.9.2015/1141), Accounting Board's sub-committee resolutions	Financial audit by Chartered Public Finance Auditors	Each year
Joint county authorities for wellbeing services	Wellbeing services county Act (29.6.2021/611), Accounting Act (30.12.1997 / 1336), Auditing Act (18.9.2015/1141), Accounting Board's sub-committee resolutions	Financial audit by Chartered Public Finance Auditors	Each year

Institutional arrangements, sources, procedures and methods used for the calculation of deficit and debt data

Åland Government	State Budget Act (13.5.1988 /423), State Budget Decree (11.12.1992 / 1243), Government Accounting Board resolutions	Financial audit by Chartered Public Finance Auditors	Each year
Municipal Guarantee Board	Accounting Act (30.12.1997 / 1336), Auditing Act (18.9.2015/1141), Accounting Board resolutions	Financial audit by Authorized Public Accountants	Each year
Local Government and County Employers KT	Accounting Act (30.12.1997 / 1336), Auditing Act (18.9.2015/1141), Accounting Board resolutions, Act on the Local Government and County Employers KT (2021/630)	Financial audit by Authorized Public Accountants	Each year
Incorporated units	Accounting Act (30.12.1997 / 1336), Auditing Act (18.9.2015/1141), Accounting Board resolutions	Financial audit by Authorized Public Accountants	Each year

The Social security funds apply the Accounting Act in General accounting. The annual Financial Statements are audited by Certified Public Accountants. Units are also supervised by the Financial Supervisory Authority (FIN-FSA), so they report various information to the supervisor on a regular basis.

Overview of the accounting and auditing arrangements – Social security funds

Name of the public entity	**Accounting laws/ standards**	**Types of audit performed**	**Frequency**
Statutory earnings-related pension providers	Specific legislation on pension providers (several acts), Accounting Act (30.12.1997 / 1336), Auditing Act (18.9.2015/1141), Accounting Board resolutions, Financial Supervisory Authority's resolutions	Financial audit by Authorized Public Accountants	Each year

Other Social Security Funds	Specific legislation on Social Security providers, Accounting Act (30.12.1997 / 1336), Auditing Act (18.9.2015/1141), Accounting Board resolutions, Financial Supervisory Authority's resolutions	Financial audit by Authorized Public Accountants	Each year

2.2.2 Auditing of public accounts

2.2.2.1 General government units

All the units are under financial audit, which means that their financial statements (profit and loss account, cash flow statement and balance sheet) are audited. Auditing takes place once a year and for most units their financial year corresponds to a calendar year. The audited accounts are available when they are published and most units publish their accounts on their website (sometimes accounts are only available on demand). Audit reports might include all kind of analysis, but the main requirement is that the auditors give their statement if everything is done according to the legal demands.

Concerning the central government, the National Audit Office of Finland submits an annual activity report to Parliament each year by the end of September based on section 6 of the Act on the National Audit Office (676/2000). It can also submit separate reports to Parliament when needed. According to established practice, a separate report on the audit of the final central government accounts and the Report on the Final Central Government Accounts is submitted to Parliament each year in the spring.

2.2.2.2 Public units, not part of general government

As mentioned in 2.2.2.1, according to Finnish law all economic entities (limited companies, trust funds etc) have to be audited. There is an exception to that rule; if the unit is very small according to Auditing Act (1141/2015): Section 2, Obligation to carry out an audit: "Unless otherwise provided in any other act, there is no obligation to appoint an auditor for a corporation where no more than one of the following conditions were met in both the last completed financial year and the financial year immediately preceding it:
1) the balance sheet total exceeds EUR 100,000;
2) the net sales or comparable revenue exceeds EUR 200,000; or
3) the average number of employees exceeds three"

All other units are audited.

2.3. Communication

2.3.1 Communication between actors involved in EDP

2.3.1.1 Agreement on co-operation

Table 1 of this inventory describes that there are two institutions responsible for EDP reporting. Statistics Finland has a sole responsibility for actual statistical data and the Ministry of Finance is responsible for the planned data (forecast). In addition, Statistics Finland has the responsibility for underlying national accounts (both non-financial and financial accounts) and the sole responsibility for applying national accounts methodology and making classification decisions.

For information sharing, an EDP co-operation group has been set up. It has been set up with an official decision of Statistics Finland. The chairperson of the group comes from Statistics Finland and there are invited members from the Ministry of Finance and the Bank of Finland. Even though in Finland there are officially only two institutions, which are involved in the compilation of the EDP tables (as explained in Table 1 and chapter 2.1.) we consider important, that the Bank of Finland is included as a close partner in the process - especially because at EU level ECB (via national central banks especially in the Euro area) is so heavily involved in the EDP activities.

The co-operation group meets regularly twice a year before the notification deadline to discuss and inform each other of underlying events and decisions which are behind the figures. The group is invited to meetings by Statistics Finland and in the meetings for example classification issues are discussed (StatFin has sole responsibility for sector classification) and it's important that while preparing the forecast the MoF has the clear idea which units are classified and on what basis to which sector/sub-sector.

During these meetings StatFin also informs other participants for example what is going in this field at EU level and what kind of consequences those decisions might have nationally (like informing of new guidance notes of Eurostat etc.). The group doesn't have official minutes because it's not a decision making body, but short memos are always written of the subjects discussed during the meeting.

2.3.1.2 Access to data sources based on public accounts

Data sources are described in detail when describing compilation of each EDP reporting table.

2.3.2 Publication of deficit and debt statistics

2.3.2.1 Publication of EDP data

Institutional arrangements, sources, procedures and methods used for the calculation of deficit and debt data

All EDP tables (1-4) are published nationally on the website of Statistics Finland at the same time of a national publication of General government deficit and debt statistics, where evolution of the data is analysed and methodological issues are explained. EDP tables as such are annexed to this publication.

2.3.2.2 Publication of underlying government ESA 2010 accounts

Statistics Finland has its own national publications of different areas of national accounts, but transmission tables as such are not published. The publications which always include also metadata can be found from the website of Statistics Finland under the themes "National Accounts" and "Government Finance". There is also a release calendar which can be obtained from the website. Every published set of statistics contains information on when it will be updated next time.

Below is a list of publications where the data of underlying government accounts can be found. They are published at the website of Statistics Finland (first there is the name of the publication in Finnish and following that is the English name):

- Julkisyhteisöjen alijäämä ja velka (General government deficit and debt)
- Julkisyhteisöjen menot tehtävittäin (General government expenditure by function)
- Julkisyhteisöjen rahoitustilinpito (General government financial accounts)
- Julkisyhteisöjen tulot ja menot neljännesvuosittain (General government revenue and expenditure by quarter)
- Julkisyhteisöjen velka neljännesvuosittain (General government debt by quarter)
- Verot ja veronluonteiset maksut (Taxes and tax-like payments)
- Kansantalouden tilinpito (Annual national accounts)
- Sektoritilit neljännesvuosittain (Quarterly sector accounts)
- Rahoitustilinpito (Financial accounts)

A list of units belonging to general government sector is published here (in Finnish):

https://stat.fi/media/uploads/meta/luokitukset/sektoriluokitus/julkisyhteisot_maaliskuu2024_julkaisu.xlsx

3. EDP tables and data sources

This section reports on availability and use of basic data sources for the compilation of national accounts and EDP tables, by general government subsectors and main units/groups of units. It also aims at describing adjustments to basic data source in order to compile ESA 2010 based deficit/surplus; EDP tables compilation techniques, balancing practices; link between EDP table 2 and 3.

3.1. EDP table 1

EDP table 1 provides the core, summary information for the reporting period, as requested by the related EU legislation[4]: net borrowing(-)/net lending(+)(B.9) for general government sector and its subsectors, outstanding amount of Maastricht debt by instruments, Gross Domestic Product (GDP), gross fixed capital formation (GFCF) for GG sector and data on interest expenditure (D.41) .

This section focuses on Maastricht debt only. A detailed description of B.9 calculation and data sources for individual subsectors is covered under section 3.2.

3.1.1 Compilation of Maastricht debt

3.1.1.1 Specification of debt instruments

Below are listed instruments according to ESA 2010 for different sectors.

Currency and deposits (F.2)
S.1311: Coins in circulation, creditor S.121; EC's deposit at State Treasury, creditor S.2.
S.1313: Not applicable (applies to both subsectors S.13131 and S.13132).
S.1314: Not applicable.

In case of deposits with capitalized interest, the interest is capitalized under the instrument.

Money-market instruments (F.31)
S.1311: Treasury bills issued, valued at nominal value, with original maturities of one year or less, main creditor S.2.
S.1313: The amount of outstanding municipal papers valued at nominal value, with original maturities of one year or less, main creditor S.122 (applies to both subsectors S.13131 and S.13132).
S.1314: Debt securities with original maturities of one year or less. Issued only occasionally.

Institutional arrangements, sources, procedures and methods used for the calculation of deficit and debt data.

Bonds (F. 32)
S.1311: Government bonds issued and outstanding, valued at nominal value, main creditor S.2.

[4] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.069.01.0101.01.ENG

S.1313: Municipal bonds issued, valued at nominal value, main creditors S.122, S.125, S.2 (applies to both subsectors S.13131 and S.13132).
S.1314: Bonds issued at nominal value, main creditor S.2.

There are no capitalised interest bonds at the moment.

Short-term loans (F.41)
S.1311: Loans with maturities of one year or less. Cash collaterals payable (relating to derivative contracts), main creditor S.2.
S.1313: Loans valued at nominal value, with maturities of one year or less, main creditor S.122 (applies to both subsectors S.13131 and S.13132).
S.1314: Loans with maturities of one year or less, main creditor S.2.

Long-term loans (F.42)
S.1311: Loans with original maturity over one year, valued at nominal value, main creditors S.111, S.122, S125, S.2.
S.1313: Loans with original maturity over one year, valued at nominal value, main creditors S.122, S.2 (applies to both subsectors S.13131 and S.13132).
S.1314: Loans with original maturity over one year, valued at nominal value, main creditor S.122.

Long-term trade credits are classified as long-term loans F.42.

3.1.1.2 Data sources used for the compilation of Maastricht debt

Central government:
The main source for the central government gross debt is the State Treasury debt report. It covers all central government agencies and in addition 10 extra-budgetary funds. The source is usually finalised in t+1 month and the figures are directly available at nominal values, i.e. according to EDP valuation rules. The State Treasury debt report is used in compiling F.31 (short-term bonds), F.32 (long-term bonds) and F.42 (long-term loans). The State Treasury debt report is compiled for statistical purposes only. Equivalent information can be obtained from the following address:
https://www.treasuryfinland.fi/statistics/statistics-on-central-government-debt

Since the EDP debt concept is wider than the one in State Treasury debt report, some additions are made: The issued bonds by Solidium Ltd, the capital of the Nuclear Waste Management Fund, the EFSF lending operations, coins in circulation, the debt of rearranged loans from domestic lending of Finnvera, rerouting of ARA housing loans and the imputed debt for Public-Private Partnerships.
The information needed is obtained from the financial statements, the EFSF lending operations report, business Institutional arrangements, sources, procedures and methods used for the calculation of deficit and debt data statistics database of Statistics Finland, and the Solidium's quarterly report. No adjustment for the valuation is needed for the nominal value. EC’s deposit at State Treasury (F.22) are added using the central government bookkeeping data. Cash collaterals payable (F.41) is added using balance of payment questionnaire. The capital of the Nuclear Waste Management Fund is sourced from the data of state bookkeeping.

Local government:
The main sources of information on the local government debt are financial statement estimates and financial statements provided to the State Treasury by municipalities, joint municipal authorities, wellbeing services counties and joint county authorities for wellbeing services, unincorporated municipal enterprises and water supply balance sheet units themselves.
The compilation of Maastricht debt is based on the financial statement estimates (April t+1 notification) and financial statements (October t+1) for the fourth quarter. Financial statement estimates are available in t+25 days whereas financial statements are completed in t+36 days. State Treasury's data collection covers all municipalities and joint-municipal authorities. Following the EDP valuation rules (nominal/face value), book values are used in State Treasury's data collection. This source is used to compile F.42 long-term loans for the local government subsector S.13131 Local government excl. wellbeing services county administration. The description of State Treasury's financial information service for municipalities and joint municipal authorities is available at https://www.valtiokonttori.fi/en/service/financial-information-service-for-municipalities-and-service-desk/#general

Additional information used to compile F.42 long-term loans include rerouted ARA housing loans. The data on these loans is obtained from the State Treasury.

Data on local government short-term bonds (F.31) is obtained from Bank of Finland, which collects, on monthly basis, information on municipal papers arranged by banks. The outstanding amount is recorded in face value, i.e. according to EDP valuation rules. This data is finalised in t+45 days. These papers are entered as loans in balance sheets of municipalities but eliminated from the loans in the calculation process. The main source for F.32 long-term bonds is Securities Holding Statistics (SHS) data. Counterpart information is also received from MFI statistics and Balance of Payments statistics. The compilation of F.41 short-term loans is based on MFI statistics.

Typically, there is no need to revise data after October (t+1) notification. If the source data is revised after the final data has become available, the information on local government debt in the EDP notification will be updated the following year (April t+2 notification).

Social security funds:
Important sources obtained from the Bank of Finland are Securities Holdings Statistics (SHS), Employment Pension Scheme Quarterly Survey (EPSQ), OFI statistics, The balance sheets of monetary financial institutions (MFIs), Balance of Payments (BoP) and liabilities of Työllisyysrahasto. Debt is obtained for both sub-sectors at nominal values, i.e. according to EDP valuation rules.

3.1.1.3 Amendments to basic data sources

3.1.1.4 Consolidation of Maastricht debt

At the level of each government sub-sector (intra-flows and positions)

Central government:
Intra-central government holdings of debt, concerning all instruments, are obtained from various sources. These are preliminary financial statements collected from specific central government units, and the State Treasury debt report. Figures comply with the EDP valuation rules. The central government consolidated gross debt is calculated by deducting these intra-positions from non-consolidated gross debt figures.

Local government:
Intra-local government holdings of debt, concerning all instruments, are indicated in the financial statement estimates and financial statements provided by municipalities, joint-municipal authorities, wellbeing services counties and joint county authorities for wellbeing services to the State Treasury. Book values comply with the EDP valuation rules. Using this information local government consolidated gross debt can be calculated. Transactions are calculated as a change in the value of holdings.

Social security funds:
The data is obtained from Employment Pension Scheme Quarterly Survey (EPSQ). Figures comply with the EDP valuation rules.

At the level of general government sector (inter-flows and positions)

Central government:
Data on social security funds' holdings of central government debt mainly consists of bond holdings of Employment Pension schemes. The information is obtained from Employment Pension Scheme Quarterly Survey (EPSQ) recorded at nominal values. Other main sources used are Quarterly inquiry on financial assets and liabilities (BOPQ) and Bank of Finland's Securities Holdings Statistics, which include financial corporations', central government's and social security funds' holdings on short-term bonds (F.31), long-term bonds (F.32) and loans (F.4) by debtor sector. Figures are recorded at nominal value. Information on local government's holdings on central government debt is based on balance sheet data of municipalities, joint-municipal authorities, wellbeing services counties and joint county authorities for wellbeing services obtained from quarterly data on municipal finances collected by State Treasury. The book values used comply with EDP valuation rules.

Local government:
Data on central government's holdings of local government debt is obtained from Securities Holding Statistics (SHS) data, financial statement estimates and financial statements collected from by municipalities, joint-municipal authorities, wellbeing services counties and joint county authorities for wellbeing services by the State Treasury. SHS data covers holdings of short-term bonds (F.31) and long-term bonds (F.32). Long-term loans (F.42) are received

from financial statement estimates and financial statements provided to the State Treasury. Values are recorded in nominal (face) value.

Data on social security fund's holdings of local government debt is obtained from Employment Pension Scheme Quarterly Survey (EPSQ) and balance sheet of Employment Fund.

Information on local government's holdings of other general government sub-sectors' debt comes from Securities Holding Statistics (SHS) data (F.32 central government) as well as financial statement estimates and financial statements of by municipalities, joint-municipal authorities, wellbeing services counties and joint county authorities for wellbeing services collected by the State Treasury (F.42 central government).

Social security funds:
Social security fund's holdings of other general government sub-sectors' debt is based on Bank of Finland are Securities Holdings Statistics (SHS), EPSQ -survey and the balance sheets of monetary financial institutions (MFIs).

Data on other general government sub-sectors' holdings of social security funds' debt is obtained from Bank of Finland's Securities Holdings Statistics.

3.2. Central Government sub-sector, EDP table 2A and 3B

Information provided in this section refers to data sources available for the Central Government (S.1311), indicates what sources are used for compilation of non-financial and financial accounts and EDP tables for S.1311, and explains the adjustments made in order to comply with ESA 2010.

2.2.1 Data sources for main Central Government unit: "The State"

This section describes data sources available and used for compilation of national accounts and EDP tables for the main Central Government unit:

- Basic data sources
- Complementary data sources used for the purpose of special ESA 2010 adjustments (e.g. accrual adjustments, recording of specific government transactions, etc.).

Table 2 – Availability and use of basic source data for the main central government unit

Available source data				Source Data Accounting	Source data used for compilation of		
Accounting basis (C/A/M)	Periodicity (M/Q/A/O)	Time of availability of annual results for T-1			WB	B.9 (NFA)	B.9f (FA)
		First results	Final data				
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
		T + days	*T+months*		*cross appropriate cells*		
				Budget Reporting			
M	M	T+35	T+3	(1) Current revenue and expenditure	x	x	
M	M	T+35	T+3	(2) Current and capital revenue and expenditure	x	x	x

C	Q	T+35	T+3	(3) Current and capital revenue and expenditure and financial transactions	x	x	x
A	Q	T+35	T+3	(4) Balance sheets			x
				Financial Statements			
M	A	T+35	T+3	(5) Profit and loss accounts	x	x	
M	A	T+35	T+3	(6) Balance sheets	x	x	x
M	A	T+35	T+3	(7) Cash flow statement			
				Other Reporting			
				(8) Statistical surveys			
C	Q	T+30	T+1	(9) Other: State Treasury debt reports for balance sheet items and financial transactions (F.3, F.4 for liabilities)			x

Accounting basis (column 1): C- cash, A- accrual, M-mixed
Periodicity (column 2); M - monthly, Q - quarterly, A - accrual, O - other, to be specified.
Time of availability (column 4): availability of annual results for T-1 = number of months and days after the reporting period.
Column 6, 7 and 8 – those cells are crossed which refer to data sources used for compilation of the WB, B.9 (non-financial accounts) and B.9f (financial accounts), respectively.
Empty cells in column 1, 2, 3 and 4 mean that the data source does not exist.

Data from the state is collected by the State Treasury and in this case all relevant, available data sources are used in April EDP notification and October EDP notification. There are no estimations used in April EDP notification for the budget economy. All compilations of the working balance (WB), B.9 and B.9f are based on the same data source. April EDP notification is based on the preliminary of state financial statements from the 12-month state bookkeeping system. This data comprises complete sets of the accounts of all accounting offices but is not finalised in a sense that the State Treasury and accounting office may still make corrections to it.

The accounting basis is mixed, because in the state financial statement data on taxes are on a cash basis and the 'pure' financial transfers to/from other sectors are on mixed cash-accrual. Budget reporting is on a mixed cash/accrual/commitment basis.

3.2.1.1 Details of the basic data sources

Data sources used for compilation of national accounts

Main data sources are available for compilation of national accounts and EDP. The data is non-consolidated and in line with ESA 2010 sector classification: all state units are classified in the central government sector (S.1311). The state bookkeeping data comprises budget accounting and financial accounts data (income and expense accounts and balance sheet accounts). It includes the detailed data of the revenue and expenditure by the type of transaction (following the chart of state bookkeeping accounts) and by the budgetary item (following the chart of budgetary accounts).

Link to the state bookkeeping accounts and the financial statements: https://www.valtiokonttori.fi/en/state-treasury-in-brief/publications/publications-on-public-administration-services/final-central-government-accounts.

All units of the budget economy (revenue and expenditure) that are basis for compilation of main central unit's accounts and for the EDP notification are classified by ESA codes, which allows to distinguish of non-financial and financial flows. The state bookkeeping codification includes also for most of the transfers counterpart sector information for non-financial accounts (see Annex II).

For non-financial accounts, there are three different ways to determine ESA classification (see Annex II):
1. The bookkeeping account alone determines ESA non-financial code.
2. The bookkeeping account and budget account together determines ESA non-financial code.
3. The bookkeeping account and offices code together determines ESA non-financial code.
For financial accounts options 1 and 3 are used.

In financial accounts, transactions of F.8 are recorded as change in stocks. For F.89 on liability side there are still minor uncertainties, but as main rule we can identify "clean" stocks of F.8 from the central government bookkeeping accounts.

In financial accounts liabilities and receivables between the state offices and organisations are consolidated but the consolidation item data between the central government and other S.13 subsectors is mainly obtained from other sources. For this reason, it is sometimes quite difficult to record the interest flows between S.13 subsectors (mainly between central government and social security funds).

Working balance (WB)

All revenue and expenditure items that are basis for the compilation working balance are also used in the compilation of national accounts. The basic data source is non-consolidated.

The state bookkeeping system is a dual system that combines two different bookkeeping methods of double entry accounting (commercial accounting) and single entry bookkeeping (budgetary bookkeeping) system. Most of the transactions are recorded in the state bookkeeping system in three different accounts (debit, credit and budget account). Budgetary accounting is based on the concepts of expenditure and revenue.

Working balance in non-financial accounts is compiled from all budget accounts except central government liabilities and liabilities repayments account (liabilities and liabilities repayments have the same budget account). Final sum of budget accounts describes the central government budget deficit/surplus (WB in table 2A). On the contrary, financial accounts are compiled from bookkeeping accounts (commercial accounting) of the state bookkeeping system.

The source data contain enough details for the purpose of consolidation. The state bookkeeping codification includes a separate coding for most transfers to/from counterpart sectors. The income and expense between the state offices and organisations are eliminated in the state's profit and loss statement.

3.2.1.2 Statistical surveys used as a basic data source

No statistical surveys are used.

3.2.1.3 Supplementary data sources and analytical information

This section describes supplementary data sources used to amend basic data sources when compiling national accounts. In order to meet ESA 2010 requirements, supplementary data could be used for e.g. for accrual adjustments, reclassification of specific transactions, consolidation, amendments of revenue and expenditure structure, amendments of structure of assets and liabilities, identification of a counterpart sector, etc.

Several additional data sources are used for the compilation of the non-financial and financial account of the state.

Other administrative sources:
- Extra details on the Public-Private Partnerships
- Report related to subsidies and difference in recording EU-grants in the budget
- Report related to capital increases in multilateral development banks

Special reports on dedicated operations:
- Report related to the swaps
- EFSF Operations report

Counterpart information:
- Securities Holdings Statistics (SHS), MFI statistics, IVF statistics. These are not relevant to non-financial accounts.
- Balance of Payments
- Financial reports for counterpart sectors, like the financial reports of government-owned corporations and the quarterly investment survey of pension institutions.

Securities databases (these are not relevant to non-financial accounts.):
- Outstanding Credit Stock Statistics

Other indirect information:
- The amount of coins in circulation, obtained from Bank of Finland (relevant only for financial accounts).

Some of these other sources are described in detail below:

Extra details on the PPPs:
The details on PPPs are collected from different sources: mainly from different budget authorities and/or State Treasury (more information in section 7.6.). The data has to be collected separately and that has been done since the first PPP project in Finland.

The details for the premiums and discounts spread over time:
In the budget accounts, annual premiums and discounts are recorded on the cash basis. Redemption/issuance of debt above/below par is recorded as a budget revenue or expenditure,

but in national accounts it is recorded as financial transactions not affecting the deficit, and premiums/discounts are spread over time on the basis of annual bookkeeping accounts. In the notification Table 2A the adjustment is shown for these differences under item "difference between interest paid (+) and accrued (D.41) (-)".

The data for recording of taxes:
Data used for recording of taxes are obtained from state's bookkeeping data, tax administration's published reports and directly from tax administration (VAT accrual of February for time adjustment at April EDP notification). More information in section 6.1.1. The data has been available on regular basis from the year 1994 onwards.

The financial reports of government-owned corporations:
These reports provide us information on dividends and profits of public corporations in order to test for super-dividends (more information in section 7.4). The data is available on regular basis. A business statistics database containing financial statements data is also used for this purpose.

A report that relates to subsidies and difference in recording EU-grants in the budget:
We acquire some extra details from the Ministry of Agriculture and Forestry. The information relates to the time adjustment on subsidies and consists of the accrual adjustment of some subsidies and differences in recording EU-grants in the budget. The first adjustment made in national accounts is based on the payment data received from the Ministry of Agriculture and Forestry (April n-1 notification) and the latter is connected to the EU-grants (October n-1 notification). Basically information relates to EU-grants that are routed through the state budget, but which in national accounts are eliminated from central government revenue and expenditure and shown directly as transfer from EU to the final receiver. The impact is added to the financial accounts for F.89 receivables. The data has been available on regular basis from the year 1994.

The information on swaps obtained from Valtiokonttori (State Treasury):
Net payments under the swap arrangements are included in the interest payments in the state source data. Swap corrections have been made to the central government interest expenditure from the year 2003 onwards.

Balance of Payments:
Balance of Payments is mainly used as a main source for S.2 counterpart sector data. Balance of Payments data is also used for the inclusion of government revenues from reinvested earnings on foreign direct investments (D.43) not included in the working balance. Data has been available on regular basis from the year 2000 onwards.

3.2.1.3.1 Supplementary data sources used for the compilation of non-financial accounts

No additional information to previous information.

3.2.1.3.2 Supplementary data sources used for the compilation of financial accounts

Balance of Payments (t+50) is mainly used as a main source for S.2 counterpart sector data, but also covers domestic activities of largest enterprises. Data is available on a regular basis from the year 2000 onwards.

MFI and IVF statistics have been fully adopted in general government financial accounts from the statistical year 2011 onwards. MFI statistics (t+40) is used for F.2 deposit banks'

counterpart sector information and IVF statistics (t+60) as a main source for F.52 data. Securities Holdings Statistics (SHS) has been adopted in financial accounts from the statistical year 2014 onwards.

EFSF Operations monthly report (t+30) received from Eurostat is used to make amendments to the total level of F.4, F.519 and F.8 stock data. Data is available from the first quarter of 2011 onwards.

3.2.1.4 Extra-budgetary accounts (EBA)

Usually, not all flows of a non-financial nature are recorded in the so called budgetary accounts which enter the WB, as reported in the first line of EDP table 2. Some funds could be put aside as reserves, special purpose funds and are booked in so called "extra-budgetary accounts" - EBA. In some cases, according to national legislation, transactions that are not scrutinized by budgetary rules can be booked in EBA and not in ordinary budgetary accounts. It is very important that all non-financial flows of the main entity, including those entering EBA, are appropriately incorporated into calculations of deficit.

The central government agencies (the budget economy) and extra-budgetary funds are included at the state bookkeeping system. The budget economy and the extra-budgetary funds form a basic set of central government units. The extra budgetary funds act outside the budget economy. In year 2024, there were 11 extra-budgetary funds, but only 10 are included on central government sector. The extra-budgetary fund outside the central government sector is The State Pension Fund (classified in S.1314). The central government units' bookkeeping system is managed by the State Treasury. The extra-budgetary funds are part of the state bookkeeping system even they have not budget accounts.

The extra-budgetary units have not been recorded in the working balance. Data for all extra-budgetary funds net lending/borrowing appears in EDP table 2A row "net borrowing or net lending of other central government bodies".

Below can be found some information on extra-budgetary funds.

> *Maatilatalouden kehittämisrahasto (Development Fund of Agriculture and Forestry):*
> The fund operates under the supervision of Maa- ja metsätalousministeriö (the Ministry of Agriculture and Forestry). The purpose of the Development Fund of Agriculture and Forestry is to secure the financing of investments in agriculture and other economic activities in rural areas and to promote activities targeted at developing these. The aid may be granted as interest-rate subsidies on the state loans or as subsidies. The revenues of the fund include e.g. grants from EU-budget and interests on loans. The fund's mainly transfers assets to households (capital transfers).
>
> *Öljysuojarahasto (Oil Pollution Compensation Fund):*
> The fund operates under the supervision of Ympäristöministeriö (the Ministry of Environment). The fund's mission is to compensate oil spill damage and also prevent possible future oil damage. The fund collects assets by taxes and tax-like payments. The fund pays compensation for oil damages and preservation of environment after oil damages. The fund also pays grants to acquisitions of equipment used in prevention of oil pollution. The fund gains revenue from oil damage levy.

Valtion asuntorahasto (National Housing Fund):
The fund operates under the Ministry of Environment. National Housing Fund's main task is to provide guaranteed financing for ARA (state-subsidised) rental housing production. The fund has also other obligations such as to approve interest subsidies for social housing and pay interest subsidies for interest subsidy loans, to provide grants for housing repairs and to supervise a granting of state guarantees on loans for owner-occupied housing. Furthermore, the Housing Fund of Finland is an agency to implement social housing policy, e.g. through the operation of the ARA guaranteed financing.

Valtion ydinjätehuoltorahasto (National Nuclear Waste Management Fund):
The fund operates under the supervision of Työ- ja elinkeinoministeriö (the Ministry of Employment and the Economy). The purpose of the fund is to collect, store and reliably invest funds that are going to be needed to take care of nuclear waste in the future. The fund takes care of the collection of the nuclear waste fee and the investing of these assets.

Valtiontakuurahasto (State Guarantee Fund):
The fund operates under the Ministry of Employment and the Economy. The purpose of the fund is to ensure that the state-owned specialist financing company, Finnvera Plc, can fulfil its commitments. Finnvera Plc engages in e.g. export guarantee activities. The fund assets can also be used to cover the contingent liabilities of the predecessors of the Finnvera Plc (Finnish Guarantee Board, the Export Guarantee Board and the State Guarantee Board). Revenues of the fund include claims for recovery of old loans.

Huoltovarmuusrahasto (National Emergency Supply Fund):
The fund operates under the supervision of the Ministry of Employment and the Economy. The fund takes care of emergency supply in unusual conditions. Its revenues include stock-building levies on liquid fuels, and sales of the reserves of the fund.
Maatalouden interventiorahasto (Intervention Fund of Agriculture):
The fund is under the supervision of the Ministry of Agriculture and Forestry. The Intervention Fund of Agriculture provides the national financing for the intervention activity financed by the EU for the time before the EU payments for the intervention actions arrive. Revenues come from the EU.

Palosuojelurahasto (Fire Protection Fund):
The fund operates under Sisäasiainministeriö (Ministry of the Interior). Under the law, insurance companies which provide fire insurance are obliged to pay tax on fire insurance to Fire Protection Fund. The fund uses this revenue in grants to associations promoting fire safety, to municipalities and to voluntary fire brigades.

Valtion televisio- ja radiorahasto (Government Television and Radio Fund):
The fund is managed by Liikenne- ja viestintäministeriö (Ministry of Transport and Communication). Yle, the public broadcasting company, is financed by a specific Yle tax since 2013. The revenue is transferred to Yle from state budget via the Government Television and Radio Fund.

Rahoitusvakausrahasto (Financial Stability Fund):
The fund is managed by the Financial Stability Authority. It consists two separate funds, the Deposit Guarantee Fund and the Resolution Fund.

Data of extra-budgetary units is available and used in the compilation of national accounts. The funds have mostly recorded on P.11 market output, D.411 interest and D.214 tax-like payments, P.22 intermediate consumption, D.92 investments grants and D.39 other subsidies on production. The source data allows detailed consolidation for extra-budgetary units.

Non-financial flows recorded in EBA

Financial flows recorded in EBA

Extra-budgetary funds data is not included in the working balance. Data of extra-budgetary units are taken into account when compiling the table 2A and 3B of EDP and in national accounts compilation (both non-financial and financial accounts).

3.2.2 Data sources for other Central Government units

This section describes data sources available and used for compilation of national accounts and EDP tables for other Central Government units (those not reported in the working balance in EDP T2A).

Table 3 – Availability and use of basic source data for other central government units: universities, university property companies, Senaatti-kiinteistöt, Solidium Ltd, Yle Ltd, other units and companies of other central government units

Available source data				Source Data Accounting	Source data used for compilation of	
Accounting basis (C/A/M)	Periodicity (M/Q/A/O)	Time of availability of annual results for T-1			B.9 (NFA)	B.9f (FA)
		First results	Final data			
1	*2*	*3*	*4*	*5*	*7*	*8*
		T + days	*T+months*			
				Budget Reporting		
				(1) Current revenue and expenditure		
				(2) Current and capital revenue and expenditure		
C	Q	T+55	T+7	(3) Current and capital revenue and expenditure and financial transactions	x	x
A	M	T+55	T+7	(4) Balance sheets		x
				Financial Statements		
A	A	T+180	T+6	(5) Profit and loss accounts	x	x
A	A	T+180	T+6	(6) Balance sheets		x
				(7) Cash flow statement		
				Other Reporting		
				(8) Statistical surveys		

M	Q	T+45	T+2	(9) Report from Solidium	x	x
A	A	T+150	T+12	(10) Business statistics database	x	x
A	A	T+135	T+6	(11) Universities and applied universities data from Ministry of Education and Culture	x	x
A	A	T+40	T+2	(12) Preliminary financial statements collected from units	x	x
A	Q	T+30	T+4	(13) Report from Yle	x	x
A	A	T+30	T+4	(14) Report from VTT	x	x
A	A	T+30	T+4	(15) Report from Tesi	x	x
A	A	T+30	T+4	(16) Report from Senaatti-kiinteistöt	x	x
A	A	T+30	T+4	(17) Report from The Finnish Climate Fund	x	x
A	Q	T+60	T+4	(18) Report from Finnvera for rearranged transactions	x	x
A	Q	T+45	T+2	(19) Data from rerouted ARA loans	x	x

See notes to table 2, on the used abbreviations.

Financial Statements:
The time of availability (t+6) relates to legislation: According to the Accounting Act (1336/1997), companies must prepare the financial statements within four months of the end of the financial period. In addition, according to the Limited Liability Companies Act (624/2006), the financial statements must be adopted at the Ordinary General Meeting within six months of the end of the financial period.

Universities and applied universities:
For the April (t+1) EDP notification there is no actual source data available for the universities and the applied universities for the compilation of non-financial accounts (table 2A). Instead, available is some indirect data (mainly for most important expenditure items like salaries), and data are estimated using the change in the wage and salary earnings index for universities and applied universities in current accounting year.

Preliminary financial statements collected from units:
For April EDP notification, data on preliminary financial statements are collected from the most important units, including Yle, VTT, university property companies, Senaatti-kiinteistöt (Senate Properties) and other companies and units.

Solidium Ltd:
Data from Solidium Ltd is acquired with a separate quarterly report and data of Solidium Ltd is based on that report when compiling the April EDP notification and both B.9 and B.9f. Transactions in assets and liabilities in the notification tables 3 are based directly on ESA 2010 financial accounts. The report from Solidium Ltd includes share-by-share data on holdings, disposals and acquisition of equity.

3.2.2.1 Details of the basic data sources

Universities:
Even though universities since 2010 have been operating as independent units outside the budget economy, all universities are classified to the central government sector (see more in 3.2.3.3.2). The financial reports data of universities is decoded to correspond with the ESA 2010 codifications. The balance sheet is decoded with the ESA 2010 codes for the financial accounts purposes and profit and loss statement is decoded with the ESA 2010 codes for the non-financial accounts.

Main problem in the data for universities is the lack of counterpart information, especially in financial accounts, thus the consolidation is not possible (except inside the central government level). For financial accounts, we have to use many other counterpart data sources to be able identify some of consolidated flows from data of universities.

Since 2018 there have been a few applied universities classified in the other central government. The data for the Universities and applied universities comes from the Ministry of Education and Culture

Solidium Ltd:
Solidium Ltd is fully state owned company (see more in 3.2.3.3.2) which is classified in the central government sector. The report it provides to Statistics Finland has been designed for our statistical needs and a separation for non-financial and financial accounts source data is already built in within the report. From the report, all relevant data can be obtained. The report includes share-by-share data on holdings, disposals and acquisition of equity.

Reports from Yle Ltd, VTT, Senaatti-kiinteistöt, Tesi and The Finnish Climate Fund:
Annual reports including information on income statement and balance sheet, and they are received directly from the units. The reports are designed for national accounts data needs.

Rearranged transactions of Finnvera Plc:
A quarterly report including financial and non-financial accounts data is received directly from Finnvera Plc. The report is designed for national accounts data needs.

Rerouted ARA loans:
A quarterly report including housing guarantees data is received from the State Treasury. The data is further processed by Statistics Finland to be applicable for national accounts. For purpose of imputed interests, data is collected from annual reports (for example ARA, National Housing Fund, Munifin) and from public statistical databases of the Bank of Finland to compile estimates for interest rates.

3.2.2.2 Statistical surveys used as a basic data source

Not used.

3.2.2.3 Supplementary data sources and analytical information

This section describes supplementary data sources, which are used to amend basic data sources while compiling national accounts. In order to meet ESA 2010 requirements, supplementary data could be used for, e.g., accrual adjustments, reclassification of specific transactions,

consolidation, amendments of revenue and expenditure structure, amendments of structure of assets and liabilities, identification of a counterpart sector, etc.

For universities we amend/improve data by collecting more information from their annual reports.

3.2.2.3.1 Supplementary data sources used for the compilation of non-financial accounts

The universities cash flow statements (t+135) are used to amend/improve information on gross fixed capital formation. Data has been available from the year 2010 onwards.

3.2.2.3.2 Supplementary data sources used for the compilation of financial accounts

3.2.3 EDP table 2A

This section provides detailed information on individual lines reported in EDP T2A.

3.2.3.1 Working balance - use for the compilation of national accounts

The same data sources are used for the compilation of non-financial accounts and for the calculation of working balance (WB).

3.2.3.2 Legal basis of the working balance

Working balance is based on two laws: The State Budget Decree 1243/1992 and the State Budget Act 423/1988. Working balance as such is not voted in the parliament. Instead, the final accounts of the state, which are the basis for the working balance for the previous years, are submitted to the parliament for discussion by the Ministry of Finance.

Valtiontalouden tarkastusvirasto (National Audit Office of Finland) is responsible for financial audit which focuses with the budget and annual audits of the final central government accounts. The Government report on the final accounts is submitted to the parliament in June of the following year for each budget year. The report contains the final central government accounts together with their appendices. Included in the report is the statement by the Government financial controller's function on the correctness of the data contained in the report. By law, it is in the competence of Government financial controller's function to ensure that the report provides the true and fair information on state revenues and expenditure and the state’s financial EDP tables and data sources - Local government sub-sector, EDP table 2C and 3D position. However, the National Audit Office of Finland is also indirectly involved in the process: the office submits later its report on the auditing of the final central government accounts to the parliament. Findings relevant to national accounts can be found both in the statement by the Government financial controller's function and in the report of the National Audit Office.

In April notification, the working balances for t-2, t-3, and t-4 have gone through an auditing process. In October notification, also the working balance for t-1 has been submitted to this process. Auditing report is public and it is available here:

National Audit Office's Annual Report to Parliament 2023 - National Audit Office of Finland (vtv.fi)

Separate report on the audit of the final central government accounts and the Government's annual report for 2022 - National Audit Office of Finland (vtv.fi)

To this day auditing has not been impacting on B.9 or B.9f, but there is no reason why it could not affect these.

3.2.3.3 Coverage of units in the working balance

Two adjustment lines due to sector delimitation appear in EDP T2A. The purpose of the first adjustment is to exclude flows relating to units, which do not belong to the government sector (or to the particular subsector) according to ESA 2010 definition. The second adjustment refers to B.9 of other units, which are classified within the particular government subsector, but related inflows/outflows are not included in the working balance.

3.2.3.3.1 Units to be classified outside the subsector, but reported in the WB

There are no such units in working balance.

3.2.3.3.2 Units to be classified inside the subsector, but not reported in the WB

- extra-budgetary funds (excl. State Pension Fund)
- universities (13 units in 2023)
- universities of applied sciences (4 units in 2023)
- Aalto Holding Ltd
- Business Finland Ltd
- Business Finland Venture Capital Ltd
- Finlogic Ltd
- Finnhems Flight Services Ltd
- Finnhems Ltd
- Finnish Fund for Industrial Cooperation Ltd (Finnfund)
- Finnish Industry Investment Ltd
- Finnish Institute of Occupational Health
- Finnish Minerals Group Ltd
- Finnish National Gallery
- Finnish Student Health Service
- Gasonia Ltd
- Governia Ltd
- Hansel Ltd
- Haus Kehittämiskeskus Ltd
- Itla Children's foundation
- Itärata Ltd
- Leijona Catering Ltd

- Länsirata Ltd
- Old Deposit Guarantee Fund
- Real Estate Ltd Arctic Centre
- Real Estate Ltd Helsingin Mannerheimintie 13
- Real Estate Ltd Äänekosken Torikatu 4
- Senate Properties
    - Defence Properties Finland (subsidiary of Senate Properties)
    - 12 other property company subsidiaries of Senate Properties
- Solidium Ltd
- Suomi-rata Ltd
- Tapio Ltd
- The Finnish Climate Fund (formerly known as Vake Ltd.)
- The University of Helsinki Funds
- Traffic Management Company Fintraffic Ltd
    - Fintraffic Railway Ltd (subsidiary of Fintraffic Ltd)
    - Fintraffic Road Ltd (subsidiary of Fintraffic Ltd)
    - Fintraffic Vessel Traffic Services Ltd (subsidiary of Fintraffic Ltd)
- University of Helsinki facility services Ltd
- University of Helsinki Research Foundation
- university property companies (27 units in 2023, incl. property company subsidiaries)
- VTT Ltd (Technical Research Centre of Finland Ltd)
- Yleisradio Ltd (public broadcasting company)

All units use bookkeeping system based on accrual basis, so net borrowing/net lending of these units is recorded on accrual basis in EDP table 2A ("Net borrowing (-) or net ending (+) of other central government bodies"). A full sequence of ESA 2010 accounts is available for units.

The impact of methodological imputations/reclassifications relating to these units would be normally reflected in their B.9 as reported in EDP table 2A (as opposite to other items in 2A). An exception are "reinvested earning on FDI and mutual funds" (concerning especially Solidium), which are shown in specific 2A item.

3.2.3.4 Accounting basis of the working balance

The Budget reporting is on a mixed cash/accrual/commitment basis (see point 3.2.1.1).

The working balance describes the central government current year deficit/surplus and it comprises all budget accounts including deferrable appropriations which are not used in the same year as budgeted. The treatment of transferable appropriations is different in national accounting and in working balance. In the working balance transferable appropriations are expended in the year they are allocated to. In national accounts transferable appropriations are expended in the year they are used.

3.2.3.4.1 Accrual adjustment relating to interest D.41, as reported in EDP T2

Data for interest revenue and expenditure is recorded on accrual basis and in line with ESA 2010. All interest expenditure and revenue of the state are recorded in the WB. All payments of discounts (or premiums) are recorded in the working balance. The accrual adjustment to interests is received from state bookkeeping records, and from 2004 onwards the interests have been on accrual basis also in the budget accounting.

The row "Difference between interest paid and accrued" includes the state. It includes redemption/issuance of debt above/below par, and the net values of amortization of the premium/discount of interest accrued are spread over time. In addition, "the difference between interest paid and accrued" includes uses of interests regarding the rearranged transactions of Finnvera Ltd and the ARA housing loans.

3.2.3.4.2 Accrual adjustments reported under other accounts receivable/payable F.8 in EDP T2

"Other accounts receivable" includes time adjustments of taxes, subsidies and EU-grants. "Other accounts payable" is related to holidays pays. Time adjustments of RRF and time adjustments to the capital increases in Multilateral Development Banks (MDBs) are also presented here. Accrual adjustments in EDP table 2A are fully consistent with F.8 reported in EDP table 3B.

For more information, see point 3.2.1.3.

3.2.3.4.3 Other accrual adjustments in EDP T2

Not relevant.

3.2.3.5 Completeness of non-financial flows covered in the working balance

Not relevant.

3.2.3.6 Financial transactions included in the working balance

Financial transactions which are included in the central government budget (and so in the working balance) but are excluded in the section "financial transaction included in the working balance" are (see also Annex II):

a) Loans granted
Granted loans that have been approved by the parliament and included in working balance.

b) Loans repayments
The repayments of granted loans, which are included in the state budget and in the working balance (for example repayments of loans to the Innovation Funding Center Business Finland).

c) Acquisitions of equities
Acquisitions may be financed from the state budget. Acquisitions include both equity injections and acquisitions on the secondary market.

d) Sales of equities
This includes privatisation receipts and repayments of the loans of quasi-corporations to the central government. These loans originate mainly from property transfers by central government to quasi-corporations. But they are recorded on equity sales according to the rules of the MGDD.

e) Other financial transactions Adjustment includes:
- PPPs deferred debt repayments.
- Delivery of coins for circulation to Bank of Finland.
- Redemption of coins for circulation from Bank of Finland.
- At the beginning of the year 2011 the State Treasury started acting on behalf of Finnish government and to provide loans to Suomen Vientiluotto (Finnish Export Credit) to finance exports of Finnish companies. Part of the government's loans to FEC were denominated in foreign currency, typically USD. According to general currency risk policy of the State Treasury, Finnish government does not expose itself to a currency risk and because of that the State Treasury are hedging these loans against currency risk. These hedging transactions (swap arrangements) between the State Treasury and the banks are shown in the row "Other financial transactions" and are included in the working balance.
- Net settlements under swap contracts (+/-).

3.2.3.7 Other adjustments reported in EDP T2

The following items are reported under "other adjustments" in EDP table 2A:

"Debt cancellation/assumption" (negative sign) represents the recording of capital transfer expenditure relating to debt cancellation/debt assumption not included in the working balance.

"Reinvested earnings on FDI and mutual funds" (mostly positive sign) relates to the inclusion of government revenues from reinvested earnings on foreign direct investments (FDI) and mutual funds not included in the working balance.

"The impact of the difference in the recording of deferrable budgetary appropriations" (mostly positive sign) represents different treatment of transferable appropriations between budget accounting and national accounts. In the working balance, transferable appropriations are expensed at the year they are allocated (positive sign). In the national accounts transferable appropriations are expended in the year when they are used. The use of transferable appropriations is not included in the working balance (negative sign) if the used transferable appropriations are from previous years. In addition, cancelled deferred budgetary appropriations, which are budgetary income in the working balance, have impact on this adjustment.

"Super dividends (incl. Metsähallitus) and withdrawals of equity" (negative sign) corresponds to transactions relating to dividends that are reflected as revenue in the working balance but treated as withdrawal of equity in national accounts.

"PPP" (negative sign) represents the recording of investment expenditure during the construction period, not included in the working balance.

"Other known differences between working balance and B.9" (positive or negative sign) relates to differences that, for example, concern only one year.

"Interest revenues of rearranged transactions" is standing for interest revenue generated by rerouted loans and rearranged transactions (excluding EFSF).

"Time adjustment of military expenditures" relates to eg. long-term defence investments.

3.2.3.8 Net lending/net borrowing of central government

The net lending/net borrowing (B.9) is derived from the same source data which is used for the working balance, but taking into account also the other accounts than budget accounts in the data, and to which data of other central government units and extra-budgetary funds are added (see point 3.2.2.1 and 3.2.1.4), but it is also impacted by all adjustments described in the preceding paragraphs. The main entity is the same for the calculation of the working balance and net lending/net borrowing (B.9).

3.2.4 EDP table 3B

3.2.4.1 Transactions in financial assets and liabilities

Table 4. Data used for compilation of transactions and of stocks of financial assets and liabilities

	Assets							Liabilities						
Source Data	**F.2**	**F.3**	**F.4**	**F.5**	**F.6**	**F.7**	**F.8**	**F.2**	**F.3**	**F.4**	**F.5**	**F.6**	**F.7**	**F.8**
	Calculation of transactions													
Transaction data (integrated in public accounts)			x			x			x	x				
Other transaction data	x	x	x	x					x	x				
Stock data	x		x	x			x	x	x	x		x		x
	Calculation of stocks													
Transaction data														
Stock data	x	x	x	x		x	x	x	x	x		x	x	x

EDP tables and data sources - Central Government sub-sector, EDP table 2A and 3B

In the case of central government, the figures are calculated in the context of General Government Quarterly Financial Accounts (QFAGG), which is the basis for the annual accounts as well. Main sources for financial accounts are central government bookkeeping accounts (integrated with public accounts), State Treasury debt report, Securities Holdings Statistics (SHS), Solidium Ltd's quarterly report, and Balance of Payments (BoP).

Main supplementary sources are data of the universities, IVF statistics, EFSF Operations report, rearranged ARA housing loans and rearranged loans from domestic lending of Finnvera. Quarterly inquiry on financial assets and liabilities (BOPQ) and MFI statistics are widely used to determine counterpart sector information. Direct transaction data is available from State Treasury debt report, Solidium Ltd's quarterly report, Balance of Payments, IVF statistics, MFI statistics, and SHS.

Transactions of financial instruments are valued at actual transaction prices observed. As a general rule, financial transactions are recorded on an accrual basis. When applicable, transactions are calculated as the change of balance sheet values. However, every existing source of actual transactions is exploited.

Subsets of other flows are also calculated. Changes in classification of units and instruments are entered as reclassifications. Other volume changes are entered when needed. Holding gains/losses are derived as a residual. Stock/flow consistency is monitored mainly by studying relative holding gains/losses.

In the QFAGG compilation process all relevant available sources are transferred to the compiling system. Thus the data from different sources is constantly on display as a reference data. The whom-to-whom approach applied includes the compilation of all intra-sector positions. Consolidation can be thus made simply by subtracting intra-positions from non-consolidated totals. Generally, in Finland financial accounts are compiled as a complete matrix containing always counterpart information, both for stocks and for transactions.

Main sources and methods for the Central government S.1311

Currency and deposits (F.2):
Assets
Stocks: Central government bookkeeping accounts, MFI statistics and BoP for counterpart sector data.
Transactions: Change in stocks.
Liabilities
Stocks: Coins in circulation, data obtained from Bank of Finland. EC's deposit at State Treasury, data obtained from central government bookkeeping accounts.
Transactions: Change in stocks.

Securities other than shares (F.3)
Assets
Stocks: Central government bookkeeping accounts, business statistics database, SHS, and Outstanding Credit Stocks Statistics. BoP, data of the universities and Solidium Ltd's quarterly report are used as supplementary sources.
Transactions: SHS statistics

Liabilities
Stocks: State Treasury's debt report, which includes information on short-term and long-term bonds issued in market value (also in nominal value), Solidium Ltd´s quarterly report, and SHS. Outstanding Credit Stock Statistics, MFI statistics, and Quarterly Investment Portfolio Inquiry for Pension Institutes are used mainly for counterpart sector data.
Transactions: New issues and redemptions are included in State Treasury's debt report.

Loans (F.4):
Assets
Stocks: Central government bookkeeping accounts, EFSF Operations report, and business statistics database are the main sources. Cash collateral (F.41) data is mainly acquired from Quarterly inquiry on financial assets and liabilities (BOPQ). Reports of ARA and Finnvera.
Transactions: Mixed. Both direct transaction data and change in stock method are used.
Liabilities
Stocks: Main data sources are State Treasury debt report, central government bookkeeping accounts, business statistics database, financial statements of the other central government units, and EFSF Operations report. Cash collateral (F.41) data is mainly acquired from Quarterly inquiry on financial assets and liabilities (BOPQ). Outstanding Credit Stock Statistics, IVF statistics, MFI statistics, and BoP are used for counterpart sector data. Reports of ARA and Finnvera.
Transactions: Mixed. Both direct transaction data and change in stock method are used.

Shares and other equity (F.5)

Quoted shares (F.511):
Assets
Stocks: SHS and Solidium Ltd's quarterly report.
Transactions: Direct transaction data from both main sources. Recording of super-dividends is added manually.
Liabilities
Not applicable.

Unquoted shares and other equity (F.512+F.519):
Assets
Stocks: Central government bookkeeping accounts and the publication "Valtiokonttorin ehdotus valtion tilinpäätökseksi" (the Proposal for the financial statement of the state of Finland according to the State Treasury). Valuation is according to own funds at book value.
Transactions: Acquisitions and disposals of unquoted shares are added manually, the data is from Government Ownership Steering Department.
Liabilities
Not applicable.

Mutual fund shares (F.52):
Assets
Stocks: IVF statistics, Solidium Ltd's quarterly report, and BoP.
Transactions: Direct transaction data from the main sources.
Liabilities
Not applicable.

Insurance technical reserves (F.6)

Assets
Not relevant in Finland.
Liabilities
Stocks:
Provisions for calls under standardized guarantees, related to student loans guaranteed by the central government. Calculation based on information obtained from social security institution Kela.
Transactions: Change in stocks.

Financial Derivatives (F.7):
Assets
Stocks and transactions: Obtained from the State Treasury through Quarterly inquiry on financial assets and liabilities (BOPQ)
Liabilities
Stocks: Obtained from the State Treasury through Quarterly inquiry on financial assets and liabilities (BOPQ)
Transactions: Netted on asset side.

Other accounts receivable and payable (F.8)

Trade credits (F.81):
Assets
Stocks: Central government bookkeeping accounts, business statistics database, quarterly data on municipal finances collected by State Treasury and BoP.
Transactions: Change in stocks.
Liabilities
Stocks: Central government bookkeeping accounts and business statistics database. MFI statistics, quarterly data on municipal finances collected by State Treasury and BoP for counterpart sector data.
Transactions: Change in stocks.

Other accounts receivable and payable (F.89):
Assets
Stocks: Central government bookkeeping accounts and business statistics database. MFI statistics and BoP for counterpart sector data.
Transactions: Change in stocks.
Liabilities
Stocks: Central government bookkeeping accounts and business statistics database. MFI statistics and BoP for counterpart sector data
Transactions: Change in stocks.

3.2.4.2 Other stock-flow adjustments

The gains (+) and losses (-) of government bond issuances are recorded under “Issuance above/below nominal value”. The item describes the difference between nominal value and subscription price after deduction of provisions and costs. The sum of consolidated accrued interests and the swap adjustment are recorded under “Difference between interests accrued and paid”. The streams of interest payments resulting from swap arrangements and forward rate agreements are recorded under interest flow attributable to swaps and FRAs, redemptions

of debt above/below nominal value and appreciation/depreciation of foreign currency debt is obtained from revaluation (+/-) and other changes in volume (+/-).

Capital gains (+) and losses (-) are recorded under “Redemptions of debt above/below nominal value”. The item "Appreciation/depreciation of foreign currency debt" describes the difference of the value of repayments measured by the FCY/EUR (FCY~ foreign currency) rate at the time of repayment and the ones measured using the FCY/EUR rate at inception (when the bonds were issued or the latest settlement was made).

Information on issuance above/below nominal value, difference between interests accrued and paid, interest flow attributable to swaps and FRAs, redemptions of debt above/below nominal value and appreciation/depreciation of foreign currency debt is obtained from the State Treasury.

3.2.4.3 Balancing of non-financial and financial accounts, transactions in F.8

This section aims at describing of techniques and methods for balancing non-financial and financial accounts applied generally for the whole general government sector.

Allocation of discrepancy B.9 vs B.9f

Statistical discrepancies between net lending in B.9f and B.9 are allowed and shown. Discrepancies result from the two different compilation processes, one for non-financial national accounts (behind EDP tables 2) and another for financial accounts (behind EDP tables 3). This concerns all sub-sectors of the general government sectors.

Discrepancies are closely monitored and reasons for them are studied by checking source data and methods. Discrepancies are also frequently being analyzed with non-financial account compilers during compilation rounds.

Normally discrepancies for subsector level are moderate and at the level of S.13 quite often they balance each other’s out. Discrepancies are considered to partly originate from issues concerning time of recording.

Changes to intermediate data

Complementary elements on stocks/

Accruals

Ex-post monitoring

3.3. State government sub-sector, EDP table 2B and 3C

There is no state government sub-sector in Finland.

3.4. Local government sub-sector, EDP table 2C and 3D

3.4.1 Data sources for Local Government main unit: municipalities, joint municipal authorities, wellbeing services counties and joint county authorities for wellbeing services

Table 5 – Availability and use of basic source data for main local government units

Available source data				Source Data Accounting	Source data used for compilation of		
Accounting basis (C/A/M)	Periodicity (M/Q/A/O)	Time of availability of annual results for T-1			WB	B.9 (NFA)	B.9f (FA)
		First results	Final data				
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
		T + days	*T+months*		*cross appropriate cells*		
				Budget Reporting			
				(1) Current revenue and expenditure			
				(2) Current and capital revenue and expenditure			
				(3) Current and capital revenue and expenditure and financial transactions			
				(4) Balance sheets			
				Financial Statements			
M	A	T + 35	T+5	(5) Profit and loss accounts	x	x	
A	A	T + 35	T+5	(6) Balance sheets			x
M	A	T + 35	T+5	(7) Cash flow statement			x
				Other Reporting			
A	A		T+9	(8) Financial statements by function of municipalities, joint municipal authorities, wellbeing services counties and joint county authorities for wellbeing services		x	

Accounting basis (column 1): C- cash, A- accrual, M-mixed
Periodicity (column 2); M - monthly, Q - quarterly, A - accrual, O - other, to be specified.
Time of availability (column 4): availability of annual results for T-1 = number of months and days after the reporting period.
Column 6, 7 and 8 – those cells are crossed which refer to data sources used for compilation of the WB, B.9 (non-financial accounts) and B.9f (financial accounts), respectively.
Empty cells in column 1, 2, 3 and 4 mean that the data source does not exist.

3.4.1.1 Details of the basic data sources

Data sources used for compilation of national accounts

The main source data used for national accounts are the data on financial statement estimates (April t+1 notification), financial statements (October t+1) and the data on financial

statements by function (April t+2) of municipalities, joint municipal authorities, wellbeing services counties and joint county authorities for wellbeing services collected by the State Treasury.

Financial statement estimates of municipalities and joint municipal authorities

The State Treasury collects financial statement estimates (profit and loss accounts, balance sheets, investment details) from all municipalities and joint municipal authorities. The data is available in February. The data is available by units and by category of transaction or instrument. Same data is used for WB and B.9 calculations.

The data enables consolidation both between municipal units and between general government subsectors. Regarding codification of other counterpart sectors than general government, it is partially possible to distinguish flows between non-financial corporations, financial and insurance corporations, households, non-profit institutions serving households and the rest of the world. Municipality or a joint municipal authority is consolidated with its quasi-corporations but the data enables exclusion of estimated share of quasi-corporations classified outside local government sector.

Financial statements of municipalities and joint municipal authorities

The State Treasury collects quarterly financial data from all municipalities and joint municipal authorities. The fourth quarter equals financial statements. This financial statement data (profit and loss accounts, balance sheets, investment details) is available in May.

The data enables consolidation both between municipal units and between general government subsectors. Regarding codification of other counterpart sectors than general government, it is partially possible to distinguish flows between non-financial corporations, financial and insurance corporations, households, non-profit institutions serving households and the rest of the world. Municipality or a joint municipal authority is consolidated with its quasi-corporations but the data enables exclusion of estimated share of quasi-corporations classified outside local government sector.

Financial statements by function of municipalities and joint municipal authorities

This data is collected by the State Treasury, and it is available in August. It is the main source data for non-financial accounts of the municipal administration. The data includes revenue and expenditure data by function. The data covers all municipalities and joint municipal authorities.

The data enables only partial consolidation between municipal units. Only partial distinguish of flows between other general government units is available. Municipality or a joint municipal authority is consolidated with its quasi-corporations but the data enables exclusion of estimated share of quasi-corporations classified outside local government sector.

Financial statement estimates of wellbeing services counties and joint county authorities for wellbeing services

The State Treasury collects financial statement estimates from all wellbeing counties and joint county authorities for wellbeing services. This financial statement estimates data (profit and loss accounts, balance sheets, investment details) is available in February. The data is

available by units and by category of transaction or instrument. Same data is used for WB and B.9 calculations.

The data enables consolidation both between wellbeing service county administration units and between general government subsectors. Regarding codification of other counterpart sectors than general government, it is partially possible to distinguish flows between non-financial corporations, financial and insurance corporations, households, non-profit institutions serving households and the rest of the world.

Financial statements of wellbeing services counties and joint county authorities for wellbeing services

The State Treasury collects quarterly financial data from all wellbeing counties and joint county authorities for wellbeing services. The fourth quarter equals financial statements. This financial statement data (profit and loss accounts, balance sheets, investment details) is available in May.

The data enables consolidation both between wellbeing service county administration units and between general government subsectors. Regarding codification of other counterpart sectors than general government, it is partially possible to distinguish flows between non-financial corporations, financial and insurance corporations, households, non-profit institutions serving households and the rest of the world.

Financial statements by function of wellbeing services counties and joint county authorities for wellbeing services

The State Treasury collects revenue and expenditure data by function from all wellbeing counties and joint county authorities for wellbeing services. It is the main source data for non-financial accounts of the wellbeing service county administration. This data is available in August.

The data enables only partial consolidation between wellbeing service county administration units. Only partial distinguish of flows between other general government units is available.

Working balance (WB) of wellbeing services counties and joint county authorities for wellbeing services

The working balance is the annual margin calculated from the financial statement data collected by the State Treasury. It covers municipalities, joint municipal authorities, wellbeing services counties and joint county authorities for wellbeing services.

The source statistics of the working balance are:

April t+1 notification: Financial statement estimates of municipalities, joint municipal authorities, wellbeing services counties and joint county authorities for wellbeing services.

October t+1 notification: Financial statements of municipalities, joint municipal authorities, wellbeing services counties and joint county authorities for wellbeing services.

3.4.1.2 Statistical surveys used as a basic data source

EDP tables and data sources - Local government sub-sector, EDP table 2C and 3D

Not relevant for local government.

3.4.1.3 Supplementary data sources and analytical information

3.4.1.3.1 Supplementary data sources used for the compilation of non-financial accounts

Data on financial leasing (Statistics Finland)

Municipalities, joint municipal authorities, wellbeing services counties and joint county authorities for wellbeing services record financial lease contracts off-balance sheet, so as expenditure they record rents, not investments. This data is used as a source to record leases according to the ESA 2010 requirements (as gross fixed capital formation) in national accounts. Data providers are companies that provide financial leasing. The data is available by sector, industry and object.

Financial leasing is recorded as loans F.42 in debt by using MFI statistics as source data.

Other financial information supplementing the financial statements of municipalities and joint municipal authorities

The State Treasury collects supplementary data on municipal finances. This data is available in August. Annual data includes information on guarantees, Public-Private Partnerships, Energy Performance Contracts, capital injections, distributions, cash collateral related to derivative contracts and more. The data covers all municipalities and joint municipal authorities.

Other financial information supplementing the financial statements of wellbeing services counties and joint county authorities for wellbeing services

The State Treasury collects supplementary data on all wellbeing services counties and joint county authorities for wellbeing services. Annual data includes information on guarantees, Public-Private Partnerships, Energy Performance Contracts, capital injections, distributions, cash collateral related to derivative contracts and more. This data is available in August.

3.4.1.3.2 Supplementary data sources used for the compilation of financial accounts

Counterpart information:

- OFI Statistics
- MFI Statistics
- SHS, Security Holding Statistics
- Balance of Payments data

Securities database:

- Outstanding Credit Stock Statistics

3.4.2 Data sources for other Local Government units

Other units classified to local government are the Åland Government and the local government's associations: Association of Finnish Local and Regional Authorities, KT Local Government Employers, Municipal Guarantee Board reported in table 6.

The remaining units are reported in table 7. These are incorporated units classified to local government. They are classified either to local government excl. wellbeing services county administration sector (S.13131) or wellbeing services county administration sector (S.13132). Most of these units were classified to local government during the implementation of ESA 2010 with the exceptions of Länsimetro Oy which was classified to local government in ESA 95. DigiFinland Oy and Maakuntien tilakeskus Oy were classified to local government in 2023 due to the reform of public healthcare, social welfare and rescue services in 2023.

Table 6– Availability and use of basic source data for other local government units: The Åland Government, Association of Finnish Local and Regional Authorities, KT Local Government Employers and Municipal Guarantee Board

Available source data				Source Data Accounting	Source data used for compilation of		
Accounting basis (C/A/M)	Periodicity (M/Q/A/O)	Time of availability of annual results for T-1			WB	B.9 (NFA)	B.9f (FA)
		First results	Final data				
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
		T + days	*T+months*		*cross appropriate cells*		
				Budget Reporting			
				(1) Current revenue and expenditure			
				(2) Current and capital revenue and expenditure			
				(3) Current and capital revenue and expenditure and financial transactions			
				(4) Balance sheets			
				Financial Statements			
				(5) Profit and loss accounts		x	
A	A		T+6	(6) Balance sheets			x
A	A		T+6	(7) Cash flow statement			
				Other Reporting			
				(8) Statistical surveys			
A	A		T+11	(9) Other: Non-financial ESA accounts for the Åland Government		x	

Accounting basis (column 1): C- cash, A- accrual, M-mixed
Periodicity (column 2); M - monthly, Q - quarterly, A - accrual, O - other, to be specified.
Time of availability (column 4): availability of annual results for T-1 = number of months and days after the reporting period.

Column 6, 7 and 8 – those cells are crossed which refer to data sources used for compilation of the WB, B.9 (non-financial accounts) and B.9f (financial accounts), respectively.
Empty cells in column 1, 2, 3 and 4 mean that the data source does not exist.

Table 7 – Availability and use of basic source data for other local government units: Incorporated units classified in the local government

Available source data				Source Data Accounting	Source data used for compilation of		
Accounting basis (C/A/M)	Periodicity (M/Q/A/O)	Time of availability of annual results for T-1			WB	B.9 (NFA)	B.9f (FA)
		First results	Final data				
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
		T + days	*T+months*		*cross appropriate cells*		
				Budget Reporting			
				(1) Current revenue and expenditure			
				(2) Current and capital revenue and expenditure			
				(3) Current and capital revenue and expenditure and financial transactions			
				(4) Balance sheets			
				Financial Statements			
A	A	t+180	T+6	(5) Profit and loss accounts		x	
A	A	t+180	T+6	(6) Balance sheets		x	x
A	A	t+180	T+6	(7) Cash flow statement			
				Other Reporting			
C	M	t+60	t+2	(8) Other: Tax administration data on paid wages and turnover		x	
A	A	t+60	t+2	(9) Preliminary financial statements collected from units		x	x
A	A	t+180	t+12	(10) Business statistics database		x	x

Accounting basis (column 1): C- cash, A- accrual, M-mixed
Periodicity (column 2); M - monthly, Q - quarterly, A - accrual, O - other, to be specified.
Time of availability (column 4): availability of annual results for T-1 = number of months and days after the reporting period.
Column 6, 7 and 8 – those cells are crossed which refer to data sources used for compilation of the WB, B.9 (non-financial accounts) and B.9f (financial accounts), respectively.
Empty cells in column 1, 2, 3 and 4 mean that the data source does not exist.

3.4.2.1 Details of the basic data sources

Table 6:

Financial statement of the Åland Government is obtained from their website.

Non-financial ESA accounts of the Åland Government: The main source data for the Åland Government non-financial accounts is compiled by the Statistics and Research Åland (ÅSUB). The data received by Statistics Finland is already classified according to ESA codes. The financial statement is used in addition to this data.

Table 7:

Financial statements of other units (table 7) are obtained via business statistics database of Statistics Finland, websites of relevant units or directly from the units. The data is partially available in October t+1 notification and final data should be available in April t+2 notification. The units operating in several industries may have minor changes also in October t+2 because the split of units to local kind of activity units in business statistics database is made in July t+2. Because of the split, data can be updated, but changes should be minor.

Data on business statistics database includes headings of financial statements and their subdivisions to more accurate transactions. For example, the “other income” is divided to received subsidies and other transactions.

Preliminary financial statements are collected from a few (around 10-15) of most important incorporated units.

The tax administration data is an administrative data source which includes monthly data on paid wages and sales of units for taxation purposes. Data is used in the April t+1 to estimate wages, sales and intermediate consumption of incorporated units classified to local government. Other transactions must be estimated based on previous year’s data in April t+1 notification.

3.4.2.2 Statistical surveys used as a basic data source

3.4.2.3 Supplementary data sources and analytical information

3.4.3 EDP table 2C

Working balance and the adjustments shown in table 2C are evaluated separately for local government sub-sectors S.13131 Local government excl. wellbeing services county administration and S.13132 Wellbeing services county administration. Table 2C is compiled by adding these separate working balances and adjustments together. The below applies to both sub-sectors S.13131 and S.13132 if not stated otherwise.

3.4.3.1 Working balance - use for the compilation of national accounts

Data sources used for the working balance are partly used for non-financial accounts and B.9. See chapter 3.3.1.1 .

3.4.3.2 Legal basis of the working balance

The working balance is the annual margin figure of municipal and wellbeing services administration finances. The final WB is available for October t+1 notification, when its source is the data based on the financial statements collected by the State Treasury.

The official financial statement of a municipality or a wellbeing service county is audited by a chartered public finance auditor and approved by the municipal or the wellbeing service county council. According to the Local Government Act (410/2015) and the Law on a Wellbeing Service County (611/2021), the councils must receive the financial statements for approval by the end of June.

3.4.3.3 Coverage of units in the working balance

3.4.3.3.1 Units to be classified outside the subsector, but reported in the WB

The working balance includes municipal quasi-corporations, part of which are classified outside the local government. The market/non-market test is applied for these units. However, a complete unit-by-unit analysis cannot in practice be undertaken from the source statistics. Therefore, quasi-corporations acting on certain industries (water supply, energy supply, port authorities and waste management) are always, by convention, considered as market producers and classified to non-financial corporations sector. In order to make sure that this practice is feasible, both quantitative and qualitative market/non-market tests have been conducted on randomly selected quasi-corporations that have been classified to non-financial corporations sector. One joint municipal authority on waste management and water supply industry is also classified outside government sector.

The balance of these quasi-corporations is excluded from the EDP table 2C via the line "WB of entities not part of local government". The source data is detailed enough for identifying the related flows in all notifications.

3.4.3.3.2 Units to be classified inside the subsector, but not reported in the WB

The units reported under the line “Net lending (+)/ net borrowing (-) of other local government bodies” are the Åland Government, Association of Finnish Local and Regional Authorities, KT Local Government Employers and Municipal Guarantee Board. These units are included on the row “Net borrowing of the Åland Government, Finnish Association of Municipalities etc.”

The second line below the B.9, “Net borrowing of other units classified to local government” includes the B.9 of all the incorporated units classified to local government.

The B.9 of these units is on accrual basis.

The impact of methodological imputations/reclassifications relating to these units (e.g. debt cancellations, debt assumptions, EU flows, dividends, capital injections etc.) would be reported separately under other adjustment lines in EDP T2.

3.4.3.4 Accounting basis of the working balance

The accounting basis of the working balance is mixed. Tax revenue is recorded on cash basis, but other items are accrual based.

3.4.3.4.1 Accrual adjustments relating to interest D.41, as reported in EDP T2C

Interest revenues and expenditures are recorded on an accrual basis in the working balance for both municipal and wellbeing services county administration.

The interest expenditure relating to financial leases is not included in the WB, but it is reported in the line "Non-financial transactions not included in the working balance". In the same line is also reported the interest received from the quasi-corporations classified outside the local government and the reinvested earnings of mutual funds.

3.4.3.4.2 Accrual adjustments reported under other accounts receivable/payable F.8 in EDP T2C

The adjustment reported under other accounts receivable is "Time adjustment of taxes and difference due to source". The adjustment is the difference between taxes D.5 (income tax D.51 and real estate tax D.59) included in the B.9 and the income tax and real estate tax included in the working balance.

3.4.3.4.3 Other accrual adjustments in EDP T2C

3.4.3.5 Completeness of non-financial flows covered in the working balance

Under the line "Non-financial transactions not included in the working balance" are reported following adjustments:

- Property income (D.422+D.41) from quasi-corporations classified outside S.1313
- Investments (P.51 excluding VAT and R&D)
- Capital transfers (D.9), net
- Interest expenditure (D.41) of financial leases
- Acquisitions less disposals of non-produced assets (NP)
- Reinvested earnings of mutual funds recorded as property income (D.4432)

3.4.3.6 Financial transactions included in the working balance

Working balance doesn't include financial transactions.

3.4.3.7 Other adjustments reported in EDP T2C

The effect of revaluation items in the working balance, net:

> The working balance includes revaluation items such as capital gains and write-downs of financial assets (e.g. shares). The B.9 doesn't include revaluation items, so their effect is cancelled in this adjustment.

Realised holding gains relating to disposals of fixed capital and non-produced assets (land) recorded in the working balance:

> Selling land (e.g. sites, plots) is regular activity for local government. Because of this, the working balance includes sales profits on land. In B.9 these profits are included in 'NP Acquisitions less disposals of non-produced non-financial assets' (which includes all revenue/expenditure related to acquisitions/disposals of land). The NP is presented under "Non-financial transactions not included in the working balance" and the elimination of sales profits is presented here.

Rents of financial leases included in the working balance:

In municipal and wellbeing services county administration bookkeeping, financial leasing is recorded off-balance sheet. So, the working balance includes rents of leases. Because of the different recording in national accounts (on-balance sheet), the effect of paid rents is cancelled in this adjustment.

Other known differences between working balance and B.9:

This item is for one-off events recorded differently in working balance and in national accounts.

3.4.3.8 Net lending/net borrowing of local government

Local government's B.9 is not, in any point, compiled directly through the working balance, but through calculating each transaction of sector accounts separately. Partly same sources are used for WB and B.9.

3.4.4 EDP table 3D

3.4.4.1 Transactions in financial assets and liabilities

Table 8. Data used for compilation of transactions and of stocks of financial assets and liabilities

	Assets							Liabilities						
Source Data	**F.2**	**F.3**	**F.4**	**F.5**	**F.6**	**F.7**	**F.8**	**F.2**	**F.3**	**F.4**	**F.5**	**F.6**	**F.7**	**F.8**
	Calculation of transactions													
Transaction data (integrated in public accounts)				x										
Other transaction data	x	x	x	x	x				x	x				
Stock data	x	x	x	x			x		x	x	x			x
	Calculation of stocks													
Transaction data														
Stock data	x	x	x	x	x	x	x		x	x	x		x	x

The figures of table 3D are calculated in the context of General Government Quarterly Financial Accounts (QFAGG), which is the basis for the annual accounts as well. April notification is based on financial statement estimates collected by the State Treasury from all municipalities and, joint municipal authorities, wellbeing counties and joint county authorities for wellbeing services in Mainland Finland and on Åland islands in t+25 days. The State

Treasury also collects quarterly financial statements (balance sheets, cash-flow statements) from all municipalities, joint municipal authorities, wellbeing counties and joint county authorities for wellbeing services. This data collection is completed in t+35 days. In October notification, final data for the fourth quarter is used.

Figures of financial statement estimates and financial statements are used as such. These datasets are used for, for example, in calculating F.42 long-term loans and F.8 other accounts payable. Book values are indicated, so the valuation is in line with EDP rules.

Other main sources are IVF Statistics, MFI Statistics, Security Holding Statistics, Outstanding Credit Stock Statistics and Balance of Payments. Information on local government short-term bonds (F.31) is obtained from Bank of Finland. All these data sources are available already in April notification.

Some units classified in S.1313 are not included in the statistics of municipalities (tables 6 and 7) and their data must be added to the source data: the Åland Government, Association of Finnish Local and Regional Authorities, KT Local Government Employers, Municipal Guarantee Board and the incorporated units classified in the local government. The source data for these units are the financial statements or annual reports of these units.

Financial statements of incorporated units (table 7) are mainly obtained from business statistics database of Statistics Finland. For some units, financial statements are found from the website of the unit or asked directly from the unit. The data is partially available in October T+1 notification and final data should be available in April T+2 notification. Preliminary financial statements are collected from a few (around 10-15 in year 2024) of most important incorporated units.

For assets F.2, F.3, F.4 and F8 transactions are calculated, as a main rule, as a difference between closing and starting balance. Transactions concerning F.5 assets except unlisted shares and other equity are based on actual acquisition and sales prices. F.6 (specifically non-life insurance technical reserve) is actual transaction data from Solvency II. Transactions of liabilities are calculated as change in stocks. Transactions of long-term loans F.4 include accrued interest. For F7 derivates, there are no flows calculated at the moment.

<u>Main sources and methods for the Local government S.1313</u>

Currency and deposits (F.2)

Assets
Stocks: MFI statistics data and the financial statement data of the Åland Government.
Transactions: Change in stocks.
Liabilities
Not Applicable

Debt securities (F.3)

Assets
Stocks: Security Holdings Statistics data and the financial statement data of the Åland Government. Counterpart information of S2 from Balance of Payments data for F.32.
Transactions: Change in stocks. Counterpart information also from Security Holdings Statistics data and Balance of Payments data.

Liabilities
Stocks: F.31 short-term bond figure collected from Financial Market Statistics of the Bank of Finland. Figure is at nominal value, but market value can be derived. F.32 long-term bonds are from Security Holdings Statistics data at nominal and market values. Counterpart information is available from Security Holdings Statistics data, MFI statistics data and EPSQ data.
Transactions: Change in stocks.

Loans (F.4)
Assets
Stocks: Financial statement estimates and quarterly financial statements of municipalities, joint-municipal authorities, wellbeing counties and joint county authorities for wellbeing services collected by the State Treasury. Additional sources include data on rerouted ARA housing loans. Counterpart information also from Outstanding Credit Stock Statistics data and IVF statistics data.
Transactions: Change in stocks.
Liabilities
Stocks: F.41 is calculated using MFI statistics data and Balance of Payments data. F.429 is calculated mainly using quarterly financial statements of municipalities, joint municipal authorities, wellbeing counties and joint county authorities for wellbeing services. Additional sources include business statistics data and data on rerouted ARA housing loans. Counterpart information is derived from MFI statistics data, Balance of Payments data and EPSQ data. Financial leasing is recorded as loans F.42 in debt by using MFI statistics as source data.
Transactions: Change in stocks. Accrued interest is included. For S13141 counterpart information of EPSQ data is used.

Shares and other equity (F.5)
Quoted shares (F.511)
Assets
Stocks: Security Holding Statistics data. For counterpart information Balance of Payments data is also used.
Transactions: Security Holding Statistics data. For counterpart information Balance of Payments data is also used.
Liabilities
Not applicable.

Unquoted shares and other equity (F.512+F.519)
Assets
Stocks: For F.512, balance sheets of municipal corporations gathered in business statistics is used. Valuation is according to own funds at book value. For counterpart information the data from Financial Supervisory Authority is also used. For F.519 quarterly financial statements of municipalities, joint municipal authorities, wellbeing counties and joint county authorities for wellbeing services is used and for the counterpart information Financial Supervisory Authority data also.
Transactions: For F.512, change in stocks and cash-flow statements of municipalities, joint-municipal authorities, wellbeing counties and joint county authorities for wellbeing services is used. For F.519 change in stocks is used.
Liabilities

Stocks: For F.519, equity of joint-municipal authorities and joint county authorities for wellbeing services included in financial statement data collected by the State Treasury.
Transactions: Change in equity of joint-municipal authorities or joint county authorities for wellbeing services for F.519.

Mutual fund shares (F.52)
Assets
Stocks: IVF Statistics for domestic sectors, BoP for rest of the world.
Transactions: IVF Statistics for domestic sectors, BoP for rest of the world.
Reinvested earnings on F.5222 from sector accounts data.
Liabilities
Not applicable.

Insurance technical reserves (F.6)
Assets
Stocks: Solvency II data.
Transactions: Solvency II data.
Liabilities
Not applicable.

Financial Derivatives (F.7)
Assets
Stocks: MFI Statistics data and Balance of Payments data.
Transactions: Quarterly financial statements of municipalities, joint municipal authorities, wellbeing counties and joint county authorities for wellbeing services collected by the State Treasury.
Liabilities
Stocks: MFI Statistics data and Balance of Payments data.
Transactions: Not available.

Other accounts receivable and payable (F.8)
Trade credits (F.81)
Assets
Stocks: Financial statements of municipalities, joint-municipal authorities, wellbeing counties and joint county authorities for wellbeing services collected quarterly by the State Treasury and the financial statement data of the Åland Government.
Transactions: Change in stocks.
Liabilities
Stocks: Financial statements of municipalities, joint-municipal authorities, wellbeing counties and joint county authorities for wellbeing services collected quarterly by the State Treasury, business statistics data of other units of local government and the financial statement data of the Åland Government.
Transactions: Change in stocks.

Other accounts receivable and payable (F.89)
Assets
Stocks: Financial statements of municipalities, joint-municipal authorities, wellbeing counties and joint county authorities for wellbeing services collected quarterly by the State Treasury, business statistics data of other units of local government and the

financial statement data of the Åland Government. The impact of adjustment of taxes is added to data (S.13131).
Transactions: Change in stocks.
Liabilities
Stocks: Financial statements of municipalities, joint-municipal authorities, wellbeing counties and joint county authorities for wellbeing services collected quarterly by the State Treasury, business statistics data of other units of local government and the financial statement data of the Åland Government. Holiday pay correction is added to data.
Transactions: Change in stocks.

3.4.4.2 Other stock-flow adjustments

Accrued interests are recorded under “Difference between interests accrued and paid”. Information on “appreciation/depreciation of foreign-currency debt” is not currently available and it’s estimated by balancing the other statistical discrepancy to zero.

3.5. Social security sub-sector, EDP table 2D and 3E

3.5.1 Data sources for Social Security Funds main unit: Employment pension schemes (S.13141)

Table 9 – Availability and use of basic source data for social security funds

Available source data				Source Data Accounting	Source data used for compilation of		
Accounting basis (C/A/M)	Periodicity (M/Q/A/O)	Time of availability of annual results for T-1			WB	B.9 (NFA)	B.9f (FA)
		First results	Final data				
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
		T + days	*T+months*		*cross appropriate cells*		
				Budget Reporting			
				(1) Current revenue and expenditure			
A	A	T+60	T+2	(2) Current and capital revenue and expenditure	x	x	
C	Q	T+55	T+7	(3) Current and capital revenue and expenditure and financial transactions	x	x	
A	Q	T+55	T+7	(4) Balance sheets			
				Financial Statements			
A	A	T+55	T+5	(5) Profit and loss accounts	x	x	
A	A	T+30	T+7	(6) Balance sheets			x
				(7) Cash flow statement			
				Other Reporting			
A	A	T+60	T+2	(8) Statistical surveys	x	x	
A	Q	T+45	T+2	(9) EPSQ (Employment Pension Scheme Quarterly Survey)		x	x

Accounting basis (column 1): C- cash, A- accrual, M-mixed
Periodicity (column 2); M - monthly, Q - quarterly, A - accrual, O - other, to be specified.
Time of availability (column 4): availability of annual results for T-1 = number of months and days after the reporting period.
Column 6,7 and 8 – those cells are crossed which refer to data sources used for compilation of the WB, B.9 (non-financial accounts) and B.9f (financial accounts), respectively.
Empty cells in column 1, 2, 3 and 4 mean that the data source does not exist.

3.5.1.1 Details of the basic data sources

So far, financial statements information has been collected in the following way:

1) In February, a separate survey is run from S.13141 units to get preliminary data before financial statements are available. This questionnaire includes some of the items in the profit

and loss account: property income and costs, social security contributions and benefits and investments excluding real estate investments. From the beginning of the statistical year 2016 the main source for compiling subsector S.13141's real estate investments have been the Employment Pension Scheme Quarterly Survey (EPSQ). It is a direct source and based on a total sample covering the whole sector. The April EDP notification is based on these data sets.

2) In the June publication of national accounts and the following October EDP notification, we use the data collected by The Finnish Financial Supervisory Authority - FIN-FSA, which contains financial statements information. This is the final data source for employment pension companies, company pension funds and industry-wide pension funds, The Seafarers' Pension Fund and The Farmer's Pension Fund and it contains the most accurate information. Also, the financial statements of public-sector pension providers, Finnish Centre for Pension, Finnish Pensions Alliance and the pension fund of the Central Church Fund are available by July publication of national accounts. Ålands Pension Fund was reclassified from the sector S.1313 to S.13141 and was included in publication from 2019.

3) Since 2019, there has been uncertainty regarding the property income reported by pension insurance companies. This uncertainty arises from varying reporting related to D.421/REC, D.4431/REC, and D.4432/REC to both the questionnaire by Statistics Finland and to data collected by The Finnish Financial Supervisory Authority (FIN-FSA). In 2024, a benchmark revision was conducted for D.421/REC covering the years 2017-2022. This revision was based on a dialogue with the pension insurance companies. The level of D.421/REC was found to be too small due to uncertainty about what amount of the reported dividends during 2017-2022 originated from dividends and what amount of investment funds. Moving forward, D.421/REC will be calculated based on the separate survey conducted in February by Statistics Finland, to S.13141 units in both February and June publication. In this new approach, pension insurance companies are asked to report only the dividends under D.421/REC, excluding dividends from investment funds (D.4431/REC).

3.5.1.2 Statistical surveys used as a basic data source

The main source for subsector S.13141 (employment pension schemes) is the Employment Pension Scheme Quarterly Survey (EPSQ). It is a direct source and based on a total sample covering the whole sector. All assets and liabilities that are significant for compiling S.13141 financial accounts are covered. That is, the following asset categories: AF.2, AF.3, AF.4, AF.5, AF.71 and AF.89, and liabilities: AF.4, AF.71 and AF.89. Transactions are also reported for all instruments except F.41. Information on counterpart sectors and counterpart countries is reported where relevant. The data are reported principally at market values, but nominal values are also given where S.13 is the counterpart sector for the EDP debt purposes.

3.5.1.3 Supplementary data sources and analytical information

3.5.1.3.1 Supplementary data sources used for the compilation of non-financial accounts

Additional source data is used for the following transactions:

- Gross fixed capital formation: a) Employment pension schemes' construction investments derive from TELA's and the Financial Supervision Authority's investment monitoring data. b) R&D investments are calculated centrally.

- FISIM-adjustments: separate FISIM-calculations, sources include banks' financial reporting data and e.g. data on interest rates.
- Current transfers and capital transfers: for these items counterpart sector information is used. EDP tables and data sources - Social security sub-sector, EDP table 2D and 3E 59
- Investment income attributable to collective investment fund shareholders are from separate calculations of investment funds. Sources include stock data from financial accounts and flow data collected separately from the Bank of Finland.
- Compensation of employees: annual financial statements data from business statistics database (YTY).

3.5.1.3.2 Supplementary data sources used for the compilation of financial accounts

The main source for subsector S.13141 (employment pension schemes) is the Employment Pension Scheme Quarterly Survey (EPSQ). Division of assets and liabilities among counterpart subsectors is done using several other sources besides EPSQ. Important sources obtained from the Bank of Finland are Securities Holdings Statistics (SHS), Investment Fund Balance Sheet Statistics (IVF), OFI statistics, The balance sheets of monetary financial institutions (MFIs) and Quarterly data on municipal finances collected by State Treasury. Balance of Payments (BoP) compiled in the National Statistical Institute is used as an alternative source for S.2

3.5.2 Data sources for other Social Security units (S. 13149)

Table 10 – Availability and use of basic source data for other social security units

Available source data				Source Data Accounting	Source data used for compilation of		
Accounting basis (C/A/M)	Periodicity (M/Q/A/O)	Time of availability of annual results for T-1			WB	B.9 (NFA)	B.9f (FA)
		First results	Final data				
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
		T + days	*T+months*		*cross appropriate cells*		
				Budget Reporting			
				(1) Current revenue and expenditure			
				(2) Current and capital revenue and expenditure			
C	Q	T+55	T+7	(3) Current and capital revenue and expenditure and financial transactions	x	x	x
A	Q	T+55	T+7	(4) Balance sheets			x
				Financial Statements			
A	A	T+150	T+7	(5) Profit and loss accounts		x	
A	A	T+150	T+7	(6) Balance sheets			x
				(7) Cash flow statement			
				Other Reporting			
				(8) Statistical surveys			
A	Q	T+45	T+2	(9) Other:	x	x	x

Accounting basis (column 1): C- cash, A- accrual, M-mixed
Periodicity (column 2); M - monthly, Q - quarterly, A - accrual, O - other, to be specified.
Time of availability (column 4): availability of annual results for T-1 = number of months and days after the reporting period.
Column 6, 7 and 8 – those cells are crossed which refer to data sources used for compilation of the WB, B.9 (non-financial accounts) and B.9f (financial accounts), respectively.
Empty cells in column 1, 2, 3 and 4 mean that the data source does not exist.

3.5.2.1 Details of the basic data sources

Sub-sector S.13149 consists of units that provide other social security than earnings-related pensions. Main units of the sub-sector are the Social Insurance Institution of Finland (Kela) and the Employment Fund (Työllisyysrahasto). Other entities belonging to the category S.13149 are for example unemployment funds and employee sickness funds.

At the request of Statistics Finland, Financial Supervisory Authority (FIN-FSA) collects data on paid unemployment benefits from all unemployment funds. This provisional data is available in February (T+1). Financial Supervisory Authority publishes the data in cooperation with the Social Insurance Institution.

From the Social Insurance Institution (Kela) Statistics Finland receives monthly bookkeeping data through the year and in February also other supplementary and preliminary data on revenue, expenditure and investments are delivered. From the Employment Fund (Työllisyysrahasto) Statistics Finland receives preliminary information of the financial statement in February (T+1).

The financial statements of the employee sickness funds, the unemployment funds and the funeral and redundancy relief funds are only received by July or August (T+7 months or T+8 months) but their impact on the aggregate level is rather small. All data sources used in the first EDP round are based on estimates and are preliminary by nature. They also cover only the main aggregates. By the time of the second EDP round the above-mentioned institutions have already published their final balance sheets and income statements. Therefore, in the latter EDP round we can make use of the final revised numbers and have a better understanding about the subsector as a whole.

Important sources obtained from the Bank of Finland are Securities Holdings Statistics (SHS), Investment Fund Balance Sheet Statistics (IVF), OFI statistics, The balance sheets of monetary financial institutions (MFIs). Balance of Payments (BoP) compiled in the National Statistical Institute is used as an alternative source for S.2

3.5.2.2 Statistical surveys used as a basic data source

3.5.2.3 Supplementary data sources and analytical information

We receive data file from Työllisyysrahasto (the Employment Fund) T+30, which contains information of their liabilities.

3.5.2.4 Extra-budgetary accounts

This section provides information on the so-called "extra-budgetary accounts" of the main local government entities, i.e. about flows, which are not recorded in budgetary accounts that enter the WB, as reported in the first line of EDP table 2.

Non-financial flows recorded in EBA

Financial flows recorded in EBA

3.5.3 EDP table 2D

3.5.3.1 Working balance - use for national accounts compilation

Currently, the working balance reported in the EDP table 2D includes working balances of the most significant units from both subsectors, employment pension schemes (S.13141) and other social security funds (S.13149). The units not included in the working balance are other pension providers than pension insurance companies of the employment pension schemes

(S.13141). The net borrowing/lending of other pension providers than pension insurance companies is shown on the row "Net borrowing/lending of statutory employment pension insurance other than pension insurance companies" of the table 2D.

The working balance includes the bottom-most item in the profit and loss account, the 'profit/loss for the accounting period' of pension insurance companies and other social security funds. The working balance per se has no use for national accounts compilation as the national accounts' figures are compiled separately, transaction by transaction. Of course, the items that form the WB are also used as source data in national accounts compilation.

3.5.3.2 Legal basis of the working balance

For the pension insurance companies the working balance includes the bottom line of the profit and loss account, the 'profit/loss for the accounting period'. The working balance is thus subject to all laws and regulations concerning the financial statements of pension insurance companies. The earnings-related pension scheme is heavily regulated with responsibilities spread among different institutions. Detailed information on the scheme's regulation and supervision can be found on the web site of Finnish Centre for Pension:

https://www.etk.fi/en/finnish-pension-system/administration-and-supervision/

For other social security funds, except for the Social Insurance Institution, all units are - to different extents - under the supervision of Financial Supervisory Authority. The institutions included in other social security funds are governed by public law (inc. general bookkeeping act) and supervised by the central government (i.a. the Ministry of Social Affairs and Health).

3.5.3.3 Coverage of units in the working balance

The working balance is a sum of the working balances of employment pension schemes (S.13141) and other social security funds (S.13149). In S.13141 the working balance includes pension insurance companies (these companies together accounted for 69 % of total S.13141 social contributions received in 2022, to give an example of their significance). Information on the rest of S.13141 units (other units than pension insurance companies) is on the row "Net borrowing (-) or net lending (+) of other social security bodies" of the table 2D.

Working balance of S.13149 includes Social Security Institution of Finland (Kela), Employment Fund, unemployment funds, employee sickness funds and funeral and redundancy relief funds.

3.5.3.3.1 Units to be classified outside the subsector, but reported in the WB

None.

3.5.3.3.2 Units to be classified inside the subsector, but not reported in the WB

Units not reported in the working balance are:

- company pension funds and industry-wide pension funds, which are authorized pension providers (today these are very small institutions that only accounted for 1% of total S.13141 social contributions received in 2022)

- local government pension fund Keva (this is a large institution that accounted for 22 % of total S.13141 social contributions received in 2022)
- State Pension Fund (6 % of total S.13141 social contributions received in 2022)
- The Farmers' Social Insurance Institution (around 1 % of total S.13141 social contributions received in 2022)
- The Seafarer's Pension Fund (around 0,2 % of total S.13141 social contributions received in 2022)
- Ålands Pension Fund (around 0,05 % of total S.13141 social contributions received in 2022)
- Finnish Centre for Pensions
- The Finnish Pension Alliance
- The Pension Fund of the Central Church Fund
- Pension Fund of Social Security Institution

3.5.3.4 Accounting basis of the working balance

Mixed. Social security contributions of Social Insurance Institution are on cash basis, but the institution provides time adjusted data separately.

3.5.3.4.1 Accrual adjustments relating to interest D.41, as reported in EDP T2D

No accrual adjustments done.

3.5.3.4.2 Accrual adjustments reported under other accounts receivable/payable F.8 in EDP T2D

The adjustments reported under other accounts receivable are accrual adjustments of social contributions received by the Social Insurance Institution (Kela).

3.5.3.4.3 Other accrual adjustments in EDP T2D

No accrual adjustments done.

3.5.3.5 Completeness of non-financial flows covered in the working balance

Items not included in the working balance but included in the net lending:

Employment pension schemes:

- Investments, net of output for own final use (gross fixed capital formation P.51g minus output for own final use P.12)
- Reinvested earnings of mutual funds recorded as property income
- Current transfers (somewhat large items, generally almost completely to/from other S.13 subsectors)
- Capital transfers (small items, generally under 5 million euros)

Other social security funds:

- Investments, net of output for own final use (gross fixed capital formation P.51g minus output for own final use P.12)
- Reinvested earnings of mutual funds recorded as property income

3.5.3.6 Financial transactions included in the working balance

Not relevant.

3.5.3.7 Other adjustments reported in EDP T2D

Items included in the working balance, but not in the net lending:

- Holding gains/losses on investments (from financial statements' net investment income specification: 'Value re-adjustments', 'Realized gains on investments', 'Value adjustments and depreciation', 'Realized losses on investments', 'Revaluations on investments and revaluation adjustments')
- Derivatives-related income and interest expenditure (estimated by 'net investment income' minus all dividend income, all interest income and 'other income' from investments in land and buildings)
- Net change in technical pension provisions (sum of profit and loss account items 'Change in provision for outstanding claims' and 'Change in provision for unearned premiums')
- Pension benefits -related cost clearing transfers between pension providers
- Reinsurers' shares of premiums written and claims incurred
- Transitional charge payable to State Pension Fund

Items not included in the working balance, but included in the net lending:

- Adjustment on interests not considered in the working balance of the other social security funds

S.13149 adjustment for transfers between Kela and central government:

- Time adjustment of transfers between Social security institution (Kela) and S.1311. This adjustment was added after Action Point 5 of 2023 dialogue visit. To summarise, D.73/REC/S.1311 of S.13149 is constructed using central government data. There is a timing difference between that and Kela's financial statement, which in turn is used when calculating the working balance.

3.5.3.8 Net lending/net borrowing of social security funds

Net lending/net borrowing (B.9) of the Social security funds is not compiled directly through working balance, but partly the same sources are used.

The row "Net borrowing or net lending of other social security bodies" excludes reinvested earnings of mutual funds recorded as property income, which are reported under "Non-financial transactions not included in the working balance" on the row "Reinvested earnings of mutual funds recorded as property income".

The row "Net borrowing or net lending of other social security bodies" excludes current and capital transfers, which are reported under "Non-financial transactions not included in the working balance" on the row "Current and capital transfers, net".

3.5.4 EDP table 3E

3.5.4.1 Transactions in financial assets and liabilities

Table 11. Data used for compilation of transactions and of stocks of financial assets and liabilities

	Assets							Liabilities						
Source Data	**F.2**	**F.3**	**F.4**	**F.5**	**F.6**	**F.7**	**F.8**	**F.2**	**F.3**	**F.4**	**F.5**	**F.6**	**F.7**	**F.8**
	Calculation of transactions													
Transaction data (integrated in public accounts)		x	x	x		x			x					
Other transaction data		x		x										
Stock data	x	x	x				x		x	x	x			x
	Calculation of stocks													
Transaction data														
Stock data	x	x	x	x		x	x		x	x	x		x	x

The main source for subsector S.13141 (employment pension schemes) is the Employment Pension Scheme Quarterly Survey (EPSQ). It is a direct source and based on a total sample covering the whole sector. All assets and liabilities that are significant for compiling S.13141 financial accounts are covered. That is, the following asset categories: AF.2, AF.3, AF.4, AF.5, AF.71 and AF.89, and liabilities: AF.4, AF.71 and AF.89. Transactions are also reported for all instruments except F.41. Information on counterpart sectors and counterpart countries is reported where relevant. The data are reported principally at market values but nominal values are also given where S.13 is the counterpart sector for the EDP debt purposes.

Division of assets and liabilities among counterpart subsectors is done using several other sources besides EPSQ. Important sources obtained from the Bank of Finland are Securities Holdings Statistics (SHS), Investment Funds Balance Sheet Statistics
(IVF), and MFI Statistics. Balance of Payments (BoP) compiled in the National Statistical Institute is used as an alternative source for S.2.

The same data sources, excluding EPSQ, are used for compiling the financial accounts of subsector S.13149 (other social security funds). Information on debt is obtained directly from the Employment Fund. Financial statements of Employment Fund and the Social Insurance Institution of Finland, for example, are used as supplementary sources.

Insurance technical reserves (F.6) are insignificant for sector S.1314.

Other stock-flow adjustments

3.6. Link between EDP T2 and related EDP T3

The monitoring of the link between the individual adjustments in EDP T2 and the related transactions reported in EDP T3 is important for the assessment of GFS data quality.
It is not expected that the adjustments from EDP T2 would be clearly identified in EDT3.

- First, this is due to different coverage of units, because the adjustments in EDP T2 should refer only to the main entity reported in the WB, while transactions in EDP T3 reflect the whole subsector.
- Second, due to the accounting basis and coverage of transactions reported in the WB. For the former, if the WB is on accrual basis, theoretically there is no need for adjustments in other accounts receivable/payable F.8 in EDP T2, but it should be ensured that the accrual recordings in non-financial accounts are linked to transactions in F.8 reported in EDP T3 and in FA. For the latter (coverage of transactions), the WB balance as reported in EDP T2 typically does not cover all financial flows, since some are booked in the so called extra-budgetary accounts of the main entity.
- Third, adjustments/transactions reported in EDP T2A are non-consolidated, since they refer to the main entity only, as recorded in the working balance (e.g. loans, other accounts receivable/payable, etc.), while financial transactions recorded in EDP T3 refer to the whole subsector and they are consolidated.

As far as specific imputations are concerned, such as debt cancellation, debt assumption etc., which are reported in EDP T2, these should be reflected also in financial accounts and EDP T3 under the related financial instrument.

Therefore, in order to ensure consistency between non-financial and financial accounts and quality of GFS data, statisticians are to be able to explain and to quantify a link between flows reported in EDP T2 and EDP T3.

3.6.1 Coverage of units

Central government (S.1311):
Coverage of the units is the same in EDP T2 and EDP T3.

Local government (S.1313):
The coverage of units is the same in EDP T2 and EDP T3.

Social security funds (S.1314):
S.13141: In national accounts compilation, the coverage is virtually the same, including all the employment pension scheme's pension providers, the Finnish Centre for Pensions and the Finnish Pension Alliance. In table 2D, the working balance and the adjustments made in "non-financial transaction not included in the WB" and "other adjustments" only pertain to a subset of S.13141 (the employment pension companies), so these adjustments are not directly comparable to similar items in table 3D.

In case of subsector S.13149 the coverage of units is identical for non-financial and financial accounts compilations. See also 3.5.3.3.

3.6.2 Financial transactions

Central government (S.1311):
The T3 for the central government is consolidated (includes budget entities, universities, extra-budgetary funds and incorporated units). Working balance includes only the budget economy (the state) and data is non-consolidated. Rest of the central government units are recorded in table 2A on row "net borrowing (-) or net lending (+) of other central government bodies" (and, naturally, no financial transactions are included in that row). For these reasons, we are not using the financial transactions which are reported in the WB for compilation of the EDP T3 or financial accounts, but consistency checks are carried out regularly.
See also chapter 3.2.3.6.

Local government (S.1313):
The working balance reported in T2C doesn't include financial transactions.

Social security funds (S.1314):
The working balance reported in T2D doesn't include financial transactions.

3.6.3 Adjustments for accrued interest D.41

Central government (S.1311):
The adjustment in EDP T2A for accrued interest refers to interest expenditure and revenue. The item includes redemption/issuance of debt above/below par, premiums and discount spread over time and the lump sum paid or received by central government for swap cancellation. See also 3.2.1.3.

In the budget accounts, annual premiums and discounts spread over time are recorded on the cash basis. Redemption/issuance of debt above/below par is recorded as a budget revenue or expenditure, but in national accounts it is recorded as not affecting the deficit, and the premiums and discounts are spread over time. In EDP T2A, adjustment for these differences is shown under item "difference between interest paid (+) and accrued (D.41) (-)".

Accrued interest for interest expenditures of rearranged transactions are recorded in "difference between interest paid (+) and accrued (D.41) (-)" and accrued interest for interest revenues of rearranged transactions are recorded in other adjustments in detail "Interest revenues of rearranged transactions". In EDP T3 difference between interests accrued and paid is recorded under adjustments.

Local government (S.1313):
There is no adjustment for accrued interest in EDP T2 because interest is recorded on an accrual basis in the working balance.

Social security funds (S.1314): S.13141: As for D.41 payable, the source data includes flows related to interest rate swaps, which should not be included in B.9. Thus, D.41 payable has to be estimated (currently no source data for the amount related to the swaps is available). This deviation is included in the table 2D residual.

3.6.4 Other accounts receivable/payable F.8

Central government (S.1311):

The following transactions are reported in other accounts receivable in EDP T2A and they are recorded also in the financial accounts for the central government compilation of EDP T3B:

Time-adjustment of taxes consists of time adjustment of taxes on products and taxes on income. The most significant taxes of income and other current taxes are time-adjusted in national accounts on the basis of the provisions of the Finnish tax legislation concerning the collection of taxes. They are time-adjusted with one month (VAT with two months). All taxes on products are time-adjusted based on the monthly state bookkeeping data.

Data used for recording of taxes are obtained from central government bookkeeping data and from reports on received taxes of the tax administration's accounts. Concerning preliminary figures (April EDP notification), time adjustment of D.2-taxes (excl. VAT) is based on assessments on the accrual of these taxes in January.

For some categories of taxes time-adjustment is not undertaken because according to experts' assessment the size of time-adjustment would be insignificant: the amounts of possible time adjustments would be very small, the cash flow of the taxes is even, or the taxes being of such nature that the time-adjustment would not be sensible, and therefore an agreement has been reached that no time-adjustment is needed. An example of such taxes is Real estate tax.

The adjustment on subsidies consists of the accrual adjustment of some subsidies and the difference in recording EU-grants in the budget. The first adjustment is made in national accounts based on the payment data received from the Ministry of Agriculture. The latter is connected to the EU-grants (notably subsidies for agriculture) that are re-routed through state budget, but which in national accounts are eliminated from central government revenue and expenditure and shown directly as transfer from EU to the final receiver. Normally there is a difference in recording these transfers on revenue and expenditure side in the budget and it has to be shown as an adjustment item. RRF recordings follow the general national accounts principle applied to EU funds to record income on an accrual basis according to expenditure.

The adjustments of capital increases in Multilateral Development Banks are due to the difference between the time of an instrument of commitment is signed and deposited and the cash payments.

Local government (S.1313):

The adjustment reported under other accounts receivable in EDP T2C is "Time adjustment of income tax and difference due to source". The adjustment is the difference between the income tax D.51 included in the B.9 and the income tax included in the working balance. The consistent time adjustment of income tax is included in EDP T3D and recorded under Other accounts receivable (F.8).

Social security funds (S.1314):

The adjustments reported in T2D under other accounts receivable are accrual adjustments of social contributions received by the Social Insurance Institution (Kela). The same adjustment is also included in other account receivables on the table T3E.

3.6.5 Other adjustments/imputations

Central government (S.1311):

The adjustments are described in detail in the chapter 3.2.3.7.

Debt cancellation/assumption: In EDP T3 the debt cancellation is recorded under the F.4.

Reinvested earnings on FDI and mutual funds: In EDP T3 the reinvested earnings are recorded under the F.5.

The impact of the difference in the recording of deferrable budgetary appropriations: This adjustment is reflected in EDP T3 already in source data.

PPP: In EDP T3 the PPPs are recorded under the F.4.

Super dividends: In EDP T3 the super dividends are recorded under the F.5.

Difference between interests received and accrued: In EDP T3 difference between interests received and accrued are recorded under the instrument F.4.

Other known differences between working balance and EDP B.9: These are studied case by case to check how they are recorded in financial accounts source data.

Time adjustment of military expenditures: In EDP T3 the long-term defence investments are recorded under the F.4 before delivery.

Local government (S.1313):
The adjustments are described in detail in the chapter 3.4.3.7.

Reinvested earnings of mutual funds recorded as property income (D.421+D.41): In EDP T3 the reinvested earnings are reported under F.5 (Shares and other equity).

The effect of revaluation items in the working balance, net: In EDP T3 the effect of revaluation items is reflected already in the source data.

Realised holding gains relating to disposals of non-produced assets (land) recorded in the working balance: This adjustment is reflected in EDP T3 already in source data.

Other known differences between working balance and EDP B.9:

These are very rare and they are studied case by case to check how they are recorded in the source data.

Social security funds (S.1314):
The only entry under heading “other adjustments” at T2D which has impact to financial accounts is Investment gains and losses. Concerning that we don’t do any adjustments but rely that these are already reflected in our data sources. No imputations are done in this part, but the item reinvested earnings of mutual funds recorded as property income at EDP T2 under ”Non-financial transactions not included in the working balance” is recorded under F.5 (Shares and other equity) in EDP T3.

3.7. General comments on data sources

3.8. EDP table 4

Table 4 – The statements on the provision of additional data contained in the Council minutes of 23/11/1993 request the submission of trade credits and advances, amounts outstanding in the government debt from the financing of public undertakings, differences between the face value and the present value of government debt and GNI at market prices.

3.8.1 Trade credits and advances

This item is calculated within the normal compilation process of financial accounts. Source data includes bookkeeping records in case of central government, and balance sheets in case of local government and social security funds. The coverage is complete for the central and local government sectors. The source data for social security funds does not enable precise separation of subcategories under other accounts payable. Because in financial accounts we have sector against sector information, it is easy to deduct internal general government F.81 items and report consolidated figure. All identified long-term trade credits are recorded as long-term loans. Factoring and restructuring without recourse are not significant issues, but these are reclassified as loans if conditions are met.

3.8.2 Amount outstanding in the government debt from the financing of public undertakings

4. Revision policy used for annual GFS

This section relates to the revision policy concerning annual non-financial and financial government accounts. It describes the country policy for revisions with and without impact on the deficit (non-financial accounts for general government) and debt (financial accounts for general government).

4.1. Existence of a revision policy in your country

4.1.1 Relating to deficit and non-financial accounts

Starting from 20 June 2019, preliminary data on annual national accounts for the previous year has been published at the same time as the quarterly publications, in March, June, September and December. Both quarterly and annual sources are used for the preliminary annual data. The publication times of monthly and quarterly national accounts as well as balance of payments as well as balance of payments will remain unchanged. The deficit data in EDP notification largely follow the general revision policy of non-financial national accounts.

Release schedule

- The first preliminary data on annual national accounts concerning the previous year is published in February-March; at the end of February (t+60 days) in connection with the publication of quarterly national accounts and in mid-March (t+75 days) in connection with the publication of quarterly sector accounts. The reported data in April EDP notification corresponds to that data, unless new information has become available in March.
- Preliminary non-financial sector accounts with broad contents are published in June. In June (t+80 days), the preliminary annual data is revised above all in terms of the public sector, investments and enterprise data.
- The non-financial accounts of are next time revised in September. In September (t+80 days), the preliminary annual data is supplemented with data on the public sector and consumption, as well as rest of the world data. Rest of the world data is compiled in balance of payments. Of the rest of the world data, especially data concerning foreign trade in services and property income items of foreign investments will be revised. The October EDP notification corresponds to this data.
- In December (t+80 days), the preliminary annual data will be revised with more detailed local government financial statements. For example, local government deficit data becomes final at that time, and therefore the EDP data for local government data is comprehensive only in the April t +2 notification.
- In March, at a lag of around 15 months, extensive annual data based on the supplemented source data will be published, when, e.g. more detailed industry-specific data will be available. At this point balance of payments will also revise the data from previous years.

4.Revision policy used for annual GFS

− In November, at a lag of 23 months, national accounts will publish the supply and use tables. In these, annual national accounts data have been balanced and there is no statistical discrepancy.

− In March, at a lag of 27 months, the final NA data are benchmarked with data of the supply and use tables. ”Officially” the whole non-financial accounts are final when the final supply and use tables concerning year t are published. Therefore, in EDP tables the year t becomes final in April t+3 EDP notification.

Revision of data

− In each quarter, the quarterly and annual data of the national accounts have been reconciled. Only the quarters for the current year and the previous four years will be revised as recommended in harmonised European revision policy.

− Annual national accounts data will be revised four times a year: in March, June, September and December. National accounts and balance of payments data will be consistent in each quarter concerning the current accounts.

− For the purposes of general government deficit and debt reporting, national accounts’ data can be revised in March and September up to four years back.

− Revision of data is an important part of the compilation process of annual and quarterly national accounts. The European Union’s system of national accounts governs the revision of figures in national accounts. It defines the content and level of detail of the data delivered to the European Union’s statistical bureau Eurostat at specific times. The revision of the balance of payments is governed by the BPM6 manual and European Central Bank’s (ECB) guidelines.

− When national accounts and balance payments data are published nationally, they are also sent to Eurostat and ECB.

− From time to time Statistics Finland carries out major revisions, when also the earlier years are open to revisions. These are usually in connection to some methodological or classification updates (e.g. ESA-revisions, NACE-revisions). If needed, certain corrections to certain time-series are also possible in other times (e.g. due to EDP requirements).

In general, there may be following reasons for revisions for year t in different EDP-notifications:

- April t+1: -

- October t+1: updated and/or new data sources for all sub-sectors, elimination of errors, methodological changes

- April t+2: updated data sources and/or new data sources for all sub-sectors, elimination of errors, methodological changes

- October t+2: elimination of errors, methodological changes

4.1.2 Relating to debt and financial accounts

Like the deficit data also debt data in EDP notification largely follow the harmonised European revision policy. All the data on financial transactions and other flows entered to EDP tables 3 as well as debt figures are compiled within financial accounts compilation processes.

April notification t+1
Preliminary data (t+3 months) on flows of financial assets and liabilities in EDP tables 3 are derived from quarterly financial accounts for general government (QFAGG-process). Debt figures are compiled within the same process (for quarterly government debt).

October notification t+1
The most significant changes, in comparison to preliminary EDP data, traditionally concern local government data sources.

April t+2
Annual financial accounts for general government are revised and made "final" in March t+15 months. Usually the revisions at this stage are minor and concern mostly local government sector.
Like explained for deficit, from time to time Statistics Finland carries out major revisions, when also the earlier years are open to revisions (concerning both non-financial and financial accounts). These are usually in connection to some methodological or classification updates (e.g. ESA-revisions).

4.2. Reasons for other than ordinary revisions

Major revisions originate from methodological changes (ESA) and also from the need to incorporate results of changes in important data sources and/or to correct found errors.

4.3. Timetable for finalising and revising the accounts

Please see sections 4.1.1 and 4.1.2.

B. Methodological issues

5. Sector delimitation – practical aspects

5.1. Sector classification of units

General government is defined by ESA 2010 §2.111 as "… institutional units which are non-market producers whose output is intended for individual and collective consumption, and are financed by compulsory payments made by units belonging to other sectors, and institutional units principally engaged in the redistribution of national income and wealth". Moreover, §20.05 specifies that the general government sector "consists of all government units and all non-market non-profits institutions (NPIs) that are controlled by government units. It also comprises other non-market as identified in paragraphs 20.18 to 20.39".

It is necessary to determine:
a. if it is an institutional unit (ESA 2010 2.12 describes the rules according to which an entity can be considered as an institutional unit)
b. if it is a public institutional unit (ESA 2010 §20.18 and MGDD 1.2.3 – define the notion of control by the government over an entity as "the ability to determine the general policy or programme of that entity"…. According to the list of criteria listed in ESA 2010 §20.309)
c. if it is a non-market public institutional unit - reference to "Market-non-market delineation" (ESA 2010 §20.19 to §20.28 and MGDD 1.2.4)".

Market/nonmarket-distinction
The general government subsectors include public institutional units that are non-market producers according to ESA 2010. Qualitative aspects are analysed based on the available information. The information can be available in public sources and for example found out in the annual report on financial statements. The market / nonmarket test is applied for municipal quasi-corporations and public corporations.

In addition, the main data sources for local government sector contains some qualitative information about restrictions on the scope of public companies on their activity in competitive markets.

Regarding public corporations, the 50% criterion is applied annually, in the context of "Questionnaire on government controlled units classified outside general government". Three years are covered in the conducted test. Significant units are monitored more closely than smaller units. Units classified in general government are generally not tested because of the nature of their activities.

New units
New units that belong to the "basic set" of government subsectors (e.g. new municipalities or offices) are included in the government source data and therefore they are also included in national accounts.

Enterprise Group Register indicates if the new unit is owned or controlled by general government. As a result, there may be a time lag in determining the exact sector of a new unit.

New government controlled limited companies are analysed, and they are classified either to government sector or corporations sector based on both qualitative and quantitative criteria. Qualitative aspects taken into account are: What is the purpose of the unit? To who is the unit selling? Is the unit competing on the market? Information on the unit is acquired, for example, from its web pages and financial report.

There is a working group in Statistics Finland, the task of which is to implement sector classification. The working group consists of members from different departments of Statistics Finland, (for example national accounts, the Business Register, business statistics) and from the Bank of Finland. The chair of the group is from national accounts unit. The working group gives general guidelines on sector classification and makes decisions on major individual cases. For the major cases, there is also a tradition to provide these decisions available to public at large by publishing them at the website of Statistics Finland: http://www.stat.fi/meta/luokitukset/_linkki/soveltamisp.html (only in Finnish). Statistics Finland also publishes an updated excel list of general government units in the same website in which the decision are published.

5.1.1 Criteria used for sector classification of new units

Units are classified inside or outside general government following the sector delimitation rules of ESA 2010 and the more specific guidance given in MGDD manual (holding companies, defeasance structures, etc.). The market/non-market criterion is considered the most decisive and it is applied to government controlled units. However, some practical rules have been implemented, like the use of activity/NACE class when making distinction between local government quasi-corporations.

General government control and qualitative aspects of market/non-market criterion are taken into consideration when deciding whether transactions in relation public production should be rearranged via general government accounts.

5.1.2 Updating of the register

In Statistics Finland, the national accounts department is responsible for the sector classification (see above about the working group on sector classification). The unit by unit sector data is in practice maintained in the Business Register.

The Business Register includes information on legal status, sector, NACE class and ownership of units, as well as ownership linkages between units. Ownership information is used as background data when determining the sector class (public, private, foreign-owned, etc.) and it is updated regularly, on yearly basis. For that several administrative and survey sources are used. Sector class information as a whole is also updated regularly and new units are evaluated separately.

Sector classification of significant units is analysed and decided in a dedicated group lead by national accounts.
For conducting the quantitative 50% test, comprehensive annual financial statement data is available. It is included in Business statistics data warehouse, which covers basically all companies (on legal unit basis). It is composed of administrative data (Tax records) and direct survey data and contains detailed data on profit and loss accounts, balance sheets and investments in fixed assets, etc. It includes also classification details. The preliminary version of the data becomes available at t+6 months and the final data at t+12 months.

For testing the 50% criterion the following items are used in the calculations:

- Sales: turnover + change in inventories + other operating income (excl. subsidies) – purchase of goods for resale
- Production costs: purchases of materials and services (taking into account change in inventories for materials and goods for resale) + other operating expenses + personnel costs + depreciation of fixed assets + net interest cost – purchase of goods for resale

When new units are classified into government sector, the changes are usually implemented in national accounts for the whole time series in the context of benchmark revisions. Occasional revisions can be made when considered necessary.

5.1.3 Consistency between different data sources concerning classification of units

Reporters of municipalities and wellbeing services counties define counterpart sectors by themselves (e.g. when dividing purchases between different sectors). They are given guidance and support from Statistics Finland and the State Treasury. The state bookkeeping data is classified by national accounts, as well as the source data of social security funds. From year 2015, state units are encouraged to use the Business Register's sector data in their bookkeeping.

Money and Banking Statistics (both the compilers and the respondents) exploit the Business Register's sector data, so the sector classification in the statistics should match the Business Register and therefore the national accounts.

The same sector classification of units in non-financial and financial accounts is ensured by consistent use of source statistics, a unit list and communication between non-financial and financial accounts compilers.

5.2. Existence and classification of specific units

All units are classified following the principles explained in 5.1.1.

Deposit Guarantee Fund is part of the Financial Stability Fund (S.1311) that is also managing the National Resolution Fund. Old Deposit Guarantee Fund is classified in S.1311, and the contributions to DGF/NRF are recorded as other taxes on production (if not consolidated inside the central government). By the Act on the Financial Stability Authority 1195/2014 the deposit guarantee contribution is not refunded to the payer in case of assets exceeding the

minimum requirement of deposit bank. If assets in the Deposit Guarantee Fund decreases under the minimum level, a deposit bank must conduct a deposit guarantee contribution to reach the minimum level. The Deposit Guarantee Fund can decide that at most 30 % of the minimum level is based on the irrevocable payment commitments. In case of transfer of a deposit bank into another EEA state, contributions to the DGF are to be reimbursed by the Act. The National Resolution Fund is receiving contributions from investment service providers and branches of foreign credit institutions until the fund has achieved the level of 1 % of deposits. This means in the practise that a level of total contributions of 0,15 million euros is collected at the latest 2024 in respect of the current deposits.

Yleisradio Oy (YLE), the Finnish Broadcasting Company, is Finland's public broadcasting company. YLE is classified in general government sector (S.13119) and it's funding is based on public broadcasting tax.

Currently, there are not any public non-resident SPEs in Finland.

6. Time of recording

This section describes the time of recording for taxes and social contributions, EU flows, military expenditure, interest and other transactions (subsidies, current and capital transfers and financial transactions.

The time of recording is defined in ESA 2010 §1.101. It is the accrual basis, meaning when economic value is created, transformed or extinguished, or when claims and obligations arise, are transformed or are cancelled.

6.1. Taxes and social contributions

ESA 2010 states that taxes and social contributions are derived from two sources: amounts evidenced by assessment s and declarations or cash receipts.
If assessments and declarations are used, amounts should be adjusted by a coefficient reflecting assessed and declared amounts never collected. An alternative treatment foresees recording tax/social contribution revenue on a gross basis and adjusting this amount by a capital transfer to the relevant sectors equal to the amounts unlikely to be collected.
If cash receipts are used, the amounts should be time adjusted so that the cash is attributed to the time when the underlying activities, transactions or other events took place to generate the tax/social contribution liability, or when the amount of tax was determined, in the case of some income taxes.

6.1.1 Taxes

This section describes the methods of recording of taxes on an accrual basis. The time of recording of taxes is defined in ESA 2010 §4.26 and §4.82 as the time "…when the activities, transactions or other events occur which create the liabilities to pay taxes".

Data sources used

Data used for recording of taxes are obtained from State Treasury (state bookkeeping), Tax Administration (received tax payments for e.g. local government), financial statements of local government (tax on dogs, ceased after 2017, and pharmacy levy collected in Åland), Finnish Customs (gross assets accounted to the EU), Finnish Transport and Communications Agency (registration fee of vehicles, division of user charges on passenger vehicles between D.29 and D.59), the Finnish Government Shared Services Centre for Finance and HR (annual figures for contributions to the Single Resolution Fund and the already ceased bank tax) and the Financial Stability Authority (contributions to the Deposit Guarantee Fund). Income from auction of emission allowances' data is from Energy Authority. All sources are cash-based. The same sources are used for the first and second notification. The data on first notification is preliminary and there can be some changes. Final data for year t is available in t+15 months.

General cases of time-adjusted cash

The method used for some taxes is the time-adjusted cash, where cash amounts are attributed to the period when the activity takes place. The most important time-adjusted taxes are VAT, income taxes, and excise duties. Concerning preliminary figures (April EDP notification), cash

data for January is mainly available for time adjustment. For VAT and most other excise duties, cash data from February is needed as well, and there may be prior information from Tax Administration. Income from auction of emission allowances is calculated as presented in 7.9.

The corporate income tax recorded in the accounts is derived from cash receipts, where the tax accrual is approximated through cash receipts with a time adjustment of 1 month. However, changes in tax administration, such as modifications to advance payments modalities (frequency, deadlines, basis, or magnitude) or to final settlements processing might significantly affect this approximation. There is therefore a need to monitor closely the legislative and administrative changes and their impact on the CIT tax pattern.

So that to decide if ad-hoc adjustments are necessary to ensure that the amount recorded in government finance statistics accurately reflect the economic activity being taxed in any year.

Other specific cases

For some categories of taxes, time-adjustment is not undertaken because, according to experts' appraisal, the meaning of time-adjustment would be insignificant: the amounts are very small, the cash flow of the taxes even, or the taxes are of such a nature that the time-adjustment would not be sensible. Therefore, an agreement has been reached that no time-adjustment is needed. This practice is in use for example with inheritance and gift taxes. However, a disruption in the tax collection system may induce a time-adjustment also in this category, and an adjustment is carried out when needed.

Time-adjustment method for excise duty on tobacco is different from other excise duties. For a past few years tobacco duty in Finland has gone through semi-annual tax rises. These increases on the tax rate have led to stockpiling phenomenon where unusually large cash flows are observed right before tax rates are risen. To show actual accrual behind the stockpiling phenomenon the following two-phase method is used. Firstly time-adjustment of tobacco duty is recorded with simple 2-month lag TAC and secondly accrual for each month is spread out for the following 6 months.

Reimbursements and refunds of taxes cannot, in practice, be allocated on accrual basis and are recorded on a cash basis. Final settlements are recorded when the cash is paid. Fines and penalties for non-payment are recorded with associated tax on a cash basis. Interest on late payment is recorded as D.41 on accrual basis. Regarding tax amnesties and payable tax credits, we are not aware of any cases.

Active non-payable tax credits in Finland include the following: Income from work -deduction, maintenance deduction, housekeeping deduction, student loan deduction, and tax credit for deficit in capital income. Tax credit for deficit in capital income is deferrable for up to 10 years. However, it is not considered payable because significant amounts of credit are wasted.

Statistics Finland compiles the data to the EDP tables and related questionnaires based on information obtained from the list of institutions mentioned earlier in the text.

6.1.2 Social contributions

The time of recording of social contributions is defined in ESA 2010 §4.94 as "… the time when the work that gives rise to the liability to pay the contribution is carried out…" for

employers and employees social contributions, and as "… when the liabilities to pay are created" for self-employed and non-employed persons.

Data source for social contributions collected by employment pension funds (S.13141) in the first notification are preliminary data for the most important sector account transactions, including social contributions from all pension institutions. Statistics Finland collects the data by a survey sent to the employment pension funds and it is available in February t+1. Figures for one unit (Ålands Pension Fund) are obtained from it's financial statement in the autumn and those for previous year are used in February. For the second notification, employment pension contributions are based on the financial statements of the pension institutions. The social contributions data are accrual data minus amounts not received (amounts accrued but not collected), i.e. no adjustment is needed.

Data used in compiling the social contributions for subsector S.13149 in the first notification is based on the data from the Social Insurance Institution (Kela) and the Employment Fund (Työllisyysrahasto). From the Social Insurance Institution, Statistics Finland receives the detailed preliminary data on revenue in the beginning of February (t+1) and from the Employment Fund the preliminary financial statement. For the second notification, the preliminary data is replaced by the information from the financial statements of all units belonging to the subsector S.13149. The data of the Social Insurance Institution is based on cash receipts. Statistics Finland receives time-adjusted data already in February t+1 months from the Social Insurance Institution and the Employment Fund.

If existent, reimbursements and refunds, interest on late payments, fines and penalties for nonpayments and amnesties are recorded with social contributions. This means that social contributions are recorded as a net amount of these.

Statistics Finland collects the data except for social security funds (S.13149) for which at the request of Statistics Finland, the Financial Supervisory Authority (FIN-FSA) collects data on the main aggregates (contributions and benefits) from all unemployment and sickness funds. Statistics Finland compiles all data to the EDP tables and related questionnaires.

Final data for employment pension funds (S.13141) for year t should become available at around t+5 months and for the social security funds (S.13149) at t+6 months.

6.2. EU flows

The issue of recording EU flows is important for national accounts, especially government accounts, because – due to the institutional arrangements – in general all amounts transit via government accounts. In order to avoid potential effects on the level of government deficits, countries have to eliminate these flows from public accounts.
ESA 2010 paragraphs 20.294-20.300 foresee that when non-government units are beneficiaries from EU grants, all the flows to and from government should be recorded as financial transactions, without any impact on government net lending/borrowing (B.9).
When final beneficiary is a government unit, the neutrality of EU flows is ensured by matching the time of recording of government revenue from the EU and the time of recording of the government expenditure covered by the EU grant.

The ESA 2010 Manual on government deficit and debt Chapter 2.6 "*Grants from and contributions to the EU budget*" provide further details concerning the recording of these flows.

6.2.1 General questions

The following ministries (central government S.1311) are involved and designated to receive payments from the EU:
• Ympäristöministeriö (The Ministry of the Environment)
• Opetus- ja kulttuuriministeriö (The Ministry of Education and Culture)
• Työ- ja elinkeinoministeriö (The Ministry of Employment and the Economy)
• Liikenne- ja viestintäministeriö (The Ministry of Transport and Communications)
• Maa- ja metsätalousministeriö (The Ministry of Agriculture and Forestry)
• Sisäministeriö (Ministry of the Interior)

The State Treasury (Valtiokonttori) provides the data related to EU-flows. EU-flows transit through the state bookkeeping system (they are managed by State Treasury) but in national accounts the EU-flows are eliminated from central government revenue and expenditure and shown directly as transfer from EU to final receiver. From the annual budget, we are able to extract EU-flows distribution to the government and non-government units according to the final beneficiary. If the final beneficiary is non-government, EU-flow is eliminated from central government accounts and included to sector accounts as transaction between rest of the world and a non-government domestic sector.

The Ministry of Agriculture and Forestry delivers extra detail from distribution to the other subsidies on the products (D.319) and other subsidies on production (D.39). The detail includes different types of aid by name and by the accrual amount paid. Mainly all the EU-flows are recorded on cash basis and the difference on accrual basis and cash basis is shown as an adjustment item.

The money flow from EU is considered as revenue of the government, and the corresponding expenditures as an expenditure of the government. However, in order to avoid deficit effects stemming from the timing of EU-prepayments or reimbursements, we record the revenue from the EU always, and at the time, when government makes an expenditure related to EU-financing. This means that we correct the revenue from the EU to match the actual expenditures and record the difference in F.89. From this treatment follows that we do not have to know what is contained in the money flow from the EU (in the sense of its division into prepayments and reimbursements). The recording is as close to accrual as it is possible to get, as the time of the recording of the budget expenditure is close to accrual. In Finland the money for EU-funded projects is spent by the government gradually: for example if a project is realised through a non-government partner, this partner is financed gradually (no prepayments are offered, and on the other hand, financing is provided to the partner to cover its accrued costs before reimbursements from the EU have been requested).

Transfers related to EU funds between general government subsector are usually recorded on cash basis. However, there is no observation about significant time lag between the time of expenditure and the recorded transfers.

In the context of agricultural policy, all the revenue and expenditure appearing in the state bookkeeping is removed from the government accounts and are shown as paid by the EU and

received by domestic sectors other than government. Difference between the annual amounts of removed expenditure and revenue is recorded in F.89. Also, in this case, we do not need to know the composition of revenue (prepayments/reimbursements) from the EU. In the long run, removed expenditure and revenue offset each other.

We are, in principle, able to quantify both receivable and payable but in the table 2A we show the difference on net receivables.

6.2.2 Cash and Schengen facility:

The time of recording of payments received by the beneficiary Member States through Schengen and Transitional Facilities would be accounted according to the Eurostat decision on EU flows, while the time of recording of Cash-flow Facility is when the transfers are to be made by the Commission. In practice, in this particular case, the amounts would be recorded as revenue in the years in which they were received by the beneficiary countries.

The issue is not relevant in Finland.

6.2.3 EU financial instruments

The EU has been providing measures of financial support from EU structural and investment funds 'financial instruments' (FI). These instruments may be 'equity or quasi equity investments, loans or guarantees' and they are intended to support activities that will generate income, or result in saving on future expenditure. Unlike grants, they do not constitute a gift to the final recipient, which will typically be a small or medium-sized enterprise (SME) since, under normal circumstances, the funds are expected to be repaid to the creditor and produce a return on the investment (such as interest on the loan, or profit on subsequent sale of equity). EU legislation allows for a choice on how the financial instruments are implemented nationally: the Implementing Authorities can choose whether to assign the implementing task to a newly created entity or contract out the management to the EIF/EIB or to existing financial institutions.

EU financial instruments of EIB are distributed through local EIB office and local financial intermediaries. EIF financing is distributed through local intermediaries that are existing financial institutions. These intermediaries are classified in sector S.12. There is no implementation of the Jeremie/Jessica programmes in Finland.

6.2.4 EU Recovery and Resilience Facility (RRF)

The RRF entered into force on 19 February 2021. It finances reforms and investments in Member States from the start of the pandemic in February 2020 until 31 December 2026. To receive RRF funds, member states must present plans for major investments and reforms that promote economic recovery and strengthen social resilience. The funds provided via the RRF consist of grants and loans, and their disbursement is linked to the fulfilment of a number of milestones and targets.
Statistically, the RRF grants are to be treated similarly to the conventional EU grants, i.e., without impact on the net lending (+) /net borrowing (-) (B.9) of general government (see

MGDD section 2.6.1). An exception to the neutrality rule exists for the year 2020 (due to the retroactive application of the RRF. Expenditure incurred in 2020 is not neutralised in 2020, the corresponding revenue is to be recorded when the plan is endorsed by the Council. In addition, in the case of the RRF, by convention, government is to be seen as the final beneficiary of all funds. Advance payments by the EU on RRF grants are to be recorded either in F.8 payables or a reduction in F.8 receivables to the extent that receivables exist. The expenditure financed by the RRF loans should accrue following ESA 2010 rules, and no expenditure neutralisation should take place. The recording of the FIs financed from the RRF grants should follow the same rules as for the FIs financed from the regular EU flows (see MGDD section 2.6.3), that is, be B.9 neutral for general government (as the beneficiary).

The state bookkeeping provided by the State Treasury is the source of data for the grants related to the RRF. So far, Finland has not taken any loans related to the RRF. Grants received and budget expenditures regarding the RRF are entering the working balance of budgetary central government. So far, RRF grants has not been used for any revenue reduction measures. In general, we are not able to distinguish advance payments and reimbursements from the data. Adjustments are made to neutralise the RRF flows in EDP table 2A and 3B in other accounts receivables or payables respectively. In addition, there are recordings in EDP table 2A item “The impact of the difference in the recording of deferrable budgetary appropriations” as well in EDP table 3B item “Net Acquisition (+) of currency and deposits”. Finland submitted the first updated recovery plan to the EU in early 2023. There has been just one capital injection that was classified as financial transaction (F.5) which was financed from RRF grants.

6.2.5 Market Regulatory Agencies

Market regulatory agencies are bodies whose intervention activities are mostly characterised by buying and selling products, often on behalf of the EU, with an aim to stabilize prices and to maintain purchasing prices to farmers at a sufficiently high level: they offer buying agricultural products from domestic producers at a predetermined price (often higher than "market" prices) and reselling them usually at a lower price later on and occasionally arranging for giving them away free of charge. These agencies can be involved in storing agricultural inventories, or in arranging for storage, as well as in distributing subsidies.

The question is whether the principle of re-arranging EU transactions would also apply to the recording of changes in inventories (P.52) arising from the interventions of agricultural market regulatory agencies in the market. According to the guidance, in those circumstances where a market regulatory agency acting on behalf of the EU is classified inside general government, the creation of a unit in S.11 is recommended in order to capture the changes in agricultural inventories, and to avoid that such changes in inventories are recorded in national government accounts (as changes in government inventories, with an impact on the government deficit/surplus) or in the rest of the world accounts (as exports and imports). The unit to be created to capture these changes in inventories is a quasi-corporation, rather than a notional unit, in order to ensure an equality of treatment with cases where market regulatory agencies are classified outside government. This is also appropriate because any temporary difference in value arising from changes in market value of these inventories not yet covered by subsidies is likely to be small and on average zero.

There is Maatalouden interventiorahasto (Intervention Fund of Agriculture) in Finland and it’s classified in S.1311 (central government). The stock changes of agricultural inventories do not affect B.9 of the central government.

6.3. Military expenditure

The ESA 2010 principle on accrual recording, when applied to military expenditure, is generally the time when the economic ownership of the good occurs, which is usually when delivered.
ESA 2010 paragraphs 20.190-20.192 define the rules for the statistical recording of military equipment. Chapter 2.5 in Part 2 of the ESA 2010 MGDD details the rules concerning the recording of military expenditure.

6.3.1 Types of contracts

The data source is the state bookkeeping data. So far as accrual recording principles are correctly applied, the state bookkeeping data serves the purposes of national accounts. By request, complementary information is attained from the Finnish Defence Forces and the Ministry of Defence.

Purchases of military equipment are often agreed in advance with industrial suppliers. Government pre-financing is connected to these contracts, especially in more significant acquisitions. We have a long-term joint purchase of military asset that was recorded in GFCF in the implementation of MGDD 2022

We have no trilateral agreements.

6.3.2 Borderline cases

No borderline cases have been found. In the compilation of national accounts the state bookkeeping data is used as a source for central government sector. The data also includes the finances on the Finnish Defence Forces. In the data, the acquisition of military equipment is recorded on special military equipment's account under operating expenses. The division of expenditure between intermediate consumption and gross fixed capital formation is done based on detailed data received from the Defence Forces. All non-military equipment, such as buildings, airfields, normal transportation vehicles etc., are recorded on the respective balance sheet account and considered as gross fixed capital formation.

6.3.3 Recording in national accounts

The time of recording is accrual, which fulfils the requirements of MGDD for all types of contracts. Joint purchasing of military assets with other countries are recorded as gross fixed capital formation for the share of the asset value.

Time of recording -Time of recording of other transactions

6.4. Interest

This part aims at describing accrual adjustment for interest.

ESA 2010 paragraph 20.178 reads: "*In the system, interest is recorded on an accrual basis, i.e. interest is recorded as accruing continuously over time to the creditor on the amount of principal outstanding"*

ESA 2010 MGDD part 2, chapter 2.4 is dealing with some practical aspects of the recording of interest.

6.4.1 Interest expenditure

Table 12 - Availability and basis of data on interest

Instrument	S.1311		S.1312		S.1313		S.1314	
	State	OCGB	Main unit	OSGB	Main unit	OLGB	Main unit	OSSB
Deposits (AF.2)	*A*	*A*	*M*	M	L	L	**A**	**A**
Debt Securities (AF.3)	*A*	*A*	*M*	M	L	L	**A**	**A**
Loans (AF.4)	*A*	*A*	*M*	M	A	L	**A**	**A**
Other accounts receivable (AF.8)	*A*	*A*	*M*	M	L	L	**A**	**A**

Cash/accrual, M (not applicable) or L (not available)

The calculation of accrual interest for each sub-sector:

Central government (S.1311):

The calculation is done on the basis of an accrual-based source data (main data source is the central government bookkeeping data from the State Treasury). The data on premiums and discounts, on both cash amounts and accruals, are available in the source data (for accruals on quarterly basis, the State Treasury provides a separate report). Streams of interest payments resulting from swap-contracts and FRAs are included in the interest expenditure in the source data, so a swap correction is needed for EDP. The swap correction item (incl. payments resulting from early cancellation of swap contracts) is provided by the State Treasury.
As a general practice, accrued interest is recorded under proper financial instrument.

Local government (S.1313):
The calculation is done on the basis of an accrual-based source data of financial statement estimates of municipalities and joint municipal authorities, financial statements of municipalities and joint municipal authorities, financial statement estimates of wellbeing services counties and joint county authorities for wellbeing services, and financial statements of wellbeing services counties and joint county authorities for wellbeing services. Interest expenditure includes impact of SWAP and FRA related payments, but information may not be available separately.

Social security funds (S.1314):
The calculation is done on the basis of an accrual-based source data (main data sources): Data collected by Financial Supervisory Authority (FIN-FSA), the bookkeeping data of the Social

Insurance Institution. In the FIN-FSA's data, the interest expenditure includes impact of SWAP and FRA related payments, but information is not available separately. The impact of SWAP and FRA related payments is eliminated on the basis of the separate data from the questionnaire in February (see 3.5.1.1).

6.4.2 Interest Revenue

The main sources of data for interest accrued and received for each sub-sector:

S.1311: Central government bookkeeping accounts.

S.1313: Financial statement estimates of municipalities and joint municipal authorities, financial statements of municipalities and joint municipal authorities, financial statement estimates of wellbeing services counties and joint county authorities for wellbeing services, and
financial statements of wellbeing services counties and joint county authorities for wellbeing services.

S.1314: Data collected by Financial Supervisory Authority (FIN-FSA), Quarterly Investment Portfolio Inquiry for Pension Institutes, the Social Insurance Institution's balance sheet and the Employment Fund's balance sheet.

6.4.3 Consolidation

The consolidation is done on the basis of financial accounts data on intra-government debt stocks (F.31, F.32, F.4), using an assumption that the interest rate on intra-government debt is the same as it is for the total debt for each sub-sector; so the consolidation item is calculated by multiplying the total interest expenditure of each sub-sector by the ratio: intra-government debt stock / total debt stock of that sub-sector. The same method is implemented in asset side.

6.4.4 Recording of discounts and premiums on government securities

In the budget accounts, annual premiums and discounts are recorded on the cash basis. Redemption/issuance of debt above/below par is recorded as a budget revenue or expenditure, but in national accounts it is recorded as financial transactions not affecting the deficit, and premiums/discounts are spread over time on the basis of annual book-keeping accounts. In the notification Table 2A the adjustment is shown for these differences under item "difference between interest paid (+) and accrued" (EDP D.41) (-).

Information on the issuance of debt above/below par of other government bodies is not available. Information on the repayment of discount is not available either.

6.4.5 Recording of interest accrued on intergovernmental loans in dispute and interest accrued on intergovernmental loans unlikely to be repaid

We are not aware of any intergovernmental loans in dispute or intergovernmental loans unlikely to be repaid.

6.4.6 Recording of interest on on-lending's from supranational entities

Supranational entities may borrow on the markets at more favourable rates than many Member State governments can achieve and on-lend the amounts to national governments in the form of loans. An example is the SURE instrument, established by the European Commission in 2020. Under the SURE instrument, the European Commission uses the capital markets to raise funds and then on-lends them to national governments in the form of loans.

There are currently no loans from supranational entities.

6.5. Time of recording of other transactions

Central government (S.1311): In general, all significant transactions are recorded according to ESA 2010 rules. The state bookkeeping is based on law (State Budget Decree 1243/1992 and the State Budget Act 1988/423). Valtiokonttori (State Treasury) gives all the guidelines according to the state bookkeeping to the central government units.

Local government (S.1313): As far as we know, all significant transactions are recorded according to ESA 2010 rules.

7. Specific government transactions

Methodological rules applicable for recording of specific government transactions are set up in the Manual on Government Deficit and Debt (implementation of ESA 2010), 2022 edition[5].

7.1. Guarantees, debt assumptions

Generally, government guarantees are recorded off-balance sheet in government accounts (contingent liability), and neither government debt nor deficit is impacted. However, when a guarantee is activated (called), the payment made by government on behalf of the debtor is normally recorded as government expenditure. In case of repeated guarantee calls, the whole outstanding amount of the guaranteed debt should be assumed by government. The latter leads to a one-off increase of government debt, as well as of deficit. The accounting rules are explained in the Chapter 7.4 on Government guarantees of the ESA 2010 Manual on government deficit and debt. This chapter describes also specific cases and related treatment in national accounts.

7.1.1 Guarantees on borrowing

7.1.1.1 New guarantees provided

Recording in public accounts

Following units provide guarantees for which the government is ultimately liable: State Treasury, Kela (The Social Insurance Institution), Maatilatalouden kehittämisrahasto (Development Fund of Agriculture and Forestry), Ministry of Education and Culture, Finnvera Plc (S.12 financial corporations), municipalities, joint municipal authorities, wellbeing services counties, joint county authorities for wellbeing services, Kuntien takauskeskus (Municipal Guarantee Board) and the Åland Government.

Guarantees are provided for example on SME's borrowing, housing loans, export credit and student loans.

Statistics Finland collects data on government guarantees quarterly. The statistics covers guarantees provided by central government units, Kela and Finnvera Plc. The data are collected directly from these units. Information is available (by counterpart sector) for:

• Amounts of new guarantees provided

• Expired guarantees

• Stock of guarantees

• Cash calls

[5] https://ec.europa.eu/eurostat/web/government-finance-statistics/methodology/manuals

• Repayments by the original debtor

• Fees collected

From 2021 onwards, the State Treasury has collected and published annual data on guarantees provided by municipalities, joint municipal authorities, and from 2023 onwards, wellbeing services counties and joint county authorities for wellbeing services. The data are collected directly from these units. Information is available as total and with general government sector as a counterpart for:

• Amounts of new guarantees provided

• Stock of guarantees

• Cash calls

• Repayments by the original debtor

• Fees collected

• Guaranteed debt assumed by the unit

Due to problems in the quality of the new data source, only the stock of guarantees has been used to compile table 9.1 in the Questionnaire relating to the EDP notification tables so far.

Also, units themselves publish information on guarantees on their internet pages, for example as notes to their financial statements.

The guarantees issued by the Ministry of Education and Culture are guarantees on art exhibitions. They are not guarantees but more like insurance. Hence, they are not included in table 9.1 in the Questionnaire relating to the EDP notification tables.

In public accounts, granted guarantees are recorded as contingent liabilities. The same recording applies also to guarantees granted by the non-government unit Finnvera Plc.

Recording in national accounts

Source data for guarantees are the survey of central government guarantees, state bookkeeping data, data on local government finances collected by the State Treasury, annual report of Kuntien takauskeskus (Municipal Guarantee Board) and financial statement of the Åland Government.

New guarantees provided (also by the non-government unit Finnvera Plc) are treated as contingent liabilities, and therefore they do not appear in the national accounts.

The consolidation of guarantees at the EDP questionnaire: Guarantees provided by central government, Finnvera Plc and Kuntien takauskeskus to government units are consolidated, which means that the overlapping guarantees have been eliminated. Guarantees provided by municipalities, joint municipal authorities, wellbeing services counties, joint county authorities for wellbeing services and the Åland Government to government units are not consolidated, which might overestimate the local government guarantees.

7.1.1.2 Treatment of guarantees called

Recording in public accounts

Guarantees called are recorded as expenditure in central government bookkeeping. The non-government unit Finnvera Plc apply the same recording.

Municipalities, joint municipal authorities, wellbeing services counties and joint county authorities for wellbeing services record guarantees called as expenditure on profit and loss accounts as well.

Recording in national accounts

Only aggregated data on guarantee calls are available and thus the recording decisions are not made on individual basis. Therefore, the way of recording is based on public account recordings and the accounting rules of the ESA 2010 Manual on government deficit and debt. For the same reason there are no data on repeated guarantee calls.

Central government

Payments relating to guarantees called are generally treated as capital transfers (D.99) from central government to the relevant sector. These include a transfer from state to Finnvera Plc, which is intended to cover part of Finnvera's guarantee losses. Please see chapter 7.16 rearranged transactions.

Local government

From 2023 onwards, payments relating to guarantees called are generally treated as capital transfers (D.99) from local government to other credit institutions (S.1222) which is the relevant sector in the case of local government guarantees.

7.1.1.3 Treatment of repayments related to guarantees called

Recording in public accounts

In state bookkeeping repayments are recorded as revenue. The non-government unit Finnvera Plc applies the same recording. Also, municipalities, joint municipal authorities, wellbeing services counties and joint county authorities for wellbeing services record repayments as revenue on profit and loss account.

Recording in national accounts

Central government

Generally, repayments related to guarantees called are treated as capital transfers from the relevant sector to central government.

Local government

From 2023 onwards, repayments related to guarantees called are treated as capital transfers (D.99) from non-financial corporations (S.11) to local government.

7.1.1.4 Treatment of write-offs by government in public accounts of government assets that arose from calls, if any

Generally, write-offs are treated as capital transfers.

7.1.1.5 Data sources

On central government guarantees, available are aggregated data by the type of guarantee (e.g. student loan guarantees). On local government guarantees, aggregated data by guarantor collected by the State Treasury has been available since 2021.

Flows related to guarantees are included in the working balance.

7.1.2 Guarantees on assets

We have described all the treatments for guarantees under "guarantees on borrowing".

7.1.2.1 New guarantees provided

Recording in public accounts

Recording in national accounts

7.1.2.2 Treatment of guarantees called

Recording in public accounts

Recording in national accounts

7.1.2.3 Treatment of repayments related to guarantees called

Recording in public accounts

Recording in national accounts

7.1.2.4 Treatment of write-offs

7.1.2.5 Data sources

7.1.3. Standardized Guarantees

Standardized guarantees are related to student loans guaranteed by central government.

The student financial aid system in Finland includes government guarantee for student loans. The loans themselves are granted by private banks, and no other security besides the government guarantee is needed. All student loan guarantees by central government are treated as standardized guarantees.

The stock of standardized guarantees and the relevant flows are obtained directly from Social Security Institution Kela and the state bookkeeping data.

AF.66 is estimated with a new model which is implemented in the benchmark revision of fall 2024. The model is based on a coefficient calculated as a five-year moving average of actual calls net of recoveries divided by all guarantees. The coefficient is then used to estimate future calls and thus the stock of provisions on calls.

Standardized guarantees and AF.66 provisions are reviewed a couple of times a year as soon as new data available.

7.2. Claims, debt cancellations and debt write-offs

Providing loan capital is generally a financial transaction not impacting the net borrowing/net lending (B.9). Government, as a lender, is expecting that the debtor will be in a position to repay the loans, according to a schedule agreed at inception. However, if the loan is non-recoverable, the recording of government expenditure might be considered. The related accounting rules are set up in ESA 2010 and further clarified in the Chapter 3.2 on Capital injections and Chapter 7.2 on Debt assumption and cancellation of the ESA 2010 Manual on government deficit and debt.

7.2.1. New lending

Loans granted by general government

Central government (S.1311):

ARAVA (state-subsidized) mortgage loans:
Arava loans have been granted for rental and right-of-occupancy housing communities and private individuals for the construction, acquisition and renovation of apartments. New loans will no longer be granted. Nowadays, government support for housing is channelled via interest subsidies and guarantees.

Interest subsidy loans for private individuals and for corporations and public bodies:
Valtiokonttori (the State Treasury of Finland) administers interest subsidies granted by various authorities. Interest subsidies from government funds are paid to private citizens and communities alike.

Two separate subsidy interest systems exist for private citizens – the ASP savings and loan scheme and the interest subsidy for mortgages for owner-occupied homes. The interest subsidy for mortgages for owner-occupied homes can be granted for low energy building.

Interest subsidy loans granted to institutions are primarily aimed at supporting the housing, and they are interest subsidies granted to housing companies by ARA (the Housing Finance and Development Centre of Finland, S.13111). Furthermore, interest subsidies are granted for projects whose interest subsidy has been approved by other authorities, for example water management, security stockpiling, and development aid projects.

Product development loans:
Business Finland (S.13119) provides grants and loans to companies for research and development projects. The aim is to foster the development of internationally competitive products, production methods and services. Research and development can be funded through grants and loans or a combination of the two.

Source: State Treasury

Other lending:
Makera (Development Fund of Agriculture and Forestry): The fund is under the supervision of the Ministry of Agriculture and Forestry. The purpose of the Development Fund of Agriculture and Forestry is to secure the financing of investments in agriculture and other economic activities in rural areas and to promote activities targeted at developing these. The aid may be granted as interest-rate subsidies on the state loans or as subsidies.

EFSF lending and other intergovernmental lending in the context of the financial crisis are recorded as loans provided by the general government of Finland according to the rules of Eurostat and data provided by Eurostat and State Treasury.

Local government (S.1313):

Finnish municipalities grant loans mainly to joint municipal authorities, quasi-corporations, corporations controlled by them and to central government guaranteed housing companies.

Employment pension schemes (S.13141):

Employment pension institutions provide loans to enterprises in two ways:
1) in the context of a pension contribution credit scheme to client enterprises
2) as investment loans to all enterprises

<u>Pension contribution credit scheme</u>
All employer enterprises contributing to the system have the right to borrow back part of the funded part of their pension contributions as a ‘TyEL premium loans’. However, employment pension schemes have a right to limit the lending during twelve month time period to maximum of 10 % of the employer enterprises’ funded amount of pension contributions. Maturity of these loans is 1 to 10 years. Interest on the loans consists of a TyEL-reference rate plus a margin. TyEL-reference rates are based on euro bond yields and they are calculated for maturities from 1 to 10 years by a private insurance company Garantia Ltd. Starting from 2016 TyEL-reference rate can’t be lower than zero. In order to get a loan, enterprises either have to provide a mortgage as collateral or acquire a guarantee/credit insurance. The margin depends on the method of amortization and the collateral/guarantee provided. Data on TyEL premium lending is based on EPSQ.

Investment loans
Employment pension institutions provide also investment loans to enterprises. Those are available for all enterprises, not only to clients. Borrowers go through a risk-assessment and a collateral is required for the loans. TyEL-reference rates, inter-bank rates or fixed rates are used a basis for interest.
Data on investment loans is based on EPSQ.

7.2.2. Debt cancellations

Source data for debt cancellations are available for the central government level and on accrual basis. Interest accrued is not included in the debt cancellation. Debt cancellation or write-off can only be done after it has been reliably established that debtor lack means for repayment or there is another similar cause. Even after the decision is made the relevant offices have to monitor continuously the debtor's financial position for the possible repayment. The debt cancelations are based on the instructions of the Ministry of Finance. In the central government all debt cancelations are recorded as capital transfers (D.99) and in financial accounts in F.4 (loans).

The state bookkeeping system includes special accounts for the debt cancellation, which is the source for recording the capital transfer in national accounts. The statisticians do not make the decision for debt cancellation and from source data we have the possibility to see recorded debt cancellations by the government agency and, sometimes, by the budget account.

Foreign claims, governed by the Paris club agreements are nearly insignificant in Finland.

7.2.3. Repayments of claims

Repayments of claims are recorded as a financial transaction in F.4.

Receipts from previously cancelled claims are recorded as revenue. The information is received from public accounts and from Valtiokonttori (State Treasury). Income is recorded on the state bookkeeping system at the account called "other operating income" and on the budget account, which makes sure that income will end up at the financial statement of the accounting year. We record repayments in kind as expenditure.

7.2.4. Debt write-offs

See section of debt cancellations.

7.2.5. Sale of claims

We are not aware of government sale of claims during last ten years.

7.2.6. Income contingent loans

There are no cases of income contingent loans in Finland.

7.2.7. Recording of loans not expected to be fully repaid

This section refers to loans that are not expected to be repaid in full at the outset. When a "loan" is at inception not expected to be fully repaid, a capital transfer is to be recorded at inception for the part expected to be lost. For such loans significant net losses are expected at inception, i.e. for amounts far in excess of the usual losses on loans and with no compensatory interest.

Yes, there has been a case of capital loan fulfilling the description of referred loans. Partitioning was not relevant in the case. Identification of such loan was due to regular capital injection monitoring.

7.3. Capital injections in public corporations

Government capital injections are transactions which occur when governments provide assets (in cash or in kind) to public corporations (or assume liabilities), in their capacity of owner / shareholder, with an aim to capitalize or recapitalize them. The accounting rules are set out in ESA 2010 paragraphs 20.197-20.203 and clarified in the Chapter 3.2 on Capital injections of the ESA 2010 Manual on government deficit and debt. These chapters devotes considerable space to set the operational rules for the recording of capital injections in national accounts either as transactions in equity (financial transaction = financing = "below-the-line"), or as capital transfers (non-financial transaction = expenditure = "above-the-line").
It is recalled that the MGDD also indicates that payments by government to public units, structured in the legal form of a loan or a bond, might be considered in specific circumstances as capital injections, and to be classified in certain cases as a non-financial transaction (predominantly capital transfer D.9); cf. MGDD 3.2.3.2.3.

Information about capital injections is acquired through government's financial statements and financial statements of Solidium Ltd., The Finnish Climate Fund and Tesi Ltd. The announcements of Valtioneuvoston kanslian omistajaohjausosasto (The Ownership Steering Department of the Prime Minister's Office) and state`s holding company, Solidium Ltd, are also followed.

On the central government level, we do have knowledge about capital injections in kind on a case-by-case basis. Capital injection test is applied by Statistics Finland annually. Data sources for the test are government`s financial statements and financial statements of the public corporations. The test is applied to all cases. Injections to quasi-corporations are recorded similarly with the injections to regular corporations owned by the government.

On local government level, we use the supplementary data described in section 3.4.1.3.1. From this data source we get a list of share acquisitions made by municipalities and joint-municipal authorities. We then make a case-by-case analysis of all significant acquisitions to decide whether they should be recorded as financial or non-financial transactions. Insignificant acquisitions are not dealt with, because there are a large number of them, and often no

background information is available. Information on capital injections in kind is available from this same data source, if the municipality or joint-municipal authority receives shares in the corporation. The analysis is made annually after the final financial statements, together with the supplementary data, are received in the autumn of the year following the statistical year. As to capital injections into quasi-corporations, we have not detected any cases where they should be recorded as non-financial transactions. It is also unlikely that such cases would appear, because local government quasi-corporations rarely make losses. This is connected to the reasons why certain functions are separated into quasi-corporations in the first place. Empirical evidence also shows that corporate sector quasi-corporations are almost always profitable. If we were to find a case where a local government unit makes a capital injection into a non-profitable quasi-corporation, we would apply similar analysis and treatment as in capital injections into public corporations.

7.3.1. Capital increases in multilateral development banks

When Multilateral Development Banks (MDB) extend concessional loans and grants to low-income countries, the resources for such activities become systematically depleted. In this context, the donor countries meet periodically to replenish those resources. The donor countries contributions to such MDBs are therefore to be recorded in the non-financial accounts.

Capital increases in multilateral development banks are recorded as capital transfers (D.99) in the accounts of central government sector at the time an instrument of commitment or instrument of subscription is signed and deposited. As regards government decisions, matters of particular financial or other significance are considered by the Ministerial Finance Committee before a decision is made. This national contingency is taken into account when we record capital transfers. Budget appropriations can be used in advance payments. If this is the case, expenditure is recorded at the time of payment.

7.3.2. Government capital injections in non-resident corporations

Sometimes government carries out capital injections in corporations that are resident in foreign countries. If government holds at least 10% of the equity capital/ voting power of the non-resident corporation reinvested earnings on foreign direct investment are recorded, i.e., retained earnings of the non-resident corporation are deemed to be distributed to the government and then reinvested through the financial accounts. In cases where the reinvested earnings recording is applied, government capital injections are usually recorded in the financial accounts, unless the capital injections are used to cover holding losses or write-offs not included in the reinvested earnings. The latter requires the recording of a non-financial transaction (see MGDD 3.5).

In general government, employment pension schemes have recordings of reinvested earnings on foreign direct investments.

7.4. Dividends

The accounting rules are set out in ESA 2010 paragraphs 20.205-20.207. It is recalled, that the ESA 2010 Manual on Government Deficit and Debt chapter 3.5 indicates that large and

exceptional payments out of reserves which significantly reduce the own funds of the corporation should be treated as superdividends, i.e., transaction in shares and other equity (a capital withdrawal). It also sets out that the resource available for distribution by a unit (a corporation) is the *distributable income* of the unit, as defined in the ESA 2010, paragraph 4.55. Total distributions could therefore comprise one part recorded as distributed income of corporations, D.42, and another recorded as transactions in equity, F.5. The former data is reported to Eurostat in ESA 2010 table 2 and table 8 within "other property income" category, and the latter is included within transactions in equity in financial accounts. Within the latter, for the benefit of analysis, one should also distinguish between amounts received from the National Central Bank, and amounts received from other public corporations.

For the central government, main data sources for the dividends are the state bookkeeping data and the financial data of the Solidium Ltd. For the local government, the main data source is the financial statement estimates of municipalities and joint municipal authorities.

The super dividend test is applied annually by Statistics Finland and is based on consolidated financial statements or, in some cases, the financial statements of the parent company. In cases of holdings, like central government owned Solidium, all the corporations are monitored individually. Main data sources for the test are the state bookkeeping data, the financial reports of government-owned corporations and financial statement of central government (available for October EDP notification). The super dividend test is applied to all dividends paid to central government. Especially large distributions (above 0,01 % of GDP) are checked carefully. The used profit definition is earnings before interest and taxes, adjusted for significant gains and losses from the sale of assets and significant revaluation gains and losses. On the local government level dividends are checked on large companies that are known to pay large distributions. Super dividend test for social security sub-sector is not applied.

7.5. Privatization

The accounting rules are set out in ESA 2010 paragraphs 20.210-20.213. The proceeds collected by government when disposing of shares in public corporations are often called privatization proceeds. The counterpart entity (i.e. the acquirer of shares) is the private sector. Privatization can be indirect when the proceeds are forwarded to government after the sale of a subsidiary. The MGDD chapter 5.2 indicates that such indirect privatization proceeds are not government revenue. MGDD chapters 5.3 and chapters 5.4, respectively, provide the guidance on the treatment of privatisation proceeds from public corporations and restitution and use of vouchers for privatisation.

Specifically, chapter 5.3.1 of the ESA 2010 Manual on government deficit and debt mentions that in some EU Member States, holding companies have been set- up by the government to restructure the public sector with the aim of making the enterprises more competitive and profitable and, in the long run, disengaging the government. Often their main activity is to organise the privatisation efficiently and transfer the proceeds of the sale of shares to other public corporations (owned by the holding company or not), through grants, loans or capital injections.

The main issue is: what is the relevant sector classification of this sort of unit managing privatisation and possibly making grants to other enterprises? Should this activity been considered as taking place on behalf of the government?

There is no separate unit involved especially in privatization. The Government Ownership Steering Department of Prime Minister`s Office is responsible of the management of the companies owned by the state. Parliament decides in which companies state may relinquish its sole ownership or the control of the company. The government manages the ownership according to these boundaries given by the parliament.

Privatization income of central government is included in the working balance and it is neutralized in the row "Equities, sales" in the table 2A. The recording of transactions in F.5 due to privatization is usually done on a cash basis.

Sale of shares and privatization cannot be separated on local government level.

7.6. Public Private Partnerships

The term "Public-Private Partnerships" (PPPs) is widely used for many different types of long-term contracts between government and corporations for the provision of public infrastructure. In these partnerships, government agrees to buy services from a non-government unit over a long period of time, resulting from the use of specific "dedicated assets", such that the non-government unit builds a specifically designed asset to supply the service. The accounting rules are set out in ESA 2010 paragraphs 20.276-20.282 and clarified in the Chapter 6.4 of the ESA 2010 Manual on government deficit and debt.

The key statistical issue is the classification of the assets involved in the PPP contract – either as government assets (thereby immediately influencing government deficit and debt) or as the partner's assets (spreading the impact on government deficit over the duration of the contract). This is an issue similar to the one of distinguishing between operating leases and finance leases, which is explained in Chapter 15 of ESA 2010.

As a result of the methodological approach followed, in national accounts the assets involved in a PPP can be considered as non-government assets only if there is strong evidence that the partner is bearing most of the risk attached to the asset of the specific partnership. In this context, it was agreed among European statistical experts that, for the interpretation of risk assessment, guidance should focus on three main categories of risk: "construction risk" (covering events like late delivery, respect of specifications and additional costs), "availability risk" (covering volume and quality of output) and "demand risk" (covering variability of demand).

PPP assets are classified in the partner's balance sheet if both of the following conditions are met: the partner bears the construction risks and the partner bears at least one of either availability or demand risk, as designed in the contract.

If the conditions are not met, or *if government assumes the risks through another mechanism*, (e.g. guarantees, government financing) then the assets are to be recorded in the government's balance sheet. The treatment is in this case similar to the treatment of a financial lease in national accounts requiring the recording of government capital expenditure and borrowing. In borderline cases it is appropriate to consider other criteria, notably what happens to the asset at the end of the PPP contract.

Public-Private Partnerships exist both at the level of central government and local government, but their number hasn't been significant. There has been a few government and municipal PPPs. As for central government, the information on PPPs can be attained from

budget authorities and/or State Treasury. As for local government PPPs, the main source to identify these projects is financial statements provided to the State Treasury by municipalities. However, significant projects are identified in co-operation with experts of the Association of Finnish Local and Regional Authorities (AFLRA). Often projects that are called PPPs by municipalities, turn out to be not PPPs as described in MGDD. Instead, they are often "normal" long term contracts or combined financial lease (property lease) and service contracts.

There is no specific body that deals with PPPs in Finland.

After a project has been identified, Statistics Finland requests a copy of the original contracts between the partners involved, and they have always been provided to us. Based on these contracts, Statistics Finland does the evaluation of risks relating to PPPs. The separation between PPPs and other long-term contracts is also done based on the evaluation of the contracts. A distinguishing feature of PPPs, in contrast to other long-term service contracts, is the creation of a dedicated asset. In PPPs, the corporation sells services to government, instead of selling them directly to the public, which would be the case in concessions.

We are not aware of government guarantees or other financing to private partner concerning PPPs.

7.7. Financial derivatives

This part describes the use of financial derivatives and the recording of derivative related flows in EDP tables and national accounts.

Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union does not distinguish between the ESA and EDP definition of interest. The Regulation No 549/2013 paragraph 4.47 reads: *Payment resulting from any kind of swap arrangement is recorded as a transaction in financial derivatives in the financial account, and not as interest recorded as property income. Transactions under forward rate agreements are recorded as transactions in financial derivatives in the financial account, and not recorded as property income*.

ESA 2010 paragraph 20.133 specifies the treatment of so called of market swaps: "*Lump sums exchanged at inception on off-market swaps are classified as loans (AF.4) when the lump sum is received by government. Off-market swaps are partitioned in the balance sheet into a loan component and a regular, 'at-the-money' swap component.*"

7.7.1 Types of derivatives used

In the state debt management, the following instruments are used: interest rates swaps, cross-currency swaps, FOREX swaps, FRAs, bond futures and money market futures.

Employment pension institutions use a variety of derivatives (option-, swap- and other forward rate agreement -type) for hedging and other purposes in their investment portfolios.

Biggest municipalities also use derivatives occasionally.

7.7.2 Data sources

The State Treasury provides specific reports of the derivatives operations. The data for swaps is accrual, EDP-debt is valued as after swaps.

Source for Employment pension schemes´ derivatives is solely EPSQ-survey. Respondents provide information of stocks and transactions.

For the local government sector, stock of derivatives is received from MFI statistics and BOP micro survey. Transactions are netted on asset side. For stocks of assets, financial statement estimates of municipalities and joint municipal authorities (KUTATI) and financial statement estimates of wellbeing services counties and joint county authorities for wellbeing services (HYTATI) are used as data sources.

7.7.3 Recording

Specific government transactions – Payments for the use of roads, Emission permits, Sale and leaseback operations

The source data available is on accrual basis and the government EDP-debt is valued after the swaps. There haven't been so far any off-market swaps. Flows are recorded on a net basis, under asset side in national accounts from 2018 onwards.

7.8. Payments for the use of roads

The main issue is whether payments for road, both in the case of tolls and vignettes, should be considered as sale of services or as a tax, when the infrastructures are owned by public units. The issue is important also because the classification of payments made for the usage of roads, either as sales or taxes, influences the assessment of the 50% criterion, which is fundamental for the purpose of assessing whether a given institutional unit (in some cases, a government-controlled entity receiving the payment of the toll or vignette) is a market or a non-market producer.
Payments for the use of roads will generally be classified as a sale of a service in the case of tolls. They will also be classified as a sale of a service in the case of vignettes whenever users have sufficient choice both in terms of selecting specific roads and of choosing a determined length of time for the vignette.

There is no system of toll or vignettes in Finland.

7.9. Emission permits

There are two main trading systems, where European Union Member States can participate:

The Kyoto Protocol is a 1997 international treaty, which came into force in 2005. In the treaty, most developed nations agreed to legally binding targets for their emissions of the six major

greenhouse gases.[33] Emission quotas (known as "Assigned amounts", AAUs) were agreed by each participating 'Annex 1' country,

The European Union Emission Trading Scheme (or EU ETS) is the largest multi-national, greenhouse gas emissions trading scheme in the world. It is one of the EU's central policy instruments to meet their cap set in the Kyoto Protocol. The so-called EU emission Allowance (EUA) is traded.

The ESA 2010 MGDD part 6, chapter 6.5 is dealing with the statistical recording of the emission trading allowances.

The first auctions of emission allowances by the Finnish central government took place in 2012 and those allowances could be surrendered for the first time in 2014, which is the first year for recording a tax revenue in national accounts. In the financial accounts, the sales of emission allowances are recorded on other accounts payable of S.1311. Tax revenue is calculated using data from the Energy Authority. As an adaptation of the first-in-first-out method, price x amount of each auction occasion is summed for 12 months between April 1st and March 31st, using the previous year as a proxy, i.e. for 2023 the tax revenue is obtained from auctions between April 1, 2022 and March 31, 2023. Cash data for each calendar year is obtained from state bookkeeping. Same method is used for both AAUs and EUAs.

7.10. Sale and leaseback operations

Government sells an asset and immediately leases it back from the purchaser. The issue is whether the sale is to be considered as a "true sale" (transaction in GFCF improving B.9) or the transaction is to be treated differently and an asset should remain on government's balance sheet.

MGDD part 6, chapter 6.2 is dealing with sale and lease back operations

Central government (S.1311)
In central government, no sale and leaseback operations have been recorded as government borrowing.

Local government (S.1313)
It is likely that local government has been involved with sale and leaseback operations over the last decade. Unfortunately, the basic source data of local government doesn't provide such information that would allow to separate these operations from ordinary sales of assets or categorize them by the purchaser (public/private operator). In cases where the purchaser unit is created on purpose by government, and its main activity is to provide services to government, the unit is classified in government sector.

7.11. Securitisation

Securitisation is when a government unit transfers the ownership rights over financial or nonfinancial assets, or the right to receive specific future cash flows, to a special-purpose vehicle (SPV) which in exchange pays the government unit by way of financing itself by issuing, on its own account, asset backed bonds.

Specific government transactions - Securitisation - 7.11.1 Securitisation of NPLs with government guarantees

Government might help financial institutions to dispose of their impaired assets via securitisation. In such cases, government support takes the form of a guarantee on the senior debt issued by an entity (a special purpose vehicle (SPV)) specifically created to purchase the NPLs.

There have been no such cases.

Mobile phone licenses
The classification of the proceeds received by government as disposal of an asset may lead to an impact on the government deficit, when the asset is a nonfinancial asset or if it is determined that a revenue should accrue. All securitisation of fiscal claims should be treated as borrowing, as well as all securitisation with a deferred purchase price clause and all securitisation with a clause in the contract referring to the possibility of substitution of assets. In addition, if the government compensates the SPV ex-post, although this was not required according to the contract, the operation should be reclassified as government borrowing.

ESA 2010 paragraphs 20.260-20.271 establish securitisation operations accounting rules. The MGDD part 5, chapter 5.5 is dealing with securitisation operations.

There has not been any securitisation operation since 2001, and operation carried out in 2001 was recorded according to the old rules, because the 2007 decision stated: "The rule changes are applicable to all operations concluded after 1 January 2007. All past and future flows relating to securitisation operations undertaken between 2003 and 2006 should continue to be evaluated under the 2002 framework."

7.11.1 Securitisation of NPLs with government guarantees

Government might help financial institutions to dispose of their impaired assets via securitisation. In such cases, government support takes the form of a guarantee on the senior debt issued by an entity (a special purpose vehicle (SPV)) specifically created to purchase the NPLs.

There have been no such cases.

7.12. Mobile phone licenses

The receipts of government following the allocation of mobile phone licenses to operators are to be recorded as rent (D.45) over the whole time of the licence.
In cases when licenses are sold in advance of their actual availability, any prepayment collected by government should be recorded as other accounts payable (F.8).

The ESA 2010 MGDD part 6, chapter 6.1 is dealing with the sale of mobile phone licenses.

Specific government transactions - Securitisation - 7.11.1 Securitisation of NPLs with government guarantees

Government might help financial institutions to dispose of their impaired assets via securitisation. In such cases, government support takes the form of a guarantee on the senior debt issued by an entity (a special purpose vehicle (SPV)) specifically created to purchase the NPLs.

There have been no such cases.

Mobile phone licenses
There has been allocation of mobile phone licenses arranged by spectrum auctions in 2013, 2016, 2018 and 2020. The sale proceeds are recorded as rent D.45 and time-adjusted over the whole time of the licence. The licence for auctions of 2013 and 2018 is valid in the next year after the first payment, which is recorded in other accounts payable.

Information about arranged spectrum auctions can be found here:

https://www.traficom.fi/en/communications/radio-licences-and-frequencies/frequency-auctions

7.13. Transactions with the Central Bank

The management of asset portfolios and interventions in foreign exchange markets for monetary policy purposes may generate capital gains for central banks, which are liable to be distributed to general government. The amounts involved may sometimes be very large. Capital gains are not income in national accounts and therefore payments to government financed out of capital gains cannot be recorded as property income but have to be recorded as financial transactions. It also proposes to apply the rules on capital injections when government makes a payment to the Central Bank. Such payments by government may be made to cover losses made by the Central Bank. Capital losses may occur due to foreign exchange holding losses. Operational losses may occur due to the fact that interest and other operational income do not cover operational costs made by the central bank. Capital losses cannot be recorded as equity injection, therefore capital gains and losses are somehow not treated symmetrically. This asymmetrical treatment is nevertheless justified for the purpose of appropriately measuring government deficit.

The Bank of Finland pays distributions to central government annually. These are recorded as "D.421 Dividends" in national accounts. Capital gains are not included in the profit concept, when evaluating these dividends. Dividends are tested against distributable profits.

7.14. Lump sum pension payments

ESA 2010 paragraphs 20.273-20.275 define the accounting rules for recording of the lump sum pension payments. The related accounting rules are further described in the ESA 2010 MGDD and debt Part 3.6 Impact on government accounts of transfer of pension obligations.

No lump sum pension payments have occurred.

7.15. Pension schemes

Definition of pensions

The following pension benefit categories are included:

Earnings-related pension scheme:
*old-age pension
*disability pension
*part-time pension
*survivors' pension
*rehabilitation benefits
*farmers' early retirement aid

National Pension scheme:
*old-age pension
*disability pension
*survivors' pension
*rehabilitation benefits

Classification of pension schemes in Finland

The schemes in Finland may be found in the following table (key to columns below):

Scheme	Coverage	Classification of scheme
Statutory earnings-related scheme for the selfemployed (Self-Employed Person's Act (YEL))	1-5	A
Statutory earnings-related pension scheme for farmers (Farmers' Pension Act (MYEL), Act on Farmers' Early Retirement Aid (LUTUL), The change of Generations Pension Act (PsVL))	1-6	A
A scheme for the employees of the Social Insurance Insitution	1-5	A
A scheme for the local government emplyees of the regional government of Åland	1-5	A
A scheme for the employees of the Bank of Finland	1-5	C
Non-statutory schemes operated by pension funds and pension foundations (A-schemes)		B
Non-statutory schemes operated by life-insurance companies		B

Key for "Coverage":
1) old-age pension

2) disability pension
3) survivors' pension
4) rehabilitation benefits
5) part-time pension
6) farmers' early retirement aid

Key for "Classification of scheme":
A. social security schemes;
B. private funded schemes administered by insurance companies or autonomous pension funds;
C. private funded schemes operated by employers, which maintain special reserves (segregated from other reserves)
D. private unfunded schemes operated by employers (without special reserves).
E. social assistance;
F. other insurance.

Classification of social insurance pension schemes

The National Pension Scheme covers and guarantees a minimum income for all residents of Finland, including non-employed and regardless of contributions. Therefore even those who have not been available for work (i.e. do not count as unemployed) are protected by the scheme.

The statutory earnings-related pension scheme covers all gainfully employed persons. It constitutes of several schemes governed by earnings-related pension acts. The schemes, both private and public, are closely related by laws and regulations. The contributions and benefits are nearly the same between the pension acts and all pension providers are jointly and severally liable for pension payments in the system. The system as a whole can be considered as a collective social security system. The employment pension providers are collectively responsible for commitments made by each institution by pooling. If the employer had not paid the contributions according the contract made, the system collectively assures the pension payments. Or if an employment pension institution fails e.g. in its asset management and goes bankrupt, the whole system is responsible for that institution's pension commitments. In addition, the state pays a part of private sector pension expenditure, i.e. part of the farmers', seafarers' and self-employed people's earnings-related pensions.

This uniformity of a collective social security system is also reflected in the 'principle of last pension institution': when an application for pension is left to the institute which has received the latest contributions, it will pay the benefits accrued during the whole working period and for the whole time the pensions will be paid. The other institutions that may have received contributions, yearly reimburse their part of benefits to the paying institution. This 'clearing' is managed by Finnish Centre for Pension. This system covers both private (incl. self-employed) and public sector.

The earnings-related pension scheme is linked to the National Pension system, with the amount of national pension depending on the size of the earnings-related pension benefits. Increases in the earnings-related pension reduce the national pension. If the earnings-related pension is above a defined level, the national pension is not paid at all. This applies to both private and public earnings-related pensions. The National Pension scheme covers the national pension insurance intended to secure the basic livelihood of pensioners whose other pension income is small or non-existent. Social Insurance Institution is responsible for the national pension

insurance. National pension schemes' receipts consist of contributions paid by employers and of transfers from the state budget.

There are no voluntary pension schemes classified as social security schemes. However, there is one social security scheme in which participation is voluntary: the Finnish unemployment funds. It is important to note that the unemployment pensions that are part of the statutory employment pension scheme as stated before are not paid from these funds.

Units supporting pension schemes and borderline cases

The most notable institutional unit supporting pension schemes is Finnish Centre for Pensions. In its website, it describes itself as a "statutory co-operation body, expert and producer of joint services for the development and implementation of the earnings-related pension provision." Another supporting institution is Finnish Pensions Alliance, which is an employer organisation/lobbyist.

There are no borderline cases for pension funds. For social insurance schemes in general the statutory accident insurance scheme could be seen as a borderline case. It is managed by nonlife insurance companies and cannot be separated into independent units. Therefore it is classified as other insurance in insurance corporations sector.

7.16. Rearranged transactions

Identification of transactions to be rearranged is based on case-by-case analyses. Rearrangement of transactions carried out by non-government units is based on criteria specified in the MGDD 2022. In that guidance, it is stated that the following indicator is sufficient for rearrangement: when government imposes substantial conditions on a transaction/programme or the entity is compensated for at least half of the related losses.

In Finland, two major type of public subsidy programmes are recorded as rearranged transactions of general government accounts.

i) Transactions of state subsidized housing loans granted to rental dwellings and right of occupancy houses are rearranged via general government accounts

Transactions are rearranged for the reason that non-government units act as government agents because government predetermines central elements of terms and conditions of the ARA programmes.

Housing entities involved in implementation of social housing programmes need to be approved by The Housing Finance and Development Centre of Finland (ARA). Most of these entities are classified in the non-financial corporations' sector (S.11).

State subsidy on the loans includes interest subsidy and deficiency guarantee. Due to the state subsidy, providers of services are subject to various restrictions and provisions. Restrictions are the determination of rentals and maintenance charges through expenses, profit limitations,

provisions on the selection of tenants and the conditions for the transfer of assets. In addition, construction costs must not exceed the level that the ARA is willing to accept.

Statistics Finland records to the central government sector rearrange transactions of state subsidized ARA loans of the following units: state-owned company A-Kruunu Ltd and the non-profit institutions (NPIs) approved by ARA that are in control of general government due to ESA 2010 paragraphs 20.13-20.16. Respectively, in local government sector are recorded ARA loans of municipal housing entities and NPIs controlled by municipalities.

Application of rearranged transactions covers the following state guaranteed housing loans with interest subsidy:

- Act on Interest Subsidy for Rental Housing Loans and Right of Occupancy Housing Loans (604/2001)
- Act on Interest Subsidies for Rental Housing Construction in 2009 and 2010 to Promote Employment in the Construction Sector (176/2009)
- Act on Short-term Interest Subsidies for Rental Housing Construction Loans (574/2016)
- Act on State Guarantees for the Repayment of State-Subsidised Loans (868/2008) (By exception, this Act does not entitle to interest subsidy)

The following government guaranteed housing loans <u>are not subject</u> to rearrangement of transactions:

- Government-guaranteed home ownership loans as non-subsidised or ASP-funded to households
- Guaranteed loans under the Act on State Guarantees for Rental Housing Loans (856/2008) since there are no similar strict restrictions on the loans
- Government-guaranteed loans under the Act on State Guarantees for the Renovation Loans of Housing Companies (941/2014)
- Loans granted by a general government unit or loans granted to a general government unit, as rerouting would result in double counting

The main data source is the State Treasury's data on state guarantees for loan types mentioned above.

In total, impact of the rerouted ARA loans in the EDP debt is approximately 6,3 % in relation to the GDP at the end of year 2023.

ii) Transactions of SMEs funding is rearranged via central government accounts

Loans provided on domestic activities under partial credit and guarantee loss compensation commitment of Finnvera ltd (S.12501) are rerouted via central government accounts. Capital transfers and interest flows are recorded on gross basis because of rearrangement based on risk carried out and losses compensated by the central government. The data source is a financial report table provided by Finnvera for purposes of Statistics Finland and the financial statements of the company.

From reference year 2026 onwards, rerouting is applied only to domestic loans granted by Finnvera for which the central government's loss compensation share is at least 50%. Domestic loans where the loss compensation share falls below 50% due to guarantees

provided by the European Union, such as InvestEU guarantees, are excluded from the rerouting treatment.

7.17. Decommissioning costs

The responsibility for decommissioning of nuclear plants and nuclear waste management lies with the nuclear reactor operators classified in S.11 in case of nuclear power companies or S.13 in case of a research unit VTT Oy. The Nuclear Waste Management Fund (Ydinjätehuoltorahasto), classified in S.13, acts solely as a back-up in case of defaulting operators. The operators are responsible for all decommissioning costs and obliged to make provisions to the fund accordingly for the whole lifetime of nuclear operating licence. The capital of the fund is composed of annual payments made by operators and the returns of the fund. Payments by operators are recorded partly as a tax D.29 (nuclear energy research levy) and partly as lending to the fund which increase the EDP-debt of S.13 in item F.429. Returns of the fund are recorded as property income D.4. There is no D.41 expenditure accrued on matching AF.8L. Units of S.13 may have other decommissioning activities related industrial or landfills sites etc but Statistics Finland does not have a separate data source for these activities. We are not aware of any transfer of decommissioning obligations against lump sum/assets.

7.18. Concessions

There are no cases of concessions in Finland.

7.19. Energy Performance Contracts

In an Energy Performance Contracts an EPC-contractor finances and carries out an initial capital investment in order to improve the energy efficiency of an existing facility. The EPC-contractor is remunerated via the energy savings achieved through the upgraded equipment and structures. The equipment and structures provided by the EPC-contractor are treated collectively as EPC assets and are recorded on the balance sheet of the EPC-contractor if it ultimately bears the majority of the risks and rewards associated with the use of the EPC assets. A detailed approach to the risks and rewards to be analysed is provided in the Eurostat/ EIB "Guide to the statistical treatment of Energy Performance Contracts" published on 8 May 2018.

From 2021 onwards, the State Treasury has collected and published annual data on energy performance contracts from municipalities, joint municipal authorities, and from 2023 onwards, wellbeing services counties and joint county authorities for wellbeing services. The data are collected directly from these units. Information is available as the number of contracts and the combined value of investment. For each contract with investment value of more than one million euros, the value of investment and the title of project is provided separately. No other information is available from this data collection.

As the volume of EPCs has so far been quite small, all contracts are recorded on the balance sheet of the local government unit in national accounts as a default solution.

We eliminate the operation expenses from the intermediary consumption and record the value of investments in the GFCF (P.5) of local government sector. Outstanding value of the asset is a liability in the balance sheet of local government sector and is recorded in the Maastricht debt in item F.429.

7.20. Government interventions to support financial institutions: financial bailouts and defeasance

There has been no financial bailouts and defeasance structures to be notified.