



the central bank during 2014, as in previous years.²¹ In addition to attending these meetings, NUG-SK members provided feedback within the Eurosystem's T2S consultation process, which is designed to maximise T2S harmonisation by obtaining the views of national

markets on T2S issues as well as information on national practices in post-trade services. Market representatives continue to implement harmonised standards into national practices so as to ensure the harmonisation of T2S settlement processes.²²

5 STATISTICS

Národná banka Slovenska develops, collects, compiles and disseminates a wide range of statistics which support the monetary policy of the euro area, the stability of the financial system in Slovakia, and other tasks of the European System of Central Banks (ESCB), the European Systemic Risk Board (ESRB), the Bank for International Settlements (BIS), and other international institutions. Based on data reported by financial and non-financial agents, the statistics serve internal users at Národná banka Slovenska and are also used by financial market participants, public sector entities, the media and the general public.

5.1 MONETARY AND FINANCIAL STATISTICS

A key development in 2014 in the area of monetary and financial statistics was the implementation of new standards according to the European System of Accounts (ESA 2010) and to the ECB regulation on monetary financial institutions' balance sheet and interest rate statistics, investment funds' statistics, other financial intermediaries' statistics (firms specialising in leasing factoring or hire-purchase), and payments statistics. These standards were transposed to the NBS regulatory framework via decrees. In 2014 NBS participated in ECB projects concerning, for example, the database of granular credit data that will be shared between Eurosystem members; money market statistics; and the Register of Institutions and Affiliates Database (RIAD). NBS operating activities were also related to supporting the participation of credit institutions in the ECB's new monetary policy instruments known as targeted longer-term refinancing operations LTROs.

During 2014 the data base of aggregated outputs, as well as individual datasets, were flexibly adapted to the requirements of users in the areas of monetary policy implementation, financial stability, banking operations, and payment systems. In addition, 2014 saw preparatory work on the provision of statistical data for the ECB's new role within the Single Supervisory Mechanism.

As regards securities statistics, tasks centred on increasing the quality of data held in the ECB's securities databases. The Centralised Securities Database (CSDB) underwent three significant updates in 2014, entailing, for example, besides technical improvements, the addition of securities attributes concerning the classification of financial instruments and institutional instruments according to ESA 2010. The database of holdings of securities by economic sectors entered its second phase of development in 2014, and preparatory work began on modules for securities holdings of national central banks and for securities holdings of large banking groups.

The improving quality of these databases is indicated by the rising number of applications for access to their data, from users in such areas as monetary policy and banking transactions, as well as in financial market supervisory authorities.

5.2 QUARTERLY FINANCIAL ACCOUNTS

The main purpose of producing quarterly financial accounts (QFAs) is to record all financial flows in the economy, i.e. in what amount and

²¹ The meeting agendas and issues addressed are published on the NBS website at: <http://www.nbs.sk/sk/platobne-systemy/target2-securities/nug-sk>

²² The latest information on T2S may be found on the T2S OnLine page of the ECB's website at: <http://www.ecb.europa.eu/paym/t2s/about/t2sonline/html/index.en.html>



form funds are provided, recorded, spent and claimed by non-financial corporations, financial institutions, general government, and households. In addition to financial transactions, the QFAs provide information about stocks of assets and levels of debt in individual sectors. QFAs are a key analytical tool for monitoring the monetary policy transmission mechanism and analysing financial stability.

In compiling the QFAs, Národná banka Slovenska cooperates with the Statistical Office of the Slovak Republic (which is responsible for general government sector data per quarter and for annual financial accounts for the economy as a whole) and with the Ministry of Finance of the Slovak Republic.

The implementation of the revised system of national accounts (ESA 2010) into the QFAs was completed in 2014, with emphasis placed on improving the quality of data not only in the reporting of stocks and flows, but also in the reporting of revaluations and other adjustments. The new ESA 2010 methodology provides a more detailed classification of economic sectors and clearer specification of particular financial instruments. Data in the new required format were transmitted from NBS to the ECB for the first time in September 2014, along with the retrospective reclassification of data for the period from 2012 to that time. Furthermore, in accordance with the ECB's requirement for the earlier reporting of data, the deadline for transmitting data was shortened from T+110 days to T+100 days.

In the first half of 2014 development work continued on the new Statistics Collection Portal (SCP) – a system for the collecting, processing and storing of data for statistical purposes and financial market supervision. In the second half of the year the SCP was tested with the participation of several reporting agents. In parallel with these activities there were several meetings organised on a regular basis aimed on the creation of a new data model for the SCP, which will enable higher-quality processing of the data collected, as well as their analysis and publication, on the basis of a distinct economic definition.

5.3 STATISTICS ON THE INSURANCE, CAPITAL MARKET AND PENSION SECTORS

Data reported by agents in the insurance, capital market and pension sectors were used for supervisory and statistical purposes, for both national and supranational institutions. Data quality in terms of timeliness, accuracy and comparability was maintained. At the end of 2014 there were 217 registered reporting agents, including 39 in the insurance sector, 133 in the capital market sector and 45 in the pension sector.

In the field of insurance statistics, preparatory work on the introduction of the EU's Solvency II Directive continued in 2014. Due to come into effect in 2016, Solvency II is intended to harmonise data release conditions and to ensure the transparency and consistency of insurance data within the European Union. In November 2014 the ECB adopted Regulation No 1374/2014 on statistical reporting requirements for insurance corporations, which entered into force in January 2015. So as to minimise the future burden on insurance companies related to reporting for supervisory and statistical purposes, the extent of overlap between this ECB Regulation and the Solvency 2 Directive was examined. Requirements in the Regulation additional to those in Solvency 2 were identified as 'add-ons', and NBS began the process of implementing them in the Slovak insurance market.

During the year NBS cooperated closely with insurers and pension companies in order to increase the quality of statistical data reported by these agents pursuant to NBS Decree No 10/2013, which entered into force on 1 January 2014. The Decree reclassified sectors and financial instruments according to ESA 2010, and in addition increased demands on the scope of data to be reported.

Looking ahead to 2015, when payments under Pillar 2 of the pension system are due to begin and life insurance companies are to become direct participants in the system, NBS issued Decree No 21/2014, which extended the requirements for the submission of statements by insurance



companies and branches of foreign insurance companies.

As regards the capital market, the Securities and Investment Services Act (No 566/2001 Coll.) was amended in 2014 by Act No 213/2014 – mainly in order to transpose certain provisions of the EU's CRR and CRD IV legislation. This Act also amended the Collective Investment Act (203/2011 Coll.) for the purpose of improving investment quality in respect of alternative investment funds and standard investment funds. The amending law requires risk assessment to be conducted in such a way that avoids exclusive or automatic reliance on credit ratings.

5.4 STATISTICS ON NON-BANK ENTITIES

Statistics on non-bank entities are collected and processed from statistical reports submitted by legal entities other than banks and branches of foreign banks, for the compilation of balance of payments statistics, international investment position statistics, foreign direct investment statistics, and for the requirements of the SO SR.

The reporting obligation is governed by Article 8 of Act No 202/1995 Coll. – the Foreign Exchange Act (including amendments to Act No 372/1990 Coll. on non-indictable offences, as amended) – as amended by Act No 602/2003 Coll.

The structure, scope and content of the reports, the deadlines for their submission, and the method, procedure and place of submission are laid down in NBS Decree No 452/2013 Coll. of 10 December 2013 amending NBS Decree No 467/2010 Coll. on the submission of reports pursuant to the Foreign Exchange Act, as amended by Decree No 332/2012 Coll. The reports are collected on a monthly, quarterly and annual basis. The amending decree was required for the collection of data on the import and export of services, so that claims and liabilities related to services are included in individual reports on foreign assets and liabilities. The decree also updates the lists of euro area

countries in individual reports on foreign assets and liabilities, following the entry of Latvia into the euro area.

The harmonisation of statistics on non-bank entities continued in 2014 in line with recommendations of international institutions (primarily the ECB) concerning the compilation methodology for balance of payments (b.o.p.) statistics, international investment position statistics and foreign direct investment (FDI) statistics.

In 2014 NBS continued collecting and processing the quarterly report 'SLUZ(NBS)1-04', in which the reporting entity enters data on services received from non-residents and services provided to non-residents. This reports states only figures for the quarter under review, not cumulative figures from the beginning of the year.

5.5 BALANCE OF PAYMENTS STATISTICS

Balance of payments statistics provide information about Slovakia's stocks and flows with the rest of the world, and cover the balance of payments, international investment position, foreign exchange reserves, gross external debt, and foreign direct investment. The processing of b.o.p. statistics in 2014 included the implementation of standards according to the sixth edition of the IMF's Balance of Payments and International Investment Positions Manual (BPM6). The BMP6 was drafted in parallel with the System of National Accounts 2008 (2008 SNA) and the European System of Accounts 2010 (ESA 2010) in order to ensure alignment between external and domestic macroeconomic statistics. Along with the implementation of BPM6, the reporting of data to the ECB and Eurostat took into account and satisfied the requirements of these institutions in this area. Also implemented in 2014 were the OECD's requirements concerning FDI statistics. Statistics according to BPM6, including retrospective time series, were first published by NBS in December 2014.