II. CONCEPTUAL FRAMEWORK

Monetary Statistics consist of a comprehensive set of stock and flow data on the financial and non-financial assets and liabilities of financial corporations. The organization and presentation of monetary statistics, follow a hierarchical approach based on two general data frameworks— sectoral balance sheets and surveys.

A. Sectoral balance sheets

The purpose of the sectoral balance sheets is to provide a framework for the collection and presentation of data in a format that facilitates the presentation of flow of funds for the financial corporations sector. The data for a sectoral balance sheet are obtained from the individual institutional units with in a financial corporations sub-sector and are classified into standard components, in accordance with the sectorization, instrument classification, and accounting principles. In addition, sectoral balance sheets are directly useful for analyses requiring sub-sector data that are more highly disaggregated than the asset and liability categories shown in the corresponding financial sub-sector surveys. The structure of the analytical accounts of monetary and financial statistics is given in Annexure I. The data required for developing these accounts will be reported through a questionnaire (Annexure III).

B. Surveys of Financial Corporations

These surveys utilize, and rearrange into analytical presentations, the data in the sectoral balance sheets. These surveys comprise:

– Central bank survey (CBS)

– Other depository corporation survey (ODCS)

– Other financial corporation survey (OFCS)

The two higher-level surveys based on the above surveys: -

- Depository corporations survey - DCS (CBS and ODCS are consolidated to obtain DCS)
- Financial corporations survey – FCS (CBS, ODCS and OFCS are consolidated to obtain FCS)

In this guide we are providing the specimen of OFCS and the higher-level survey FCS Financial statistics consist of a comprehensive set of stock and flow data on the financial assets and liabilities of all sectors of an economy and between these sectors and the rest of the world. The financial statistics are developed within the framework of the SNA93, which provides for comprehensive coverage of production, distribution, and all non-financial and financial stocks and flows for the total economy as well as for each its sectors. The broad components of the 1993 SNA are the:

- Current accounts
- Accumulation accounts
  - Capital account
  - Financial account

  Other changes in assets account
    - Revaluation account
    - Other changes in volume account

Balance sheets that together provide an integrated system for measuring economic flows and the resulting stocks of non-financial and financial assets and liabilities

- Opening balance
- Changes in stock positions
- Closing balance

Flow of funds data, presented in a matrix form showing the financial transactions among all sub-sectors of an economy, are a particular focus of the financial statistics. Fully articulated flow of funds statements are, in essence, extensions of the financial account into three-dimensional matrices that show the transactions in financial assets and liabilities among sectors / sub-sectors and non-residents. The components of basic flow of funds account and detailed flow of funds account are provided in Annexure I.

C. SECTORIZATION OF ECONOMY

Institutional units differ with respect to their economic objectives, functions, and behaviour and are grouped into sectors that include units with similar characteristics. The units of the economy are grouped into the following mutually exclusive institutional sectors:

I) RESIDENT UNITS

FINANCIAL CORPORATIONS

1. Central bank
2. Other depository corporations
   a. Deposit money corporations
   b. Other deposits accepting institution
3. Other financial intermediaries; except insurance corporations and pension funds
4. Insurance corporations and pension funds
5. Financial auxiliaries

GENERAL GOVERNMENT

1. Central government; and
   a. Federal government excluding NPIs and public enterprises
   b. Federal government NPIs
2. State and local government (Provincial governments)
   a. Provincial government excluding NPIs and public enterprises
   b. Provincial governments NPIs

Non-financial Corporations

1. Public non-financial corporations;
2. Other non-financial corporations (Private non-financial corporation)
   a. National private non-financial corporations; and
   b. Foreign controlled non-financial corporations.

Households

1. Employers
2. Own account workers
3. Employees
4. Recipient of property and transfer income

Non-Profit Institutions Serving Households (NPISH)

II) Rest of The World (Non-Resident Units)

Financial assets are financial claims (e.g., currency, deposits, and securities) that have demonstrable value. MSFM and the 1993 SNA define financial assets as a subset of economic assets—entities over which ownership rights are enforced, individually or collectively, by institutional units and from which economic benefits can be derived by holding or using the assets over a period of time. Most financial assets are financial claims arising from contractual relationships entered into when one institutional unit provides funds to another. Despite the absence of a corresponding liability, monetary gold and SDRs are also considered to be financial assets. Transactions in non-monetary gold are treated as transactions in non-financial assets.

D. Classification of Assets / Liabilities

Financial assets (assets / liabilities)

- Monetary gold and SDRs (this is the holding of central bank)
- Currency and deposits
- Securities other than shares
- Loans
- Shares and other equity
- Insurance technical reserves
- Financial derivatives
- Other accounts receivable / payable

Non-financial assets

- Produced assets
  - Tangible fixed assets
  - Intangible fixed assets
  - Inventories
  - Valuables
- Non-produced assets
  - Tangible produced assets
  - Intangible produced assets

E. Residency criteria

Residence is particularly important attribute of an institutional unit in the balance of payments because the identification of transactions between residents and non-residents underpins the system. The concept of residence is based on sectoral transactor’s centre of economic interest. An institutional unit has a centre of economic interest and is a resident unit of a country when from some location, dwelling, place of production, or other premises within the economic territory of country, the unit engages and intends to continue engaging, either indefinitely or over a finite period usually a year, in economic activities and transactions on a significant scale. The one-year period is suggested only as a guideline and not as an inflexible rule.

F. THE PRINCIPLE OF ACCRUAL ACCOUNTING

Transactions are recorded when economic value is created, transformed, exchanged, transferred, or extinguished. Claims and liabilities arise when there is a change in ownership.