

Presentation of Public Sector Debt Statistics

This chapter describes two summary tables, five detailed tables, and six memorandum tables recommended for the presentation of a comprehensive set of public sector debt statistics.

A. Introduction

5.1 This chapter provides guidance on the presentation of public sector debt statistics and other information related to these statistics (metadata). Data compiled according to the definitions and guidelines provided in the previous chapters and presented in the format of these tables provide a comprehensive picture of the gross and net debt positions of the public sector, or any of its subsectors. The IMF's Special Data Dissemination Standard (SDDS) and General Data Dissemination System (GDDS) provide further guidance on good practices for the timeliness and periodicity of public sector debt statistics being disseminated.^{1,2}

5.2 The dissemination of public sector debt statistics should be accompanied with methodological notes (metadata) explaining the concepts and methods used in compiling the data, and explaining deviations from concepts and methods used in this *Guide*. In particular, every presentation table should indicate the institutional coverage of the debt statistics (for example, general government sector or nonfinancial public sector). Debt statistics for the specified institutional coverage should be consolidated appropriately (i.e., eliminating debt stock positions between the entities for which the statistics are presented). Consolidation is discussed in Chapter 8.

5.3 In the presentation tables of this chapter, debt statistics are recorded at nominal and market value,

as described in Chapter 2, paragraphs 2.115–2.138.³ **“Gross debt at market value” means that debt securities are valued at market prices; insurance, pension, and standardized guarantee schemes are valued according to principles that are equivalent to market valuation; and all other debt instruments are valued at nominal prices, which are considered to be the best generally available proxies of their market prices.** Deviations from these valuation principles should always be specified in the presentation tables.

5.4 The presentation tables in this chapter are considered to be the core set of information on public sector debt that should be disseminated by countries. These core tables may be supplemented with additional tables on aspects of public sector debt statistics not covered in the core set according to national circumstances; some examples of supplementary information are provided at the end of this chapter.

B. Presentation Tables

5.5 This *Guide* recommends presenting two summary tables on public sector debt statistics, five detailed tables, and six memorandum tables. The summary tables are:

- Gross debt at nominal and market value (see Table 5.1); and
- Gross and net debt at nominal and market value (see Table 5.2).

5.6 The detailed tables present additional information to what is shown in the summary tables, at nominal and market value:

¹See <http://www.dsbm.imf.org> for details on the SDDS and GDDS.

²The presentation of Maastricht debt of the European Union, (which is summarized in the annex to this chapter) differs from those in this chapter, but can be reconciled.

³Note that in some countries, nominal value is used in another sense, which is called “face value” in this *Guide*.

Table 5.1. Summary of Gross Debt
[specify institutional coverage]

	With debt securities at nominal value	With debt securities at market value
Total gross debt		
Gross debt by type of debt instrument Special drawing rights (SDRs) Currency and deposits Debt securities Loans Insurance, pension, and standardized guarantee schemes Other accounts payable		
Gross debt by original maturity Short-term, original maturity Long-term, original maturity Gross debt by remaining maturity Short-term, remaining maturity Long-term, remaining maturity		
Gross debt by currency of denomination Domestic currency denominated Foreign currency denominated		
Gross debt by type of interest rate Fixed-rate instruments Variable-rate instruments		
Gross debt by residence of the creditor Domestic creditors External creditors		
Memorandum items Publicly guaranteed debt Arrears		

Note: Specify where valuation or classification differs from the principles described in Chapters 2 and 3 of this Guide.

- Gross debt by maturity and type of debt instrument (see Table 5.3);
- Gross debt by currency of denomination and maturity (see Table 5.4);
- Gross debt by type of interest rate and currency of denomination (see Table 5.5);
- Gross debt by residence of the creditor and by:
 - type of debt instrument (see Table 5.6a);

- type of institutional sector of the creditor (see Table 5.6b); and
- currency of denomination (see Table 5.6c); and
- The debt-service payment schedules of gross outstanding debt (see Table 5.7).

5.7 The memorandum tables present details of:

- Publicly guaranteed debt by maturity and type of debt instrument, at nominal value (see Table 5.8);
- Arrears by type of arrears and type of debt instrument (see Table 5.9);
- A reconciliation of the market and nominal value of debt securities by residence and type of institutional sector of the creditor (Table 5.10);
- The financial derivatives position at market and notional value (see Table 5.11);
- Total explicit contingent liabilities and net obligations for future social security benefits (see Table 5.12); and
- Average interest rates by original maturity and type of debt instrument (see Table 5.13).

5.8 Except for Table 5.7, the debt statistics in Tables 5.1–5.12 are normally presented in time series format, where each observation refers to the stock position as on a specific date. In addition to the values, these statistics may also be presented as percentages of gross domestic product (GDP). The institutional coverage of the debt statistics in Tables 5.1–5.13 depends on data availability and analytical needs. Compilers may choose to compile:

- Each of these tables, separately, for each of the subsectors of the public sector for which data are available, or
- Each of these tables showing all, or some, of the subsectors of the public sector in separate columns.

5.9 It is recognized that countries may not have the information available to compile the presentation tables for all the subsectors of the public sector. These tables should be compiled on a best-effort basis and according to country circumstances.⁴ However, the complete set

⁴As explained in paragraph 5.2, metadata should explain deviations from concepts and methods used in this *Guide* to avoid misinterpretation. Also, each category of debt instrument should be identified separately, as shown in the presentation tables in this chapter. This would allow users of the statistics to identify the composition, for example, whether data for insurance, pension, and standardized guarantee schemes, if applicable, have been developed or not.

Table 5.2. Summary of Gross and Net Debt [specify institutional coverage]

	With debt securities at nominal value			With debt securities at market value		
	Gross debt (liabilities in the form of debt instruments) (a)	Financial assets corresponding to debt instruments (b)	Net debt (c) = (a)–(b)	Gross debt (liabilities in the form of debt instruments) (a)	Financial assets corresponding to debt instruments (b)	Net debt (c) = (a)–(b)
Total						
By type of debt instrument						
Monetary gold	—			—		
Special drawing rights (SDRs)						
Currency and deposits						
Debt securities						
Loans						
Insurance, pension, and standardized guarantee schemes						
Other accounts payable / receivable						
By original maturity						
Short-term, original maturity						
Long-term, original maturity						
By remaining maturity						
Short-term, remaining maturity						
Long-term, remaining maturity						
By currency of denomination						
Domestic currency denominated						
Foreign currency denominated						
By interest rate						
Fixed-rate instruments						
Variable-rate instruments						
By residence of the creditor						
Domestic creditors						
External creditors						

Note: Specify where valuation or classification differs from the principles described in Chapters 2 and 3 of this *Guide*. Monetary gold only exists as a financial asset.

of presentation tables recommended in this chapter is desirable and may, for example, guide plans for improving the quality and dissemination of public sector debt statistics. More detailed classifications than shown in these tables may be required for specific purposes. This may be accomplished by adding details to the subcategories or memorandum items in these tables, or to compile and disseminate additional tables, such as the examples given later in this chapter.

I. Summary presentation tables

a. Summary of gross debt

5.10 The first summary presentation table (see Table 5.1) shows consolidated gross debt at nominal and market value, for a specified institutional coverage.

5.11 First, this summary table presents total gross debt **by type of debt instrument**. These instruments are described in Chapter 3 of this *Guide*. Then follows a summary of gross debt according to four types of classifications: **maturity, currency of denomination, type of interest rate, and residence of the creditor**. Details of each of the four types of classifications of gross debt, at nominal and market value, are given in the detailed debt presentation tables (see Tables 5.3–5.7). In addition, this table presents information on two memorandum items: publicly guaranteed debt and arrears.⁵ These two memorandum items are presented at nominal value (see paragraphs 5.36–5.46). Details

⁵Valuation of contingent liabilities and arrears should follow the same principles applying to the underlying instruments.

of publicly guaranteed debt and arrears are given in Tables 5.8 and 5.9, respectively.

b. Summary of gross and net debt

5.12 The second summary presentation (see Table 5.2) shows the consolidated **gross and net debt positions** at nominal and market value, for a specified institutional coverage. Net debt positions of public sector units receive added attention both in fiscal and financial market analysis, especially when ratios of gross debt to GDP are high or a large part of financial assets are set aside (implicitly or explicitly) to meet future liabilities.⁶ Indeed, for risk management purposes, a public sector unit may manage its debt liabilities and its stock of monetary gold and financial assets corresponding to the debt instruments in an integrated manner.⁷

5.13 The rows in this presentation are the same as those in Table 5.1 (except for the memorandum items). The columns present the gross debt position (which corresponds exactly to the items in Table 5.1), stock positions in the financial assets corresponding to the debt instruments, and the net debt position at nominal and market value.

5.14 *Net debt is calculated as gross debt minus the financial assets corresponding to debt instruments.* For some purposes, it may be useful to net individual debt instruments against their corresponding financial assets. For other purposes, it may be useful to calculate debt net of highly liquid assets.⁸ However, in most cases, a one-on-one netting of a debt instrument against its corresponding financial asset may not be analytically useful because typically specific types of assets are not earmarked to repay specific types of liabilities. As explained in Chapter 2, monetary gold includes elements of a debt instrument (unallocated gold accounts) and a nondebt instrument (gold bullion). In principle, the gold bullion element of monetary gold should be excluded from the calculation of net debt. However, in practice, the total amount for monetary gold may have to be used in the net debt calculation because compilers of public sector debt statistics may not be able to exclude the gold

⁶Analysts may also consider wider measures of a public sector unit's financial position, such as its net financial worth (total financial assets minus total liabilities), or total net worth (total assets minus total liabilities).

⁷An even more complete analysis would use the entire balance sheet, as in the GFS system.

⁸*Debt net of highly liquid assets is, in most cases, equal to gross debt minus financial assets in the form of currency and deposits. However, in some cases, debt securities held for debt management purposes could be included as highly liquid financial assets.*

bullion element. By convention, the nominal value of nominal gold bullion is its market value.

2. Detailed presentation tables

a. Details of gross debt by maturity and type of debt instrument

5.15 The second part of the summary presentation of gross debt (Table 5.1) shows consolidated gross debt by maturity. Table 5.3 presents further details, showing consolidated gross debt, at nominal and market value and for a specified institutional coverage, **by maturity and type of debt instrument**. As explained in Chapter 2, this *Guide* recommends a maturity breakdown that allows for compiling statistics on both original and remaining maturity⁹ bases:

- Short-term debt on a remaining maturity basis is equal to short-term debt on an original maturity basis plus long-term debt on an original maturity basis with payment due in one year or less.
- Long-term debt on an original maturity basis is equal to long-term debt on an original maturity basis with payment due in one year or less plus long-term debt on an original maturity basis with payment due in more than one year.
- Other aggregates on original or remaining maturity bases can be derived directly from Table 5.3.

5.16 Statistics on a remaining maturity basis are of particular analytical interest. Such information permits an assessment of liquidity risk by indicating when public sector debt payments will fall due. Information on payments becoming due in the short- to near-term is particularly relevant for this analysis. Statistics on a remaining maturity basis are also used for debt management purposes. Statistics on an original maturity basis provide an indication of the borrower's credit-worthiness and the type of markets in which it is borrowing.

5.17 The second level of aggregation in Table 5.3 is by type of debt instrument. These instruments are described in Chapter 3 of this *Guide*.

b. Details of gross debt by currency of denomination and maturity

5.18 The third part of the summary presentation of gross debt (Table 5.1) shows consolidated gross debt

⁹Remaining maturity is also referred to as residual maturity.

Table 5.3. Gross Debt by Maturity and Type of Debt Instrument [specify institutional coverage]

	With debt securities at nominal value	With debt securities at market value
Total gross debt		
By type of debt instrument Special drawing rights (SDRs) Currency and deposits Debt securities Loans Insurance, pension, and standardized guarantee schemes Other accounts payable		
Short-term, by original maturity Currency and deposits Debt securities Loans Insurance, pension, and standardized guarantee schemes Other accounts payable		
Long-term, by original maturity With payment due in one year or less Special drawing rights (SDRs) Currency and deposits Debt securities Loans Insurance, pension, and standardized guarantee schemes Other accounts payable With payment due in more than one year Special drawing rights (SDRs) Currency and deposits Debt securities Loans Insurance, pension, and standardized guarantee schemes Other accounts payable		

Note: Specify where valuation or classification differs from the principles described in Chapters 2 and 3 of this Guide.

by currency of denomination. Table 5.4 presents further details, showing consolidated gross debt, at nominal and market value and for a specified institutional coverage, **by currency of denomination and maturity**. As explained in Chapter 2, the currency of denomination is determined by the currency in which the value of debt positions and related flows is fixed, as specified in the contract between the parties.¹⁰ The currency of denomination is relevant for distinguishing transaction values and revaluations (i.e., holding gains and losses) relating to debt. It allows for a more differentiated analysis of the effects of exchange rate fluctuations on the debt position.

5.19 At the first level of aggregation, this table distinguishes between debt instruments denominated in domestic currency and debt instruments denominated in foreign currency. The second level of aggregation

¹⁰The currency of settlement may be different from the currency of denomination and it may be appropriate to specify the currency of settlement as a separate subcategory, if significant. This would be an example of adapting the classifications according to users' needs, as explained in paragraph 5.9.

in Table 5.4 is by maturity (see paragraph 5.15). In some cases, it may be useful to provide a further breakdown of foreign currency denominated debt according to major currencies.

c. Details of gross debt by type of interest rate and currency of denomination

5.20 The third part of the summary presentation of gross debt (Table 5.1) shows consolidated gross debt by type of interest rate. Table 5.5 presents further details, showing consolidated gross debt, at nominal and market value and for a specified institutional coverage, **by type of interest rate and currency of denomination**. This breakdown may be useful for some analysis, in that variable-rate instruments are subject to fluctuation in income flows in response to changes in market conditions, while fixed-rate securities are subject to changes in market prices.

5.21 At the first level of aggregation, this table distinguishes between **fixed** and **variable interest rate**

Table 5.4. Gross Debt by Currency of Denomination and Maturity
[specify institutional coverage]

	With debt securities at nominal value	With debt securities at market value
Total gross debt		
Domestic currency denominated		
Short-term, by original maturity		
Long-term, by original maturity		
With payment due in one year or less		
With payment due in more than one year		
Foreign currency dominated		
Short-term, by original maturity		
Long-term, by original maturity		
With payment due in one year or less		
With payment due in more than one year		

Note: Specify where valuation or classification differs from the principles described in Chapters 2 and 3 of this Guide.

debt instruments. Variable-rate debt instruments are those on which interest are linked to a reference index, for example, LIBOR (London interbank offered rate), a price index, the price of a specific commodity, or the price of a specific financial instrument that normally changes over time in a continuous manner in response to market conditions.¹¹ All other debt instruments should be classified as fixed-rate.

5.22 Interest on debt that is linked to the credit rating of another borrower should be classified as fixed-rate, because credit ratings do not change in a continuous manner in response to market conditions. Interest on debt that is linked to a reference price index should be classified as variable-rate, provided that the price(s) that are the basis for the reference index are primarily market determined.

5.23 The classification of an instrument can change over time. For example, the interest rate may be fixed for a certain number of years and then become variable. While a fixed rate is payable, the instrument is to

¹¹An interest rate that is adjusted, but only at intervals of more than a year, is considered to be fixed.

Table 5.5. Gross Debt by Type of Interest Rate and Currency of Denomination
[specify institutional coverage]

	With debt securities at nominal value	With debt securities at market value
Total gross debt		
Fixed-rate instruments		
Domestic currency denominated		
Foreign currency denominated		
Variable-rate instruments		
Domestic currency denominated		
Foreign currency denominated		

Note: Specify where valuation or classification differs from the principles described in Chapters 2 and 3 of this Guide.

be classified as fixed-rate debt, and when it switches to a variable rate it is classified as variable-rate debt. If interest is linked to a reference index, commodity price, or financial instrument price but is fixed unless the reference index or price passes a particular threshold, it should be regarded as fixed-rate. But if thereafter interest becomes variable, then it should be reclassified as a variable-rate instrument. Alternatively, if interest is variable-rate until it reaches a predetermined ceiling or floor, the instrument becomes fixed-rate debt when that ceiling or floor is reached. If the income stream of a variable-rate instrument is swapped with the income stream of a fixed-rate instrument, the swap is recorded as giving rise to a financial derivative, while the classification of the original debt instruments is unchanged.

5.24 Index-linked instruments are classified as being variable-rate. For these instruments, the principal or coupons or both are indexed to some variable, for example, to a general or specific price index. Because index-linked instruments have variable aspects, an instrument is classified as variable-rate if the indexation applies to the principal or coupons, or both (notwithstanding the treatment of interest discussed in the annex to Chapter 2). If particular kinds of index-linked securities are significant (for example, inflation-linked securities), such data may be added as a memorandum item to Table 5.5.

5.25 Insurance, pension, and standardized guarantee schemes are normally expected to be classified as variable rate. This is based on the fact that the rates that apply to these debt instruments are not fixed in advance

between the parties: insurance reserves and defined contribution pension liabilities are based on the return on funds invested, whereas defined-benefit pension liabilities and provisions for calls under standardized guarantee schemes are based on the discount rate used to calculate promised benefits or expected calls.

5.26 The second level of aggregation in Table 5.5 is by currency of denomination, which is described in Chapter 2 of this *Guide* (see also paragraph 5.18).

d. Details of gross debt by residence of the creditor

5.27 The fourth part of the summary presentation of gross debt (Table 5.1) shows consolidated gross debt by residence of the creditor. The classification of consolidated gross debt, at nominal and market value and for a specified institutional coverage, **by residence of the creditor**¹² allows for three classifications at the second level of aggregation, as shown in Tables 5.6a, 5.6b, and 5.6c. The second level of aggregation in Table 5.6a is by **type of debt instrument**, in Table 5.6b by **type of institutional sector of the creditor** (counterparty), and in Table 5.6c by **currency of denomination**. Debt instruments and institutional sectors of the creditors are described in Chapter 3 of this *Guide*, while Chapter 7 provides practical guidelines for classifying traded debt securities by residence and the type of institutional sector of the creditor. Currency of denomination is described in Chapter 2 of this *Guide*.

e. Debt-service payment schedules of gross outstanding debt

5.28 Like the classification of gross debt by remaining maturity, a debt-service payments schedule supports the assessment of liquidity risk of a public sector unit. It also allows for the assessment of risks related to rollover of the public sector unit's debt. For public sector debt managers, the monitoring of the debt-service payment schedule for public sector and publicly guaranteed debt is an essential aspect of a debt management strategy, including the monitoring of payments made on a timely basis. These data are also useful to other market participants, for example, to anticipate new public sector bond issues.

5.29 Table 5.7 presents the debt-service payment schedules of outstanding gross debt, for a specified

¹²See Chapter 2, paragraphs 2.94–2.102, for a discussion of residence.

Table 5.6a. Gross Debt by Residence of the Creditor and Type of Debt Instrument
[specify institutional coverage]

	With debt securities at nominal value	With debt securities at market value
Total gross debt		
Domestic creditors		
Currency and deposits		
Debt securities		
Loans		
Insurance, pension, and standardized guarantee schemes		
Other accounts payable		
External creditors		
Special drawing rights (SDRs)		
Currency and deposits		
Debt securities		
Loans		
Insurance, pension, and standardized guarantee schemes		
Other accounts payable		

Note: Specify where valuation or classification differs from the principles described in Chapters 2 and 3 of this *Guide*.

institutional coverage and on a specific reference date. The debt-service payment schedules are classified by type of debt instrument as well as by currency of denomination. Additional classifications, such as by type of interest rate and residence of the creditor can be added, if desired.

5.30 The statistics presented in Table 5.7 are projected future interest and principal payments of consolidated gross outstanding debt, on the reference date (in other words, the projected amounts, not the discounted present values). These statistics should not cover projected future payments on public sector debt not yet outstanding.¹³ Projections should be based on interest rates, exchange rates, and—for indexed instruments—prices prevailing on the reference date (i.e., not on projections of future interest rates, exchange rates, or prices) to allow for international comparability. If projections of future interest rates, exchange rates, or prices are available and considered to be suitable for national circumstances, these may be used for certain analyses.

¹³In other words, the statistics cover existing debt liabilities, not new debt liabilities that may be incurred in the future.

Table 5.6b. Gross Debt by Residence and Type of Institutional Sector of the Creditor [specify institutional coverage]

	With debt securities at nominal value	With debt securities at market value
Total gross debt		
Domestic creditors		
General government ¹		
Central bank ¹		
Deposit-taking corporations except the central bank ¹		
Other financial corporations ¹		
Nonfinancial corporations ¹		
Households and nonprofit institutions serving households		
External creditors		
General government		
Central banks		
International organizations		
Financial corporations not elsewhere classified		
Other nonresidents		

Note: Specify where valuation or classification differs from the principles described in Chapters 2 and 3 of this Guide.

¹For consolidated debt statistics, inter- and intrasectoral stock positions among public sector units should be eliminated in these categories, as relevant.

5.31 The columns in Table 5.7 are time periods of one year and less, more than one year to two years, more than two years to five years, and more than five years. The time frame in the table may be extended, if necessary. Annual payment data for each year from two years up to five years ahead would help to identify potential significant payment amounts well in advance. Some countries provide annual data for each year out to 10 or 15 years. Table 5.7 shows the recommended minimum breakdowns of debt—more details can be included, if needed.

5.32 Subperiods are presented within the time periods of one year or less, and more than one year to two years. In the one year or less period, quarterly subperiods are presented together with an “immediate” category (see paragraph 5.33). The column “more than 0 to 3 months” excludes payments falling under “immediate.” In the more than one year to two years time period, semiannual (semester) subperiods are presented.

5.33 The time period of one year or less includes a subperiod of “immediate” that covers all debt that

Table 5.6c. Gross Debt by Residence and Currency of Denomination [specify institutional coverage]

	With debt securities at nominal value	With debt securities at market value
Total gross debt		
Domestic creditors		
Domestic currency denominated		
Foreign currency denominated		
External creditors		
Domestic currency denominated		
Foreign currency denominated		

Note: Specify where valuation or classification differs from the principles described in Chapters 2 and 3 of this Guide.

is payable on demand—for example, certain types of bank deposits, as well as all debt that is past due (i.e., arrears, which also include interest on arrears). Debt that is technically due immediately is different in nature from debt due in one year or less because the actual timing of payment on debt due immediately is uncertain. Without an “immediate” time period specified, there is a possibility that an analytically misleading impression could be given by the data for short-term debt—some of this debt might not be repaid for some time.

5.34 When securities contain an embedded option¹⁴ with a date on which, or after which, the debt can be put (sold) back to the debtor by the creditor, the Guide recommends that projected payments in Tables 5.7 be estimated without reference to these embedded put options, and that memorandum items on projected payments be provided assuming early repayment at the option date. If national practice is to estimate projected payments on bonds with embedded put options only until the option date, additional memorandum information could be provided on the projected payments on the bond up until the original maturity date.

5.35 Other embedded options might not include a set date, but rather a certain event, such as a credit rating downgrade. For a convertible bond, the price of equity reaching a certain level may be the trigger. While no memorandum item is provided for these instruments, additional data could be compiled on the

¹⁴See Chapter 2, paragraph 2.175, and Chapter 3, paragraph 3.33.

Table 5.7. Debt-Service Payment Schedules of Outstanding Gross Debt as on:
[specify reference date] [specify institutional coverage]

	One year or less (months)					More than one year to two years (months)		More than two years to five years	More than five years
	Immediate ¹	More than 0 to 3	More than 3 to 6	More than 6 to 9	More than 9 to 12	More than 12 to 18	More than 18 to 24		
By instrument									
Special drawing rights (SDRs)	—	—	—	—	—	—	—	—	
Currency and deposits									
Debt securities									
Loans									
Insurance, pension, and standardized guarantee schemes									
Other accounts payable									
By currency of denomination									
Domestic currency denominated									
Principal ²									
Interest ³									
Foreign currency denominated									
Principal ²									
Interest ³									
Memorandum items									
Debt securities with embedded options ⁴									
Guaranteed public sector debt ⁵									
Principal ²									
Interest ³									
Publicly guaranteed private sector debt									
Principal ²									
Interest ³									

¹Immediately available on demand or immediately due. This category includes arrears, interest on arrears, as well as certain deposits.

²Refers to the original principal amounts.

³Comprises interest in arrears and interest on principal and interest in arrears.

⁴Include only those debt securities that contain an embedded option with a date on which, or after which, the debt can be sold back to the debtor.

⁵When gross debt statistics cover the entire public sector, guaranteed public sector debt is zero. This is because guaranteed debt is already included as debt in its own right. When gross debt statistics do not cover the entire public sector, guaranteed public sector debt covers the amount of debt that the guarantor has guaranteed for those public sector units that are not covered in the gross debt statistics.

value and type of this type of public sector debt, where significant.

3. Memorandum tables

a. Publicly guaranteed debt by maturity and type of debt instrument

5.36 The last part of the summary presentation of gross debt (Table 5.1) shows total publicly guaranteed debt. Two memorandum tables are recommended for publicly guaranteed debt:

- Table 5.8a presents details of publicly guaranteed debt, at nominal value and for a specified institutional coverage, by maturity and type of debt instrument; and
- Table 5.8b presents details of the changes between the opening and closing stock positions of publicly guaranteed debt.

5.37 Publicly guaranteed debt is defined as debt liabilities of public and private sector units, the servicing of which is contractually guaranteed by pub-

lic sector units. These guarantees consist of loan and other debt instrument guarantees, comprising a specific type of one-off guarantees (see Chapter 4, paragraphs 4.14–4.20).¹⁵ Although this is debt of the private sector or other parts of the public sector, it represents a potential liability—an explicit contingency in this case—for the public sector unit providing the guarantee.¹⁶ Such contingencies may be important for fiscal policy and analysis, as well as debt management. The statistics for Tables 5.8a and 5.8b should be compiled using the concepts outlined in Chapters 2 and 3 of this *Guide*.

5.38 At the first level of aggregation, Table 5.8a distinguishes between guaranteed public sector debt and publicly guaranteed private sector debt:

- **Guaranteed public sector debt** is the amount of gross public sector debt liabilities, the servicing of which is contractually guaranteed by the public sector unit(s) covered in the public sector debt statistics in Tables 5.1 through 5.7. The magnitude of this amount depends on the institutional coverage of the public sector debt statistics. For example, when consolidated gross debt statistics in Tables 5.1 through 5.7 cover the entire public sector, guaranteed public sector debt is, by definition, equal to zero. However, when consolidated gross debt statistics do not cover the entire public sector (for example, covers the general government sector), guaranteed public sector debt represents that amount of debt that the guarantor (in this case, general government) has guaranteed for those public sector units that are excluded from the gross debt statistics (in this case, all public corporations).
- **Publicly guaranteed private sector debt** is the amount of gross private sector debt liabilities owed by resident units, the servicing of which is contractually guaranteed by those public sector unit(s) covered in the public sector debt statistics in Tables 5.1 through 5.7. If debt of the private sector unit is partially guaranteed by the public sector unit (for example, if principal payments or interest payments alone are guaranteed) then only the nominal value of the payments guaranteed should

¹⁵These tables exclude provisions for calls under standardized guarantee schemes which are liabilities (not contingent liabilities) of a public sector unit (see Chapter 3, paragraphs 3.62–3.63). Explicit contingent liabilities other than loan and other debt instrument guarantees are also excluded. Table 5.12 provides a register of all explicit contingent liabilities as well as net social security obligations (an implicit contingent liability).

¹⁶Once a guarantee is called, the liability is assumed by the guarantor and appears on the guarantor's balance sheet.

Table 5.8a. Publicly Guaranteed Debt by Maturity and Type of Debt Instrument, at Nominal Value
[specify institutional coverage]

Total publicly guaranteed debt
Total guaranteed public sector debt¹
Short-term, by original maturity
Currency and deposits
Debt securities
Loans
Insurance, pension, and standardized guarantee schemes
Other accounts payable
Long-term, by original maturity
With payment due in one year or less
Special drawing rights (SDRs)
Currency and deposits
Debt securities
Loans
Insurance, pension, and standardized guarantee schemes
Other accounts payable
With payment due in more than one year
Special drawing rights (SDRs)
Currency and deposits
Debt securities
Loans
Insurance, pension, and standardized guarantee schemes
Other accounts payable
Total publicly guaranteed private sector debt
Short-term, by original maturity
Currency and deposits
Debt securities
Loans
Insurance, pension, and standardized guarantee schemes
Other accounts payable
Long-term, by original maturity
With payment due in one year or less
Special drawing rights (SDRs)
Currency and deposits
Debt securities
Loans
Insurance, pension, and standardized guarantee schemes
Other accounts payable
With payment due in more than one year
Special drawing rights (SDRs)
Currency and deposits
Debt securities
Loans
Insurance, pension, and standardized guarantee schemes
Other accounts payable
Total publicly guaranteed debt of nonresidents [specify details]

¹When consolidated gross debt statistics cover the entire public sector, guaranteed public sector debt is zero. This is because guaranteed debt is already included as debt in its own right. When consolidated gross debt statistics do not cover the entire public sector, guaranteed public sector debt covers the amount of debt that the guarantor has guaranteed for those public sector units that are not covered in the gross debt statistics.

Table 5.8b. Reconciliation between Opening and Closing Stock Positions of Publicly Guaranteed Debt, at Nominal Value [specify institutional coverage]

Total publicly guaranteed debt at the beginning of the period	
Plus:	Accrued interest
Minus:	Debt-service payments ¹
Plus:	New guarantees provided during the period
Minus:	Guarantees terminated by contractual agreements during the period
Minus:	Explicit debt assumption during the period
	Without acquisition of an effective claim on the original debtor
	With acquisition of an effective claim on the original debtor
Plus/minus:	Other changes
Total publicly guaranteed debt at the end of the period	
Memorandum items	
Fees paid by debtor to guarantor for the guarantee	
Outstanding stock of guaranteed debt explicitly assumed as at the end of the period:	
	Without acquisition of an effective financial claim on the original debtor
	With acquisition of an effective financial claim on the original debtor

Note: The statistics are reported at nominal value, therefore, revaluation adjustments for changes in the exchange rates of guarantees denominated in foreign currencies are included but market price changes are excluded.

¹ By the debtor to the creditor.

be included within publicly guaranteed private sector debt.

- **Publicly guaranteed debt of nonresident units** should be included as a separate category in Table 5.8a, if significant.

5.39 The second level of aggregation in Table 5.8a is by maturity (see paragraphs 5.15–5.16), while the third level is by type of debt instrument. These instruments are described in Chapter 3 of this *Guide*.

5.40 Table 5.8b reconciles the stock position of gross publicly guaranteed debt with the flows during the reference period. Several types of flows may affect the stock position of publicly guaranteed debt:

- Interest accruing on the outstanding debt increase the level of publicly guaranteed debt;
- Debt-service payments by the debtor to the creditor decrease the level of publicly guaranteed debt;
- The granting of new guarantees increases the level of publicly guaranteed debt;

- The termination of guarantees as a result of a contractual (i.e., mutual) agreement between the guarantor and the original debtor reduces the level of publicly guaranteed debt;
- Debt assumed by the guarantor during the period as a result of explicit calls on guarantees (i.e., by contractual agreement) reduces the level of publicly guaranteed debt. For these transactions, a distinction could be made between those debt assumptions that resulted in the guarantor acquiring an effective financial claim on the original debtor and those that do not result in the guarantor acquiring an effective claim on the original debtor; and
- Other changes that may increase or reduce the level of publicly guaranteed debt. Included are other volume changes (i.e., flows that are not the result of a mutual agreement between the guarantor and the debtor). For example, the guarantor may unilaterally decide to terminate a guarantee (i.e., not by contractual agreement), thereby reducing the level of publicly guaranteed debt. Other flows may also include changes in the value of guaranteed debt denominated in foreign currencies, due to exchange rate movements. Other changes may also include cases where a debt is considered to be assumed after a number of consecutive defaults by the original debtor (see Chapter 4, footnote 8). This would reduce the level of guaranteed debt. When these “implicitly assumed guarantees” revert back to being guarantees, under certain conditions, this would increase the level of guaranteed debt. These details may be specified under “other flows” in Table 5.8b, if considered useful. Because the data are reported at nominal value, market price movements are excluded from this table.

5.41 Memorandum items may be added to Table 5.8b to provide additional information, such as:

- The fees paid during the period by the debtor to the guarantor to obtain the guarantees; and
- The total stock position of publicly guaranteed debt that has been assumed by the guarantor and that remains outstanding. As with the transactions, a distinction could be made between the debt assumed without the acquisition of an effective claim on the original debtor and debt assumed with the acquisition of an effective claim on the original debtor.

b. Debt-service arrears by type of arrears and type of instrument

5.42 The last part of the summary presentation of gross debt (Table 5.1) shows total amount debt-service payments in arrears. If these arrears are significant relative to the total amount of gross debt, information on these arrears should be presented as a detailed memorandum table. As explained in Chapter 2, arrears are defined as amounts that are both unpaid and past the due date for payment. Only the amounts past due are classified as arrears—for example, in the case of overdue debt-service payments, only the overdue part is in arrears. When principal and interest payments are not made when due, such as on a loan, debt-service arrears are created. An accrual basis of recording system does not provide separate information on flows relating to arrears, nor on which debt instruments are in arrears. Compilers need to collect supplementary information on debt-service payments in arrears. Such information is useful for policy analysis and solvency assessments.

5.43 Table 5.9 presents details of consolidated debt-service arrears, for a specified institutional coverage, by **type of arrears** and **type of debt instrument**. Three types of arrears are distinguished: arrears in principal payments, arrears in interest payments, and interest accrued on principal and interest payments in arrears.

5.44 According to accrual accounting principles, interest accrued but not due for payment is added to the outstanding principal. However, in Table 5.9, “principal” and “interest” refer, respectively, to the principal payments and interest payments that are past due for payment.

Table 5.9. Arrears by Type of Arrears and Type of Debt Instrument
[specify institutional coverage]

Total arrears
By type of arrears
Principal
Interest
Interest on arrears
By type of debt instrument
Special drawing rights (SDRs)
Currency and deposits
Debt securities
Loans
Insurance, pension, and standardized guarantee schemes
Other accounts payable

Note: If considered useful, this table can also present each type of arrears as subcomponents of each debt instrument.

5.45 Interest that accrues on arrears (both principal and interest arrears) is known as late interest. For arrears arising from a debt contract, interest should accrue at the same interest rate as on the original debt, unless the interest rate for arrears was stipulated in the original debt contract, in which case this stipulated interest rate should be used. The stipulated rate may include a penalty rate in addition to the interest rate on the original debt. For other arrears, in the absence of other information, interest costs accrue on these arrears at the market rate of interest for overnight borrowing. Also, any additional charges relating to past arrears (such as penalties) should be regarded as interest on arrears of the debtor at the time the agreement is implemented. If an item is purchased on credit and the debtor fails to pay within the period stated at the time the purchase was made, any extra charges incurred should be regarded as interest on arrears and accrue until the debt is extinguished.

5.46 To present information on arrears by type of arrears and type of debt instrument—as in Table 5.9—the underlying source data should provide, for each debt instrument, details on the type of arrears. Therefore, if considered analytically useful, Table 5.9 can also present the type of arrears as subcomponents of each of debt instrument, as relevant.

c. Reconciliation of market and nominal value of debt securities

5.47 This *Guide* recommends that debt securities be valued at nominal and market value. While the market value takes into account fluctuations in market prices, the nominal value does not. Market prices change over time for a number of reasons, including changes in market interest rates, changes in investor perception of the creditworthiness of the debtor, and changes in market structure (such as might affect market liquidity).

5.48 The divergence in the market and nominal value of debt securities at one moment in time, and over time, is of analytical value. For this reason, Table 5.10 provides a framework for reconciling nominal and market valuation of debt securities **by residence** and **institutional sector of the creditor**. Institutional sectors of the creditors are described in Chapter 3 of this *Guide*.

d. Nondebt liabilities, explicit contingent liabilities, and net obligations for future social security benefits

5.49 In macroeconomic statistics, nondebt liabilities, explicit contingent liabilities, and net obligations for future social security benefits of public sector units

**Table 5.10. Debt Securities by Residence and Type of Institutional Sector of the Creditor—
Reconciliation of Market and Nominal Value [specify institutional coverage]**

	Market value	Difference with nominal value	Nominal value
Total gross debt securities by residence and type of institutional sector of the creditor			
Domestic creditors			
General government			
Central bank			
Deposit-taking corporations except the central bank			
Other financial corporations			
Nonfinancial corporations			
Households and nonprofit institutions serving households			
External creditors			
General government			
Central banks			
International organizations			
Financial corporations not elsewhere classified			
Other nonresidents			

Notes: Specify where valuation or classification differs from the principles described in Chapters 2 and 3 of this Guide.

are not **debt** liabilities. However, public sector debt statistics tables may be supplemented with tables containing information on these items, if they are considered to be significant and/or relevant.¹⁷ This section focuses on the stock positions of financial derivatives (a nondebt liability and financial asset in a public sector unit's balance sheet), explicit contingent liabilities, and the net obligations of government for payments of social security benefits (such as retirement benefits and health care) in the future.

i. Financial derivatives position

5.50 Table 5.11 presents stock positions on **financial derivatives**. Financial derivatives are recognized as liabilities but not debt. However, because of the use of financial derivatives to hedge financial positions as well as to take open positions, these contracts can add to a public sector unit's liabilities and, if used inappropriately, cause significant losses. In comparing financial derivatives data with public sector debt, the user should be aware that financial derivatives might be hedging asset or liability positions, or a whole portfolio of assets and liabilities.

5.51 Table 5.11 includes gross assets as well as gross liabilities because of the market practice of creating offsetting contracts, and the possibility of forward-type instruments switching from asset to liability positions,

and vice versa, from one period to the next. For instance, a borrower hedging a foreign currency borrowing with a forward contract might find that the value of the hedge switches from asset to liability position from period to period depending on the movement in exchange rates.

**Table 5.11. Financial Derivatives Position
[specify institutional coverage]**

	At market value	At notional value
Net financial derivatives position		
Options		
By market risk categories ¹		
Forward-type contracts		
By market risk categories ¹		
Financial derivative assets		
Options		
By market risk categories ¹		
Forward-type contracts		
By market risk categories ¹		
Financial derivative liabilities		
Options		
By market risk categories ¹		
Forward-type contracts		
By market risk categories ¹		

Note: Specify where valuation or classification differs from the principles described in Chapters 2 and 3 of this Guide.

¹Market risk categories are foreign exchange, single-currency exchange rate, equity, commodity, credit, and other.

¹⁷For example, a supplementary table showing the extent of pension schemes may be included (see Table 17.10 in the 2008 SNA and paragraphs 2.77–2.85 in Chapter 2 of this Guide).

To present only the liability position in financial derivatives along with gross public sector debt would imply that the foreign currency borrowing was only hedged when the forward contract was in a liability position, so creating a misleading impression. Thus, financial derivatives liability positions should be considered alongside financial derivative asset positions.

5.52 The financial derivatives position should be recorded at market value and notional value. *The notional amount—sometimes described as the nominal amount—is the amount underlying a financial derivatives contract that is necessary for calculating payments or receipts on the contract.*¹⁸ This amount may or may not be exchanged. In the specific case of a swap contract, the market value is derived from the difference between the expected gross receipts and gross payments, appropriately discounted; that is, its net present value. The market value for a forward contract can therefore be calculated using available information—market and contract prices for the underlying item, time to maturity of the contract, the notional value, and market interest rates. From the viewpoint of the counterparties, the value of a forward contract may become negative (liability) or positive (asset) and may change both in magnitude and direction over time, depending on the movement in the market price for the underlying item. Forward contracts settled on a daily basis, such as those traded on organized exchanges—and known as futures—have a market value, but because of daily settlement they are likely to have zero value at each end-period.

ii. Explicit contingent liabilities and net obligations for future social security benefits

5.53 This *Guide* recommends presenting information on values of explicit contingent liabilities, if they are considered to be significant and/or relevant. Explicit contingent liabilities, which are discussed under Contingent Liabilities in Chapter 4, may be grouped into three main categories for presentational purposes, as shown in Table 5.12. Details of loan and other debt instrument guarantees (which most likely constitute the majority of one-off guarantees), are provided in Tables 5.8a and 5.8b (publicly guaranteed debt). The remaining categories are not covered elsewhere in the debt presentation tables and it is recommended to disseminate such information in Table 5.12, if considered significant and/or relevant. Additional subcategories may be listed in Table 5.12, as relevant.

5.54 As explained in Chapter 2, paragraph 2.80, no liability is recognized in macroeconomic statistical systems

¹⁸For example, a forward contract that covers the variation of 100,000 from a particular bilateral exchange rate has a notional value of 100,000 but may have a market value of zero.

for social security benefits—such as retirement benefits and health care—payable in the future.¹⁹ These obligations are implicit contingent liabilities. All contributions to social security schemes are treated as revenue (transfers) and all payments of benefits are treated as expense (transfers). The present value of social security benefits that have already been earned according to the existing laws and regulations but are payable in the future should be calculated in a manner similar to the liabilities of an employer retirement scheme. This amount minus the present value of social security scheme contributions, provide an indication of the net obligations that a government unit has for social security benefits payable in the future.

4. Additional public sector debt information

5.55 The core tables outlined in this chapter may be supplemented with additional tables on aspects of public sector debt statistics not covered in those tables. These could include historical data on gross debt issuance, information on yields in the primary and secondary markets, and credit ratings for specific types of debt instruments. These tables can be considered based on availability of data and analytical needs.

¹⁹In contrast, social security benefits due for payment but not yet paid are included as accounts payable in a public sector unit’s balance sheet. Also included in the balance sheet (and thus excluded from implicit contingent liabilities) are public sector units’ liabilities for unfunded nonautonomous pension schemes for their employees.

Table 5.12. Summary of Explicit Contingent Liabilities and Net Obligations for Future Social Security Benefits [specify institutional coverage]

Total explicit contingent liabilities	
One-off guarantees	
	Loan and other debt instrument guarantees ¹
	Other one-off guarantees ²
Other explicit contingent liabilities not elsewhere classified	
	Legal claims
	Indemnities
	Uncalled share capital
	...
Net obligations for future social security benefits	
	Present value of obligations for future social security benefits
Minus:	Present value of future contributions to social security schemes

¹This *Guide* recommends disseminating details of loan and other debt instrument guarantees (i.e., publicly guaranteed debt) as shown in Tables 5.8a and 5.8b.

²For example, credit guarantees and other similar contingent liabilities (such as lines of credit and loan commitments), contingent “credit availability” guarantees, and contingent credit facilities.

5.56 There may also be analytical interest in the average interest rates on gross public sector debt or any specific debt instrument. Information on the average interest rates can provide an indication of the borrowing costs of the public sector unit(s) and can be used to help estimate debt-service interest rate payments. Also, concessionality of borrowing could be imputed. Information on average interest rates on short- and long-term original maturity instruments could be provided in addition to the total average interest rate (see Table 5.13). It may also be useful to provide further breakdowns of average interest rates, such as by currency of denomination. In addition to the weighted-average interest rates on outstanding public sector debt, Table 5.13 could be used to present data on the weighted-average level of interest rates agreed on new borrowing during the period.

5.57 *The average interest rate is the weighted-average level of interest rates on the outstanding gross public sector debt or any specific debt instrument, at nominal and market value, as at the reference date. The weights to be used are determined by the value in the unit of account of each borrowing as a percentage*

of the total. For example, for the general government sector the weight given to the interest rate on each debt instrument equals the value in the unit of account of that debt as a percentage of total gross debt for the general government sector. Ideally, average interest rates for debt securities and loans would be derived from a detailed debt management system. Alternatively, average interest rates may be derived from interest payable as a ratio to the relevant value of debt, expressed at an annual rate. Interest should be recorded on an accrual basis because on a cash basis fluctuations may occur (due to the timing of coupon payments and the under- or overestimation of the average interest rate resulting from deep-discounted bonds). Insurance, pension, and standardized guarantee schemes generate property income of a different nature to interest. However, the average rate of return may be derived from the discount factor used to calculate the present value or earnings on invested funds.

5.58 The relevant interest rate level for each debt instrument is affected by whether it has a fixed- or variable-linked interest rate (defined in paragraphs 5.20–5.26). If the interest rate is contractually fixed, then this rate should be used, taking account of any discount and premium at issuance. If the rate of interest had been variable in the past but is now fixed, the current fixed-rate should be used. For variable-rate instruments, the rate of interest on each instrument should be the rate accruing on the reference day. In other words, usually variable rates of interest are reset on a periodic basis, and it is the level of the interest rate applicable on the reference day that should be used. If the interest rate is reset on the reference date, that rate should be reported and not the previous interest rate. If for any reason the variable rate is not observable, then the level of the reference index or appropriate price on the reference date, or, if the link is to a change in the reference index, the recorded change for the relevant period up to the reference date, or the closest relevant time period available, together with any existing additional margin the borrower needs to pay, should be used to calculate the interest rate level.

5.59 For calculating the weighted average of interest rates agreed on new borrowing during the period, the interest rates recorded would be those established at the time of the borrowing. If the interest rate is contractually fixed, then this rate should be used. For variable-rate borrowing, the rate of interest on each instrument should be that which is accruing on the day the claim is established. The weights to be used in compiling average interest rate data are determined by the value in the unit of account of each borrowing, on the date the claim was established, as a percentage of the total borrowed during the period.

Table 5.13. Average Interest Rates by Original Maturity and by Type of Debt Instrument [specify institutional coverage]

	With debt securities at nominal value	With debt securities at market value
Total gross debt		
Short-term, by original maturity		
Currency and deposits		
Debt securities		
Loans		
Insurance, pension, and standardized guarantee schemes		
Other accounts payable		
Long-term, by original maturity		
Special drawing rights (SDRs)		
Currency and deposits		
Debt securities		
Loans		
Insurance, pension, and standardized guarantee schemes		
Other accounts payable		

Note: Specify where valuation or classification differs from the principles described in Chapters 2 and 3 of this Guide. While all debt instruments are listed here for completeness' sake, not all debt instruments have an average interest rate (for example, currency and insurance, pension, and standardized guarantee schemes).

Annex: Maastricht Debt of the European Union

This annex describes the main features of the European Union's Maastricht debt.

I. Introduction

5.60 The Stability and Growth Pact (SGP) is a rule-based fiscal framework intended to ensure fiscal discipline in the EU. The two selected fiscal indicators for monitoring the fiscal developments under the SGP are the deficit and debt-to-GDP ratios of the general government. The core principle is that EU countries should avoid excessive deficits (Article 104 of the Maastricht Treaty establishing the European Community, as amended by the Treaty of Amsterdam). Hence, the government deficit-to-GDP ratio is allowed to exceed a reference value of three percent of GDP under exceptional circumstances only. The government debt-to-GDP ratio is not allowed to be higher than a reference value of 60 percent of GDP, unless the ratio is sufficiently diminishing and approaching the reference value at a satisfactory pace. These two fiscal indicators, and their reference values of three percent and 60 percent of GDP, are also the subject of the fiscal convergence criteria for entry to the EU and to the Stage Three of the Economic and Monetary Union (EMU or euro area).

2. Main features

5.61 Government debt (“Maastricht debt” or “EDP debt”) is defined in the Protocol on the Excessive Deficit Procedure (EDP) annexed to the Maastricht Treaty and in Article 1 (5) of Council Regulation (EC) No 479/2009 as the total general government gross debt at nominal value outstanding at the end of the year with the following characteristics:

- **Sector delineation:** Maastricht debt comprises the consolidated liabilities of the general government sector, therefore including all levels of government: central government, local government, social security funds, and when applicable state government. This means that the debt of public corporations is excluded in the measurement of government debt in the EU.
- **Breakdown by instruments:** Maastricht debt consists of the following liabilities of general government: currency and deposits, securities other than shares, excluding financial derivatives, and loans, as defined in the *European System of Accounts (ESA95)*. This means that it excludes *ESA95*

instruments that are difficult to measure, such as insurance technical reserves and other accounts payable. Accordingly, the Maastricht definition of debt differs from the measure of total gross debt (see Chapter 2, paragraph 2.3) but corresponds with one of the narrower measures of debt provided in Chapter 2, paragraph 2.7.

- **Valuation rules:** Maastricht debt is measured at “nominal value” and equals the contractually agreed amount that the government will have to refund to creditors at maturity. In the *GFSM* and this *Guide*, this method of valuation is known as “face value.” This means, in particular, that the government debt is not affected by changes in market yields, and excludes unpaid accrued interest. Maastricht debt is thus measured differently than most government liabilities in the national accounts, which are recorded at market value.
- **Consolidation:** Maastricht debt is consolidated across the general government sector, which implies that government debt instruments held as assets by general government units are not included in the calculation of government debt.
- **Gross debt:** Maastricht debt is “gross” debt which means that financial assets of general government units are not subtracted in the calculation of government debt.

5.62 All EU countries are legally required to report the breakdown of government debt by instrument and initial maturity to Eurostat. Furthermore, the *ECB Guideline on Government Finance Statistics (ECB/2009/20)* requires all euro area national central banks to report additional breakdowns of government debt to the European Central Bank: by residual maturity, by holding sector, and by currency.

5.63 As mentioned previously, Maastricht debt is based on internationally harmonized national accounts data (*ESA95*) and, in most of the cases, the data are compiled through the cooperation of the national statistical offices, central banks, and the ministries of finance. With the aim of ensuring a consistent compilation of the government deficit and debt across EU countries, Eurostat has developed a well-defined procedure for dealing with borderline specific transactions: Eurostat consults the Committee on Monetary, Financial, and Balance of Payments Statistics (CMFB), comprising senior statisticians of central banks and national statistical institutes. The European Commission and the European Central Bank

are also Members of the CMFB. Eurostat then makes the final decision, according to purely technical criteria, which is applicable to similar cases in all the EU countries. The decision on each issue is recorded

in methodological notes and disseminated through press releases. The main methodological decisions have been further elaborated in the *ESA95 Manual on Government Deficit and Debt*.

