



# BOSNIA AND HERZEGOVINA

## TECHNICAL ASSISTANCE REPORT—GOVERNMENT FINANCE STATISTICS

February 2018

This Technical Assistance report on Bosnia and Herzegovina, The Republic of Srpska was prepared by a staff team of the International Monetary Fund. It is based on the information available at the time it was completed on July 2017.

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# **INTERNATIONAL MONETARY FUND**

Statistics Department

## **BOSNIA AND HERZEGOVINA, REPUBLIC OF SRPSKA**

**TECHNICAL ASSISTANCE REPORT ON THE  
GOVERNMENT FINANCE STATISTICS MISSION**  
(February 27–March 1, 2017)

**Prepared by Deon Tanzer**

**July 2017**

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**ACRONYMS**

BHAS	Agency for Statistics of Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
COA	Chart of accounts
<i>EDP</i>	<i>Excessive Deficit Procedure</i>
<i>ESA 2010</i>	<i>European System of National and Regional Accounts 2010</i>
<i>ETP</i>	<i>ESA 2010 Transmission Programme of Data</i>
EU	European Union
GFS	Government finance statistics
<i>GFSM 2014</i>	<i>Government Finance Statistics Manual 2014</i>
MOF	Ministry of finance
MOUs	Memoranda of Understanding
RS	Republic of Srpska
RZS	Republic of Srpska Institute of Statistics
SECO	Swiss State Secretariat for Economic Affairs
TA	Technical assistance

## EXECUTIVE REPORT

1. **A technical assistance (TA) mission was conducted by Mr. Deon Tanzer, the government finance statistics (GFS) advisor for South East Europe<sup>1</sup> during the period February 27–March 1, 2017, to support the Bosnia and Herzegovina authorities, with a specific focus on the Republic of Srpska (RS), in improving GFS for decision making.**

This mission was conducted within the context of the second phase of the Swiss State Secretariat for Economic Affairs (SECO) GFS capacity building project. The mission met with officials from the Ministry of Finance of the Republic of Srpska (MOF RS) and the Republic of Srpska Institute of Statistics (RZS). The mission would like to thank the staff of the national institutions for their courtesy and willingness to share their knowledge with the mission. It is especially grateful to the staff of the MOF RS for their invaluable assistance in organizing the mission (see Appendix I for the list of officials met during the mission).

2. **Reliable GFS are essential for analyzing and evaluating fiscal policy, especially the performance of the general government sector and the broader public sector of any economy, by the authorities, economists, and the broader public.** GFS may also be informative to compilers and users of other macroeconomic statistics in understanding the relations between the various sets of macroeconomic statistics, in particular to compilers of the national accounts who may depend on GFS as an input to their work.

3. **To this end, the project TA is geared toward the compilation and dissemination of GFS of Bosnia and Herzegovina in accordance with the guidelines of the *Government Finance Statistics Manual 2014 (GFSM 2014)* and the *European System of National and Regional Accounts 2010 (ESA 2010)*.** The project aims to implement comprehensive reporting to the *Government Finance Statistics Yearbook*, the IMF-World Bank Quarterly Public Sector Debt (QPSD) statistics database, the *ESA 2010 Transmission Programme of Data (ETP)*, and to fulfill excessive deficit procedure (EDP) reporting requirements.

4. **The mission was a follow-up to the October 2016 GFS TA mission, conducted by Mr. Tanzer, and discussed developments since the October 2016 mission.** Importantly, the RS cabinet has endorsed the objectives of the SECO-funded GFS project (within the context of the RS Public Finance Management strategy) and therefore supports the TA being provided in this context. An information document on the strategy is being presented to parliament. The mission agreed with the RS authorities to reword the October 2016 mission report's Appendix I on institutional arrangements, whereby the recommendation suggests an analytical assessment of the current laws, rather than a proposal of changes to the law (Appendix II of this report provides the revised text).

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<sup>1</sup> The GFS advisor for South East Europe is hosted by the Center for Excellence in Finance, Ljubljana, Slovenia.

5. **The mission met with the Assistant Minister of Finance (and Head of the Accounting and Audit Department) and the Director of the RZS.** The mission was informed that the prime responsibility for GFS compilation has been allocated to the RZS, with the MOF operating an important supporting compilation role. This includes the transmission of RS GFS (related) data to the statistics compilers for the consolidated Bosnia and Herzegovina level, namely the Agency for Statistics of Bosnia and Herzegovina (BHAS) and the Central Bank of Bosnia and Herzegovina (CBBH). It is recognized that historic and practical reasons have led the CBBH to take a significant role in comprehensive GFS compilation for Bosnia and Herzegovina.

6. **The future delineation of tasks and responsibilities in the Bosnia and Herzegovina GFS compilation process between the BHAS, CBBH, MOF RS, and RZS is still open.** The current SECO-funded GFS TA project aims to assist the RS authorities to develop GFS compilation processes in line with the reporting requirements described in paragraph 3. The current TA can assist the RS authorities to compile aggregated RS level GFS data. Together with comprehensive methodological explanations, comprehensive process tables, and the free flow of GFS relevant data, this should allow CBBH and BHAS compile consolidated data for Bosnia and Herzegovina. Developments that will bring BHAS' role into more prominence are welcomed, which is also in line with the Eurostat's recommendations.

7. **The mission briefly discussed the implementation of a memorandum of understanding (MOU) both within institutions of the Entity, as well as with the CBBH and BHAS.** Currently, a RZS RS Work Program drafted for the period 2013–2017 stipulates the statistical outputs within RS. The Work Program does not address the specific mechanics of agreed tasks and responsibilities (who does what, when) between the RS institutes. The mission shared with the RS authorities a document providing general recommendations on compiling a MOU within the GFS compilation context, that can serve as an inspiration for the drafting of MOUs (Appendix III).

8. **Considering that the development of GFS compilation is still in progress, an interim MOU based more on a principal level can be drafted.** This can include items concerning the project implementation in itself. In the months preceding the main implementation, lessons learnt can be used to amend and further clarify a final MOU. These lessons learnt approach can also be extended by adopting a step-by-step approach, first by adopting an RS level MOU, and thereafter a Bosnia and Herzegovina level MOU.

9. **On strengthening formal arrangements between the institutions at Entities' level, and the CBBH and BHAS,** a way forward could be to establish a working group for coordination, underpinned by a MOU. Initial work to establish such a body could be started during a follow-up mission with the BHAS, CBBH, MOF RS, and RZS, collectively.

Target Date	Recommendation	Responsible Institutions
December 2017	The mission recommends that the RS authorities draft and implement a MOU at the Entity level.	MOF RS, RZS
June 2018	The mission recommends that the RS authorities draft and implement a MOU with the CBBH and BHAS.	BHAS, CBBH, MOF RS, RZS RS

10. **The draft object list describing the Work Program presented by the GFS advisor during the October 2016 mission was reviewed in detail.** Target dates were identified for specific items in the Work Program. The status of individual items was discussed and included in the work program. The RS authorities will use this Work Program to guide future tasks and objectives during the development of GFS during this project. Future missions will use this Work Program to help determine mission objectives and update the Work Program according to the state of play and mission recommendations.

Target Date	Recommendation	Responsible Institutions
June 2017	The mission recommends that the RS authorities review the Work Program and propose further additions, amendments, and improvements.	MOF RS, RZS RS

11. **The mission discussed the current process for reconciling budget execution data on an [annual] basis.** Considering that the RS budget execution is recorded on a cash commitment basis, a reconciliation process is complicated. The mission will confer with the regional public financial management advisor on possible methods to ease this process. As a first step, a draft overview depicting the reconciliation of the RS Chart of Accounts is presented in Appendix IV.

12. **The mission presented a theoretical model for the reconciliation of budget data and the subsequent step-by-step compilation of GFS data using process tables.** The model helps eliminate or minimize statistical discrepancies as an initial step in the compilation process, and subsequently holds this discrepancy constant during the remainder of the compilation process. The model also gives insight into the need for coordinating the estimation of nonfinancial and financial transactions, as well as insights into a logical division of labor for the compilation of GFS transactions. The RS authorities can use the model as a basis for designing their GFS compilation processes. This will ask for new coordination processes and a sequenced division of labor with the MOF (as suppliers of source data and IMF surveillance data), and RZS (compilers of GFS and national accounts) to be developed.



TARGET DATE	RECOMMENDATION	RESPONSIBLE INSTITUTIONS
June 2018	The mission recommends that the RS authorities use the theoretical reconciliation model as a basis for designing their GFS compilation processes.	MOF RS, RZS RS

13. **The mission relayed information with the authorities on the sector classification of the Entity RS according to *ESA 2010*.**

14. **The mission reviewed the bridge between the Chart of Accounts (COA) and the *ESA 2010* and *GFSM* classification.** The bridge was developed during the June 2016 mission. Upon the recommendations of that mission, the MOF has revised the COA to help further align with *ESA 2010* and *GFSM 2014* needs. Some groups of items (among others, the recording of bail deposits and refunds, VAT refunds, and health expenditure) will need further review during a follow-up mission due to the complicated nature of their recording. Considering the RS authorities will be consolidating expenditure on public healthcare directly into the budget from 2017 onwards, this will have implications for GFS compilation. It is important for future GFS compilation to signal these changes in dissemination. For instance, a footnote can quantify the changes to the main aggregates with an explanatory note.

Target Date	Recommendation	Responsible Institutions
December 2017	The mission recommends that the RS authorities implement the revised bridge into the GFS compilation processes. During a transitional period, it is recommended that GFS be compiled according to the old and new bridge in parallel. These efforts need to be coordinated with other compilation of Bosnia and Herzegovina GFS to ensure consistency.	MOF RS, RZS RS

### Appendix I. List of Officials Met during the Mission

<b>Institute of Statistics of the Republic of Srpska, Bosnia and Herzegovina</b>		
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Dijana Maleš	Senior Associate	<a href="mailto:dijana.males@rzs.rs.ba">dijana.males@rzs.rs.ba</a>
Žana Alagić	Senior Associate	<a href="mailto:zana.alagic@rzs.rs.ba">zana.alagic@rzs.rs.ba</a>
Milka Ciganović	Senior Associate	<a href="mailto:milka.ciganovic@rzs.rs.ba">milka.ciganovic@rzs.rs.ba</a>
<b>Ministry of Finance of the Republic of Srpska, Bosnia and Herzegovina</b>		
Mile Banika	Head of Department for Accounting and Auditing, assistant of Minister	<a href="mailto:m.banika@mf.vladars.net">m.banika@mf.vladars.net</a>
Ivana Marjanović	Head of Department for consolidation of financial statements, Department for Accounting and Auditing	<a href="mailto:i.marjanovic@mf.vladars.net">i.marjanovic@mf.vladars.net</a>
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Tanja Šavija	Senior Associate, Department for Treasury	<a href="mailto:t.savija@mf.vladars.net">t.savija@mf.vladars.net</a>
<b>IMF Resident Representative's Office</b>		
Ms. Bobana Cegar	Economist	<a href="mailto:bcegar@imf.org">bcegar@imf.org</a>

## Appendix II. October 2016 TA Mission Report (Amended Text)

### Appendix I. Institutional Arrangements

1. **Formal arrangements are supported, to a certain extent, by budget laws, and statistical laws.** This is, however, complicated by the fact that neither a single unified nor a multiple (but consistent) legal framework exists for the country, the entities, and underlying levels of government. For instance, separate budget laws and statistical laws cover Bosnia and Herzegovina and RS. Significantly, the underlying accounting standards, the reporting requirements—concerning periodicity, format, timeliness, the coding structure, level of detail, supporting information, and reporting obligations (whom to report to) differ. As current compilers of the Bosnian general government, the CBBH and the BHAS in the context of national accounts compilation, therefore do not have at their disposal source data compiled and submitted according to consistent standards.
2. **The laws at Bosnia and Herzegovina and RS, although mutually complimentary by design, are not necessarily consistent in wording, and could therefore be open to interpretation.** This is illustrated by comparing excerpts on data collection from the Bosnia and Herzegovina Statistics Law and the RS Statistics Law in Box 1. More examples are conceivable.

#### ***Recommendation:***

- *The mission recommends the various Bosnian entities analyze the legal framework and pinpoint areas within the legal framework that may benefit from improvements in consistency. Consideration needs to be given to align the underlying reporting standards, the regulation of data and metadata transmission, the reporting requirements—concerning periodicity, format, timeliness—in a consistent manner and according to international standards and best practices. Additionally, it is important that ambiguities and formulations that can lead to differing interpretations across the various laws be looked into. When windows of opportunity to update these laws are open, this analytical list can help inform improvements.*

**Box 1. Comparison between Bosnia and Herzegovina and RS Statistics Laws  
on the Collection of Data**

**Law on Statistics of Bosnia and Herzegovina (7 June 2004)**

*Article 8*

The Agency shall:

2(e) collect, process and disseminate Statistics of Bosnia and Herzegovina in accordance with internationally accepted standards based on data submitted by the Entity Institutes and/or data collected directly by the Agency. For these purposes the Agency may (i) where it considers necessary for the performance of its statutory functions provided herein collect statistical data from any Statistical Unit in the Entities; and (ii) collect data for its statutory functions provided herein from BiH Institutions; legal entities at the State level; international organisations operating within BiH borders and foreign owned and controlled companies;

2(f) require (where necessary for compiling statistics at the level of Bosnia and Herzegovina) Entity Institutes to provide data at the level of individual Statistical Units. Such data may include Confidential Data within the meaning of this Law or data that Entity legislation may classify as confidential.

**Law on Statistics of the Republic of Srpska (draft - no date available)**

*Article 7*

The Institute is obliged to submit the processed data to BiH Agency for Statistics for the implementation of the Statistical program in BiH, in accordance with the determined methodologies, statistical standards and guidance of Bit-i Agency for statistics.

*Article 8*

The reporting unit is obliged to provide the Institute or the authorized person, with the complete and correct data on the occurrences that are, on the basis of this law, determined necessary for the production of statistics, within the determined deadline and for free and enable them checking submitted data.

## **Appendix III. Recommendations—Implementing Memoranda of Understanding (MOU)**

### **A. General Remarks**

1. MOUs cover a wide range of important issues regarding the responsibilities, obligations, and organization in the compilation of macroeconomic statistics. It is thus quite comprehensive.
2. Important issues such as the assignment of the output responsibilities, final responsibility on methodology, sharing of data, and confidentiality are addressed.
3. A MOU can offer practical support for the secure compilation of GFS by the various compiling units. Its objective is to eliminate possible ambiguities or lack of clarity that exist through gaps in laws / regulations and informal arrangements. It is an important instrument that strengthens the notion of a need to integrate and coordinate efforts.
4. It is useful if the MOU makes a distinction between the Steering Committee (senior member Working Group) who are responsible for strategic decision making, and operations Working Groups (expert level Working Group) who are responsible for executing the ongoing compilation process.
5. It is often useful if a MOU can start out by establishing the core purpose of the document, namely the will between parties to commit to reach a common goal by cooperating on a number of actions delivered at the right time.

### **B. Topics to Consider in Drafting a MOU**

6. Partner organizations, the MOU is between
  - Name, Title, Organization
  - Name, Title, Organization
  - Name, Title, Organization
7. Purpose of compiling macroeconomic statistics/GFS
  - To provide context, it is useful to explain the usefulness GFS and how this differs from or relates to other fiscal reporting in the country—including their legal status
  - Maybe also with a brief description of outputs
8. Legal context
  - Explain the legal remit of GFS compiling agencies—including the relevant Laws, Regulations that explain roles and responsibilities
  - In the context of European Union (EU) reporting, it may be useful to explain which EU laws govern the compilation of *ESA 2010* Transmission Programme (ETP) of

Data and Excessive Deficit Procedure (EDP) reporting. Although these laws are not (yet) entrenched in national law, they do offer a guide on the way Eurostat will measure compliance.

- It may be worth mentioning the EU Acquis SSA Chapters 17 & 18. Considering the country's (pre-)candidate status, this also provides the motive for compiling and reporting ETP and EDP data.
- Include reference numbers and dates of laws and their amendments

#### 9. Timelines

- Considering the complete GFS compilation universe is still in development, it is useful to incorporate projected timelines / schedules for first dissemination of various sets of data.
- Include a strategy to periodically review operational processes and identify issues of concern, and adapt the MOU where needed.
- Either party may request changes to this MOU. Any changes, modifications, revisions, or amendments to this MOU, which are mutually agreed upon by and between the parties to this MOU, shall be incorporated by written instrument, and effective when executed and signed by all parties to this MOU.

#### 10. Methodology / Compilation

- It is important to make reference to the suite of methodology that the various statistical outputs need to adhere to. For ETP and EDP, this is *ESA 2010* and the Eurostat *Manual on Government Deficit and Debt*; for reporting to the IMF's Statistics Department, this is *GFSM 2014*; for quarterly public sector debt, this is *Public Sector Debt Statistics: Guide for Compilers and Users*.
- It is also useful to explain that these methodologies are strongly interlinked and thus require a strict coordination effort to ensure consistency—also with other macroeconomic statistics
- Considering the above, a brief description of the integrated / coordinated compilation process for all GFS outputs (Eurostat, European Central Bank, IMF's European Department and Statistics Department, World Bank) will be useful.
- Include a note on the institution responsible for compiling projection data for EDP Table 1. Normally this would be the MOF.

#### 11. Governance structure and reporting

- Include a description of the governance structure and reporting responsibilities may be useful
- Describe the process for resolving disputes that may arise among the partners to the agreement

#### 12. The members of the Working Groups will commit to the following:

- attending all scheduled Working Groups meetings
- champion the partnership within and outside of work areas

- share all communications and information across all Working Groups members
  - make timely decisions and take action so as to not hold up the compilation process
  - notifying members of the Working Groups, as soon as practical, if any matter arises which may be deemed to affect the development of the partnership attendance at all meetings and, if necessary, nominate a proxy.
13. Members of the Working Groups expect
- that each member will be provided with complete, accurate, and meaningful information in a timely manner
  - to be given reasonable time to make key decisions
  - to be alerted to potential risks and issues that could impact the project, as they arise
  - open and honest discussions
  - ongoing ‘health checks’ to verify the overall status and ‘health’ of the partnership.
14. Meetings
- Meetings will be chaired by (insert name and organization)
  - A meeting quorum will be (insert number) members of the advisory group
  - Decisions made by consensus (i.e., members are satisfied with the decision even though it may not be their first choice). If not possible, advisory group chair makes final decision
  - Meeting agendas and minutes will be provided by (Insert name and organization), who will
    - o prepare agendas and supporting papers
    - o prepare meeting notes and information.
  - Meetings will be held (how often) for (specify time) at (specify location).
  - If required, subgroup meetings will be arranged outside of these times at a time convenient to subgroup members
  - On an operational level: What are the various liaison points in time for each GFS reporting period? Themes to consider:
    - o Collection of data
    - o Pre-compilation meeting
    - o Discuss important policy changes / economic transactions and the impact on recording
    - o Integration outcomes and issues
    - o Pre-publication final verification
    - o Post-compilation evaluation (with action points as outcome)
15. Division of responsibilities
- All agencies have a collective responsibility in compilation—while each agency has a particular assignment that is either individual or shared according to the compilation process.

A description of responsibilities can be based on the following issues (not exhaustive):

- What is expected from data suppliers—the expected format of supplied data, the required level of attributes, the required metadata, the required level of detail, whether data should be aggregated to a certain level or not, whether data should be bridged to ESA / GFSM;
- How are information and data administered by all parties to the agreement—include confidentiality considerations
- Who is responsible for vertical and stock/flow reconciliation—unit-by-unit / sector-by-sector;
- Who is responsible for horizontal reconciliation—transaction-by-transaction / balance sheet position-by-position;
- Who is responsible for time adjustments (above-and-below the line in parallel), reconciling accounting time of recording with statistics time of recording, imputations, methodological adjustments, etc.;
- Who is responsible the calculation of accrued interest aligned with the estimation of the various valuations;
- Who is responsible for estimating typical national accounts concepts (financial intermediation services indirectly measured, gross capital formation and consumption of fixed capital according to the Perpetual Inventory Method, distinction between production / nonproduction subsidies, distinction between individualized and collective consumption, etc.);
- Who is responsible for consolidation;
- Who is ultimately responsible for consistency and methodology;
- Where in these process steps does compilation occur solely at the compilation unit; where does compilation require coordination between compiling units;
- Where do compilation plus the final integration databases / files reside;
- Who is responsible for inputting compiled data into dissemination tables;
- Who is responsible disseminating and publishing various statistical outputs;
- Who is responsible for liaising with international organizations on compilation questions (EDP reporting; ETP; *Government Finance Statistics Yearbook*; IMF-World Bank QPSD database; *International Financial Statistics*);
- How does GFS data relate with surveillance data (e.g., the country desk of the IMF's European Department).
- It may also be useful to include in an Annex a full list of compilers with a set of contact details, plus chief coordinator per compiling unit.

#### 16. Resources

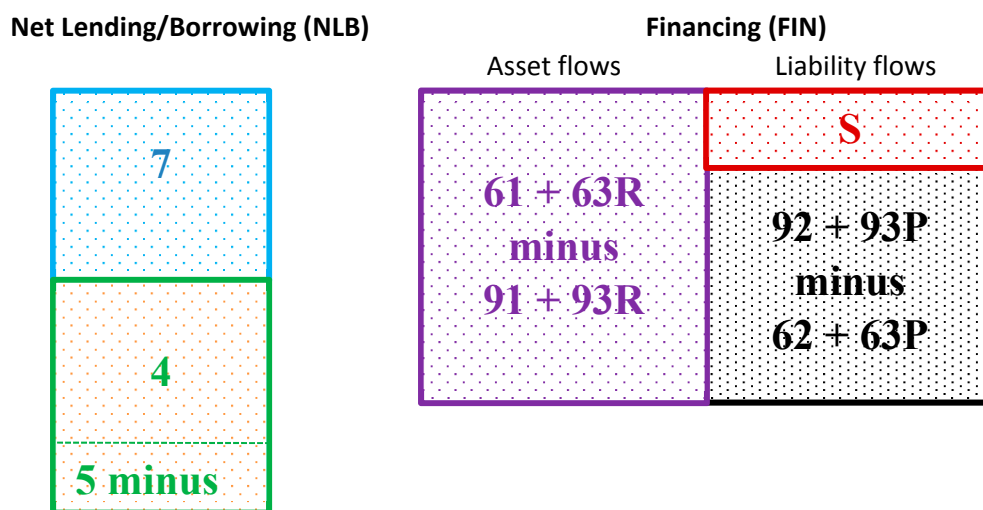
- Identify the equipment, resources and materials facilities that will be contributed by partnership member



## Appendix IV. Draft Overview Reconciliation of COA

### Reconciliation scheme of the COA flows and GFS aggregates

Included below is a tentative graphical and a formula-based representation of the inflows and outflows as these are recorded in the COA of the Republic of Srpska. The formulas explain how these flows relate to GFS aggregates. Follow-up missions will further verify this scheme.



7 = Revenue (Inflows)

Exp = Expenditure (Outflows)

4 = Expense (Outflows)

NANA = Net acquisition of nonfinancial assets

5 Acquisition of nonfinancial assets (Outflows)

8 Disposal of nonfinancial assets (Inflows)

NAFA = Net acquisition of financial assets

61 Acquisition of financial assets (Outflows)

91 Disposal of financial assets (Inflows)

63R Provision of OAR (Outflows)

93R Receipts on OAR (Inflows)

NIL = Net incurrence of liabilities

92 Incurrence of liabilities (Inflows)

62 Repayment of liabilities (Outflows)

93P Incurrence of OAP (Inflows)

63P Repayment of OAP (Outflows)

S = Net change of sources

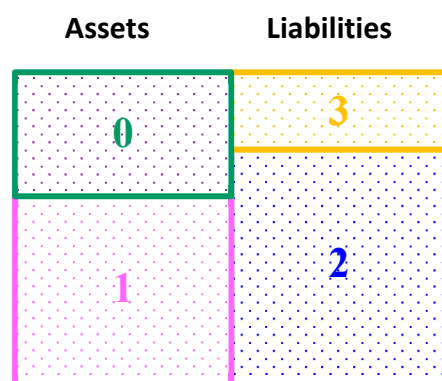
$$NLB = 7 - 4 - (5 - 8)$$

$$FIN = (61 - 91 - 93) - (92 - 62 - 63)$$

$$NLB = FIN \neq S$$

## Reconciliation scheme of the COA stocks and flows

Included below is a draft graphical and a formula-based representation of the stocks and flows as these are recorded in the COA of the Republic of Srpska. The formulas explain how the stocks and flows relate to GFS aggregates. Follow-up missions will further verify this scheme.



**0** = Nonfinancial property (A)

**1** = Financial property (A)

**2** = Obligations (L)

**3** = Own sources, reserves, and ... (L)

$$0_{CB} = 0_{OB} + 5 - 8 + OEF$$

$$1_{CB} = 1_{OB} + 61 + 63R - 91 - 93R + OEF$$

$$2_{CB} = 2_{OB} + 92 + 93P - 62 - 63P + OEF$$

$$3_{CB} = 3_{OB} + (7 - 4) + \text{direct entry (IPSAS 3 etc.)}, \text{ where}$$

$$3 = 311 + 321 + 331 + 39$$

**3** (except **39**) represents the net value obtained from total property (**0** & **1**) minus total liabilities (**2**).

**311** (permanent sources of funds) represent sources available for an indefinite period. Permanent sources of funds include:

- the founding investment secured during the establishment of a budget user;
- funds distributed from previous years' financial results; and
- assets that are not subject of depreciation, and are obtained free of charge in other cases permitted by IPSAS and other relevant regulations.

**321** (reserves) represent revaluation reserves, reserves from results, and other reserves formed in accordance with the regulations and decisions of the authority.

- Revaluation reserves are formed based on the fair value estimation of financial and non-financial assets in accordance with IPSAS 16, 17, 29, 31 and other relevant accounting standards and regulations.
- Revaluation reserves are amortized during the use of assets.
- The cancellation of the remaining revaluation reserves is recorded in the results at the time of disposal of assets.

- Reserves from the results arise from the distribution of previous years' positive financial results to cover expected negative financial results.

**331** (financial result) represent previous and current years' financial results.

- It is possible to redistribute a part of these financial **311**.
- Positive financial results are allocated to, while negative financial results are covered from **311**.
- The current year's financial result represents the difference between **7** (revenues) and **4** (expense), adjusted the recording in **331211** (analytical account) in accordance with IPSAS and other relevant accounting regulations.
- During the following year the balance of account **331211** (current year's financial result) is transferred to **331111** (previous years' financial result).

The financial result of the current year is not the same concept as net lending / net borrowing as defined in GFS (NLB). NLB represents the difference between the sum of **7** (revenues) and **8** (disposal of nonfinancial assets), and the sum of **4** (expense) and **5** (acquisition of nonfinancial assets):

$$- \text{NLB} = (7 - 77 + 8) - (4 - 47 + 5).$$

**39** (items outside of the balance sheet) represent all business events that currently do not impact assets, liabilities and sources. These are contingent events where an impact may be recorded in the future. **39** is not included in the balance sheet. These events include:

- fixed assets in leasing;
- received someone else's goods and materials;
- securities outside of trade;
- guarantees;
- approved but not withdrawn loans.