



# BELARUS

October 2022

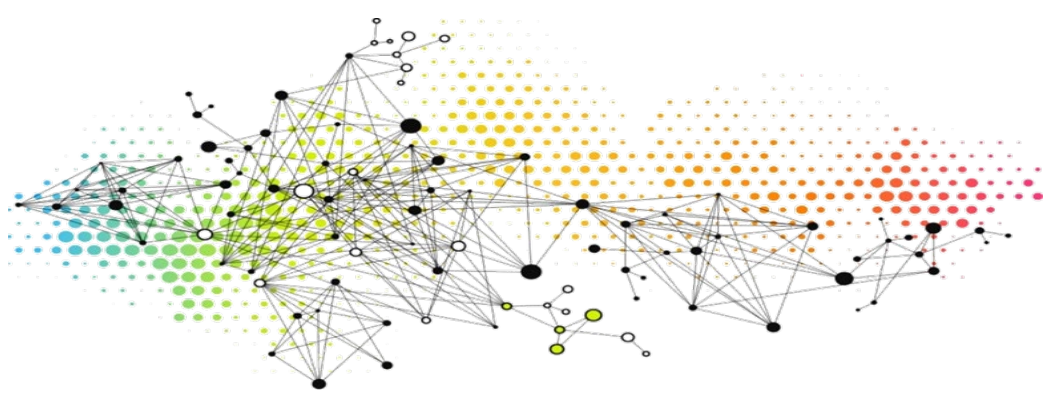
## TECHNICAL ASSISTANCE REPORT—FINANCIAL ACCOUNTS AND BALANCE SHEET STATISTICS MISSION

This Technical Assistance report on Belarus 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 March 2022.

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# BELARUS

AUGUST  
2022

## REPORT ON FINANCIAL ACCOUNTS AND BALANCE SHEET STATISTICS (FEBRUARY 21–MARCH 4, 2022)

**Prepared by Martha Tovar Soria**

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## Glossary

1SR	Standard Report Form 1 (for the central bank)
2008 SNA	<i>System of National Accounts, 2008</i>
2SR	Standard Report Form 2 (for deposit-taking corporations)
4SR	Standard Report Form 4 (for other financial corporations)
BelStat	National Statistics Committee of Republic of Belarus
BOP	Balance of Payments
BYN	Belarusian Rubles
DTC	Deposit-Taking Corporation
FABS	Sectoral Financial Accounts and Balance Sheet Statistics
FC	Financial Corporations
FISIM	Financial Intermediation Services Indirectly Measured
GDP	Gross Domestic Product
GFS	Government Finance Statistics
IMF	International Monetary Fund
MOF	Ministry of Finance
NBRB	National Bank of Republic of Belarus
NFC	Nonfinancial corporations
NLB	Net Lending or Borrowing
NPISH	Non-profit Institutions Serving Households
OFC	Other Financial Corporations
ROW	Rest of the World
TA	Technical Assistance

## SUMMARY OF MISSION OUTCOMES AND PRIORITY RECOMMENDATIONS

- 1. A remote technical assistance (TA) mission on sectoral financial accounts and balance sheets statistics (FABS) was delivered to the National Statistical Committee of the Republic of Belarus (BelStat) from February 21 to March 4, 2022.** The mission's objectives were to review the preliminary estimates of the FABS for 2017 and provide guidance to improve the estimates and the reconciliation process.
- 2. As recommended in the first and second TA missions, BelStat has formalized a monitoring steering committee of senior managers from BelStat, the National Bank of the Republic of Belarus (NBRB) and the Ministry of Finance (MOF), as well as the technical working group—with similar agency representation—for addressing technical, classification, definitional, and compilation issues.** Through these two mechanisms and the good cooperation among them, BelStat has been able to dispose of the information needed to compile the FABS, agree upon the national accounts results obtained, discuss new data requirements to conclude the FABS, and continue compiling the series onwards.
- 3. The mission found important progress made by BelStat in compiling the FABS of 2017 by implementing the recommendations from previous missions.** BelStat has compiled a preliminary version of the FABS for 2017 based on the standardized reports of the financial institutions (1SR, 2SR, and 4SR<sup>1</sup>), flows of assets and liabilities from the Government Finance Statistics (GFS), and the Balance of Payments (BOP), and completing the nonfinancial private sectors by counterparty.
- 4. The mission guided BelStat staff to compile the revaluation and the other changes in volume accounts to give better consistency to the financial flows and stocks compiled directly and those by a counterparty.** BelStat has estimated the effect of exchange rates for the operations on foreign currency reported by the financial institutions, which allows splitting the flows between transactions and revaluations due to exchange rates. The mission made a presentation on balance sheets to guide BelStat to distinguish the flows corresponding to transactions and those that are not transactions, but they are still part of the changes between the opening and closing balance sheets. At the end of the mission, a preliminary version of the balance sheet for 2017, including the revaluation and the other changes in volume accounts, was concluded, and still, there is room for improvement to close the gap raised due to the replacement of data sources and include complementary information.
- 5. BelStat and the mission met NBRB staff to discuss the treatment of provisions included as expenses in the deposit-taking corporations (DTC) subsector, the Financial Intermediation Services Indirectly Measured (FISIM), and the treatment of miscellaneous items in the SRs.** The mission commented that provision, reserves, or any other accounting estimate are not transactions and need to be removed from the national accounts estimates. The

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<sup>1</sup> Standard Report Forms provided to the IMF with data of financial corporations.

discussion of FISIM on deposits pointed to an issue of negative values for the government sector, in which case it is required to accurately identify the nominal values of stocks and interests, or any preferential interest rate paid to the government's deposits. For the miscellaneous incomes/expenses, in which amounts are similar in the assets and liabilities, the suggestion is to cancel both sides and leave the net amount on the corresponding side on the balance sheets.

**6. The preliminary results of the financial accounts indicate discrepancies in the NLB of the capital account for the three subsectors of the financial sector.** BelStat is in charge of compiling the current accounts for all the institutional sectors and is now starting to compile the financial account. The NBRB is the data provider for BelStat to compile the sequence of accounts of the financial sector.

**7. Guidance was provided to improve the Central Bank's equity measurement and distinguish how to apply the own funds at book value approach for market producers and the corresponding equity valuation for non-market producers.** After assessing the financial accounts by institutional sector, discrepancies in the NLB between the capital and the financial accounts remained. A reconciliation table was elaborated during the mission to explain the differences in the financial sector; however, for those sectors where the source data is not the same to compile both sets of accounts, the differences need to be identified and explained after concluding the reconciliation process.

**8. The mission found room for improvement in using the business accounting data for national accounts purposes** and proposed and discussed with BelStat staff a classification of the chart of accounts for the non-depository financial institutions as an example for using the complete data set:

**9. To support progress in the above work areas, the mission recommended the following priority recommendations will allow improving the quality of FABS and produce regular series:**

**Table 1. Priority Recommendations**

Target Date	Priority Recommendation	Responsible Institutions
April 2022 Accomplished	Collaborate with the NBRB to convert the international investment position to Belarus rubles and incorporate these stocks in the balance sheets.	NBRB in coordination with BelStat.
July 2022	Obtain the government's financial stocks from MOF, compare them with the counterparty recordings, and incorporate them in the balance sheets.	MOF in coordination with BelStat and NBRB
October 2022	Review the compilation of the current accounts of the financial sector to close the gap between the NLB of the capital and the financial account.	BelStat
October 2022	Complete the reconciliation of the balance sheets to get the balance for the total between stocks January 2017 and January 2018 assets and liabilities.	BelStat, in coordination with NBRB

Further details on the priority recommendations and the related actions/milestones can be found in the action plan under *Detailed Technical Assessment and Recommendations*.

## DETAILED TECHNICAL ASSESSMENT AND RECOMMENDATIONS

Table 2. Detailed Technical Recommendations

Priority	Action/Milestone	Target Completion Date	Responsible Institutions
<b><i>Outcome: Data are compiled and disseminated using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs.</i></b>			
PR	Collaborate with the NBRB to convert the international investment position to Belarus rubles and incorporate these stocks in the balance sheets.	April 2022 Accomplished	NBRB in coordination with BelStat.
PR	Obtain the government's financial stocks from MOF, compare them with the counterparty recordings, and incorporate them in the BS.	July 2022	MOF in coordination with BelStat and NBRB
PR	Review the compilation of the current accounts of the financial sector to close the gap between the capital and the financial account.	October 2022	BelStat
PR	Complete the reconciliation of the balance sheets to get the balance for the total between stocks January 2017 and January 2018 assets and liabilities.	October 2022	BelStat, in coordination with NBRB
M	Exclude the provisions from the computation of output of the ODC.	October 2022	NBRB
M	Compute an endogenous interest rate for FISIM and compare it against the current basic interest rate.	October 2022	NBRB
M	To verify the consistency of the FISIM obtained as part of the production of the financial intermediaries, BelStat should sum up the domestic and imported FISIM and compare it against the FISIM distributed into the users of financial services (intermediate and final consumption plus FISIM exported).	October 2022	NBRB

Priority	Action/Milestone	Target Completion Date	Responsible Institutions
M	Collaborate with the NBRB in completing the classification of incomes and expenditures items and the sequence of current accounts according to the System of National Accounts (SNA).	July 2022	BelStat, in coordination with NBRB
H	Record in the other changes in volume accounts those figures emerged from the substitution of data, sum up the closing balance sheet and validate with the original stocks incorporated in the corresponding matrix.	July 2022	BelStat
H	Obtain the equity of the Central Bank through the difference between assets and liabilities, in which case the retained earnings and valuation adjustments are not considered and should be controlled as non-transactions in determining the saving and NLB.	July 2022	BelStat
M	To improve the consistency of the FABSS compiled in this preliminary version, it is required to define figures to control the transaction level and elaborate special analysis with debt securities issued by the government, financial and private sector, and loans.	January 2023	BelStat, in conjunction with NBRB and MOF
H	Implement outstanding recommendations from the November 2019 and January 2021 missions, highlighted in Appendix I of this report.	See Appendix I	BelStat, in conjunction with NBRB and MOF

## A. Progress in Implementing the 2021 Action Plan and FISIM

**10. The mission found that many of the recommendations made during the January 2021 mission had been implemented.**<sup>2</sup> The steering committee comprising senior managers of (BelStat, NBRB, and MOF) was formalized in June 2021. Through this steering committee and the implementation of an important set of recommendations made in the November 2019 and

<sup>2</sup> See Appendix I for the details.



January 2021 missions, BelStat has compiled the preliminary FABSs for 2017 that were reviewed during this mission.

- 11. The recommendations still not implemented that should be attended were discussed at the beginning and end of the mission.** BelStat staff has participated in an IMF National Accounts course and compiled a preliminary set of FABSs following the recommendations made in the November 2019 and 2021 missions.
- 12. NBRB queried about the treatment of provisions as part of the ODC expenses due to their impact on the output compilation.** The mission explained that provisions are not transactions and should not be part of the output computation.
- 13. The NBRB is the data provider for compiling the entire sequence of financial sector accounts, including FISIM.** At the request of the NBRB, during the mission were reviewed the FISIM results for 2017 and 2020. The FISIM compilation is made by adopting the reference rate approach, as recommended in the January 2021 mission. However, for 2020 negative values have resulted for the general government and the financial institutions. In this last case, the FISIMs cover those financial institutions out of the scope of intermediation. The origin of negative FISIM in both cases is because the effective interest rate in the deposits is higher than the basic interest rate; this is not a common situation. The interest rate represents the middle point used by financial institutions to charge their service cost.
- 14. The negative FISIM might have different origins depending if the problem emerged on the loans or deposits side.** If the negative value is on loans, it might be due to any subsidy in the interest rate, but if it raises on the deposits side, the cause might be a prime interest rate. In both cases is needed to review the stocks and interests involved in the FISIM estimates to eliminate any possible errors in the composition of these figures.
- 15. The estimates of FISIM need to be revised continuously to verify that the interbank interest rate, or in this case, basic interest rate, serves the purpose of being the middle point between the interest rate of loans and deposits.** Interbank interest rate might be available, but sometimes it is not possible to use it due to erratic trends and the implausible results obtained applying it; in these cases, other alternatives need to be tested to introduce a basic interest rate.
- 16. To verify the consistency of the basic interest rate used in the FISIM estimates, it is suggested to compute an endogenous reference rate for various years as follows:**
- a. Calculate the average interest rate on all loans ( $rL$ ) by dividing the total interest income receivable on all loans made by resident deposit-taking corporations by the average stock of all loans and then multiply the result by 100.0.
  - b. Calculate the average interest rate on all deposits ( $rD$ ) by dividing the total interest payable on all deposits with resident deposit-taking corporations by the average stock of all deposits and then multiply the result by 100.0.
  - c. Obtain the domestic reference rate ( $rrDOM$ ) by taking the simple average of the two values.

**17. Compare the endogenous reference rate with the basic interest currently used.** If the differences are erratic over five years, it is recommendable to verify the causes. The FISIM estimates should be compiled separately for the domestic economy and the imports and exports of financial services in the BoP.

**Actions recommended:**

- Exclude the provisions from the computation of output of the ODC.
- Compute an endogenous interest rate for FISIM and compare it against the current basic interest rate.
- To verify the consistency of the FISIM obtained as part of the production of the financial intermediaries, BelStat should sum up the domestic and imported FISIM and compare it against the FISIM distributed to the users of financial services (intermediate and final consumption plus FISIM exported).

## B. Review of Preliminary 2017 FABSs Estimates

**18. The mission reviewed the preliminary results compiled by BelStat following the recommendations made in January 2021 and worked on compiling the revaluation and other changes in volume accounts.** As for the revaluation account, the recordings that should be included in this step of the estimates are those coming from the exchange rate changes between the opening and closing stocks for 2017. For the other changes in volume accounts, the recordings should be only those coming from the replacements of data sources; the ending stocks should correspond to the original data source. Table 3 presents the NLB matching between flows of assets and liabilities, and the total (domestic economy plus RoW) is equal in assets and liabilities.

**Table 3. Differences between Transactions in Asset and Liabilities for Each Instrument Domestic sectors, ROW and Total (BYN Thousands) (As of April 2022)**

	Total, resident sectors	ROW	Total
Assets - Liabilities	-738 056	738 056	0
Assets	27 130 527	4 878 815	32 009 341
F.1 Monetary gold and SDRs	0	0	0
F.2 Currency and deposits:	12 430 995	-33 728	12 397 268
F.3 Debt securities:	-2 398 424	2 339 420	-59 004
F.4 Loans:	6 601 127	546 648	7 147 775
F.5 Equity and investment fund shares	1 941 202	2 074 813	4 016 015
F.6 Insurance, pension, and standardized guarantee schemes	263 406	3	263 410
F.7 Financial derivatives	-758	-2 205	-2 962
F.8 Other Accounts receivable /payable	8 293 078	-46 138	8 246 940
Liabilities	27 868 583	4 140 759	32 009 341
F.1 Monetary gold and SDRs	0	0	0
F.2 Currency and deposits:	9 680 675	2 716 593	12 397 268

	Total, resident sectors	ROW	Total
F.3 Debt securities	167 569	-226 573	-59 004
F.4 Loans:	7 081 535	66 140	7 147 775
F.5 Equity and investment fund shares	3 926 132	89 883	4 016 015
F.6 Insurance, pension, and standardized guarantee schemes	263 410	0	263 410
F.7 Financial derivatives	-1 227	-1 736	-2 962
F.8 Other Accounts receivable /payable	6 750 489	1 496 451	8 246 940

**19. The sum of NLB of the financial account for the domestic sectors and the ROW is zero, but institutional sectors still have discrepancies with the NLB of the capital account that needs further improvement.** Table 4, prepared by BelStat, shows two kinds of discrepancies: (i) the difference between the Gross Domestic Product by the production approach (GDP-P) and the GDP by the expenditure approach (GDP-E), which is also part of the capital accounts, and (ii) the discrepancy of the financial account, which is a total representing the discrepancies of the domestic sectors.

**Table 4. Statistical Discrepancy: Capital and Financial Accounts (BYN Millions)  
(As of April 2022)**

Sector/Subsector	Net Lending /Borrowing Capital account	Net Lending /Borrowing Financial account	Statistical Discrepancy
Central Bank	-203	-853	650
Deposit Taking Corporations	1 349	139	1 210
Other Financial Corporations	725	775	-50
General Government	2 283	1 839	444
Nonfinancial Corporations	-5 182	-1 537	-3 645
Households and Non-Profit Institutions serving Households	1 005	-1 100	2 105
Total domestic sectors	-23 (NLB including statistical discrepancy, SNA capital account)	-738	715
Statistical Discrepancy	1 744 (Between GDP-P and the GDP-E)		1 744
Net Lending / Borrowing	-1 767 = (-23 - 1744) (Between the current account and the capital account of the	-738	-1 029

Sector/Subsector	Net Lending /Borrowing Capital account	Net Lending /Borrowing Financial account	Statistical Discrepancy
	Balance of payments)		
Rest of the World (ROW)	1 767	738	1 029 (Between the financial account and the capital account of the Balance of Payments)
Total	0	0	0

**20. The mission reviewed the two kinds of NLB discrepancies (capital and financial account).** The first is in the income and expenditure data processing to compute the financial corporations' production account, which might include non-transactions or missing others due to a lack of pre balance in the financial statements. The second is in the compilation and source data of the financial account by domestic sector, which is the subject of this report. The NBRB is the data provider for compiling the financial sector accounts.

**21. During the mission, a chart of accounts with incomes and expenses items was reviewed, identifying that some items are not classified either included in the sequence of accounts,** of which some are revaluations, valuation effects, or provision and need to be controlled outside the sequence of accounts, and others are transactions. The mission recommended classifying all the items according to the SNA categories, controlling those transactions and non-transactions, and then verifying if the statistical discrepancy is not originated in this compilation step. See Table 5. Appendix II presents the reconciliation of the saving and NLB based on financial statements.

**Table 5. Steps to Verify the Business Accounting Data to Start the Compilation of the Sequence of Accounts**

Checks to start the compilation of the sequence of accounts
1. Verify the balance between income and expenditures; this difference should be the net profit/loss.
2. Check that the figure indicated as net profit/loss equals the item included in the equity in the balance sheet.
3. Proceed to classify all the items with the goods and services, distribution, and financial assets/liabilities SNA categories and distinguish those that are transactions from those that are not.
4. The economic classification of income and expenditures needs to be done for all the concepts, no matter the classification.
5. The items and sum up of non-transactions need to be controlled before starting and during the compilation of the sequence of accounts for determining accurately the balance items.
6. All the balance items for NA purposes can be obtained out of the sequence just by controlling the economic classification. This is an alternative way to verify the NA balance items.

Checks to start the compilation of the sequence of accounts	
•	<b>Basic equations</b>
•	Incomes - Expenditures=Net profit/loss
•	Assets = Liabilities + Equity (including Net profit/loss)

**22. The order of the source data in compiling the FABSs is as follows:**

1. 1SRF Central Bank
2. Balance of Payments
3. 2SRF Other depository corporations
4. 4SRF Other financial corporations
5. General Government (only flows in this version)
6. Nonfinancial corporations (NFC), Households, and Non-Profit Institutions Serving Households (NPISH) by counterparty

**23. This order responds to the data reliability and the possibility of using it as a counterparty for other sectors.** The sources: Central Bank (1SR) and the BOP are usually recorded directly. For 2SR and thereafter, the recordings are for the subsector itself and the counterparties which could be data providers (and not yet recorded before from the 1SRF or BoP). Each country defines the hierarchy of the data sources.

**24. The flows are obtained through the difference in stocks.** The flows are disclosed between transactions recorded in the financial account and the effect of the exchange rate recorded in the revaluation account for foreign currency transactions. The revaluation account was verified during the mission, and the recordings included were discussed with the BelStat staff.

**25. Regarding the other changes in volume account, the recordings presented are those related to the source data replacement.** Other recordings might appear with further refinements, depending on the available data, but not necessarily. The other changes in volume accounts are such types of accounts that record specific non-transactions clearly identified in the balance sheets, such as cancellation or reduction of debt, claims resulting from write-offs, and write-downs of debt, to name some.

**26. The preliminary version of the FAs also presents an effect in the other changes in volume accounts in the equity, which follow the allocation criteria suggested.** Which consists in treating the total value of equity asset holdings of NFCs as NFC's equity investments in other NFCs and taking the difference between the total NFC equity on the issues and the total of equity assets in NFCs of the financial sector, general government, nonresidents, and NFCs' investment in other NFCs, and allocate to the household sector. These effects are part of the compilation process and only need to be controlled.

**27. The mission identified some negative values in the stock of equity of the Central Bank.** BelStat staff has followed the recommendations made in previous missions to value the equity base on the method of own funds at book values. However, for the case of the Central Bank, this method does not apply because the Central Bank is a non-market public institutional

unit, and according to the 2008 SNA, it has "Other equity." The 2008 SNA specifies that the "Other equity" should be valued as equal to the value of the unit's assets less the value of its liabilities.

*13.74 Other equity covers equity in any corporation or quasi corporation that does not issue shares or units. Such corporations include public enterprises, the central bank, some special government units, partnerships, unlimited liability companies and quasi-corporations whenever they are institutional units without shares. Other equity should be valued as equal to the value of the unit's assets less the value of its liabilities.*

**28. The treatment of the ODC and OFC miscellaneous items is not defined, and the amounts are similar to the assets and liabilities in the SR forms.** Based on the Monetary and Financial Statistics Manual and Compilation guide, the Other accounts receivable are composed of (1) dividends receivable, (2) items in the process of collection, and (3) miscellaneous asset items. As for the other accounts payable, it is composed of (1) Dividends payable, (2) Settlements accounts, and (3) Miscellaneous. The miscellaneous assets items function as a residual category. Major types of miscellaneous asset items include suspense accounts, amounts related to taxes, and prepayment of rent or other operating expenses. Given that the transactions and amounts are similar in the assets and liabilities, it is suggested to get a net value and only leave the positive net amount on the corresponding side of the balance sheets.

**29. To improve the consistency of the preliminary version of the FABS it is important to incorporate other source data by institutional sector and transactions as far as possible.** In the Annex VII. Process of Compiling and Finalizing the FABS (January 2021 mission) are given several instructions to finish the first series of FABSs. This work could be improved by incorporating control figures per financial assets such as debt securities and loans.

**Actions recommended:**

- *Collaborate with the NBRB in completing the classification of incomes and expenditures items and the sequence of current accounts according to the SNA classifications.*
- *Record in the other changes in volume accounts those figures emerged from the substitution of data, sum up the closing balance sheet and validate with the original stocks incorporated in the corresponding matrix.*
- *Obtain the equity of the Central Bank through the difference between assets and liabilities, in which case the retained earnings and valuation adjustments are not considered and should be controlled as non-transactions in determining the saving and NLB.*
- *To improve the consistency of the FABSs compiled in this preliminary version, it is required to define figures to control the transaction level and elaborate special analysis with debt securities issued by the government, financial and private sector, and loans.*

## Appendix I. Progress of Implementing January 2021 Action Plan

Priority	Action/Milestone	Target Completion Date	Responsible Institutions
<b><i>Outcome: Data are compiled and disseminated using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs.</i></b>			
PR	Formalize a steering committee, comprising senior managers of each the agencies involved in the compilation of the FABS, to ensure the project remains on target and resolve any issues that the technical group is unable resolve.	June 2021 Accomplished	BelStat, in conjunction with NBRB and MOF
PR	Resolve the data inconsistencies for the FC sector and sub-sectors, the ROW sector, and GG sector.	September 2021 In progress	BelStat, in conjunction with NBRB and MOF
PR	Compile the financial account for 2017, the financial balance sheets for end-2016 and end-2017 and reconcile the opening and closing balances (with the OCA account), with accompanying notes.	December 2021 Accomplished	BelStat, in conjunction with NBRB and MOF
H	Re-examine how DTCs' property income is calculated and determine whether there has been any double counting.	June 2021 Accomplished	BelStat and NBRB
H	Adopt the reference rate approach to the estimation of FISIM.	June 2021 Accomplished	BelStat and NBRB
H	Agree on the correct treatment monetary gold and SDRs.	June 2021 Accomplished	BelStat and NBRB
H	Explore with the DTCs and OFCs how their equity assets positions are valued and adjust the estimates accordingly.	June 2021 In progress	BelStat and NBRB
H	Treat the total value of equity asset holdings of NFCs as NFC's equity investments in other NFCs.	June 2021 Accomplished	BelStat
M	Explore the estimation of transactions and positions of debt securities issued by the central bank held by DTCs to determine whether the data have been recorded correctly.	June 2021 In progress	BelStat and NBRB
H	Derive equity assets positions from the counterpart shareholders' funds on the liability side.	September 2021 Accomplished	BelStat
H	Determine the valuation principle used in GFS data on general government's equity investments in SOEs and whether that valuation principle is the same as that used by the SOEs in their reporting on BelStat 4(f) funds survey.	September 2021 Accomplished Cash basis	BelStat and MOF

Priority	Action/Milestone	Target Completion Date	Responsible Institutions
H	For the central government's equity assets positions, use the value for shareholders' funds of SOEs that is collected on form 4f should rather than the value reported in the GFS.	September 2021 The new lines were introduced just in 2020. Not possible yet	BelStat and MOF
H	Explore with a sample of respondents to the 4-f (funds) survey how their holdings of equity are valued. Pending confirmation or otherwise, BelStat assume all changes in equity asset holdings represent transactions.	June 2021 Accomplished Book values	BelStat
H	Ensure that the balances of all the sectors' capital accounts (including ROW) sum to zero.	September 2021 See Table 4, analysis of discrepancies	BelStat
H	Ensure that the balances of all the sectors' financial accounts (including ROW) sum to zero.	September 2021	BelStat and NBRB
H	Reconcile data sources used to compile all sectors' current, capital, and financial accounts to minimize the data discrepancies.	September 2021 Accomplished	BelStat, in conjunction with NBRB and MOF
M	Derive transactions from positions valued at market price, the closing position of equities should be revalued to their prices at the beginning of the period. If detail is unavailable, a stock price index can be used and then the first difference may be used as a proxy for the transactions.	September 2021 In progress Business accounting in book values	BelStat
M	Allocate residual to a particular sector (such as households and NPISHs). The residual sector could be used in all cases, or it may vary depending on the instrument, and the relative strength of the data.	December 2021 Accomplished	BelStat, in conjunction with NBRB and MOF
H	Ensure that the matrix balances, obtain agreement from relevant agencies that, where differences in data for general government between those available from GFS, 1SR, 2SR, or other data sources cannot be resolved, BelStat may choose the source it deems to have the highest data quality.	December 2021 In progress, done for the preliminary exercise	BelStat, the NBRB, and the MOF
H	Compile a BSA for 2017.	December 2021 Accomplished	BelStat

**Outcome: Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination**



Priority	Action/Milestone	Target Completion Date	Responsible Institutions
H	Undertake training on FABS as offered by the IMF and other international organizations.	Accomplished	BelStat

### C. Officials Met During the Mission

Name	Institution
Irina Sergeichenko	BelStat
Marina Tikhonovich	MOF
Karolina Voitko	MOF
Elena Galenchik	MOF
Andrey Garbuz	NBRB
And others.	BelStat, NBRB

## Appendix II. Saving and Net Lending Derived from Financial Statements of Corporations<sup>3</sup>

7.22 The link between the profit and loss (PL) and the balance sheet (BS) statements are the profits/losses of the enterprise which are obtained from the PL statements and included in the net equity in the balance sheet. From the point of view of the national accounts, the close parallels of profits/losses are savings and net lending. Saving is the SNA link between the current and capital accounts, while net lending is the link between the capital account and the financial account. Thus, when elaborating the accounts for the sector NFCs, it is necessary to evaluate and further elaborate the net earnings of the period resulting from the profit and loss statements, in order to arrive at saving and net lending or borrowing of the sector. At the same time, financial and also non-financial capital transactions need to be elaborated on the basis of the balance sheet data, and this results in measures of saving and net lending, which should be compared and adjusted, so that at the end they are equal to the ones derived on the basis of the PL statements. When deriving the net lending/borrowing from profits/losses of the PL statements, reference is made to “non-financial net lending,” and when arriving at net lending/borrowing data from the balance sheet data, the concept is often referred to as “financial net lending.”

7.23 The relationships defining saving and “non-financial” net lending on the basis of profit and loss (PL) statements, supplemented with data from the balance sheets (BS) and net equity (EQ) statement are presented in the following table. By indicating the data source behind each of the items, it is clearly shown that the SNA concepts of saving and net lending are supported by all three data sources and therefore require internal comparability between those different sections of the financial statement of each corporation.

**Table 7.4. Saving and Net Lending Derived from Financial Statements of Corporations**

Derivation of profit and loss statement	
(+)	Profits/losses of the current period (PL=BS)
(+)	Outlays due to exchange rate differentials (PL)
(-)	Revenues due to exchange rate differentials (PL)
(+)	Outlays which are part of saving, i.e., depreciation, other additions to reserves, extraordinary outlays and other non-recurrent outlays (PL)
(-)	Revenues which are non-recurrent are not part of saving and are not included in the elaboration of the current accounts, e.g., extraordinary revenues.
(-)	Revenues resulting from the sales less purchases of securities (PL)
(+)	Net cost related to the sale of securities (PL)
(+)	Losses of previous periods (PL)
(-)	Profits of previous periods (PL)
(-)	Dividends and other distributed income (BS, EQ)
(-)	Income tax payable (PL, BS, EQ)
<b>(=)</b>	<b>Gross saving</b>
(+)	Capital transfers receivable (BS, EQ)

<sup>3</sup> Quote from DESA. Statistics Division. Series F, No. 76. Links between Business Accounting and National Accounting.

Derivation of profit and loss statement	
(-)	Capital transfers payable (BS, EQ)
(-)	Gross capital formation (BS)
(-)	Acquisition less disposal of valuables (BS)
(-)	Acquisition less disposal of non-produced non-financial assets (BS)
<b>(=)</b>	<b>Net lending/borrowing</b>