

CO-OPERATION AGREEMENT

BETWEEN THE

CENTRAL BANK OF MALTA

AND THE

NATIONAL STATISTICS OFFICE

**on the collection, compilation, dissemination and exchange
of economic and financial statistics**

Overall arrangements

1. The National Statistics Office (NSO) will be responsible for collecting data from reporting agents in the non-financial sectors of the economy, the latter comprising the general government (S.13), non-financial corporations (S.11), households (S.14) and non-profit institutions serving households (S.15) as specified in the European System of National Accounts 1995 (ESA 1995). It will also be responsible for collecting data from Special Purpose Entities (SPEs, i.e. companies predominantly involved in international business activities) including shipping and international holding companies. The Central Bank of Malta (CBM) will consult with the NSO before contacting any of the above-mentioned sectors to obtain the required statistical information.
2. The Bank will be responsible for collecting data from reporting institutions in the financial corporations sector (S.12) as regulated by the Malta Financial Services Authority. The reporting institutions in the financial sector, as specified in ESA 1995, include the monetary financial institutions (S.122), other financial intermediaries (S.123) e.g. collective investment schemes and securities firms, and financial auxiliaries (S.124), e.g. foreign exchange bureau, and the insurance companies and pension funds (S.125). With regard to the collection of data for business statistics, the CBM will assist the NSO where the collection of data from financial sector companies is concerned. Such data is to be shared by the NSO and the CBM.
3. The NSO and the CBM agree to exchange aggregated and/or consolidated data, collected as outlined above and to supplement, as far as possible, published data with explanations and further detailed breakdowns as required to fulfill their respective statutory requirements.
4. The NSO agrees to grant the CBM on a quarterly basis access to (a) the most updated business register, to include company-by-company information¹, and (b) any other similar statistical registers in line with EU requirements. The NSO will also provide the CBM at least every quarter with the most updated list of resident and non-resident SPEs (including shipping and international holding companies). The CBM may share the above-mentioned companies' details and the list of SPEs with its reporting agents. The NSO and the CBM also agree to compile and share updated lists of resident units classified by economic sector as defined in ESA 1995, and other registers required for statistical purposes. This list is to be compiled on the basis of the division of responsibilities as specified in points 1 and 2.
5. In order to produce high-quality statistics, the two institutions agree to exchange and transfer statistical knowledge. For this purpose, the necessary committees consisting of officials from both institutions will continue to meet and discuss related matters. These committees will be concerned in particular with the implementation of internationally recognised statistical concepts, methods and techniques, the promotion of consistency between the data sets and the harmonization of standards as necessary.
6. The CBM and the NSO will strive to strengthen their human and other resources in order to fulfill their respective statistical tasks. They are to guarantee and share documentation on well-maintained business continuity plans related to (a) electronic data transmission mechanisms that facilitate data exchanges and (b) the shared databases. They will continue to upgrade their infrastructure as necessary to cater for additional statistical requirements, and to strive to create common, compatible or automatically-linked software applications to eliminate duplication of work and inefficiencies.
7. The NSO and CBM will aim at minimizing the reporting burden on respondents and ensure the efficient production and dissemination of high-quality statistics. They will allow the maximum exchange of information, surveys, administrative data, statistical registers and other sources available, including the exchange of confidential statistical information as permitted under the relevant European legislation² to the extent that these data are necessary for the production of their statistics.
8. Any changes to the compilation procedures, wherever material, to the extent that they affect the quality or relevance of the data, will be notified and discussed by the CBM/NSO technical committees.

¹ Such as: (i) NSO BR reference number; (ii) name, address, town and post code; (iii) ESA 1995 sector (iv) MFSA's Registry of Companies' code; (v) NACE Rev. 1 and Rev. 2 codes; (vi) number of company births, deaths and the outstanding stock; (vii) VAT number; (viii) residency status (e.g. SPE, holding company); and (ix) legal status (e.g. sole proprietor, partnership);

² Council Regulation (EC) No 951/2009 and Regulation (EC) No 223/2009 of the EU Parliament and of the Council.

9. The two institutions will enhance their website databases, in particular, to include (a) a wide spectrum of statistics, which may not necessarily be restricted solely to both institutions' areas of competence, and (b) the most updated sources and methods.

General economic statistics (GES)

10. The NSO will provide the CBM with selected general economic statistics which are required by the latter to conduct its statutory functions and to satisfy the requirements of the European Central Bank (ECB). A non-exhaustive list of the CBM requirements over and above the information that is currently being published by the NSO, is being appended to this document.
11. For the purpose of providing the CBM with euro area statistics for onward transmission to the ECB, the NSO will, where required, compile statistics on a regional/country basis where the euro-area as a region and the individual euro-area countries are concerned.
12. When necessary to perform its statutory tasks, general economic statistical information may be collected directly by the CBM in duly justified areas³.
13. Requests for statistics from the general public will be redirected to the institution having primary responsibility for its compilation.

Government Finance Statistics (GFS)

14. The NSO is responsible for the compilation of quarterly and annual data on government finance in line with the European System of Accounts (ESA 1995) and for the compilation of annual data for the Excessive Deficit Procedure Notification purposes. The CBM is responsible for compiling annual government finance statistics (in line with the International Monetary Fund's GFS methodology) general government debt and also to fulfil the ECB's reporting requirements in line with the respective ECB legislation. The CBM and the NSO agree to exchange all related data for the discharge of such responsibilities.

Monetary, financial and related statistics

15. The CBM will continue to be responsible for the compilation of monetary, banking, financial institutions, payments systems and financial stability statistics. The CBM agrees to supply related data to the NSO for use in the national accounts and other statistical information compiled by the NSO.

External statistics (i.e. including Balance of payments, the International Investment Position (IIP) and external debt statistics)

16. Both the NSO and the CBM will contribute to the collection of the necessary data to compile external statistics and to draft the related metadata. The NSO generally collects statistics from the non-financial sectors, including SPEs, while the CBM collects data generally from financial corporations and financial market sources, as explained in (1) and (2) above.⁴ Both institutions will also collaborate in the compilation of data required by the IMF in connection with ongoing surveys such as the Coordinated Portfolio Investment Survey and the Coordinated Direct Investment Survey.

³ In areas such as for financial stability and payment systems statistics.

⁴ The CBM will assist the NSO in the collection of BOP data on the non-financial sector e.g. on the personal sector and on diplomatic receipts. It will also collaborate in the enhancement of the BOP business register.

17. The compilation of the balance of payments will continue to be based on the direct reporting system which came into effect in January 2004 and on other data collection methods proposed by the Institutions of the EU. Balance of payments statistics cover current, capital, and financial account transactions on a monthly, quarterly and annual basis. The international investment position comprises data on external financial assets and liabilities outstanding on a quarterly basis.
18. The NSO and the CBM will compile the monthly and quarterly BOP data⁵ and the quarterly IIP data. Such statistics contain geographical breakdowns in line with international reporting requirements.
19. Balance of payments transactions and the international investment position (IIP) statements will be published by the NSO through the issue of news releases on specific dates in accordance with a pre-set calendar, and by the CBM in its official publications and on its website.
20. The NSO, in consultation with the CBM, will be responsible to collect BOP/IIP data from a sample of SPEs and to integrate such data in Malta's BOP/IIP statement in fulfillment of European and international statistical obligations.
21. The CBM will provide on a monthly basis a list of companies conducting transactions with non-residents extracted from internal statistical sources to assist the NSO in the updating of the sample of companies used in the compilation of the BOP.
22. The BOP data compiled will be transmitted regularly to international agencies such as Eurostat, the ECB, and the International Monetary Fund (IMF) in line with the reporting obligations.
23. Authorised officials at the CBM will have full access to the BOP database and will upload all related data on the financial sector. Access to aggregated non-confidential statistics directly from the database will also be provided to cater for the CBM's analytical requirements.
24. The CBM will construct and manage a security-by-security (s-b-s) database which will be housed at its premises. If required, it will provide the NSO with aggregated portfolio investment data from this database. The NSO will assist the CBM to collect data on a s-b-s basis from non-financial companies including SPEs. In carrying out a quality management assessment of the Centralised Securities Database (CSDB), the CBM may contact non-financial companies, SPEs or the authorised representatives of such companies.
25. The CBM will be responsible for the compilation and publication of quarterly external debt statistics in line with IMF guidelines. For the purpose of this exercise the CBM will have access to the necessary information from the BOP database.
26. The NSO will provide the CBM with trade statistics on a monthly basis classified by, in particular, country, commodity and broad economic categories.

International reserves statistics, the nominal and real effective exchange rates and statistics on foreign affiliates (FATS)

27. The CBM will be responsible for compiling international reserves and foreign currency statistics, and nominal and real effective exchange rates. The NSO will be responsible for compiling inward and outward foreign affiliate statistics with the necessary assistance of the CBM for companies in the financial sector. These comprise annual statistical data on affiliated companies involved in trade in services, broken down by sector of resident entity and by residency of the counterpart. The CBM and the NSO will share data on international reserves and foreign currency liquidity, nominal and real effective exchange rates and on foreign affiliates.

⁵ Regarding the compilation of the BOP statistics, consistency has to be achieved in the frequency dimension: Monthly data should in principle add up to the quarterly data, and quarterly data add up to the annual data.

Financial and non-financial accounts (sector accounts)

28. In the area of financial accounts and related metadata, responsibility is shared between the CBM and the NSO. The CBM will compile Malta's financial accounts, which consist of stock positions and flows (which include transactions, revaluations and other changes in volume) of financial assets and liabilities of all sectors in Malta and the rest of the world (ROW) sector on a quarterly and annual basis. When available, the NSO will provide the CBM with quarterly administrative or other data on the non-financial companies sector, supplemented by counterparty information, for the CBM to be able to enhance its information of such sector. In the case of the rest-of-the-world (ROW) and the general government sectors, the CBM will use the data as agreed under the afore-mentioned GFS and the BOP/IIP arrangements. In the case of data on households and non-profit institutions serving households, the CBM will derive such statistics mainly from counterparty information and any NSO or administrative sources. Any other relevant information on this sector collected by the NSO through surveys will be shared with the CBM. The CBM will forward such quarterly and annual aggregated statistics to the NSO for the latter to meet its reporting obligations.
29. The compilation of annual non-financial accounts by institutional sector within the framework of national accounts statistics is the responsibility of the NSO. Non-financial accounts by institutional sector comprise the production, distribution and use of income accounts and capital accounts, and accounts for other changes in non-financial assets. The NSO will collect and compile such statistics at quarterly and annual frequencies and forward them to the CBM, taking into consideration the derogation set out in Article 3 of Regulation (EC) No. 1161/2005⁶.
30. In view of this shared responsibility both institutions will make every attempt to consult, co-operate closely, reconcile the data and ensure consistency between the non-financial and financial accounts by institutional sector.

Special Data Dissemination Standard (SDDS)

31. Both the NSO and the CBM will continue to collaborate so that Malta maintains its status with regard to the IMF's Special Data Dissemination Standard (SDDS). The Director General of the NSO acts as co-ordinator for Malta. He will be assisted by two liaison officers, one of whom will be an official from the CBM.

⁶ The NSO obtained a derogation from Regulation (EC) No. 1161/2005 since Article 3 of this Regulation stipulates that only Member States for which gross domestic product at current prices normally represents more than 1% of the corresponding Community total shall transmit quarterly non-financial accounts data for all institutional sectors. All Member States, however, are obliged to transmit the data with respect to the ROW and the general government sector.

Term and Revision

32. Amendments to this Agreement taking into account the changing developments in the statistical field, and the role of both Institutions in this regard, may be proposed by any one of the Parties by giving reasonable notice in writing to the other Party and shall only be brought into force by agreement of the Parties. The Parties further agree that any proposed amendment shall not suspend the operations of this Agreement until it is implemented or otherwise.
33. This Co-Operation Agreement replaces an earlier version signed between the CBM and the NSO in August 2007. This Co-Operation Agreement is a publicly available document.

Agreed and signed this 20th day of October 2010 (World Statistics Day).

Alfred DeMarco
Deputy Governor
Central Bank of Malta

Michael Pace Ross
Director General
National Statistics Office