



EUROPEAN CENTRAL BANK

EUROSYSTEM

# MAJOR CHANGES TO THE EURO AREA ACCOUNTS RESULTING FROM THE ESA 2010

## CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The financial accounts provide a comprehensive presentation of financial positions (assets and liabilities) and flows (transactions, revaluations and other changes in volume of financial positions). The ESA 2010 slightly amends this presentation by adding new financial instruments and redefining the boundaries between existing instruments.

### New definitions of financial instruments

- Narrower definition of deposits: only deposit-taking institutions (broadly equivalent to credit institutions) and, in special cases, central government entities can receive deposit liabilities (similar liabilities of other financial intermediaries are to be recorded as loans).
- Financial derivatives: the ESA 2010 clarifies that employee stock options are to be recorded as a component of financial derivatives.
- Provisions for calls under standardised guarantees: the ESA 2010 clarifies the treatment of loan guarantees. When, for instance, the government provides standardised guarantees for student loans, these are to be recognised as a financial liability of the government and a financial asset of the lenders that are protected from losses by the guarantees. One-off guarantees continue to be recorded as contingent assets and liabilities and are thus not recognised in the accounts.
- More detailed definitions of pension-related assets and liabilities: most importantly, the ESA 2010 specifies that if an employer has established an autonomous pension fund for its employees, but retains the responsibility for a deficit in funding, such deficits (or surpluses) are to be recorded as claims (or liabilities) of the pension fund against the employer. Moreover, ESA 2010 requires that, in the case of defined benefit schemes, pension contributions and entitlements should be determined in an actuarial way.

Furthermore, Guideline ECB/2013/24 on the statistical reporting requirements of the ECB in the field of quarterly financial accounts introduced several new mandatory breakdowns of financial instruments (e.g. for deposits as well as unlisted shares and other equity).

For an overview of the changes to the instrument classification see the following table.

## Transition table of financial assets and liabilities

<b>ESA 95</b> Transmission of data in accordance with Guideline ECB/2002/7		<b>ESA 2010</b> Transmission of data in accordance with Guideline ECB/2013/24		
<b>Code</b>	<b>Instrument name</b>	<b>Code</b>	<b>Instrument name</b>	<b>Comments</b>
F.1 (F.11+ F.12)	Monetary gold and	F.11	Monetary gold	Instrument split now mandatory and available in the EAA
	Special drawing rights	F.12	Special drawing rights	New split also in the EAA
F.21	Currency	F.21	Currency	
F.2M (F.22+ F.29)	Deposits	F.22	Transferable deposits	New split also in the EAA
		F.29	Other deposits	New split also in the EAA
F.331	Short-term securities other than financial derivatives	F.31	Short-term debt securities	
F.332	Long-term securities other than financial derivatives	F.32	Long-term debt securities	
F.41	Short-term loans	F.41	Short-term loans	
F.42	Long-term loans	F.42	Long-term loans	
F.511	Quoted shares	F.511	Listed shares	
F.51M (F.512+ F.519)	Unquoted shares and Other equity	F.512	Unlisted shares	New split also in the EAA
		F.519	Other equity	New split also in the EAA
F.52	Mutual fund shares	F.521	Money Market Fund (MMF) shares or units	New split also in the EAA
		F.522	Non-MMF Fund shares/units	New split also in the EAA
F.62	Prepayment of insurance premiums and reserves for outstanding claims	F.61	Non-life insurance technical reserves	Recorded together with provisions for calls under standardised guarantees $F.6O=F.61+F.66$
F.611	Net equity of households in life insurance reserves	F.62	Life insurance and annuity entitlements	
F.612	Net equity of households in pension fund reserves	F.63	Pension entitlements	Recorded together with new financial instruments (claims of pension funds on pension managers and entitlements to non-pension benefits) $F6M=F63+F64+F65$
		F.64	Claims of pension funds on pension managers	

		F.65	Entitlements to non-pension benefits	
		F.66	Provisions for calls under standardised guarantees	New financial instrument, recorded together with F.61
F.34	Financial Derivatives	F.7	Financial derivatives Employee stock options	Clarification that employee stock options are to be included
F.7 (F.71+ F79)	Trade credits and advances	F.81	Trade credits and advances	New split also in the EAA
	Other accounts payable/receivable other than trade credits and advances	F.89	Other accounts payable/receivable excluding trade credits and advances	New split also in the EAA