

Russian Federation: Report on Observance of Standards and Codes—Data Module

This Report on Observance of Standards and Codes on Data Module for the Russian Federation was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on February 18, 2011. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of the Russian Federation or the Executive Board of the IMF.

The Response by the Authorities to this report, and the Detailed Assessments Using the Data Quality Assessment Framework (DQAF) are also included.

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**Report on the Observance of Standards and Codes (ROSC)—Data Module
Volume I**

Prepared by the Statistics Department

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The Report on the Observance of Standards and Codes (ROSC)—Data Module provides an assessment of Russia's macroeconomic statistics against the Special Data Dissemination Standard (SDDS) complemented by an assessment of data quality based on the IMF's Data Quality Assessment Framework (DQAF) July 2003. The DQAF lays out internationally accepted practices in statistics, ranging from good governance in data-producing agencies to practices specific to datasets.

The datasets covered in this report are national accounts, consumer and producer price indices, government finance, monetary, and balance of payments statistics. The agencies that compile the datasets assessed in this report are the Federal State Statistics Service, the Ministry of Finance, the Federal Treasury, and the Central Bank of the Russian Federation.

The datasets to which this report pertains can be accessed in print and on the Internet:

Federal State Statistics Service (Rosstat): <http://www.gks.ru/wps/portal/english>
Ministry of Finance (MOF): <http://www.minfin.ru/en/>
Federal Treasury (Treasury): <http://www.roskazna.ru>
Central Bank of the Russian Federation (CBR): <http://www.cbr.ru/eng/>

This report is based on information provided prior to and during a staff mission from June 23–July 7, 2010 and publicly available information. The mission team was headed by Mrs. Armida San Jose and included Messrs. Paul Austin, Gary Barinshtein, Segismundo Fassler, and Alberto Jiménez de Lucio (all IMF Statistics Department), Brian Graf (expert), and Ms. Rosemary Fielden (Administrative Assistant, IMF Statistics Department).

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ACRONYMS

<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
<i>BBS</i>	<i>Bulletin of Banking Statistics</i>
<i>BPM5</i>	<i>Balance of Payments Manual, fifth edition</i>
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual, sixth edition</i>
CBR	Central Bank of the Russian Federation
COICOP	Classification of Individual Consumption by Purpose
<i>CPA</i>	<i>Classification of Products by Activity</i>
CPI	Consumer Price Index
DQAF	Data Quality Assessment Framework
DSBB	Dissemination Standards Bulletin Board
GDP	Gross Domestic Product
GFS	Government Financial Statistics
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual 2001</i>
HBS	Household Budget Survey
IIP	International Investment Position
IMF	International Monetary Fund
<i>MFSM 2000</i>	<i>Monetary and Financial Statistics Manual 2000</i>
MFS	Monetary and Financial Statistics
MOF	Ministry of Finance
NA	National Accounts
NACE	Statistical Classification of Economic Activities in the European Communities
PPI	Producer Price Index
ROSC	Report on the Observance of Standards and Codes
Rosstat	Federal State Statistics Service
SDDS	Special Data Dissemination Standard
STA	IMF Statistics Department
Treasury	Federal Treasury

I. OVERALL ASSESSMENT

1. This Report on the Observance of Standards and Codes (ROSC)—Data Module is a reassessment of the exercise conducted in October 2003, using the International Monetary Fund’s Data Quality Assessment Framework (DQAF July 2003). The Report covers national accounts, prices (consumer and producer prices), government finance, monetary and financial, and international accounts (balance of payments and international investment position) statistics. The Federal State Statistics Service (Rosstat) compiles the national accounts (NA), consumer price index (CPI), and producer price index (PPI); the Ministry of Finance (MOF) and the Federal Treasury (Treasury) compile the government finance statistics (GFS); and the Central Bank of the Russian Federation (CBR) compiles the monetary and financial statistics (MFS) and international accounts.
2. The Russian Federation’s macroeconomic statistics are generally of high quality, reflecting a continuation of positive developments in statistical practices since the last mission in October 2003 that prepared the ROSC—Data Module. Significant improvements are underpinned by the adoption of a Statistics Law in 2007, which embodies internationally recommended principles and practices for official statistics. The agencies compiling macroeconomic statistics have made further progress in adopting international statistical methodologies and best practices. Nevertheless, areas for further improvement and refinement exist. The recent financial crisis and increased prominence of the G-20 (of which Russia is a member) pose challenges to Russia to further upgrade the quality of its macroeconomic statistics for a more extensive and detailed analysis of vulnerability and sustainability. Given the statistical improvements that are underway or planned by the compiling agencies, Russia is well placed to respond to these challenges.
3. Following the ROSC mission in 2003, Russia subscribed to the Special Data Dissemination Standard (SDDS) on January 31, 2005 and started posting its metadata on the Dissemination Standards Bulletin Board (DSBB) on the same date. Russia is in observance of the SDDS, meeting the specifications for coverage, periodicity, timeliness, and the dissemination of advance release calendars. In many cases, it exceeds the SDDS requirements for periodicity and timeliness. Russia uses a flexibility option on the timeliness of the data on central government operations. Appendix I provides an overview of Russia’s dissemination practices compared to the SDDS.
4. In applying the DQAF, the remainder of this section presents the mission’s main conclusions. The presentation is done at the level of the DQAF’s quality dimensions, by agency for the first two dimensions and across datasets for the remaining four.
5. Regarding **prerequisites of quality**, the responsibility for collecting, processing, and disseminating the macroeconomic statistics are clearly specified in the relevant laws governing the operations of the Rosstat, the MOF, the Treasury, and the CBR. Significant and important changes in the legal mandate of the Rosstat have taken place since the 2003 ROSC mission. These changes include the adoption of the Statistics Law, which gives Rosstat a clear mandate to coordinate all statistical activities in the federal statistical system and reduces duplication and promotes efficiency. In addition, a well documented and comprehensive *Federal Plan of Statistical Operations* is prepared, which details specific data

that are produced, by which agency, and the release dates. Laws related to the confidentiality of the data have been strengthened and now avoid conflict with the criminal codes. Moreover, all agencies have robust internal security procedures to protect the data. The human, physical, and computer resources allocated to macroeconomic statistics are adequate, except for the national accounts. The number of Rosstat staff for the compilation of national accounts is inadequate, which limits possibilities to implement development work in national accounts. The CBR's relevance assessment practices and quality management procedures provide a firm foundation for its statistical work program. The MFS, as well as the international accounts statistics programs and products, undergo quality reviews by the CBR senior management. The Scientific and Methodological Council of the Rosstat provides a forum for consulting on the quality of Rosstat's existing statistics and to discuss emerging data requirements and the implementation of methodological improvements. The CBR maintains formal processes of consulting with external users of monetary statistics regarding their needs. The budget execution data and GFS are used for the design, monitoring, and assessment of fiscal policy. No systematic arrangements are in place at the MOF to obtain feedback from external users. All statistics compiling agencies demonstrate awareness of the importance of the quality of data.

6. Regarding **assurances of integrity**, officials and staff of the Rosstat, the MOF, the Treasury, and the CBR uphold high standards of professionalism, transparency, and ethical conduct in producing macroeconomic statistics. However, the Rosstat now is administratively under the Ministry of Economic Development. The legal statutes establish the Rosstat as an independent agency but in practice, its technical independence is weakened by the role of the ministry in the approval and decision-making process. Changes in the methods used to compile price indices and national accounts must first be approved by the ministry. Data compilers in the Rosstat, the MOF, the Treasury, and the CBR are competent and have actively participated in relevant statistics courses abroad and received on-the-job training. The CBR staff participated in international technical expert groups that contributed to the development of international statistical methodologies. Macroeconomic statistics are disseminated without political interference. Advance notice of major changes in statistical methodology, data sources, and statistical techniques is given to users. Clear ethical guidelines exist for staff of the statistics compiling agencies.

Regarding **methodological soundness**, all macroeconomic statistics generally follow international statistical standards, namely the *System of National Accounts, 1993 (1993 SNA)*, international manuals for the CPI and PPI, *Government Finance Statistics Manual 2001 (GFSM 2001)*, *Monetary and Financial Statistics Manual 2000 (MFSM 2000)*, and *Balance of Payments, Manual, fifth edition (BPM5)*. Methodological deviations exist in all datasets. The output of illegal activities is not in the scope of the Russian national accounts. The PPI does not include sales of production for export while the CPI does not include owner-occupied housing. The CPI has not adopted the internationally recommended Classification of Individual Consumption by Purpose (COICOP) to classify all items in the CPI. As regards the budget execution data, a number of areas for improvement have been identified. There are monthly and annual cash-based budget execution reports for the general government and its subsectors, but not for the consolidated central government. Expenditures

by economic classification are compiled monthly on a cash basis but only disseminated annually on an accrual basis.¹ Debt is classified by currency in accordance with budget legislation, not residency. The budget execution data compiled and disseminated do not follow the presentation of the statements and tables of the *GFSM 2001*. Monetary statistics have a strong methodological foundation. Classification can be further enhanced by (i) separately identifying contra-entries to data on government's monetary authorities' functions; (ii) collecting and including data on financial derivatives at end-period market price/fair value; and (iii) reclassifying the CBR's valuation adjustment and current year result (profit/loss) accounts in *shares and other equity*. Valuation of securities held to maturity and shares in the investment portfolio is not on market or fair value basis. The international accounts statistics also have a strong methodological underpinning. An area for improvement is the adoption of accrual principle for recording transactions and positions, specifically for other investment income flows of other sectors (nongovernment, nonfinancial sectors), and the positions of government loan liabilities and nontradable debt of other sectors, which are recorded on due-for-payment basis. The CBR has adopted a phased work program for implementing the *Balance of Payments and International Investment Position Manual*, sixth edition (*BPM6*) by end-2012.

7. The **accuracy and reliability** of macroeconomic statistics received high marks. The Rosstat has a comprehensive system of regular monthly, quarterly, and annual enterprise surveys. Source data for the compilation of GDP and price statistics are adequate. Benchmarking procedures of the quarterly data, volume measures of output and value added for the trade industry, and for taxes and subsidies on products need improvement. In general, source data for the compilation of price statistics are adequate and constantly reviewed for consistency over time and with related products. For GFS, source data for budget execution reports are comprehensive and timely. Statistical techniques could be improved by addressing two concerns: (i) statistical errors are corrected only in the period detected, not in the period they took place, and (ii) consolidation does not follow the *GFSM 2001* approach. Source data for monetary statistics are broadly adequate and are subject to validation checks. Automated compilation techniques underpin efficient processing. The data sources for compiling the international accounts are broadly sufficient and are under continuous review. During the 2008 financial crisis, the CBR detected increasing levels and types of financial derivative transactions by banks. Accordingly, measures now are underway to widen statistical collections beyond foreign exchange derivative contracts. The use of statistical techniques to enhance coverage in areas including goods, reinvested earnings, and the direct investment flows and positions of enterprises under production-sharing agreements contribute to the reliability of the international accounts.

8. **Serviceability** of macroeconomic statistics is sound, with price statistics, MFS, and international accounts receiving excellent assessment in all elements. Periodicity and timeliness of all the datasets, except for the timeliness of data for central government operations, meet and in many cases exceed the requirements of the SDDS. The timeliness of

¹ Beginning July 8, 2010 the Treasury began posting on its website monthly information on expenditures by economic classification on a cash basis.

central government operations does not meet the SDDS requirement, but the SDDS flexibility option is taken for this category. Source data used to compile macroeconomic statistics are routinely reviewed and are consistent across datasets. Revision policy in the national accounts needs improvement. Revisions of the quarterly data of the current year should be introduced.

9. Regarding **accessibility**, all datasets and metadata are available to the public through the websites of the Rosstat, the MOF, the Treasury, and the CBR. Users surveyed during the mission expressed a desire to have statistics available in Excel format and for an improved search engine in the websites given the huge volume of available information. As regards GFS, (i) data on the Treasury and the MOF websites are difficult to access; (ii) limited data are available in English; (iii) limited metadata are posted; and (iv) assistance to users is limited. Regarding price statistics, continuous time series of data at a detailed level for both the CPI and the PPI are not disseminated. CPI weight data have been published on the Rosstat website since 2006. Detailed expenditure data used to develop the CPI weights are also posted on the website. PPI weights are not published, but detailed data on total annual sales, which are used to develop weights for the PPI, are published by economic activity on the Rosstat website. In accordance with international best practices, PPI weight data at a detailed level (both current and historic) should be published on the Rosstat website and included in the PPI bulletins.

10. Section II provides a summary assessment by agency and dataset based on a four-point rating scale. This is followed by a summary of results of the users' survey in Section III and staff recommendations in Section IV. Practices compared to the SDDS are summarized in Appendix I. The authorities' response to this report and a volume of detailed assessments are presented in separate documents.

II. ASSESSMENT BY AGENCY AND DATASET

11. Assessment of the quality of six macroeconomic datasets—national accounts, consumer price index, producer price index, government finance, monetary, and balance of payments statistics—were conducted using the DQAF July 2003. In this section, the results are presented at the level of the DQAF elements and using a four-point rating scale (Table 1). Assessments of the prerequisites of data quality and the assurances of integrity (Dimensions “0” and “1” of the DQAF) are presented in Tables 2a–c. For each dataset, the assessment of methodological soundness, accuracy and reliability, serviceability, and accessibility (Dimensions “2” to “5” of the DQAF) are shown in Tables 3a–f.

Table 1. Russia Data Quality Assessment Framework—Summary Results

Key to symbols: O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; NA = Not Applicable

Datasets	National Accounts	Consumer Price Index	Producer Price Index	Government Finance Statistics	Monetary Statistics	Balance of Payments Statistics
Dimensions/Elements						
0. Prerequisites of quality						
0.1 Legal and institutional environment	O	O	O	O	O	O
0.2 Resources	LO	O	O	O	O	O
0.3 Relevance	LO	O	LO	LO	O	O
0.4 Other quality management	O	O	O	O	O	O
1. Assurances of integrity						
1.1 Professionalism	LNO	LNO	LNO	O	O	O
1.2 Transparency	O	O	LO	O	O	O
1.3 Ethical standards	O	O	O	O	O	O
2. Methodological soundness						
2.1 Concepts and definitions	O	O	O	LO	O	O
2.2 Scope	LO	LO	LO	LNO	O	O
2.3 Classification/sectorization	O	LNO	O	LO	LO	O
2.4 Basis for recording	O	O	O	O	LO	LO
3. Accuracy and reliability						
3.1 Source data	O	O	O	O	O	LO
3.2 Assessment of source data	O	O	O	O	O	O
3.3 Statistical techniques	LO	O	O	LO	O	O
3.4 Assessment and validation of intermediate data and statistical outputs	O	O	O	O	O	O
3.5 Revision studies	LO	O	O	O	O	O
4. Serviceability						
4.1 Periodicity and timeliness	O	O	O	LO	O	O
4.2 Consistency	O	O	O	LO	O	O
4.3 Revision policy and practice	LO	O	O	NA	O	O
5. Accessibility						
5.1 Data accessibility	O	LO	LO	LNO	O	O
5.2 Metadata accessibility	O	O	O	LO	O	O
5.3 Assistance to users	O	O	O	LNO	O	O

Practice observed: Current practices generally meet or achieve the objectives of DQAF internationally accepted statistical practices without any significant deficiencies. **Practice largely observed:** Some departures, but these are not seen as sufficient to raise doubts about the authorities' ability to observe the DQAF practices. **Practice largely not observed:** Significant departures and the authorities will need to take significant action to achieve observance. **Practice not observed:** Most DQAF practices are not met. **Not applicable:** Used only exceptionally when statistical practices do not apply to a country's circumstances.

Table 2a. Russia Assessment of Data Quality—Dimensions 0 and 1—Federal State Statistics Service

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment. The Rosstat is the official body entrusted by law for coordinating and overseeing the production and dissemination of the official statistics of the country. Significant and important changes in the legal framework of the Russian Federation Statistical System have taken place since the 2003 ROSC mission. Though the Rosstat’s authority is mandated through various pieces of legislation, the most critical pieces of legislation are the resolution No. 420 of the Russian Federation, <i>Provisions on the Federal State Statistics Service</i>, issued on June 2, 2008 and the Federal Law No. 282 F3, <i>On Official Statistical Accounting and State Statistics System in the Russian Federation</i>, issued on November 29, 2007. The latter document is in compliance with recommended legal frameworks for the regulation of countries’ statistical systems as advised by Eurostat, the United Nations, and the World Bank. This Law and other legal statutes provide assurances of confidentiality to data collected for statistical purposes. According to the Law, all official statistical activities shall be exercised in compliance of the <i>Federal Plans of Statistical Operations</i> to be prepared by the Rosstat in consultation with all other Federal agencies producing statistics. The plan assigns responsibility for compiling and disseminating the official statistics and includes detailed information describing the statistics to be compiled, their periodicity, and the dissemination deadlines.</p> <p>Resources. The Rosstat expressed concern with difficulties recruiting and retaining young professionals due to low salaries, which could affect future work. The number of staff available for compiling the national accounts is inadequate to implement the regular work program, thus implying a serious constraint for undertaking developmental work. Price statistics staff are sufficient to support monthly compilation activities. Both the national accounts and price statistics programs have adequate financial and computing resources to support data compilation. Physical resources are currently under renovation.</p> <p>Relevance. The Rosstat does not conduct user surveys but consultations with users of the CPI are conducted. The Scientific and Methodological Council provides a structured venue for consulting on the usefulness/quality of existing statistics and to discuss emerging data requirements and the implementation of methodological improvements. Members of this group include economists and statisticians from inside and outside of the Rosstat, as well as members representing major data users including other government ministries and trade unions.</p> <p>Other quality management. Within the Rosstat, processes are in place to ensure the production of quality products. A written manual, detailing the data quality procedures of Rosstat, serves as a reference and guide for all staff.</p>	<p>Professionalism. Rosstat is subordinated to the Ministry of Economic Development. Statistics are produced on an impartial basis; however, the adoption of new methodologies requires the approval of the Ministry’s technical staff. This undermines the technical independence of Rosstat.</p> <p>Transparency. PPI weights are not published. The relevant legal documents are posted on the website of the Rosstat. Products of the Rosstat are clearly identified as such. Significant changes in the methodology are announced to the general public in advance. There is no prior access by government officials to data before their release.</p> <p>Ethical standards. Staff are made aware of the code of conduct to be observed during employment. The commitment to the observance of the codes has to be signed by employees at the time of accepting the terms and conditions of employment and anytime a new contract is issued due to changes in positions within the organization. A strong culture of professionalism and ethical standards precludes political interference.</p>

Table 2b. Russia Assessment of Data Quality—Dimensions 0 and 1—Ministry of Finance

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment. The responsibility for compiling and disseminating budget execution data and GFS are clearly specified in laws and regulations. Only budget execution data are disseminated domestically; GFS are also compiled but are only reported to the IMF. The task of compiling and disseminating budget execution data and GFS is assigned to various MOF and Treasury units, and there is close communication among these units.</p> <p>The confidentiality of information is protected by law. There are adequate legal and administrative provisions for collecting the information necessary for the compilation of budget execution reports and GFS.</p> <p>Resources. The human, physical, and computer resources allocated to compiling budget execution data and GFS are adequate.</p> <p>Relevance. The budget execution data and GFS compiled by the Treasury are the main sources of information for the design, monitoring, and assessment of tax and budget policy. There are no systematic arrangements in place to obtain feedback from external users of fiscal statistics.</p> <p>Other quality management. The MOF and Treasury are fully aware of the importance of the quality of data, which is regularly emphasized by management. Particular attention is placed on the quality of accounting data. Formal processes to monitor the quality of data exist. A program for budget reform is well advanced, and includes changing accounting standards and procedures to meet international standards and best practice.</p>	<p>Professionalism. Independence in the compilation and dissemination of budget execution data is not supported by specific laws. However, an MOF executive order establishes the functions, responsibilities, and rights of the compiling units. It also establishes that fiscal statistics are to be based on accounting data and must be compiled in accordance with international standards.</p> <p>Statisticians are free of political influence in the choice of the most appropriate data sources and methods, as well as statistical procedures, for compiling budget execution data and GFS.</p> <p>Compilers are authorized to provide expert advice on technical aspects of budget execution reports. Press releases are issued in cases of misinterpretation of data by external users.</p> <p>Transparency. The laws and regulations governing the compilation and dissemination of budget execution data and GFS are available to the public. No official or public agency outside of the MOF and the Treasury has access to budget execution data and GFS prior to their general dissemination. Budget execution data are released simultaneously to the general public, through the MOF’s and the Treasury’s websites.</p> <p>The tables disseminated by the MOF and the Treasury identify the department responsible for their compilation. The tables disseminated by other agencies identify their source.</p> <p>Ethical standards. The compilation and dissemination of budget execution data and GFS are governed by the provisions of legislation that establish standards of behavior. The staff is reminded periodically of the provisions of the legislation.</p>

Table 2c. Russia Assessment of Data Quality—Dimensions 0 and 1—Central Bank of the Russian Federation

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment. The CBR has the necessary legal mandate to collect, compile, and disseminate monetary and balance of payments statistics. The basis for this mandate is in the <i>Constitution of Russia Federation</i> and the <i>Federal Law on the Central Bank of Russia</i> (July 10, 2002, with amendments). Credit institutions are required to report to the CBR the necessary information on their activity, including accounting and statistical reports, as established by the CBR in accordance with the <i>Federal Law on Banks and Banking Activity</i> (December 2, 1990, with amendments). Statistical reporting is ensured through legal mandates, clear instructions for reporting, and efforts to reduce reporting burden. The <i>Federal Law On Information, Information Technology, and Protection of Information</i> of July 27, 2006 establishes requirements for protection of information, confidentiality, and penalties for infraction of the federal laws. Specific requirements for maintaining confidentiality of the individual reporter’s data are stipulated in the <i>Federal Law on the Central Bank of Russia</i> and <i>Federal Law on Banks and Banking Activity</i>. Data sharing and coordination within the CBR and with other official data producing agencies is effective; organization of information flows is documented in internal guidelines and in agreements with other agencies.</p> <p>Resources. Staff, financial, and computing resources are adequate to carry out the CBR’s current statistical programs and plans. Staff engaged in statistical compilation programs have attended courses organized by IMF and participate in seminars conducted by other central banks and international organizations. Various measures are in place for fostering efficiency in the use of resources.</p> <p>Relevance. The relevance of monetary statistics in meeting users’ needs is assessed through regular consultations with CBR departments involved in implementing monetary policy. Several fora for nongovernment users of monetary statistics enable them to express views on data dissemination (in terms of content and format), and a user survey is posted on the CBR’s website for both monetary and international accounts statistics.</p> <p>Other quality management. Quality awareness at the CBR is at a high level. Internal and external audits underpin compliance with accounting regulations. The outputs of statistical programs undergo quality reviews by CBR senior management. Reported information is subject to validation checks at the collection and processing stages and a follow-up as called for. Timeliness of information is considered vital and, as necessary, estimates/preliminary data are disseminated.</p>	<p>Professionalism. Compilation of statistics, in terms of choice of data sources, methodology, and statistical techniques, reflects statistical considerations only and is supported by legal provisions. Professionalism of staff engaged in statistical compilation activities at the CBR is high. Hiring and promotion policies are based on the principle of professional competence, as reflected in <i>CBR Provision 235P</i> of July 25, 2003 (with amendments) and the <i>Model Qualification Standards of Staff of the Central Bank of Russia</i>. Staff actively participate in international working groups (e.g., the IMF’s Committee on Balance of Payments Statistics and the Experts Group to Review the <i>MFSM 2000</i>) and attend conferences. The CBR conducts regional training programs in external sector statistics and MFS. The CBR tracks the use of its data in the media. Cases of misinterpretation or misuse are brought to the attention of the publisher with a request to make appropriate corrections in its publication.</p> <p>Transparency. The terms and conditions under which statistical work is undertaken are clearly stated in the CBR’s publications, including its website. There is no government access to the data prior to their release and release of data is not accompanied by ministerial commentary. The CBR General Economic Department’s responsibility for compiling statistics is clearly stated. Statistics included in CBR’s publications but compiled by other agencies carry appropriate attribution. Major changes in monetary statistics methodology are announced in advance in a press release posted on the CBR’s website. Advance notice of major changes in balance of payments methodology and source data are also provided. The CBR has already informed users of plans to implement <i>BPM6</i> by end-2012.</p> <p>Ethical standards. Rules of ethical conduct for the CBR staff are set out in the <i>CBR Provision 235P</i> (July 25, 2003, with amendments). Articles 90–92 of the <i>Federal Law On the Central Bank of the Russian Federation</i> regulate the range of activities that CBR staff may undertake so as to rule out conflict of interest.</p>

Table 3a. Russia Assessment of Data Quality—Dimensions 2 to 5—National Accounts

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions. Russian national accounts statistics are compiled based on the <i>1993 SNA</i> conceptual framework.</p> <p>Scope. The output of illegal activities is not in the scope of the Russian national accounts. The sequence of accounts from the production account and up to the capital account is compiled annually for the total economy and by institutional sector. Annual supply and use tables are compiled. Quarterly GDP is calculated based on the production and the expenditure approaches both at current prices and as volume measures (reference period = 2003). The delimitation of the units that form part of the economy, the production boundary, and the assets boundary, are broadly in accordance with the <i>1993 SNA</i> guidelines.</p> <p>Classification/sectorization. Russian national accounts use the <i>1993 SNA</i> classification of transactions, flows and institutional sectors. The classifications of economic activities, as well as the classification of products, are both based on the corresponding classifications used by the European Community (NACE Rev. 2, and CPA [<i>Classification of Products by Activity</i>], respectively). The household budget survey (HBS) is classified based on the internationally recommended classification—COICOP—but estimates of household consumption are still based on a national classification, although there are plans to introduce the COICOP classification with the dissemination of a revised series of national accounts in August 2010. General government consumption expenditure is classified using the Classification of the Functions of Government categories.</p> <p>Basis for recording. Most transactions are recorded on an accrual basis. Government data, available on a cash basis at the source, are adjusted to the accrual time of recording concept of the national accounts. Valuation principles used are in line with the <i>1993 SNA</i>.</p>	<p>Source data. Source data are quite comprehensive. There are regular quarterly reports from enterprises, government records, primary data from the agriculture sector, and administrative records. Enterprise surveys cover all economic activities and have national representation. Large- and medium-sized enterprises are surveyed on a census basis, while small enterprises surveys are based on random samples. Although annual and quarterly HBS are conducted regularly, their results have limited use in the compilation of household consumption expenditure, which is mainly based on retail trade data and surveys on enterprises providing services to households. The enterprise surveys also collect data on investment on fixed assets and inventories (also available from annual balance sheets) and data on exports and imports of goods and services are available from the balance of payments statistics.</p> <p>Assessment of source data. Sampling errors and non-sampling errors are routinely assessed and appropriate techniques are used to deal with problems of non-response, which mainly affect the samples of small enterprises. Data are also checked for errors and inconsistencies through the use of a range of automated checks.</p> <p>Statistical techniques. The quarterly production accounts now are compiled at highly disaggregated levels of the industrial classification (for 148 main activities and 312 “pure” activities of the industrial classification). Output of the services of owner-occupied dwellings is not estimated in accordance with internationally recommended methodology. Estimates of volume measures are in general based on adequate methods although improvements are needed in the compilation of trade margins, taxes and subsidies on products, general government consumption, and changes in inventories. Quarterly deflators of imports and exports of services need improvements. Techniques to achieve consistency between quarterly and annual data are not adequate.</p> <p>Assessment and validation of intermediate data and statistical outputs. Output data derived from enterprise surveys are assessed against data on output from other primary and secondary sources, including data from the HBS. Consistency between data on GDP based on different approaches is achieved during the compilation of the annual supply and use tables.</p> <p>Revision studies. Rosstat does not conduct systematic revision studies. Data are normally revised only for the last two years. Revisions to the published figures are explained at the time the data are released. Less frequent revisions imply that changes of the historical series are thoroughly reviewed before the figures are released. Also, explanations disseminated with historical revisions of the series are more detailed than for regular revisions.</p>	<p>Periodicity and timeliness. Normally, the first quarterly GDP estimates are disseminated 80 days after the end of the reference quarter, thus meeting the timeliness and periodicity requirements of the SDDS. An exception occurred in the second quarter of 2009 for which quarterly GDP data were not released on time.</p> <p>Consistency. Discrepancies between the independent estimates of GDP by production and expenditure are kept at reasonably low levels. National accounts series based on the same methodology are available from the data related to 1995 (series of GDP by production are based on the same classification only from the data of 2003). For chain-linked volume measures, the discrepancy between the total and the sum of the components has become significant, which may require a change of the reference period.</p> <p>Revision policy and practice. Russia has in practice a clearly defined revision policy, but no revisions of the quarters of the current year are introduced before March of the following year. This practice poses difficulties and confusion to users as it introduces temporary inconsistencies between the national accounts and some of the source data subject to more frequent revisions. Quarters of previous years become final in the third year after the reference year.</p>	<p>Data accessibility. Long-term series of quarterly GDP in nominal and volume measures are posted on the Rosstat’s website. The data are readily accessible in Excel format. The English language version of the Rosstat website contains less information than the Russian site and is updated less frequently.</p> <p>Metadata accessibility. A document is available on sources and methods for compiling the national accounts statistics, but only in Russian and in hardcopy. In addition, notes in the publications and on the website explain the national accounts concepts and methodology used. Discrepancies with the international standards are noted in the metadata.</p> <p>Assistance to users. Detailed contact information is provided in the publications and on the website. A catalog of publications is available on the website and updated annually. Information is also provided on how to obtain the publications.</p>

Table 3b. Russia Assessment of Data Quality—Dimensions 2 to 5—Consumer Price Index

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions. Generally, the concepts and definitions used in CPI compilation reflect international standards and best practices promoted in the CPI manual, CPI handbook, and <i>1993 SNA</i>.</p> <p>Scope. Owner-occupied housing has been excluded from the CPI. The CPI represents all households in Russia. The CPI measures the change over time in prices of a fixed basket of goods and services representative of households residing in all areas throughout the Russian Federation.</p> <p>Classification/sectorization. The CPI is classified according to the <i>All-Russian Classification of Products</i> and not the internationally recommended COICOP. The Ministry of Economic Development denied Rosstat’s request to implement COICOP in 2008.</p> <p>Basis for recording. The prices used to calculate the CPI correspond to market prices paid by consumers (deducting discounts and rebates, and including all applicable taxes levied—VAT, excise, sales tax, and other indirect taxes).</p>	<p>Source data. The items and weights for the CPI market basket are derived from HBS data collected on an annual basis from 48,700 private households of all socio-economic groups. Approximately 560,000 prices are collected each month from over 50,000 outlets in 266 urban areas.</p> <p>Assessment of source data. Price and product specification data collected for the monthly price survey as well as expenditure data collected for the HBS are verified and processed using internationally recommended procedures.</p> <p>Statistical techniques. All missing prices (including seasonal items) are imputed using observed price changes of other varieties in the same group. Replacement items and or varieties are introduced as needed. Quality adjustments are made using the overlap method wherever possible. Elementary aggregates are calculated using geometric means. Upper-level aggregates are calculated using the Two-Stage (Modified) Lasperyes.</p> <p>Assessment and validation of intermediate data and statistical outputs. Intermediate data are validated as needed.</p> <p>Revision studies. The CPI is final when first released. Studies are conducted to assess the effect of weight revisions and substitution on the index.</p>	<p>Periodicity and timeliness. The CPI is published on a monthly basis on the fourth and sixth workday after the end of the month, meeting SDDS requirements. An <i>Express Release</i> is issued on the fourth workday, while detailed data are available on the sixth workday.</p> <p>Consistency. The CPI is internally consistent.</p> <p>Revision policy and practice. The CPI is final upon its first release. The market basket items and weights are updated on an annual basis, with revised weights introduced in January of each year. Revisions to weights and methodologies are explained to users.</p>	<p>Data accessibility. Detailed time series data are not produced. Data are disseminated monthly in detail through various monthly publications and by electronic means (website, diskette, CD-ROM, and e-mail). The English language Rosstat website contains less content than the Russian site, and is updated less frequently. To meet SDDS specifications, a continuous index series on a common reference base (2000 = 100) is produced for the All Items index at the national level only. Time series data are not produced at a detailed level.</p> <p>Metadata accessibility. Detailed descriptions of the CPI metadata are available to users through the Rosstat website or by request in hardcopy.</p> <p>Assistance to users. Publications clearly identify how users can obtain additional details. A detailed list of staff contacts, telephone numbers, and e-mail addresses is available on the Rosstat website. A call center directs users on how to obtain additional information. The Rosstat operates a public bookstore and users can access a library of publications on the first floor of the headquarters in Moscow.</p>

Table 3c. Russia Assessment of Data Quality—Dimensions 2 to 5—Producer Price Index

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions. Generally, the concepts and definitions used in PPI compilation reflect international standards and best practices in the PPI manual and 1993 SNA.</p> <p>Scope. Production of export goods is not included in the PPI as recommended by the <i>PPI Manual</i>. The PPI covers all of the industries in mining, manufacturing, and utilities (electricity, gas, and water). The index covers goods manufactured in the Russian Federation that are sold on the domestic market.</p> <p>Classification/sectorization. In accordance with international recommendations, economic activities are classified using NACE Rev. 1.1, and products are classified using <i>CPA</i>.</p> <p>Basis for recording. Factory gate prices are obtained from a monthly survey of producers, which do not include taxes, transportation costs, insurance fees, and trade margins. Actual prices charged by producers are determined for a specific product and not for unit values.</p>	<p>Source data. The weights are based on the value of sales at current prices as reported by respondents in annual industry surveys. Representative products for pricing are selected by PPI staff at headquarters and supplemented by regional authorities. Approximately 30,000 prices are collected each month from 8,500 establishments.</p> <p>Assessment of source data. The source data on prices are constantly reviewed by the compilers for consistency over time and with related products.</p> <p>Statistical techniques. All missing prices (including seasonal items) are imputed using observed price changes of other varieties in the same group. Replacement items and/or varieties are introduced as needed. Quality adjustments are made using the overlap method wherever possible. Elementary aggregates are calculated using geometric means. Upper-level aggregates are calculated using the Two-Stage (Modified) Laspeyres.</p> <p>Assessment and validation of intermediate data and statistical outputs. PPI index data are validated by comparing these data with corresponding index data from the CPI.</p> <p>Revision studies. Studies are conducted to assess the magnitude of change between preliminary and final PPI data. Studies are also conducted on the effect of weight revisions and substitution on the index.</p>	<p>Periodicity and timeliness. The monthly PPI is disseminated within 10 days after the end of the reference month, thus exceeding SDDS requirements.</p> <p>Consistency. Checks are made with the relevant elements of the CPI to ensure the two series are consistent.</p> <p>Revision policy and practice. PPI data are provisional when first released. All data are noted as provisional and subject to revision. Data can be revised up to the end of December of the current year. All data are final in January of the following year. Revised data are footnoted and explained</p>	<p>Data accessibility. Detailed PPI weight data are not published. International best practices recommend that detailed weight data (current and historic) should be published and made available to all users. Data are disseminated monthly in detail through various monthly publications and by electronic means (website, diskette, CD-ROM, and e-mail). The English-language Rosstat website contains less content than the Russian site and is updated less frequently. To meet SDDS specifications, a continuous index series on a common reference base (2000 = 100) is produced for the All Items index at the national level only. Time series data are not produced at a detailed level.</p> <p>Metadata accessibility. Detailed descriptions of the CPI metadata are available to users through the Rosstat website or by request in hardcopy.</p> <p>Assistance to users. Publications clearly identify how users can obtain additional details. A detailed list of staff contacts, telephone numbers, and e-mail addresses is available on the Rosstat website. A call center directs users on how to obtain additional information. The Rosstat operates a public bookstore and users can access a library of publications on the first floor of the headquarters.</p>

Table 3d. Russia Assessment of Data Quality—Dimensions 2 to 5—Government Finance Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions. Budget execution data are compiled in accordance with national concepts and definitions, which can be linked to those of the <i>GFSM 2001</i>. The GFS reported to the IMF are compiled in accordance with the guidelines of the <i>GFSM 2001</i>.</p> <p>Scope. There are monthly and annual cash based budget execution reports for the general government and its subsectors, but not for the consolidated central government. Information on expenditures by economic classification is compiled monthly (cash basis) but only disseminated in an annual report on an accrual basis. Debt is classified by currency in accordance with budget legislation and not by residency.</p> <p>Classification/sectorization. The budget classifications for revenues, expenditures, financing, and debt follow national concepts and definitions. The data can be converted to <i>GFSM 2001</i> format, but this requires knowledge of the methodology and access to some information not publicly available.</p> <p>Basis for recording. Transactions are recorded on a modified cash basis.</p>	<p>Source data. Comprehensive and timely source data covering the full range of flows and stocks are provided from administrative and accounting systems for all levels of government.</p> <p>Assessment of source data. There are no material gaps in the coverage or completeness of data collection. The accuracy of accounting data is continuously assessed.</p> <p>Statistical techniques. Errors are corrected in the period detected, not in the period they took place. Consolidation does not follow the <i>GFSM 2001</i> approach.</p> <p>Assessment and validation of intermediate data and statistical outputs. The information reported by general government units is cross-checked with bank statements and other information in a regular manner.</p> <p>Revision studies. There are no revisions to budget execution data and GFS, because they are based on final data. Revisions to final budget execution data are rare, and occur only when an accounting error is detected. No studies of revisions are needed.</p>	<p>Periodicity and timeliness. The periodicity and timeliness of fiscal statistics meet or exceed SDDS requirements, except for the timeliness of statistics on central government operations for which a flexibility option is taken.</p> <p>Consistency. There is full consistency in budget execution data and GFS within the dataset, but not over time. Previous series are not adjusted to account for discontinuities. Budget execution data and GFS are consistent with other macroeconomic datasets at the source data level, but should also be reconciled at the output level.</p> <p>Revision policy and practice. The dissemination of the statistics follows a regular cycle known to users, and in several cases follows a schedule established by law. No studies of revisions are conducted because data are not revised.</p>	<p>Data accessibility. Data on the MOF's and the Treasury's websites are difficult to access, and limited data are available in English. The budget execution data and GFS are presented in a way that allows major aggregates and balancing items to be identified and related to detailed underlying data.</p> <p>Metadata accessibility. Concepts, scope and classifications are only available from legislation; no methodological notes are posted on the MOF website. Methodological differences with internationally accepted standards are not identified. There is a link in the MOF website to SDDS metadata.</p> <p>Assistance to users. Assistance to users is limited. No contact person for budget execution data, or catalogue of statistical products and services. Only the contact person for SDDS data is publicized on the IMF's DSBB.</p>

Table 3e. Russia Assessment of Data Quality—Dimensions 2 to 5—Monetary Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions. The analytical framework used for compiling monetary statistics is consistent with <i>MFSM 2000</i>.</p> <p>Scope. The coverage of the depository corporations survey comprises monetary authorities (consolidation of the CBR accounts and the data on monetary authorities functions undertaken by the central government) and all other depository corporations (including those with revoked licenses).</p> <p>Classification/sectorization. Classification and sectorization is largely consistent with <i>MFSM 2000</i>, except for the following: (i) financial derivatives are excluded from monetary data; (ii) contra-entries to data on government’s monetary authorities’ functions are not separately identified; and (iii) the CBR’s current year result (profit/loss) and valuation adjustment accounts are misclassified.</p> <p>Basis for recording. The basis for recording largely follows <i>MFSM 2000</i> recommendations except that securities held to maturity and shares in the investment portfolio are not valued at market price or fair value. Accrued interest is incorporated in the outstanding amount of financial asset or liability</p>	<p>Source data. Accounting records of the CBR, data on the monetary authority functions undertaken by central government, and the accounting statements reported to the CBR by credit institutions form the basis for monetary statistics. Data are available on a timely basis and with sufficient detail for compiling monetary accounts that meet <i>MFSM 2000</i> recommendations.</p> <p>Assessment of source data. Automated and manual assessments and validations of source data, as well as of the statistical outputs, are performed. Data issues are investigated.</p> <p>Statistical techniques. Data compilation is fully automated to minimize processing errors.</p> <p>Assessment and validation of intermediate data and statistical outputs. Automated and manual assessment of intermediate data is performed. Procedures are in place to investigate discrepancies in the intermediate data, classification, and sectorization errors. Data issues are investigated.</p> <p>Revision studies. Monetary statistics are based on accounting records that are not subject to estimation. Revision studies are routinely undertaken to examine the cause and magnitude of differences between preliminary, revised, and final data. It has been found that such differences are relatively small.</p>	<p>Periodicity and timeliness. Data for the analytical accounts of monetary authorities and the analytical accounts of banking sector meet the SDDS requirements for periodicity and timeliness.</p> <p>Consistency. Statistics are largely consistent within the dataset. Consistency checks at the level of accounting data are routinely carried out with government finance data, international investment position, and the balance of payments data.</p> <p>Revision policy and practice. The revisions policy and practice for monetary statistics are made public. Preliminary data are clearly identified, and reasons for revisions if due to methodological changes are explained.</p>	<p>Data accessibility. Monetary statistics are disseminated through the CBR’s monthly <i>Bulletin of Banking Statistics (BBS)</i>, available from the <i>Publications</i> page on the CBR’s website) and also, by specific survey type, in web-based printable and Excel file formats, retrievable from the <i>Statistics/Monetary and Financial Statistics</i> page on the CBR’s website. Monetary statistics are presented in clearly structured tables which, in <i>BBS</i>, are supplemented with charts and graphs. Data from the <i>Statistics</i> page can be retrieved for the various user-selectable periods. Monetary statistics are released simultaneously to all users in accordance with the advance release calendar. Unpublished but nonconfidential data are provided to users upon request with the CBR management’s approval.</p> <p>Metadata accessibility. Comprehensive methodological notes are published in <i>BBS</i> and on the <i>Statistics</i> page of the CBR’s website. A link to the IMF’s DSBB is also provided and is clearly identified on the CBR’s website.</p> <p>Assistance to users. A contact point is provided on the <i>Statistics/Monetary and Financial Statistics</i> page for sending questions to the General Economic Department concerning monetary data. (A user survey questionnaire is also posted there.) The <i>BBS</i> contains telephone number and e-mail address for such contact. The CBR website also identifies staff responsible for answering questions about SDDS data. Publications, documents, and unpublished but non-confidential data are provided free of charge. A list of publications is posted on the CBR’s website.</p>

Table 3f. Russia Assessment of Data Quality—Dimensions 2 to 5—Balance of Payments Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions. The international accounts are compiled according to the methodological standards of the IMF's <i>BPM5</i></p> <p>Scope. The balance of payments and International Investment Position (IIP) broadly cover all transactions and positions of resident institutional units vis-à-vis the rest of the world.</p> <p>Classification/sectorization. Classification is in broad conformity with <i>BPM5</i>. The classification of services is broadly in line with the <i>Manual on Statistics of International Trade in Services</i>.</p> <p>Under other investment (in the national data presentation), breakdowns include line items that accord with national requirements (including to estimate capital flight).</p> <p>Basis for recording. The accrual principle for recording transactions and positions is not fully met. Other investment income flows of other sectors (nongovernment, nonfinancial), and the positions of government debt liabilities and nontradable debt of other sectors are recorded on a due-for-payment basis.</p>	<p>Source data. Broadly sufficient and under continuous review to ensure that the collection program remains comprehensive. However, source data on financial derivatives are limited to foreign exchange derivatives; procedures are in train to expand the scope of reporting by banks. Since 2003, additional data sources have been developed to enhance the quality of data on direct investment, securities, and remittances.</p> <p>The coverage of customs-based foreign trade statistics remains an issue, and the CBR uses adjustment techniques.</p> <p>Assessment of source data. Coverage of bank reporting stays current because it is integrated with the register maintained by the bank supervisory authorities.</p> <p>Completeness of the closed-type International Transactions Reporting System provides for comparison of reported transactions with changes in bank balances.</p> <p>Statistical techniques. Rigorous standards for minimizing coding, editing, and data processing errors are in place. Statistical techniques are used to enhance coverage in areas including goods, reinvested earnings, and the direct investment flows and positions of enterprises under production sharing agreements.</p> <p>Assessment and validation of intermediate data and statistical outputs. Results are checked against partner-country data, and are assessed for plausibility against domestic, regional and global economic trends.</p> <p>Revision studies. The source and magnitude of revisions are tracked and are used to fine tune the compilation of estimates and preliminary data, and to refine data collection programs.</p>	<p>Periodicity and timeliness. Balance of payments meets SDDS periodicity and timeliness requirements. IIP data meet SDDS periodicity and exceed SDDS timeliness.</p> <p>Consistency. Balance of payments data are internally consistent as annual data is the aggregate of quarterly data. Consistency is achieved with the IIP, and reconciliation tables are published for the full IIP (annual), and for international reserves and external debt (quarterly).</p> <p>Consistent <i>BPM5</i>-based time series dating back to 1994 are available.</p> <p>Revision policy and practice. The revisions policy and practice for all SDDS external sector data are made public. Preliminary data are clearly identified, and reasons for revisions are explained. A history of the revisions to international reserves data are posted on the CBR website.</p>	<p>Data accessibility. International accounts data, along with related data sets including direct investment, international reserves, external debt, and trade in goods and services are available in formats that meet diverse user needs. Most series provide additional information, including geographical and sectoral breakdowns. External sector statistics are announced on a pre-announced schedule in line with the SDDS.</p> <p>Metadata accessibility. The CBR has recently published a methodological publication on external sector statistics which should address user concerns that information on sources and methods are fragmented across the CBR website and hard copy publications. A link to the IMF's DSBB is also provided and is clearly identified on the CBR's website. CBR statistical publications also include detailed notes.</p> <p>Assistance to users. A contact point is provided on the <i>Statistics</i> page for sending questions to the CBR concerning the international accounts. The CBR website identifies staff responsible for answering questions on SDDS external sector data, and an online user survey is also posted there. Publications, documents, and unpublished but non-confidential data are provided free of charge. A list of publications is posted on the CBR's website.</p>

III. USERS' SURVEY

12. To complement the assessment of the macroeconomic datasets done using the DQAFs, the mission elicited the views of selected users of the statistics. With the assistance of the CBR, a users' survey was conducted, which generated 36 responses. Overall, users consider the quality of Russia's macroeconomic statistics good. A majority of the users are satisfied with the methodological soundness, coverage, timeliness, and accessibility of official statistics, especially monetary and financial and balance of payments statistics. Users expressed a general need for improvement in the information about revisions to official statistics and availability of metadata for all macroeconomic datasets. In addition, the need for improvements in the coverage, level of detail, and timeliness of national accounts and government finance statistics were also identified. Several users noted need for more user-friendly websites. Finally, a large majority of respondents consider Russia's official statistics to be of the same or better quality than those from other countries in the region.

IV. STAFF'S RECOMMENDATIONS

13. Based on the review of Russia's statistical practices, discussions with the data producing agencies, and responses from data users (see Appendix III of the Detailed Assessments volume), the mission has developed a set of recommendations. Priority recommendations are presented below while other recommendations are noted in Volume III of the report. They are designed to increase further Russia's adherence to internationally accepted statistical practices, respond to data challenges as a G20 member country, and therefore enhance the analytical usefulness of Russia's statistics. Some additional technical suggestions are included in the Detailed Assessments volume.

Institutional

- Rosstat should be provided the technical independence to implement methodological improvements and changes without the approval of the Ministry of Economic Development.
- Expand the data and metadata available on the English-language version of the Rosstat website to include all data and metadata available on the Rosstat's main Russian-language website. Update the English-language version of the Rosstat website on a more regular and frequent basis to include the most current data available.

Cross-cutting

- Update regularly the metadata on the DSBB, and post data on the National Summary Data Page as soon as data are released.

Support for vulnerability and sustainability analysis

- Compile and disseminate the comprehensive instrument, currency, and maturity breakdown of the assets and liabilities in the CBR and credit institutions' (other depository corporations) surveys.²

National accounts

- Revisions of quarterly GDP for the current year should be compiled and disseminated every time data for a new quarter is released.
- Caution users not to make use of the first preliminary annual data to derive estimates for the last quarter of the year, thus avoiding misuse of the data.
- Compile and disseminate a revised series of imputed rental of owner-occupied dwellings based on the internationally recommended methodology.
- Improve quarterly benchmarking techniques. The use of the Denton method is recommended.
- Calculate volume measure estimates of general government consumption expenditure as the sum of the cost component of production compiled in volume measures. Develop specific indices to deflate intermediate consumption and consumption of fixed assets.
- Update the reference period of the chain-linked volume measures and indices to a more recent period.

Consumer price index

- Include a rental equivalence component in the CPI market basket to represent the cost of owner-occupied housing.
- Adopt COICOP to classify all items in the CPI to enhance international comparability of Russia's CPI.
- Compile and disseminate a continuous time series of data at a detailed level.

Producer price index

- Expand coverage of PPI to include export goods for price collection.
- Disseminate PPI weight data at a detailed level (both current and historic) on the Rosstat website and in PPI bulletins.

² In July 2010, the CBR has begun disseminating the currency breakdown in the banking survey.

- Compile and disseminate a continuous time series of data at a detailed level

Government finance statistics

- Disseminate the monthly cash based economic classification of expense table.
- Compile and disseminate budget execution data for the consolidated central government.
- Compile and disseminate monthly GFS summary statements and detail tables (including time series) in accordance with *GFSM 2001* guidelines for the general government and its subsectors.
- Use the residency criterion to classify debt as either domestic or foreign debt.
- Make the MOF and the Treasury websites more user-friendly. Users should be able to access and download data with ease. Introduce a dedicated fiscal data dissemination page that brings together all budget-related data and documents.
- Disseminate methodological notes, detailing concepts, sources, and methods used in the compilation of budget execution data and GFS on the MOF and the Treasury websites.
- Make public a contact person and contact details, for users interested in requesting information on budget execution data.
- Make available to the public a list of the statistical products and services provided by the MOF and the Treasury.

Monetary statistics

- Separately identify contra-entries to data on government's monetary authorities functions (as "*of which*" lines under the aggregates that include the contra-entries).
- Collect and include in monetary statistics data on central bank and the other depository corporations' positions on financial derivatives, at end-referenced period market prices/fair values.
- Reclassify CBR's valuation adjustment and current year result accounts in shares and other equity.

- Value securities held to maturity and shares for investment at market price or market price equivalent.

International Accounts

- Use account accrual method for recording (i) other investment income flows (interest) of other sectors; and (ii) position data on government loans and the nontradable debt of other sectors.
- Include in the international accounts, data on all types of financial derivatives.
- Develop quarterly IIP covering all sectors.

Appendix I. Russia: Practices Compared to the SDDS Coverage, Periodicity, and Timeliness of Data

SDDS Data Category	Coverage (meets SDDS requirement)	Periodicity		Timeliness		Comments
		SDDS	Russian Federation	SDDS	Russian Federation	
Real Sector						
National accounts	Yes	Q	Q	1Q	3M	
Production index/indices	Yes	M	M	6W (1M encouraged)	4W	
<i>Forward-looking indicators</i>	<i>(encouraged data category)</i>	<i>M or Q</i>		<i>M or Q</i>	4W	
Employment	Yes	Q	M	1Q	4W	
Unemployment	Yes	Q	M	1Q	4W	
Wages/earnings	Yes	Q	M	1Q	4W	
Consumer price index	Yes	M	M	1M	4W	
Producer price index	Yes	M	M	1M	4W	
Fiscal Sector						
General government operations	Yes	A	A	2Q	2Q	
Central government operations	Yes	M	M	1M	2M	Timeliness Notes: Russia is availing itself of a flexibility option on the timeliness of the central government operations data.
Central government debt	Yes	Q	Q	1Q	1Q	
Financial Sector						
Analytical accounts of the banking sector	Yes	M	M	1M	1M	
Analytical accounts of the central bank	Yes	M (1W encouraged)	M	2W (1W encouraged)	2W	
Interest rates	Yes	D	D	...	1D for money market and treasury securities market rates, refinancing rate, and REPO and the CBR's bond rate.	
Stock market: share price index	Yes	D	D	...	1D	
External Sector						
Balance of payments	Yes	Q	Q	1Q	1Q	
Official reserve assets	Yes	M (W encouraged)	W	1W	1W	
Reserves template	Yes	M	M	1M	20D	
Merchandise trade	Yes	M	M	8W (4–6W encouraged)	6W	
International investment position	Yes	A (Q encouraged)	A	3Q (1Q encouraged)	2Q	
External debt	Yes	Q	Q	1Q	1Q	
Exchange rates	Yes	D	D	...	1D	
Addendum: Population	Yes	A	A	...	7M	

Note: Periodicity and timeliness: (D) daily; (W) weekly or with a lag of no more than one week from the reference data or the closing of the reference week; (M) monthly or with a lag of no more than one month; (Q) quarterly or with a lag of no more than one quarter; (A) annually; and (...) not applicable. *Italics indicate encouraged categories.*

INTERNATIONAL MONETARY FUND

RUSSIAN FEDERATION

**Report on the Observance of Standards and Codes (ROSC)—Data Module
Volume II**

Response by the Authorities

February 18, 2011

This document contains the authorities' response to the IMF's data quality assessment (Volumes I and III).

The Ministry of Finance of the Russian Federation (MinFin of Russia), the Federal Treasury, the Central Bank of the Russian Federation (Bank of Russia), and the Federal State Statistics Service (Rosstat) express their gratitude to the International Monetary Fund's mission for its thorough and largely objective analysis of the state of the Russian statistical system.

Comparison of the Reports on the Observance of Standards and Codes (ROSC) prepared by IMF missions in 2003 and in 2010 (hereinafter: "Report") shows the indisputable progress achieved by Russian statistics on the path to harmonizing the methodological approaches used with the best practices recommended by international organizations.

The development of the indicated processes, in our view, was the result of Russia's joining the Special Data Dissemination Standard and incorporating the Standard's provisions into Russian statistical practice.

Please accept our assurances that the relevant ministries and agencies will continue the process of adapting the Russian statistical methodology to current international standards.

At the same time, we consider it necessary to comment on some of the recommendations made by the IMF mission's specialists in the text of the Report regarding:

1. The description of the standards of fundamental documents establishing cooperation between Rosstat and the Ministry of Economic Development of the Russian Federation, as well as the provisions of Federal Law No. 282-FZ "On Official Statistical Reporting in the System of State Statistics in the Russian Federation," dated November 29, 2007 (hereinafter: Statistics Law).

2. Assessments of the quality of the Russian Federation's government finance statistics and monetary statistics.

1. The Statistics Law establishes that "the principles of official statistical reports and the system of state statistics shall be:

- Coordination of actions among official statistical reporting entities;
- The application of unified standards in using information technologies and Russia-wide classifiers of technical and economical and social information to create and operate the system of state statistics in the interests of making it compatible with other state information systems."

The Statistics Law also states that "official statistical methodology shall be formed by official statistical reporting entities and approved by them in coordination with federal executive bodies authorized by the Government of the Russian Federation."

Pursuant to the Regulation on the Federal State Statistics Service (approved by Resolution No. 420 of the Government of the Russian Federation, dated June 2, 2008), as well as the Regulation on the Ministry of Economic Development of the Russian Federation (approved

by Resolution No. 437 of the Government of the Russian Federation, dated June 5, 2008), Rosstat and the Ministry of Economic Development of Russia are such authorized bodies. It must be noted that Rosstat has at this time prepared draft administrative rules and forwarded them to the Ministry of Economic Development of Russia for reconciliation. These rules define a procedure for developing, approving, and reconciling the official statistical methodology developed by Rosstat as well as a procedure for reconciling official statistical methodology, the parties responsible for developing which are the official statistical reporting entities.

Adoption of these rules will make it possible to align and delimit the spheres of activity of Rosstat and the Ministry of Economic Development of Russia in matters of reconciling official statistical methodology.

The Report states that the adoption of new methodologies by Rosstat “requires the approval of the Ministry’s technical staff, which undermines the technical independence of Rosstat.” However the Regulation on the Ministry of Economic Development of the Russian Federation states that it “shall reconcile the official statistical methodology that is shaped and approved by official statistical reporting entities;” it does not state that such reconciliation is to be carried out by technical staff. The Federal Law “On Official Statistical Reporting and the System of State Statistics in the Russian Federation” establishes that “official statistical reporting entities shall be federal bodies of state authority and other federal bodies of state involved in shaping official statistical information in an established sphere of activity pursuant to the laws of the Russian Federation.” This means that the official statistical reporting entities in Russia include not only Rosstat but also all the ministries and departments that collect and produce statistical data, for example, the Finance Ministry, Federal Customs Service, and so forth. Coordinating their statistical activities—that is, ensuring the application in Russia of unified classifiers, standards, and methods and thus ensuring the internal consistency and harmonization of statistical data—requires reconciliation of the official statistical methodology that is developed and applied by the various Russian ministries and departments.

Table of comments on the recommendations of the International Monetary Fund mission to the Russian Federation included in the Data Module of the Report on the Observance of Standards and Codes.

Pertaining to assessments of the quality of government finance statistics of the Russian Federation

No.	Item of ROSC report	IMF mission recommendation	Comments on IMF mission recommendation
1.	2.1.1	Post <i>government finance statistics</i> (GFS) that are sent to the IMF on the Treasury website.	Pursuant to the International Monetary Fund’s methodology, reports on the government finance statistics of the Russian Federation have been published on the Federal Treasury’s official website since July 2010, under Order No. 130 of the Federal Treasury, dated June 3, 2010, “On Approving the Content and Intervals for Posting Information on Budget Execution in the Budget System of the Russian Federation on the Official Internet Website of the Federal Treasury” (hereinafter—Order No. 130).
2.	2.2.1	Ensure compilation and dissemination of data on budget execution for the consolidated central government.	Pursuant to Order No. 130, information on the execution of the consolidated budget of the central government of the Russian Federation, information on the execution of budgets of the budgetary system of the Russian Federation by government sector transaction codes (hereinafter—KOSGU codes), discrete information on the execution of budgets of the budgetary system of the Russian Federation by KOSGU codes, and its publication on the official website of the Federal Treasury are provided on a monthly basis beginning with the reports as of July 2010.
3.	2.2.1	Ensure dissemination of monthly and quarterly budget execution data individually (not in running totals).	
4.	2.2.1	Ensure publication of a table of monthly data on expenditures on a cash basis according to economic classification.	
5.	2.3.1	Ensure compilation and dissemination of monthly consolidated reports and tables of GFS, itemized pursuant to the 2001 classifications, for transactions of the central government, constituent entities of the RF, local governing bodies, and the government sector.	
6.	3.3.2	Use the approach of the <i>GFSM 2001</i> when performing consolidation.		For purposes of supporting the procedure of consolidating budget reporting indicators among the government sectors of the Russian Federation, and pursuant to the Instruction on State Finance Statistics of 2001, corresponding amendments have been made to legal regulatory acts of the Russian Federation in the area of budget reports and are to become effective as of January 1, 2011.

No.	Item of ROSC report	IMF mission recommendation	Comments on IMF mission recommendation
7.	4.2.3	Ensure regular reconciliation of macroeconomic datasets not only at the source data level, but the output data level as well.	Work on comparing fiscal data of various compilers (Rosstat, Central Bank of the Russian Federation, Federal Treasury) has been carried out in the Russian Federation since 2010.
8.	5.1.1	Ensure publication of summary tables and graphs to make it easier for users to interpret changes in budget statistics.	The Federal Treasury plans to publish analytical tables and graphs on the official website in 2011, to provide information on budget execution in the budgetary system of the Russian Federation.
9.	5.1.1	Increase the volume of budget execution data disseminated in English.	<p>Pursuant to Order No. 130, the Federal Treasury is publishing information on budget execution in the budgetary system of the Russian Federation in English, with indicators sufficiently detailed for purposes of a general analysis of the fiscal policy of the Russian Federation.</p> <p>For purposes of placing information on the budget execution of the budgetary system of the Russian Federation on the official site of the Federal Treasury in English, a separate section has been set up on the website's home page since July 1, 2010: "The information on execution of budgets (English version)", with corresponding subsections: "The information on execution of budgets of budgetary system of the Russian Federation" and "Government finance statistics reporting of the Russian Federation."</p>
10.	5.1.2	Make the websites of the Treasury and Finance Ministry more user-friendly. Users should find it easy to enter the websites and download data from it.	The experience of external users in working with information posted on the Federal Treasury's official site indicates no difficulties on their part, which is corroborated by the absence of corresponding remarks or suggestions.

No.	Item of ROSC report	IMF mission recommendation	Comments on IMF mission recommendation
11.	5.1.5	Ensure the publication of information on data that are not disseminated, and information on the procedure for submitting requests to obtain such data.	<p>Available non-confidential information is published on the Federal Treasury’s official site. When necessary and upon request by external users, additional analytical information is provided on budget reporting indicators.</p> <p>The procedure for the submission of requests by individuals and organizations has been established by the following legal regulatory acts, published in the section of the Federal Treasury’s official site entitled “Requests by individuals and organizations:”</p> <ul style="list-style-type: none"> • Order No. 23n of the Minfin of Russia, dated March 11, 2010, “On the Approval of an Administrative Procedure of the Federal Treasury for Performing the State Functions of Organizing the Reception of Citizens, Ensuring the Timely and Full Consideration of Oral and Written Requests by Citizens, Adopting Decisions, and Forwarding Responses to Applicants Within the Time Limits Established by Laws of the Russian Federation.” • Order No. 3n of the Federal Treasury, dated August 6, 2007, “On Arrangements for the Personal Reception of Citizens at the Central Offices of the Federal Treasury.”
12.	5.2.1	Publish methodological notes on the websites of the Minfin and Treasury, indicating the concepts, sources, and methods used in compiling data on budget execution and GFS.	<p>Legal regulatory acts in the area of the budgetary accounting, budget reporting, and budgetary classification of the Russian Federation are published on the official site of the Ministry of Finance of the Russian Federation.</p> <p>A link to the 2001 Instruction on State Finance Statistics, published on the official site of the International Monetary Fund, is found on the official website of the Federal Treasury in the section on “State Finance Statistics of the Russian Federation.”</p> <p>In the interests of increasing the accessibility of information published on the</p>

No.	Item of ROSC report	IMF mission recommendation	Comments on IMF mission recommendation
			official website of the Federal Treasury, methodological explanations are currently being developed and will be published in 2011. They are geared toward external users with a minimal level of fluency in the terminology used in shaping and analyzing reports on budget execution within the budgetary system of the Russian Federation.
13.	5.3.1	Publish the name of a contact person and their contact information for users wishing to send requests for budget execution information.	A distinct section entitled “Requests by Individuals and Organizations” has been included on the Federal Treasury’s official site for individuals to forward requests for information on budget execution within the budgetary system of the Russian Federation. In this section there is contact information available on officials responsible for handling requests from individuals and organizations.
14.	5.3.2	Disseminate a list of statistical products and services provided by the Ministry of Finance and Treasury.	For purposes of summarizing information on published information, since August 1, 2010 the Federal Treasury’s official website has included a section entitled “List of published information on budget execution in the budgetary system of the Russian Federation”, within which a complete list of available information is provided (catalog of statistical services).

Pertaining to the assessment of the quality of monetary statistics of the Russian Federation

No.	Item of ROSC report	IMF mission recommendation	Comments on IMF mission recommendation
1.	2.3.1	Publish data on the fair value of derivative financial instruments among monetary statistical indicators on the central bank and other deposit corporations	At the present time the Bank of Russia is preparing amendments to the accounting rules for the banking system of the Russian Federation, ensuring that derivative financial instruments (derivatives) will be declared at their fair value in the balance sheet of organizations as a distinct financial instrument. This will make it possible to use accounting data on derivatives to compile monetary statistics, and will ensure that the information submitted conforms to the requirements of the <i>Monetary and Financial Statistics Manual (MFSM)</i> .

INTERNATIONAL MONETARY FUND

RUSSIAN FEDERATION

**Report on the Observance of Standards and Codes (ROSC)—Data Module
Volume III**

Detailed Assessments Using the Data Quality Assessment Framework (DQAF)

Prepared by the Statistics Department

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This document contains a detailed assessment by dataset of the elements and indicators that underlie the data quality dimensions discussed in Russia's Report on the Observance of Standards and Codes (ROSC)—Data Module. It also includes as appendices the DQAF generic framework and the results of the users' survey.

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ACRONYMS

<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
BBS	<i>Bulletin of Banking Statistics</i>
BIS	Bank for International Settlements
<i>BMD4</i>	<i>Benchmark Definition of Foreign Direct Investment</i>
BOPCOM	IMF Committee on Balance of Payments Statistics
<i>BPM5</i>	<i>Balance of Payments Manual</i> , fifth edition
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual</i> , sixth edition
CBR	Central Bank of the Russian Federation
CDIS	Coordinated Direct Investment Survey
CIS	Commonwealth of Independent States
COICOP	Classification of Individual Consumption by Purpose
<i>CPA</i>	<i>Classification of Products by Activity</i>
CPI	Consumer Price Index
DITEG	Direct Investment Technical Expert Group
DQAF	Data Quality Assessment Framework
DSBB	Dissemination Standards Bulletin Board
EurAsEC	Eurasian Economic Community
FBS	Federal Border Service
FCS	Federal Customs Service
FDI	Foreign Direct Investment
FISS	Federal Insurance Supervision Service
FST	Federal Service for Taxes
GDP	Gross Domestic Product
GED	General Economic Department
GFS	Government Financial Statistics
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual 2001</i>
HBS	Household Budget Survey
IFRS	International Financial Reporting Standards
IIP	International Investment Position
IMF	International Monetary Fund
IT	Information Technology
ITS	Information and Telecommunications System
<i>MFSM 2000</i>	<i>Monetary and Financial Statistics Manual 2000</i>
MFS	Monetary and Financial Statistics
MOF	Ministry of Finance
NA	National Accounts
NACE	Statistical Classification of Economic Activities in the European Communities
OECD	Organisation for Economic Co-operation and Development
PPI	Producer Price Index
PSAs	Product Sharing Agreements
Repos	Repurchase Agreements
RESTEG	Reserve Assets Technical Expert Group
ROSC	Report on the Observance of Standards and Codes
Rosstat	Federal State Statistics Service
SDDS	Special Data Dissemination Standard
STA	IMF Statistics Department
Treasury	Federal Treasury
TsIT	Information Technology Center

DETAILED ASSESSMENT USING THE DATA QUALITY ASSESSMENT FRAMEWORK (DQAF)

The following detailed information on indicators of statistical practices in the areas of the national accounts, prices, government finance, monetary, and balance of payments statistics was gathered from publicly available documents and information provided by the Adjective officials. This information, which is organized along the lines of the generic DQAF (see Appendix II), was used to prepare the summary assessment of data quality elements, based on a four-part scale of observance, shown in Russia's Report on the Observance of Standards and Codes (ROSC)—Data Module.

I. NATIONAL ACCOUNTS

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating the statistics is clearly specified*

The Federal State Statistics Service (Rosstat) is the official body entrusted by law for coordinating and overseeing the production and dissemination of the official statistics of the country. The organizational structure of the Rosstat reflects the administrative structure of the country, which now includes 83 Federal Subjects (region-oblasts, republics) with their own administrative structure but with each institution subordinated to the corresponding central institution in the capital city. The Rosstat has offices in the capital cities of each of these regions.

Significant and important changes in the legal framework of the Russian Federation Statistical System have taken place since the 2003 ROSC mission. Currently, the most significant legal documents regulating and providing support for the statistical activity are the resolution No. 399 of the government of the Russian Federation "Provisions on the Federal State Statistics Service" issued on July 30, 2004, (whose latest update is Resolution No. 420, issued on June 2, 2008), and the Federal Law No. 282 F3 "*On Official Statistical Accounting and State Statistics System in the Russian Federation*" (herein after referred to as the Statistical Law) issued on November 29, 2007, signed by the Russian President. The latter document is in compliance with recommended legal frameworks for the regulation of countries' statistical systems as advised by Eurostat, the United Nations, and the World Bank.

The first of these two documents mentioned above states in Article 1 that "the Federal State Statistics Service is an authorized executive agency that carries out functions related to the approval of regulatory and legal acts in the area of state statistical activity, functions related to preparation of official statistical information on the social, economic, demographic and environmental situation in the country, as well as functions related to oversight in the area of state statistical activity." The purpose of the above mentioned federal law is to provide the "legal basis for the implementation of the unified governmental policy in the field of official statistical accounting aimed to satisfy information needs of the state and the society."

Article 2 of the Statistical Law defines *official statistical information* as “summarized aggregated documented information on the quantitative component of social, economic, demographic, ecological, and other social processes in the Russian Federation, compiled by the subjects of the official statistical accounting in compliance with official statistical methodology.” The subjects of official statistical accounting information are the federal authorities and other federal state bodies compiling official statistical information. Article 5 of this law says that official statistical accounting shall be exercised in compliance with the *Federal Plans of Statistical Operations* to be prepared by the Federal Executive Authority.

The *Federal Plan of Statistical Operations* is drafted by the Rosstat in consultation with all other government institutions responsible for compiling official statistics. The plan and any of its subsequent updating should be approved by the Russian government. The plan is formulated taking into account the rational use of resources, avoiding duplication of activities, and reducing the respondents’ burden. It assigns the responsibility for compiling and disseminating the official statistics among all government bodies subject to the Law, and it includes detailed information describing the statistics to be compiled, their periodicity, and the dissemination deadlines. The compilation of the national accounts and the price indices statistics are clearly defined in the *Federal Plan of Statistical Operations* as the responsibilities of the Rosstat.

The Rosstat also prepares a separate document containing its own annual plan, where the activities undertaken by the institution are provided at a more detailed level than in the *Federal Plan of Statistical Operations*, including inter alia, the type of form to be used to collect information, the technology to be used to process the information, level of aggregation of the data, dissemination formats, etc.

The Rosstat has the authority to issue official orders establishing the methodology and classifications to be used in the compilation of the official statistics by all compiling entities. It also monitors the compliance of the production of the official statistics in accordance with the federal plan.

The legal framework for the compilation of the statistics assures that there are no conflicts or potential conflicts between the legal authority to produce statistics and other laws or provisions. Thus, Article 5, Section 9 of the Law No. 282-F3 states that the official entities producing statistics can obtain information from administrative sources and from respondents without limitations at the same time that they should provide for the confidentiality of the information acquired in compliance with the legislation of Russia.

0.1.2 Data sharing and coordination among data-producing agencies are adequate

As noted above, the Law attributes to the Rosstat the role of coordinating the official statistical accounting activities through the development of the *Federal Plan of Statistical Operations*. The Rosstat monitors the compliance with the established deadlines for the compilation and dissemination of the statistics. The plan constitutes, in fact, an effective tool for assuring a timely and smooth flow of source data, whether these are information based on administrative records or statistics compiled by other agencies.

Moreover, there are many bilateral agreements between the Rosstat and other government entities for the provision of data. Agreements are in place with institutions such as the Federal Customs Service, the Central Bank of the Russian Federation, the Federal Tax Service, the Ministry of Communications, Pension Funds, etc. Additionally, working meetings with other compiling agencies are conducted to discuss data requirements, as needed.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

Two primary pieces of legislation guarantee and protect the confidentiality of individual reports' data. The first, *The Law on Personal Data* (FZ-152), stipulates that all data are confidential and to be used solely for statistical purposes. The second, *The Law on Information, Information Technology, and Data Collection* (FZ-149), provides for the protection and safe storage of all collected data. In addition to these pieces of legislation, other decrees related to specific data collection activities (e.g. the decennial census) contain specific language ensuring data confidentiality.

Survey questionnaires state clearly on the front page that all information collected by the agency will be kept confidential and used for statistical purposes only. However, the confidentiality statement does not make references to the relevant laws providing the safeguarding of the data. Making an explicit reference to the relevant laws could increase the confidence of the respondents that their data will be safeguarded. An additional box on the survey questionnaires makes references to the articles of Russia's Administrative Code and the Law of the Russian Federation No. 2761-1, which states the obligation of respondents to provide reliable information.

Any Rosstat staff responsible for releasing confidential data may be subject to prosecution. The statutes do not define penalties for breaches of confidentiality. It is up to the court to decide an appropriate penalty based on the circumstances surrounding the release of confidential data.

The Rosstat has implemented numerous internal safeguards to ensure the confidentiality of the data. Access to confidential documents is limited to persons who may need to refer to them during the course of the statistical compilation process. The documents are stored in secured premises with limited, monitored access. Computer programs with information on individual units are password protected. Procedures have been developed for the secure storing and destroying of confidential data.

Regular meetings are conducted in the various regional offices to impress upon staff the critical importance of protecting confidentiality and upholding procedures to safeguard data. Prior to release, the head of the unit studies the data to ensure that no data of a confidential nature are inadvertently released and signs-off on the release attesting to this fact.

The Rosstat has developed procedures for the aggregation of individual responses to prevent the disclosure of individual data, including those that could be identified by a process of

elimination; however, the agency is not prohibited from disseminating data in the form of indexes from which information on individual units can be derived. No policies have been developed requiring the permission of the respondent before dissemination. For example, in the national accounts, a minimum of three respondents is required for aggregation within a specific activity; otherwise, aggregation is done at the next highest level to avoid respondent identification. This special aggregation policy does not apply to the price programs as they are producing data in the form of indexes.

The Rosstat releases micro-data upon request, but only after all personally identifiable data are removed. The authorities have drafted specific instructions guiding staff on how to make all records anonymous by removing all personally identifiable data.

Recommendation: *Make explicit references to the Law providing for the confidentiality of the data in the questionnaires of statistical surveys.*

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

The Rosstat has the legal authority to collect data required to compile the statistics and enforces mandatory reporting provisions as necessary. The authority to collect information by Rosstat is provided by the Federal Law No. 282-Φ2 which in its Article 5 establishes that “to compile official statistics the subjects of official statistical accounting shall obtain primary statistical data and administrative data from respondents.” The federal law covers all legal entities as well as individuals. However, Article 8 of the law states that individuals residing in Russia not conducting business should provide information on a voluntary basis, unless otherwise stipulated by the federal laws. In the case of population censuses, individuals are obliged to respond.

Lack of compliance with the reporting obligation is subject to administrative sanctions and penalties. Monetary fines are imposed by the regional offices of the Rosstat, and the proceeds from these fines are transferred to the Treasury. Fines are not particularly high and in the past they have not served as a deterrent for non-compliance by private enterprises, which were more concerned with the confidentiality of their operations. This situation has improved as respondents are now more confident of the protection of the data supplied to the statistical agencies.

The Rosstat also tries to encourage reporting by considering the reporting burden, avoiding duplication of reporting requests to the same respondents through the coordination of the activities of the statistical entities. Forms for collecting information include detailed instructions. The telephone numbers of contact persons are provided in case assistance is needed. In fact, this is a requirement for data collection imposed on the Rosstat in the Statistical Law. Before collecting data for the first time, letters explaining the purposes of data collection are sent to respondents of the surveys conducted by the Rosstat. Cooperation of respondents is also sought by means of seminars conducted in the regions, where the purposes of data collection are explained to respondents.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

The numbers of staff available for compiling the national accounts statistics are inadequate to implement the regular work program, thus implying a serious constraint for undertaking developmental work, including the introduction of revised methodologies and expanding the scope of the national accounts. At present, the staff need to do overtime work, including on weekends, to be able to accomplish their tasks. Additional staff is needed to develop the methodology for the compilation of the financial accounts and the balance sheets, as well as to develop and implement improvements to the methodologies for the calculations of GDP by production and expenditure.

The National Accounts Department currently employs 55 persons. Approximately one third of the staff have been working with the department for more than 20 years, while another third have been working between 10 and 20 years. During normal times, the turnover among young professionals has been very high, and it has been difficult to recruit good candidates. Starting with the economic crisis in 2008, the situation has improved as many new graduates have limited job opportunities in the private sector.

All the national accounts staff have university degrees, mainly in economics or statistics. This is a requirement by law for employment in the Federal Government Service. Nevertheless, knowledge of national accounts concepts and methodology is not acquired in college, and a long and intensive period of on-the-job training and participation in courses and seminars are required until the new staff can make significant contributions to the work of the department. Recruiting and retaining good young professionals during normal economic times is challenging because the government pays salaries that are significantly lower than those in the private sector. This may become a serious problem when experienced Rosstat staff reach retirement age.

The number of staff assigned to work on national accounts in the regions depends on the resources available in each region. Thus, in some regions there are dedicated staff to work exclusively on the compilation of the regional national accounts (GDP by economic activity, estimates of household consumption expenditure, and estimates of capital formation), while in other regions the staff work on national account only part of the time.

Computing resources are adequate for the work in national accounts. There are actually more computers available than filled positions. The hardware and software are updated with adequate frequency. All staff have access to the Internet and computers are interconnected by a local network.

The physical facilities are currently under extensive renovation. Staff have been displaced as a result of ongoing construction activity and current working space is limited with many employees sharing rooms. Air conditioners are outdated and in many cases are not in working condition. Physical office space will be improved once renovations have been completed.

Recommendation: *Implement measures to retain young professionals with good potential. Incentives may include measures to promote their professional development, such as providing them the opportunity to participate in international meetings on methodology and training courses abroad. Administrative measures can be put in place to commit staff to work for the agency for a minimum period after participating in some selected training programs.*

0.2.2 Measures to ensure efficient use of resources are implemented

Staff performance is reviewed continuously by the relevant managers. A system of monthly bonuses is based on performance achievements during the period. All staff are also required to participate in a mandatory refresher training program every three years.

Efficiency in the use of resources is also sought during the planning process of the statistical activities. Unified methodologies and classifications are prescribed by the Rosstat for the compilation of all official statistics, thus averting the need for constant reviews and adjustments of the data.

The Finance Department of Rosstat reviews all resources to ensure that efficient allocation and spending practices are followed. Budgeting procedures are used to allocate resources.

0.3 *Relevance*

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

The Scientific Methodological Council of the Rosstat provides a structured venue for consulting on the usefulness/quality of existing statistics and to discuss emerging data requirements and the implementation of methodological improvements. This group is comprised of economists and statisticians from within and outside of the Rosstat, as well as members representing major data users including other government ministries. The council is co-chaired by the head of the Rosstat and the head of the Higher School of Economics. This group meets approximately four times each year and focuses mainly on methodological and data quality issues. The Rosstat is not obligated to accept the recommendations made by the group, but in the event of disagreement, a compromise is usually found.

The Rosstat routinely organizes working groups with data users, such as the Ministry of Finance, Russian Academy of Sciences, and other users, to discuss data needs and elicit feedback on statistical activities.

Meetings with users, as described above, provide the necessary feedback on the usefulness of the statistics. Also, the Rosstat has recently established on its website the means by which the general public can address their concerns about the data by email. These requests are monitored by the agency and properly considered when planning the statistical activities.

The relevance of the statistics is also discussed during consultations conducted in the preparation of the *Federal Plan of Statistical Operations*. Rosstat staff participate regularly in statistical meetings organized by international organizations keeping the institution updated on new developments in the compilation of the statistics. Moreover, Russia is in the

process of joining the Organization for Economic Co-operation and Development (OECD), which requires the compilation of statistics in accordance with this institution's standards.

Recommendation: *Enhance processes to obtain feedback from users on the relevance of the national accounts statistics by conducting periodic user surveys. Hold press conferences at the time the quarterly accounts are released to increase the awareness of the press and the general public of the data.*

0.4 Other quality management

0.4.1 Processes are in place to focus on quality

The Rosstat focuses on the provision of high quality data. Established procedures are in place to analyze the quality of the data prior to their dissemination. The institution has a manual for quality control. Reviews of the quality of the national accounts statistics are also conducted by international organizations like the Eurostat and OECD. Staff training and re-training activities emphasize the importance of data quality.

0.4.2 Processes are in place to monitor the quality of the statistical program

The National Accounts Department does not collect basic data by itself. The departments collecting and processing source data (departments producing enterprise statistics and household statistics) monitor the non-response rates to the surveys and make efforts to maintain them at a reasonably low level. The National Accounts Department reviews constantly the design and content of the forms used to collect the information. In fact, it authorizes the forms used by the departments responsible for the production of the basic statistics, which are needed for the compilation of the macroeconomic accounts.

In practice, all data inputs and outputs of the national accounts are analyzed before use/release. The staff of the National Accounts Department have access to the individual data reported by respondents, which allow them to address problems identified in the source data. Established schedules of revisions are in place, recognizing the trade-off between timeliness and quality. Moreover, GDP estimates are compiled using the production and expenditure approaches, which also serve as cross checks on the quality of the final product.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

Response rates to surveys and revisions to the national accounts are continuously monitored by managers and appropriate measures are taken to improve response rates and the accuracy of the data when planning the statistical program.

1. Assurances of integrity

1.1 Professionalism

1.1.1 Statistics are produced on an impartial basis

The terms and conditions under which the statistics are produced are stipulated by resolution on the Federal Statistics Service adopted by Decree of the Government of the Russian Federation No. 399 issued on July 30, 2004 and its updates. On its article 5.4 this decree states that the Federal Statistics Service shall develop the official statistical methodology ensuring consistency with international standards. Additionally, the Statistics Law emphasizes the professional independence and integrity of the staff. Though the Rosstat is not mentioned specifically by name in the Statistics Law, the legislation refers to the “national agents responsible for statistics,” which includes the Rosstat. However, the Rosstat being subordinated to the Ministry of Economic Development may give rise to potential conflict of interest since the ministry is responsible for forecasts of the same statistics produced by the Rosstat (like GDP and inflation measures). In addition, the professional independence of the Rosstat is undermined by the strong role played by the Ministry of Economic Development (beyond its role as a member of the Scientific Methodological Council) in the decision- making process for introducing changes in the methodology for the compilation not only of the national accounts, but for all statistics compiled by the Rosstat. For example, the changes in the methodology for the compilation of a revised series of output of owner-occupied dwellings have long been postponed due to the lack of agreement from the ministry. Nevertheless, it should be noted that the intervention of the ministry is based on statistical methodological grounds, not for other purposes.

Although the head of the Rosstat and his/her head deputies are appointed by the government, these positions are usually held for extended periods of time by experienced professionals that rose from the ranks of the institution during long careers.

The staff of Rosstat are prohibited by law from joining or participating in any political party. The Statistical Plan, discussed above, protects the Rosstat from interference from others in the compilation and/or dissemination of statistical information. Any update or change to the Statistical Plan must be agreed to by all statistical agencies and approved by the prime minister.

Staff are recruited via a competitive process and selected based on qualifications. All vacancies are announced on the Rosstat website and applications can be received from both internal and external candidates. All promotions are merit based.

All newly hired staff participate in a mentoring program where each new staff member is paired with an experienced staff member. The senior staff member provides on-the-job training in methodology and data compilation methods. The duration of the mentoring program varies with individual staff and depends upon the rate at which the newly hired staff member is able to demonstrate the competencies necessary to complete his or her duties.

Staff are encouraged to participate in training programs. Ongoing skills development

programs in a variety of areas are offered by the Rosstat either in a classroom setting or computer-based training. Staff may also participate in courses offered by the Public Service Academy and are urged to participate in short-term university courses. The Rosstat actively encourages all staff to pursue post-graduate studies and grants leave to these staff for purposes of completing exams or preparing assignments. The Russian Academy of Sciences sponsors seminars and discussions on statistical issues, and staff are encouraged to attend. Finally, English language course are offered by the Rosstat for all interested staff. Research and analysis by staff are encouraged and published by the Rosstat. Staff produce scholarly works for publication in journals and bulletins outside of the Rosstat. Additionally, the Rosstat produces a monthly bulletin, *Issues of Statistics*, which publishes research papers produced by the staff.

Recommendation: *The Rosstat should be provided the independence to implement improvements and changes of a statistical nature without approval of the Ministry of Economic Development.*

1.1.2 Choices of sources and statistical techniques, as well as decisions about dissemination, are informed solely by statistical considerations

The choice of source data and statistical techniques for the compilation of the national accounts is determined solely by statistical considerations. Dissemination timing is predetermined in an advance release calendar posted on the website of the agency at the beginning of each year and with exact dates provided a quarter in advance. The Rosstat disseminates the national accounts in conformity with the periodicity and timing prescribed by the SDDS.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

The Rosstat is entitled to respond to erroneous interpretation and misuse of the statistics. When required, the Rosstat issues a press communiqué and conducts press conferences to clarify issues related to the statistics. It also addresses the issues through TV interviews as well as in the press. Recent criticisms by some users related to the GDP figures of the last quarter of 2009 and the first quarter of 2010 have been publicly addressed by Rosstat authorities. In the latter case, one of the Rosstat's deputy chairmen was present at the press conference conducted by the consulting firm criticizing the data. The deputy chairman made statements to the press clarifying the data. The chairman of the Rosstat provides frequent television interviews, where different statistics are discussed. Comments on the statistics are also identified through a clipping service, regularly conducted by the administrative department of the Rosstat and circulated among the relevant departments.

Recommendation: *The Rosstat should play a more active role in responding to criticisms of its data on national accounts. Special communiqués should be released to the media with Rosstat's comments.*

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The relevant legal documents are posted on the website of the agency. The questionnaires used for the collection of data make reference to the statistical law and the confidentiality of the data provided. Statistical publications make references to where more information about the Rosstat and its products can be found. A catalog of publications is available on the website.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

There are no established procedures for the provision of internal government access to the statistics prior to their release to the general public.

1.2.3 Products of statistical agencies/units are clearly identified as such

Data released to the public are clearly identified as the data produced by the agency. The Rosstat has no logo but in all its publication it uses the official government seal. The agency requests attribution when its statistics are used or reproduced. At the same time, the Rosstat also recognizes in its publication the data produced by other institutions.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

News releases are disseminated on the website in advance of the introduction of changes in the methodology, source data, and statistical techniques. The timing of the advance notice depends on the importance of the changes. Thus, for changes in the classification of economic activities, the notice was provided more than a year in advance, while less significant changes are publicized just a few weeks before the data are released or at the time of release.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

Staff are made aware of the code of conduct to be observed during employment with the Rosstat. The commitment to the observance of the code has to be signed by the workers at the time of accepting the terms and conditions of employment and any time a new contract is issued due to changes in positions within the organization. There is a section on the description of the work that relates to ethical standards to be observed.

During the mentoring period for new staff, the senior staff emphasize the importance of maintaining ethical standards. Regional office staff receive written procedures describing how to behave as a representative of the Rosstat. A strong culture of professionalism and ethical standards precludes political interference.

2. Methodological soundness

2.1 *Concepts and definitions*

2.1.1 *The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices*

The Russian national accounts follow the conceptual framework of the *System of National Accounts 1993 (1993 SNA)*.

2.2 *Scope*

2.2.1 *The scope is broadly consistent with internationally accepted standards, guidelines, or good practices*

The Russian system of national accounts is quite comprehensive. The Rosstat compiles and disseminates all the accounts and tables that the Inter-Secretariat Working Group on National Accounts (ISWGNA) considers as a minimum requirement for the implementation of the *1993 SNA*. Thus, GDP is compiled annually based on the production and expenditure approaches at current prices as well as volume measures. The complete sequence of accounts, except for the financial account, is compiled annually for the total economy and by institutional sector. The estimates for the sequence of accounts are available for the period 1995–2009.

Moreover, Russian national accounts also include annual supply and use tables and quarterly GDP estimates, which are *recommended* by the ISWGNA. In addition, the Rosstat also compiles and disseminates annual regional estimates of GDP. Quarterly GDP estimates are compiled both using the production and expenditure approaches at current prices and in volume measures.

A benchmark estimate of detailed input-output tables was compiled for the year 1995. From that year and up to 2003, input-output tables are available with a breakdown of 110 economic activities and published at the level of 25 activities. With the introduction of a new classification of economic activities, supply and use tables have been compiled and disseminated for the years 2004, 2005, and 2006. These tables have been disseminated for 15 groups of products and 15 economic activities. The work on supply and use tables has been temporarily suspended until 2011 when a new benchmark estimate is scheduled to be compiled at disaggregated level of products and economic activities, based on comprehensive source data.

The delimitation of the units that form part of the economy is consistent with the internationally recommended methodology of the national accounts. The concept of residence used is consistent with the *1993 SNA* and the *Balance of Payments Manual*, fifth edition (*BPM5*). In particular, the following are included as part of the economy:

- Territorial enclaves in the rest of the world. Thus, the national accounts include

estimates of the economic activities undertaken in the Baikonur base located in Kazakhstan.

- Free zones/bonded warehouses/factories operated by offshore enterprises under customs control (the free zone of Kaliningrad is included in the national accounts).
- Workers who work part of the year in another country are considered residents for purposes of the national accounts, consistently with the treatment given in the balance of payments statistics compiled by the Central Bank of the Russian Federation (CBR).

The production boundary in the Russian national accounts is broadly in accordance with the *1993 SNA*. The following items are in the scope of the measurement of output:

- Own-account production of all goods for own final consumption;
- Research and development on own-account is separately distinguished as output, although there is no complete production account since data on intermediate consumption is reported only at the enterprise level (as a whole);
- Output of capital goods for own-use is included although separate data are not always made available from the economic surveys. In particular, there are difficulties with the classification of expenditures of the general government, where it is difficult to distinguish some capital expenditures from current expenses;
- Mineral exploration;
- Production of entertainment, literary, and artistic originals (based on data on purchases and production); and
- In-house production of computer software is included in the scope of output, although the data cannot always be distinguished separately from the reports of enterprises. Changes in the reporting forms are planned to be introduced next year to better capture the respective output.

The output of illegal activities is not in the scope of the Russian national accounts.

The assets boundary in the Russian national accounts broadly conforms to the scope of assets in the *1993 SNA*. In particular, the following items are in the scope for determining the assets boundary:¹

Among tangible assets:

- Defense related assets that could be used for civilian purposes;

¹ Irrespective of the coverage that is actually achieved.

- Valuables; and
- Agricultural work-in-progress is accounted for animal breeding and agriculture production, except for perennial crops.

Among intangible assets:

- Mineral exploration (whether successful or not);
- Systems and standard applications computer software and databases (purchased or built in-house);
- Entertainment, literary, or artistic originals; and
- Patented entities (included in the scope but not in practice because of lack of information).

Historical monuments and leases and other transferable contracts (such as purchased goodwill) are not in the scope of the Russian national accounts.

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

The classification of transactions and flows in the national accounts of Russia follow broadly the recommendations of the *1993 SNA*. The classification of institutional units follows the *1993 SNA* recommendations. Since 2008, separate data for financial corporations and non-financial corporations are available.²

The institutional sectors considered in the national accounts of Russia are general government, households, non-profit institutions serving households, non-financial corporations, and financial corporations.

The classification of economic activities is made according to the *All Russian Classification of Branches of the National Economy (OKVED* in Russian), which is based on the *General Industrial Classification of Economic Activities* of the European Communities (NACE, Rev. 2). This classification has been applied to the data from 2003.

Since 2009, goods and services have been classified based on the *OKVED* classification, which is compatible with the classification of goods and services used by the European Community, the CPA (classification of products by activity).

² This represents an improvement from the findings of the ROSC mission in 2003 where financial and non-financial corporations were grouped together.

Annual estimates of household consumption expenditure have been compiled using the internationally recommended *Classification of Individual Consumption by Purpose (COICOP)* starting with the data of 2004, but their release has been postponed until August 2010, at the same time that a historical revision of the national accounts series, based on new source data and methodology, is scheduled to be released.

Since the data related to 2005, the Ministry of Finance has introduced the *Classification of the Functions of Government (COFOG)*. Estimates of general government consumption in the national accounts are compiled and disseminated using the *COFOG* categories. Foreign trade data are classified based on the *Foreign Economic Activity Nomenclature*, which is based on the *International Harmonized Commodity Description and Coding System*.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

Market prices are used for the valuation of all transactions and flows in the Russian national accounts. Market output is valued at basic prices in accordance with the principles of valuation recommended by the *1993 SNA*. Production for own-use is valued at the equivalent basic market prices or as the sum of their cost components. Intermediate consumption is measured at market purchaser's prices, that is, including distribution margins and the taxes on the goods and services used as inputs in production. In accordance with the valuation principles of the *1993 SNA*, the refundable value added tax on goods and services purchased for intermediate consumption purposes is not included in the respective value.

Expenditures on final consumption are valued at purchaser's price, that is, the price paid by households, including any tax levied on the goods and services purchased. General government consumption expenditure is recorded at cost including an estimate of the consumption of fixed assets. Nonprofit institutions consumption expenditure is recorded at cost including an estimate of consumption of fixed assets. Gross fixed capital formation is recorded at purchaser's prices, when the capital goods are purchased and at basic prices (estimated by cost components) when own-produced. Total exports and imports of goods are recorded on f.o.b. basis, in accordance with international practices.

A particular case is the valuation of the imputed rents of owner-occupied dwellings, for which the recorded estimates are not based on equivalent market prices, but only reflect a fraction of their value. Experimental calculations based on the "cost approach" have been implemented for the year 2008 using the methodology recommended by the OECD. Results are still being assessed and discussed with main users, mainly the Ministry of Economic Development as the introduction of this methodological change will significantly affect the level of GDP estimates.³ The national accounts staff are aware of the need to implement these changes to adhere to the *SNA* methodology and for international comparison purposes; therefore work is in progress to develop a series for publication.

³ Preliminary data show that the revised figures for the output of owner-occupied dwellings will imply an upward revision of GDP level for 2008 in the order of nine percent.

Recommendation: Disseminate promptly the revised series of imputed rental of owner-occupied dwellings based on the internationally recommended methodology.

2.4.2 Recording is done on an accrual basis

In accordance with the 1993 SNA, most transactions and flows are recorded in the national accounts on an accrual basis. Source data for general government income and expenditures are on a cash basis but the National Account Department makes adjustments to bring these data closer to the accrual basis in the national accounts statistics. These adjustments include the allocation of compensation of employees to the period in which work was performed, and adjustments for arrears and purchases of utilities.

Agriculture output of perennial crops is registered at the time of the harvest and not as work in progress.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

In general, transactions between establishments within the same enterprise are not recorded on a gross basis since the observation unit for the economic surveys is the enterprise. However, separate data on output are collected for each kind of economic activity (“pure activity”) undertaken by an enterprise. Moreover, when establishments belonging to the same enterprise are located in different regions, the transactions between them are recorded on a gross basis, necessary for the compilation of regional GDP estimates.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions

Enterprise statistics

The Rosstat has a very comprehensive system of regular enterprise surveys with monthly, quarterly, and annual frequency. A dedicated department within the Rosstat is responsible for the collection and processing of the data. This includes sampling design, sample selection, collection of the raw data from enterprises, processing, and tabulation of results. The surveys cover all economic activities, except for activities of the financial sector, which are covered by a special report prepared by the CBR. The target population of the enterprise surveys is the universe of legal entities.

Annual structural surveys are conducted on a census basis, with all large units being surveyed, while for medium-sized, small enterprises, and micro-enterprises data are collected from a sample of enterprises representing the population. Random sampling methods are used for the selection of the samples, and consequently, estimates for the total population are

obtained by grossing-up the sample values with the weights implicit in the sampling design. Consideration is given to the accuracy of the estimates using stratified random sampling procedures.

The data collected in the structural surveys has enough details to compile the production and generation of income accounts at the level of the enterprise. Moreover, information on output is also collected for homogenous (“pure”) activity. For large- and medium-sized enterprises, data are also collected on inventories (at the beginning and at the end of the period, and by type), on capital formation, on employment, as well as on selected financial indicators. No data on inventories are collected for small enterprises. Approximately 108,000 large- and medium-sized enterprises are covered by the enterprise surveys.

Quarterly surveys also cover enterprises of all sizes, except the micro-enterprises for which only annual surveys are conducted. As for the annual surveys, the quarterly data are collected on a census basis for large enterprises, while random sampling procedures are used for the medium and small enterprises.

A unified questionnaire is used to collect information for all kinds of activities. The quarterly questionnaire is less detailed than the questionnaire used to collect annual data. Simplified questionnaires are used to collect data from small enterprises.

The collection of data on enterprises is regulated by the “*Federal Law on the Development of Small and Medium Businesses in the Russian Federation.*” Federation Law No. 209 issued on July 24, 2007 stipulates that full scale censuses of small and medium-sized enterprises should be conducted every five years.

The data produced as a result of the enterprise surveys are used by the departments of the Rosstat responsible for the compilation of business statistics (manufacturing, trade, agriculture, etc). These departments make additional estimates to achieve full coverage of the data, including estimates for the economic activities of individuals and adjustments for the non-observed economic activities (NOE) in their respective fields.

A statistics register, established, maintained, and regularly updated by the Rosstat serves as the main sampling framework from which the statistical units participating in the surveys are drawn. The Rosstat has available an administrative register based on the database on taxpayers available from the Federal Tax Service. The administrative register distinguishes between legal entities and individual entrepreneurs (physical persons registered as entrepreneurs with the tax authorities). This administrative register has records for approximately 4.3 million enterprises and around 4.0 million entrepreneurs. The information contained in this register includes the official registration number, the identification code of the enterprise, the property type code, the legal form code, name of the legal founders, the capital structure, share of founders in the capital, and date of registration. The register contains active as well as non-active entities.

The statistical register is mainly based on the administrative register with additional relevant information collected through the regular surveys conducted by the Rosstat. Main indicators

included in the statistical register are: number of employees, income, size, economic activity, institutional sector, and subsector (based on *1993 SNA*), form of accounting, active or not active, etc. Around two-thirds of the enterprises in the register are active. The register is updated once a year at the beginning of each calendar year. The register is prepared for each region and for the country as a whole. The Rosstat headquarters in Moscow employs seven staff to work on methodology of the register and 70 staff in the Computing Center for data processing of the register. The regions employ on average 10 staff to deal with the register.

Household surveys

The HBS is conducted each year during the period October to September. It is a sample survey collecting data on expenditures through a diary (for a two-week period) of daily expenditures and a journal that collects data on all expenditures (i.e. recurring expenditures, expenditures on durable goods and other goods/services). Enumerators also collect data on household demographic characteristics, characteristics of dwellings, access in distance to public services, and income. Participation is voluntary.

The survey covers households from all socio-economic groups in both urban and rural areas throughout Russia. The sample of 47,800 households was selected using a sampling frame based on the 2002 population census and represents approximately 0.1 percent of the total population. A two-stage sampling procedure was used for the selection of households. Geographic areas are chosen in the first stage, while households are chosen in the second stage. For both stages, stratified systematic sampling was used to ensure that all types of households were selected for all geographic areas. The Rosstat oversamples to account for non-response. Standard errors are calculated for the entire country and the regions, but only those for Russia are published and used for survey planning purposes.

Other source data

Data on the general government's income and expenditure are obtained from the budget execution reports. From data related to 2007, consolidated reports, including all levels of government, as well as extra-budgetary funds, are obtained from the Federal Treasury. Annual data are available based on the COFOG and economic classifications. Quarterly data are available based on the COFOG classification only. Operations of extra-budgetary funds are also collected through statistical surveys at the regional level. Defense-related expenses are detailed enough to identify the acquisition of assets that can be used for civilian purposes, thus allowing for their inclusion in the data on capital formation. However, there are problems with the economic classification of expenses used by the Treasury, which requires the compilers of national accounts to undertake a thorough examination of the source data to make adjustments to fit the needs of the national accounts statistics. Moreover, due to the lack of an economic classification of the quarterly source data⁴, these estimates are based on indicators, like the indices of employment in the government sector. Rosstat staff work closely with the staff of the Treasury to overcome these shortcomings in the source data.

⁴ From July 8, 2010, the Treasury began posting on its website monthly information on expenditures by economic classification on a cash basis.

Data on the general government's strategic inventories are not available for the compilation of the national accounts. Consequently, the changes in these types of inventories are not included in the national accounts.

Data on the balance of payments statistics are received on a timely basis from the CBR and with the necessary breakdown for the compilation of the national accounts. The National Accounts Department uses these estimates when compiling GDP by expenditure and the Rest of the World account with one exception: exports and imports by migrants are not included in the estimates of national accounts. The exclusion of data on exports and imports by migrants does not affect the GDP levels nor the current external balance, but it creates discrepancies on the level of imports and exports of goods between these two sets of macroeconomic statistics.

Main price indices available are the CPI, the PPI, and the unit value indices of exports and imports of goods. All of these indices have a monthly periodicity. Other price indices compiled by the Rosstat are the Price Index of Agriculture Products and the Price Index of Investment. Paasche-type quarterly unit value indices of exports and imports are also available, after a recent revision of the methodology used by the Federal Custom Service, the institution responsible for the compilation of these statistics. Surveys covering the non-profit institutions serving households (NPISHs) are conducted by the Rosstat every two years.

Recommendations:

Collect information on strategic inventories and include the estimates of changes in these inventories in the national accounts data.

Include transfers in kind made by migrants in total imports and exports of goods for complete consistency with the balance of payments statistics.⁵

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

The enterprise statistics are collected and compiled using the definitions, concepts, and valuation principles of the 1993 SNA. All questionnaires used, and the respective instructions to respondents, are carefully examined by the staff of the National Accounts Department, which is the main internal user of these statistics. Output is reported at basic prices and intermediate consumption data are available at market purchaser's prices, as needed for the compilation of the national accounts. The classification of economic activities is the same for the production statistics and the national accounts statistics. Statistics are compiled at highly disaggregated levels of the economic classification of activities (170 activities).

⁵ *Negative entries in consumption in the same period when the export is recorded will cancel off their effect in the level of GDP (transactions should be registered net, that is, consumption is the sum of acquisitions less disposals of consumer goods by households).*

3.1.3 *Source data are timely*

All data are received on a timely basis. Deadlines established in the *Federal Plan of Statistical Operations* and in the Rosstat's annual plan are strictly adhered to by the suppliers of the data. Bilateral agreements with a number of institutions for sharing information also contribute to the timely receipt of the data needed for the compilation of the national accounts.

3.2 *Assessment of source data*

3.2.1 *Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes*

Enterprise surveys are routinely assessed for non-response and appropriate techniques are used to deal with this problem in sampling-based surveys. The response to the surveys by large and middle-sized enterprises is practically complete. Low response rates are observed in surveys of small enterprises. Adjustments for missing observations are made in each region by activity. When the rate of non-response is higher than 20 percent,⁶ a replacement sample randomly selected is used, an appropriate statistical procedure. Otherwise, (in cases where the response rate is less than 20 percent) imputations are implicitly made by correcting the grossing-up factors.

Coefficients of variations are calculated for all variables to assess the accuracy of the estimates. The questionnaires are revised every year and changes are introduced, as necessary. The data are subjected to automated checks for arithmetic accuracy, comprehensiveness, and logical consistency, questionnaire by questionnaire. The data checking procedures are documented in a very detailed manual. Inconsistencies identified are clarified directly with respondents.

The temporal consistency and consistency of the aggregate data with other related source data are also checked by the departments responsible for compiling the branch statistics and by the compilers of the national accounts.

Revisions of the source data are rare. Nevertheless, annual accounts may be revised up to two years after the end of the reference period. Quarterly estimates are revised only after a new annual estimate is available. Therefore, revisions of the data for the quarters of the current year are not synchronized with revisions of the source data, if the latter are made during the current year. This revision policy may cause discrepancies between the source data and the estimates of national accounts. This seems to be the case of revisions of source statistics for the national accounts like the producer price index and the industrial price index, which are revised during the current year.

⁶ There are cases where the non-response rate is higher than 30 percent.

3.3 Statistical techniques

3.3.1 Data compilation employs sound statistical techniques to deal with data sources

As explained above, rigorous procedures are in place to minimize data processing errors. Data are automatically checked for consistency at a detailed as well as aggregated level. Moreover, estimates based on random samples are computed using grossing-up factors derived from the sample design.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

Estimates of the non-observed economy are compiled by the departments responsible for the compilation of the branch statistics. These estimates are made using a case-by-case approach. Techniques include the labor input method and balances of resources and uses, depending on the economic activity for which the estimates refer. In the year 2008, the estimates for the NOE represent 14.4 percent of total value added. The shares of the NOE estimates vary from activity to activity, with agriculture having the highest share (55.9 percent), followed by hotels and restaurants (44.9 percent). Estimates for the NOE are made for both the production and the expenditure approach for compiling GDP. Adjustments to the foreign trade data for non-recorded exports and imports are made by the compilers of the balance of payments in the CBR. Adjustments for the consumption of goods are implicit in the adjustments made to the retail trade turnover, used as the main source for estimating household consumption expenditure in the national accounts.

Production approach procedures

Estimates of output are compiled at highly disaggregated levels. In the annual estimates, output is compiled for 370 pure activities and 156 main activities. In the quarterly estimates, output is compiled for 312 pure activities and 148 main activities. Intermediate consumption and value added are calculated annually and quarterly at the level of the main activity (156 and 148 activities, respectively).

There is no significant use of outdated fixed coefficients for producing the national accounts estimates. In a few cases, to fill information gaps for recent periods, coefficients derived from the previous year's estimates are used.

Techniques used for specific issues in GDP compilation

Owner-occupied dwellings

The output of owner-occupied dwelling is not measured in accordance with the internationally recommended methodology. Estimates are not based on the imputation of rental services using the market values for similar accommodations or using a cost approach that represents the total cost of maintenance, consumption of fixed assets, and an estimate of the return to capital. Instead, the published estimates are significantly undervalued as only a

fraction of the cost is used for the imputation. Experimental calculations based on the cost approach have been compiled for the year 2008. A decision has not yet been taken to revise the series.

Work-in-progress

Work-in-progress is recorded for the estimates of output whose production process extends beyond one period of account, particularly significant for quarterly accounts. Thus, output of construction project undertaken under the initiative of construction companies are allocated to the periods in which work was put in place. The output of standing timbers, animal breeding, and crops, with the exception of perennial crops, are allocated to the quarters of the year proportionally to the allocation of expenses on production in each sub-period of the year. However, the allocation coefficients used were derived from benchmark estimates of 1995. Updating the coefficients for the inter-annual allocation of production requires undertaking special studies. In the short-run, the distribution of expenses within the year reported by enterprises within the framework of the regular surveys could be used.

Inventory valuation adjustment

The methodology used for the estimates of changes in inventories is aimed to eliminate holding gains from the reported book values of inventories. Although the method applied is in accordance with internationally recommended methodology, no specific deflators for each kind of inventories have been developed.

Inventory valuation adjustments are made in the calculations of output and in the calculations of intermediate consumption, in accordance with the internationally recommended practices. However, as mentioned above, the quality of the adjustment can be improved by developing more specific deflators to derive these valuation adjustments.

Procedures for the compilation of volume measures of GDP

A single indicator method is used for the compilation of GDP. Volume indexes of output are the most commonly used indicator for the extrapolation of intermediate consumption on a quarterly and annual basis. The direct deflation of value added has been applied only in a few cases. Estimates of volume measures of output are compiled at the same highly disaggregated levels at which output estimates are available at current prices. These indexes are used for the extrapolation of intermediate consumption and value added of the estimates for the main activity. This approach is followed because the lack of data on intermediate consumption at the level of the pure activity.

Volume measure estimates for annual and quarterly GDP estimates are compiled at average prices of the previous year, which are chain-linked to produce series at the fixed reference period of 2003. Discrepancies between the chain-linked values of the totals and the respective sum of the components (a normal situation with chain-linked values) have increased over time in Russia. This may point to the need for a change of the base reference period to a more recent year.

Estimates of output of the trade industry are based on the extrapolation of the trade margin of the previous year by the volume index of trade turnover. Separate estimates are made for the retail and the wholesale trade industries. However, for each of these activities, extrapolation is made only at the level of the total, a procedure that does not allow capturing changes in the trade margin attributable to changes in the structure of the goods.

Estimates of volume measures of taxes on products are made separately for each type of tax. However, in most cases compilation is conducted at aggregated levels. Volume measure estimates of the value added tax on imported goods at prices of the previous year are based on the extrapolation of the total taxes levied in the previous year using the total volume index of imports of goods. Volume measures of exports duties are separately compiled for energy-related commodities. Volume measures of excise taxes are estimated by product. Volume measures of value added taxes on domestically produced goods are based on the extrapolation of the previous year's data with the volume index of value added for the total economy. Subsidies are deflated by the CPI. Improvements of these estimates require the extrapolation of the data on taxes at more disaggregated levels, and ideally based on the use matrix of the supply and use table.

Expenditure approach procedures

Each component of final uses is estimated independently. A discrepancy between GDP by production and GDP by expenditure is shown explicitly in the tables disseminated. GDP by production is considered more accurate and the discrepancy is shown in the GDP by expenditure.

Household consumption expenditure has been compiled using the COICOP classification but these estimates have not yet been released. The published figures are provided only for total consumption. The series with the COICOP classification is scheduled to be released in October 2010, at the time other changes to the GDP series are introduced. General government consumption expenditure is disseminated using the COFOG classification. There is no breakdown available for the estimates of gross fixed capital formation, due to the lack of suitable source data, particularly for small enterprises.

In accordance with internationally recommended methodology, household consumption expenditure includes expenditures of resident households abroad and excludes consumption of non-residents in the domestic territory. Source data on these transactions are extracted from the balance of payments statistics compiled by the CBR. Expenditures on valuables are included in the accounts as such. General government consumption expenditure is equal to the general government own-production plus purchases of goods and services distributed free or at a nominal price to the population less incidental sales.

Volume measures of components of final uses

Estimates of final consumption expenditures of households are based on deflation of 30 groups of consumption of goods and services using corresponding components of the CPI as deflators. New estimates, based on the COICOP classification are being produced at more

disaggregated levels. Volume measures of general government consumption expenditures are based on the extrapolation of own-produced output of the general government index of employment and the deflation of purchases by specific price indices. Own-produced output of general government should be compiled as the sum of the volume measures of its cost components. Estimates of exports and imports of goods are deflated by Paasche-type unit value indices of exports and imports, respectively. There are no adequate index used for the deflation of export and import of services.

The volume measures of changes in inventories are based on adequate methods, but the deflators are not representative of all type of inventories as the same component of the producer price index is used for each type of inventory within a specific economic activity.

Specific Quarterly Compilation Techniques

Quarterly national accounts data are aligned to the annual estimate by distributing the difference between the annual estimate and the sum of the estimates of the four quarters of the years proportionally to the distribution of the unadjusted quarterly data. This technique is not appropriate as it introduces a step problem -a distortion of the growth rate between the last quarter of every year and the first quarter of the following year. An appropriate technique, as the Denton method should be used for benchmarking the quarterly estimates to the respective annual figures.

Russian national accounts are compiled based on original data. Seasonally adjusted estimates and trend estimates are compiled and disseminated for total GDP, for 15 activities, and for the main components of aggregate demand. Seasonally adjusted data are disseminated in absolute values. Seasonal adjustment is made based on the X-12 software. The seasonal adjustment factors are recalculated every time data for a new quarter are introduced.

Recommendations:

Update the coefficients used for the intra-annual allocation of work in progress of agriculture product.

Improve the estimates of changes in inventories by developing specific deflators for goods held as inventories of raw materials. A breakdown by main group of products used in production by each activity can be derived from the most recent input-output table.

Compile estimates of the volume measures of the trade margin at more disaggregated levels.

Compile estimates of volume measures of taxes and subsidies on products based on calculations at disaggregated levels.

Compile volume measure estimates of general government consumption expenditure as the sum of the cost components of production compiled in volume measures. Specific indices should be developed to deflate intermediate consumption and consumption of fixed assets.

Adopt more adequate quarterly benchmarking techniques. The use of the Denton method is

recommended.

Update the reference period of the chain-linked volume values and indices to a more recent year.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information, where applicable

Estimates of intermediate data are validated with other sources of information, when available. For example, output estimates for specific activities are compared with corresponding components of export data or expenditures of households from the household budget survey. Also, implicit deflators are compared with available price indices.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

Discrepancies identified in intermediate data are routinely assessed and data are corrected as needed.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

Supply and use tables have been compiled up to the year 2006. A new benchmark estimates is scheduled to be compiled for 2011. Partial balances of resources and uses are commonly used to assess the consistency of the data of national accounts, on a quarterly and annual basis. The discrepancy between the production-based GDP estimates and the expenditure-based GDP estimate is low and has never exceeded two percentage points.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3)

The Rosstat does not conduct systematic revision studies. Normally, estimates are not revised beyond the last two years. Revisions to the data and their causes are explained in the publications. More detailed explanations of revisions are disseminated when important methodological changes are introduced, a situation that does not happen frequently.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards

Russia meets the periodicity requirements of the Special Data Dissemination Standard (SDDS). Quarterly GDP estimates at current prices and in volume measures are compiled and disseminated.

4.1.2 Timeliness follows dissemination standards

Quarterly GDP estimates are released timely, although an exception occurred in the second quarter of 2009 for which quarterly GDP data were not released on time. Normally, the quarterly production-based GDP estimates at current prices and in volume terms are disseminated 80 days after the end of the reference quarter, thus meeting the timeliness and periodicity requirements of the SDDS. Quarterly expenditure-based GDP estimates at current prices and in volume measures are disseminated 90 days after the end of the reference quarter. Moreover, a quarterly volume index of GDP by production is disseminated 30 days after the end of the reference period and a first preliminary quarterly GDP estimate by production is released 50 days after the end of the reference period.

4.2 Consistency

4.2.1 Statistics are consistent within the dataset

Quarterly GDP estimates are consistent with the respective annual estimates. The discrepancy between GDP estimates by production and GDP estimates by expenditure is shown explicitly in the publications. The discrepancy between these two independent GDP estimates is small.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time

Consistent series of expenditure-based GDP is available from data starting in 1995. Consistent series of GDP by production is available from data of 2002 since data from previous years were not recalculated using the new classification of economic activity.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

The national accounts statistics are consistent with the balance of payments, except for a minor item. Migrant transfers in kind are not included in exports and imports in the national accounts data. The coverage of the financial sector is the same in the monetary and financial statistics and in the national accounts. Moreover, the CBR cooperates closely with the Rosstat; the compilation of the production accounts of the financial intermediaries, including FISIM, is actually conducted by the CBR. Same source data are used for the compilation of the government finance statistics and the national accounts for the general government sector, although there are discrepancies in the economic and functional classifications of expenditures of general government.

4.3 Revision policy and practice

4.3.1 Revisions follow a regular and transparent schedule

Russia has a clearly established dissemination policy. The exact dissemination dates of revisions of the national accounts statistics are posted ahead of time on the website of the

Rosstat in Russian. A preliminary annual GDP estimate for the preceding year, based on the production approach, is disseminated on January 30. Revised annual estimates for the same year are later published in March and December that follows the end of the reference period and in March and December one year later.

Quarterly estimates for the current year are not revised within the year. Historical series of quarterly GDP are revised only with the dissemination of the annual estimates in March of each year. Two shortcomings can be singled out with this revision policy: (i) different timing of revisions between the national accounts and some of the source data (e.g. balance of payments, industrial production index, etc) will show discrepancies during the year, thus confusing users, and (ii) the dissemination of a preliminary annual estimate without a simultaneous release of revised quarterly data for the same year also confuse users and is a cause of misinterpretation of the data.

It should be noted, that as a matter of policy, most source data for the national accounts produced by the Rosstat are not revised during the year, similar to the practice adopted for the compilation of the quarterly national accounts. Regarding the inconsistency between the first preliminary annual GDP estimates and the quarterly estimates for the first three quarters of the same year, previously published, the Rosstat position is that both estimates are based on different source data (preliminary annual reports are used for the estimates disseminated on January 30), and users are made aware that the quarterly data lack consistency with the new annual figures. Therefore, it will be wrong to derive estimates for the last quarter of the year based on these two sets of published data.

Recommendations:

Revise quarterly GDP estimates for the current year every time data for a new quarter is released.

Educate users not to make use of the first preliminary annual data to derive estimates for the last quarter of the year, thus avoiding misuse of the data.

4.3.2 Preliminary and/or revised data are clearly identified

Each time the data are disseminated on the website, the date of the release is stated. The data are not marked as revised or preliminary in the tables using conventional symbols. However, revisions to the data are explained in the text that accompanies the publication.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

The number of revisions made to the data is described in the Federal Plans of Statistical Operations posted on the Rosstat website. Explanations are provided only for important data revisions, such as those arising from the use of a new classification system or adoption of a new methodology.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

Dissemination practices are in general good. Long-term data series of the data are disseminated on the website. Data are provided in nominal values, volume measure levels, and as indices. The detail of the disseminated series is adequate and corresponds to the maximum detail that is made available to users. A limited number of charts are also provided. Text describing the main findings, revisions, and the methodology are also available and can easily be accessed through links to the tables. An annual publication contains the complete sequence of accounts by institutional sector. In addition to the titles, the 1993 SNA codes for the classification of economic flows and the classification of institutional sectors are used for data dissemination. Seasonally adjusted data and trend values are also disseminated in the form of values and in charts.

5.1.2 Dissemination media and format are adequate

The dissemination format is very good. Tables can be downloaded from the Rosstat website in Excel format.

5.1.3 Statistics are released on a preannounced schedule

An advance release calendar is posted on the Rosstat website. The exact dates of the release are made public three months in advance. It should be noted that all information on the national accounts is kept up-to-date on the Rosstat website only in Russian. The English version is less frequently updated and contains less information than the Russian version.

5.1.4 Statistics are made available to all users at the same time

Statistics are made available to all users simultaneously through the Internet.

5.1.5 Statistics not routinely disseminated are made available upon request

The statistics are disseminated on the Rosstat website with the maximum detail that is available for users. It is also not common to have requests for additional, unpublished data.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

The publication of the annual national accounts provides a summary of the methodology. The

text is updated every year. Other methodological publications for specific issues in the compilation of the national accounts, like the methodology used for the estimates of NOE, are also available on the Rosstat website.

5.2.2 Levels of detail are adapted to the needs of the intended audience

Simple methodological notes are posted on the internet together with the disseminated data.

5.3 Assistance to users

5.3.1 Contact points for each subject field are publicized

All publications list the names and telephone numbers of the persons that can be contacted regarding the data. The contact information for each statistical subject is also posted on the internet. Questions are promptly answered. A new service using the internet by which users can raise questions about the statistics was recently put in place.

5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available

A catalog of publications is available on the Internet and updated every year. The publications also make reference to other publications available and provide information on how these documents can be obtained. Printed publications are distributed free of charge to users on the mailing list and are available free of charge to the general public through the internet. The website also contains announcements of new data.

Table 1. Data Quality Assessment Framework: Summary of Results for National Accounts
(Compiling Agency: Rosstat)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment		X				The number of staff is not sufficient for undertaking developmental work. No regular users' surveys are conducted; no press conferences are conducted.
0.2 Resources			X			
0.3 Relevance			X			
0.4 Other quality management		X				
1. Assurances of integrity						
1.1 Professionalism				X		Staff are highly professional, but the Rosstat is not technically independent to choose the methodology for compiling the statistics. Methodological changes need the approval (based on technical grounds) of the Ministry of Economic Development.
1.2 Transparency		X				
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions		X				Output of illegal activities is not in the scope of the accounts. For practical reasons, own-account research and development and output of capital goods are not always separately distinguished.
2.2 Scope			X			
2.3 Classification/sectorization		X				
2.4 Basis for recording		X				
3. Accuracy and reliability						
3.1 Source data		X				Although estimates are compiled at very detailed levels of the industrial classification, inadequate benchmarking procedures of the quarterly national accounts are applied. Calculation of taxes and subsidies on products, volume measures of the trade industry, the estimates of changes in inventories, and general government consumption, do not follow best practices.
3.2 Assessment of source data		X				
3.3 Statistical techniques			X			
3.4 Assessment and validation of intermediate data and statistical outputs		X				No systematic studies of revisions are conducted.
3.5 Revision studies			X			
4. Serviceability						
4.1 Periodicity and timeliness		X				Quarters of the current year are usually not revised within the year. Only limited explanation of revisions are provided to users.
4.2 Consistency		X				
4.3 Revision policy and practice			X			
5. Accessibility						
5.1 Data accessibility		X				
5.2 Metadata accessibility		X				
5.3 Assistance to users		X				

II. PRICE STATISTICS (CONSUMER PRICE INDEX)

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating the statistics is clearly specified*

The Federal State Statistics Service (Rosstat) is the official body entrusted by law for coordinating and overseeing the production and dissemination of the official statistics of the country. Significant and important changes in the structural organization of the Russian Federation Statistical System have taken place since the 2003 ROSC mission. These changes also reflect the new administrative structure of the country which now includes 83 subjects of the federation (oblasts) with their own administrative structure but with each institution subordinated to the corresponding central institution in the capital city.

Currently, the most significant legal documents regulating and providing support for the statistical activity are the resolution No. 399 of the government of Russia, *Provisions on the Federal State Statistics Service*, issued on July 30, 2004 (whose latest update is Resolution 420, issued on June 2, 2008) and the Federal Law No. 282 F3, *On Official Statistical Accounting and State Statistics System in the Russian Federation*, (herein after referred to as the Statistical Law) issued on November 29, 2007, signed by the President of Russia. The latter document is in compliance with recommended legal frameworks for the regulation of countries' statistical systems as advised by Eurostat, the United Nations, and the World Bank.

The first of these two documents mentioned above states in Article 1 that “the Federal State Statistics Service is an authorized executive agency that carries out functions related to the approval of regulatory and legal acts in the area of state statistical activity, functions related to preparation of official statistical information on the social, economic, demographic, and environmental situation in the country, as well as functions related to oversight in the area of state statistical activity.” The purpose of the above-mentioned federal law is to provide the “legal basis for the implementation of the unified governmental policy in the field of official statistical accounting aimed to satisfy information needs of the state and the society.”

Article 2 of the Statistical Law defines *official statistical information* as “summarized aggregated documented information on the quantitative component of social, economic, demographic, ecological, and other social processes in the Russian Federation, compiled by the subjects of then official statistical accounting in compliance with official statistical methodology.” The subjects of official statistical accounting information are the federal authorities and other federal state bodies compiling official statistical information. Article 5 of this law says that official statistical accounting shall be exercised in compliance with the *Federal Plans of Statistical Operations* to be prepared by the federal executive authority.

The *Federal Plan of Statistical Operations* is drafted by the Rosstat in consultation with all other government institutions responsible for compiling official statistics. The plan and any

of its subsequent updating should be approved by the Russian government. The plan is formulated taking into account the rational use of resources, avoiding duplication of activities, and reducing the respondents' burden. It assigns the responsibility for compiling and disseminating the official statistics among all government bodies subject to the law, and it includes detailed information describing the statistics to be compiled, their periodicity, and the dissemination deadlines. The compilation of the national accounts and the price indices statistics are clearly defined in the *Federal Plan of Statistical Operations* as the responsibilities of the Rosstat.

The Rosstat also prepares a separate document containing its own annual plan, where the activities undertaken by the institution are provided at a more detailed level than in the *Federal Plan of Statistical Operations*, including inter alia, the type of forms to be used to collect information, the technology to be used to process the information, level of aggregation of the data, dissemination formats, etc.

The Rosstat has the authority to issue official orders establishing the methodology and classifications to be used in the compilation of the official statistics by all compiling entities. It also monitors the compliance of the production of the official statistics in accordance with the federal plan.

The legal framework for the compilation of the statistics assures that there are no conflicts or potential conflicts between the legal authority to produce statistics and other laws or provisions. Thus, Article 5, Section 9, of the Law No. 282-F3 states that the official entities producing statistics can obtain information from administrative sources and from respondents without limitations at the same time that they should provide for the security of the information acquired in compliance with the legislation of Russia.

0.1.2 Data sharing and coordination among data-producing agencies are adequate.

The Rosstat is self-sufficient in producing and compiling both the CPI and the annual household income and expenditure survey, which provides the basis for selecting the market basket list of items for monthly price collection and the weights for the index. No other agencies are involved in the compilation of the CPI.

The Statistical Law establishes the role of the Rosstat as the federal statistics coordinating agency. One of the major goals of the legislation is to delegate authority to the Rosstat to coordinate statistical efforts of all federal agencies to ensure standard definitions, classification systems, and methodologies.

In addition to the legislation, the Rosstat coordinates working meetings with other data producing agencies. The focus of these working meetings is to coordinate statistical needs to avoid duplication and reduce respondent burden.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

Two primary pieces of legislation guarantee and protect the confidentiality of individual reports' data. The first, *The Law on Personal Data* (FZ-152), stipulates that all data are confidential and to be used solely for statistical purposes. The second, *The Law on Information, Information Technology, and Data Collection* (FZ-149), provides for the protection and safe storage of all collected data. In addition to these pieces of legislation, other decrees related to specific data collection activities (e.g. the decennial census) contain specific language ensuring data confidentiality.

Survey questionnaires state clearly on the front page that all information collected by the agency will be kept confidential and used for statistical purposes only. Though the form cites the relevant legal basis for the collection of data, the confidentiality statement fails to reference the relevant laws providing the safeguarding of data.

Any Rosstat staff responsible for releasing confidential data may be subject to prosecution. The statutes do not define specific penalties for breeches of confidentiality; rather, it states that penalties will be assessed by the administrative courts. It is up to the court to decide an appropriate penalty based on the circumstances surrounding the release of confidential data.

The Rosstat has implemented numerous internal safeguards to ensure the confidentiality of the data. Access to confidential documents is limited to persons who may need to refer to them during the course of the statistical compilation process. The documents are stored in secured premises with limited, monitored access and computer programs with information on individual units are password protected. Procedures have been developed for the secure storing and destroying of confidential data.

Regular meetings are conducted in the various regional offices to impress upon staff the critical importance of protecting confidentiality and upholding procedures to safeguard data. Prior to release, the head of the prices unit studies the data to ensure that no data of a confidential nature are inadvertently released and signs-off on the release attesting to this fact.

The Rosstat has developed procedures for the aggregation of individual responses to prevent the disclosure of individual data, including those that could be identified by a process of elimination; however, the agency is not prohibited from disseminating data in the form of indices from which information on individual units can be derived. No policies have been developed requiring the permission of the respondent before dissemination. For example, in the national accounts, a minimum of three respondents is required for aggregation within a specific activity; otherwise, aggregation is done at the next highest level to avoid respondent identification. This special aggregation policy does not apply to the price programs as they are producing data in the form of indices.

The Rosstat releases micro-data upon request, but only after all personally identifiable data are removed. The authorities have drafted specific instructions guiding staff on how to make

all records anonymous by removing all personally identifiable data.

Recommendation: Amend the confidentiality statement included on data collection questionnaires to include a reference to the relevant laws providing the safeguarding of data.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

The Rosstat has the legal authority to collect data required to compile the statistics and enforces mandatory reporting provisions as necessary. The authority to collect information by the Rosstat is provided by the Federal Law No. 282-Φ2 which in its Article 5 establishes that “to compile official statistics the subjects of official statistical accounting shall obtain primary statistical data and administrative data from respondents.” The federal law covers all legal entities as well as individuals. However, Article 8 of the law states that individuals residing in Russia not conducting business should provide information on a voluntary basis, unless otherwise stipulated by the federal laws. In the case of population censuses, individuals are obliged to respond.

Lack of compliance with the reporting obligation is subject to administrative sanctions and penalties. Monetary fines are imposed by the regional offices of the Rosstat, and the proceeds from these fines are transferred to the Treasury. Fines are not particularly high and in the past, they have not served as a deterrent for non-compliance by private enterprises, which were more concerned with the confidentiality of their operations. This situation has improved as respondents are now more confident of the protection of the data supplied to the statistical agencies.

The Rosstat also tries to encourage reporting by considering the reporting burden, avoiding duplication of reporting requests to the same respondents through the coordination of the activities of the statistical entities. Forms for collecting information include detailed instructions. The telephone numbers of contact persons are provided in case assistance is needed. In fact, this is a requirement for data collection imposed on the Rosstat in the Statistical Law. Before collecting data for the first time, letters explaining the purposes of data collection are sent to respondents to the surveys conducted by the Rosstat. Cooperation of respondents is also sought by means of seminars conducted in the regions, where the purposes of data collection are explained to respondents.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

In general, the staff and financial resources available for compiling the CPI are adequate to support monthly compilation and dissemination of the index. The section responsible for overseeing the production of the CPI is part of the Division of Price and Financial Statistics of the Rosstat. The CPI section consists of 12 staff members working on the CPI, all of whom received a university degree. Five of the twelve staff joined the Rosstat within the last

five years. Low salaries, as compared to similar positions in other ministries, result in high turnover rates; however, recruitment of new staff is not difficult, and vacancies are quickly filled.

There are 1,596 full-time staff engaged in the CPI work in the regional and local office levels. These regional office staff perform a range of CPI activities including data collection, data validation, data processing, and responding to public queries.

The average age of the Rosstat workforce is 52 years old. The organization has implemented efforts to recruit young staff to replace retiring staff.

All staff participate in mandatory refresher training every three years. The program reinforces data quality issues as well as other pertinent topics of interest. Staff may also participate in seminars and training programs organized by the Rosstat training facility.

Computing equipment and information technology support at both headquarters and at the regional/local level are sufficient for compiling the CPI. All staff are assigned a desktop computer that has all needed software. Though all staff have access to the Rosstat intranet, direct access to the internet for their assigned desktop is restricted to the head and deputy head of the division and to those who require the internet to fulfill their regularly assigned duties. Staff may not have internet access directly from their desktop, but at least three computers in every room have access to the internet which other staff can use when needed. Additionally, staff who participate in web-based training programs are granted direct access to the internet for the duration of the course.

The Rosstat computer center processes all price data and stores all data on a secure central database which responsible staff can access from their desktop computers. All data are backed up regularly. Plans for the continuity of operations in the event of a natural or other disaster have been developed to ensure that the CPI can be compiled and released from an off-site location.

The physical facilities are currently under extensive renovation. Staff have been displaced as a result of construction activity, and current working space is limited with many employees sharing rooms. Air conditioners are outdated, and in many cases they are not in working condition. Physical office space will be improved once renovations have been completed.

Other resources are adequate for compiling and disseminating the CPI. Enumerators are provided with sufficient resources to collect prices each period. Procedures have been implemented in the last two years to reimburse data collectors for transportation expenses on a regular basis.

Funding for the CPI is reasonably secure to ensure timely compilation and dissemination of the index. Beginning in 2007, a three-year budget cycle was implemented; however, the financial crisis of 2008 forced the Rosstat to revert to an annual budget cycle in 2009 and 2010. It is planned that the three-year budget cycle will return in 2011. The financial crisis resulted in a 30 percent reduction in the 2009 budget of the Rosstat; however, the agency

absorbed these cuts by delaying capital improvement expenditures and did not reduce the budgets for any of the statistical programs.

0.2.2 Measures to ensure efficient use of resources are implemented

Staff performance is reviewed and evaluated on a monthly basis. The evaluation results are used as the basis for awarding a merit-based performance bonus to deserving staff. As was mentioned earlier, all staff are required to participate in a mandatory refresher training program every three years. Upon completing this program, staff are tested and accredited. The accreditation provides the justification for promoting, suspending, or separating staff.

All departments within the Rosstat use consistent methodologies and classification systems, thereby averting the need for constant reviews and adjustments to the data. Survey instruments are streamlined to capture the information required by a cross-section of departments thus reducing the number of surveys and questionnaires.

The Finance Department of the Rosstat reviews all resources to ensure that efficient allocation and spending practices are followed. Budgeting procedures are used to allocate resources.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

The Scientific and Methodological Council of the Rosstat provides a structured venue for consulting on the usefulness/quality of existing statistics and to discuss emerging data requirements and the implementation of methodological improvements. Members of this group include economists and statisticians from within and outside of the Rosstat, as well as members representing major data users including other government ministries. The council is co-chaired by the head of the Rosstat and the head of the Higher School of Economics. This group meets approximately four times each year and focuses mainly on methodological and data quality issues. The Rosstat is not obligated to accept the recommendations made by the group, but in the event of disagreement, a compromise is usually found.

The Rosstat routinely organizes working groups with data users, such as the Ministry of Finance, Russian Academy of Sciences, and other users, to discuss data needs and elicit feedback on statistical activities. Also Rosstat has recently established on its website the means by which the general public can address their concerns about the data by e-mail. Comments and queries are monitored by the agency and properly considered when planning the statistical activities.

The relevance of the statistics is also discussed during the consultations conducted in the preparation of the *Federal Plan of Statistical Operations*. Staff interact with foreign partners to compare methodologies and ensure that the Rosstat's methods reflect international best practices. Staff routinely participate in international meetings, working groups, and training

programs. Bilateral cooperation activities between the Rosstat and other statistical agencies also ensure that statistical methods reflect international recommendations and best practices. Moreover, Russia is in the process of joining the OECD, which requires the compilation of statistics in accordance with this institution's standards.

Staff compiling price statistics have undertaken a number of studies to identify new and emerging data requirements. A technical task force has been convened to conduct a comprehensive review of CPI methods. Other studies have been conducted to review the coverage of the household budget survey to enhance representativeness and to review the conceptual basis of the CPI.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality

The Rosstat management is sensitive to all dimensions of data quality and promotes awareness of data quality issues through the development of a numerous procedures and systems to ensure data quality. A written manual—detailing the data quality procedures implemented by the Rosstat—serves as a reference and guide for all staff. Each program area, such as the CPI, PPI, and national accounts, has developed detailed methodology manuals which include a separate manual focusing on data quality issues. Staff training programs include discussions on the importance of data quality issues.

0.4.2 Processes are in place to monitor the quality of the statistical program

Monitoring processes are in place to inform managers on the quality of ongoing statistical activities. Reports are generated and reviewed detailing response rates, incidence of error, and editing rates to ensure that accurate, reliable data are collected, compiled, and disseminated.

The Scientific and Methodology Council provides expert guidance on the quality of the Rosstat's statistics and makes recommendations for improvement. Working groups are also convened to assess data quality and recommend changes.

Individual staff performance for all CPI staff, including regional and district staff, is monitored and reviewed on a regular basis to ensure all activities such as data collection, validation, and editing meet the minimum quality standards. Staff receive feedback on performance.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

As noted earlier, the Rosstat prepares a work plan that includes an annual timetable of the receipt of source data and dissemination of statistics. Multiple divisions and groups within the Rosstat actively and routinely review the work plan to ensure quality standards are maintained.

Major data users, such as other government agencies/ministries, academicians, and trade unions, review and comment on the work plan for the Rosstat. During this review process, data users comment on how well current needs are met and emerging data needs to be considered.

1. Assurances of integrity

1.1 Professionalism

1.1.1 Statistics are produced on an impartial basis

The terms and conditions under which the statistics are produced are stipulated by resolution No. 420 of the Russian government issued on July 30, 2004. Article 5.4 of this resolution states that the Federal Statistics Service shall develop the official statistical methodology; ensuring consistency with international standards. Additionally, the Statistics Law emphasizes the professional independence and integrity of staff. Though the Rosstat is not mentioned specifically by name in the Statistics Law, the legislation refers to the “national agents responsible for statistics,” which includes Rosstat.

It should be noted that because the Rosstat has been subordinated to the Ministry of Economic Development, this relationship may give rise to a potential conflict of interest given that the ministry produces forecasts of the same economic statistics produced by the Rosstat (i.e., GDP and inflation measures). In addition, the professional independence of the Rosstat is undermined by the strong role played by the Ministry of Economic Development (beyond its role as a member of the Scientific and Methodological Council) in the decision-making process for introducing changes in the methods used to compile price indices. For example, the ministry denied Rosstat's initial request to implement COICOP and have questioned the methods used by the CPI staff for the treatment of seasonal items. It should be noted that all questions raised by the ministry are based strictly on statistical methodological grounds, and not for other purposes.

The head of Rosstat is appointed and dismissed by the prime minister. The deputy heads of the Rosstat are appointed and dismissed by the Minister of Economic Development. These positions are usually held for extended periods of time by experienced professionals that rose from the ranks of the institution during long careers.

The staff of the Rosstat are prohibited by law from joining or participating in any political party. The Statistical Plan, discussed above, protects the Rosstat from interference from other government agencies or officials in the compilation and/or dissemination of statistical information. Changes, alterations, or deviations from the approved Statistical Plan are not possible without agreements by all agencies producing statistics and approval by the prime minister; thus, preventing interference from others, including government officials, and protecting the Rosstat's professional independence.

Staff are recruited via a competitive process and selected based on qualifications. All vacancies are announced on the Rosstat website and applications can be received from both

internal and external candidates. All promotions are merit-based.

All newly hired staff participate in a mentoring program where each new staff member is paired with an experienced staff member. The senior staff member provides on-the-job training in methodology and data compilation methods. The duration of the mentoring program varies with individual staff and depends upon the rate at which the newly hired staff member is able to demonstrate the competencies necessary to complete his or her duties.

Staff are encouraged to participate in training program. Ongoing skills development programs in a variety of areas are offered by the Rosstat either in a classroom setting or computer-based training. Staff may also participate in courses offered by the Public Service Academy and are urged to participate in short-term university courses. The Rosstat actively encourages all staff to pursue post-graduate studies and grants leave to these staff for purposes of preparing for and completing exams and assignments required to pass courses. The Russian Academy of Sciences sponsors seminars and discussion on statistical issues and staff are encouraged to attend. Finally, English-language courses are offered by the Rosstat for all interested staff.

Research and analysis by staff are encouraged and published by the Rosstat. Staff produce scholarly works for publication in journals and bulletins outside of the Rosstat. Additionally, the Rosstat produces a monthly bulletin, *Issues of Statistics*, which publishes research papers produced by the staff.

Recommendation: *The Rosstat should be provided the independence to implement improvements and changes of a statistical nature without the approval of the Ministry of Economic Development.*

1.1.2 Choices of sources and statistical techniques, as well as decisions about dissemination, are informed solely by statistical considerations

The choice of data sources and statistical techniques is guided solely by considerations of a statistical nature. Dissemination timing is predetermined in an advance release calendar posted on the website of the agency at the beginning of each year and with exact dates provided a quarter in advance. The Rosstat disseminates the CPI in conformity with the periodicity and timing prescribed by the SDDS.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

The Rosstat is authorized to make public clarifications regarding erroneous interpretations or misuse of the data. All criticisms or reporting of erroneous error are responded to in a timely manner. The Rosstat directs commentary directly to the organization reporting the criticism or erroneous data. Responses are posted on the Rosstat website and are included in Rosstat publications. Additionally, the head of Rosstat holds press conferences to correct

misconceptions and clarify methodologies.⁷

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The relevant legal documents are posted on the website of the agency. The questionnaires used for the collection of data make reference to the statistical law and the confidentiality provided to the data.

Publications and the website clearly identify a specific contact and details where more information about the data can be found. Publications also identify the members of the editorial board responsible for reviewing the Rosstat publications.

CPI weight data have been published at a detailed level on the Rosstat website since 2006. Historical weight data are only available in the biannual publication *Prices in Russia*. The authorities should consider also publishing weight data prior to 2006 on the Rosstat website.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

There are no procedures for providing internal government access to the statistics prior to their release to the general public.

1.2.3 Products of statistical agencies/units are clearly identified as such

All of the publications of the Rosstat identify the source of the published data. Data released via hard copy and the website clearly identify the Rosstat. In lieu of a logo, all publications include the official government seal. The Rosstat requires that explicit reference be made to the data source when its data are reproduced in the publications of other agencies and in the press. Users quoting data produced by the Rosstat are required to cite the Rosstat as the source.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

Major changes in the concepts and methods used to compile the CPI are announced in advance. Minor or routine changes are announced in all publications and on the website at the time of release. For example, all changes to CPI methods must be included in *The Plan on Methodological Works*, which features all methodological changes to be implemented effective in January of the following year. The plan is released in January of the year prior to the implantation of the changes; however, it can be updated as need to reflect additional

⁷ In response to recent criticisms and misconceptions of the CPI, the CPI staff have prepared a presentation which was used by the head of the Rosstat during a press conference on July 9, 2010 to clarify and explain CPI concepts and methods.

methodological improvements. In effect, advance notice of up to one year is provided for changes in CPI methods.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

All staff are made aware of the code of conduct to be observed during employment. The commitment to the observance of the codes has to be signed by workers at the time of accepting the terms and conditions of employment and any time a new contract is issued due to changes in positions within the organization. Individual job descriptions list duties and rights of staff and include specific clauses prohibiting staff from disclosing pre-release data or using data for personal use. All staff are required to sign their job descriptions attesting that they have read and fully understood their duties and rights. During the mentoring period for new staff, the senior staff emphasize the importance of maintaining ethical standards. Regional office staff received written procedures describing how to behave as a representative of the Rosstat. A strong culture of professionalism and ethical standards precludes political interference.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

In general, the concepts and definitions used to compile the CPI reflect international standards and best practices consistent with the *CPI Manual*, *CPI Handbook*, and *1993 SNA*. Deviations from international standards are noted below. CPI staff refer to the Russian translation of the *CPI Manual*. The *CPI Handbook* is currently available in English only.

Rosstat Decree No.110 of December 30, 2005 details the concepts and methods used to compile the CPI for Russia. The methodology is developed by the Rosstat and reflects the official statistical standards of Russia. Copies of the decree are posted on the Rosstat website and can be obtained by request in hardcopy.

Expenditure data on both services and commodities are tabulated in sufficient detail to permit analysis at the level of the four-digit Classification of Individual Consumption by Purpose (COICOP).

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

The scope of the CPI reflects internally accepted standards, guidelines, and best practices.

The annual household budget survey (HBS), upon which the CPI market basket weights are based, covers all geographic areas and socio-economic groups. All socio-economic strata are represented in the CPI. In the case of households with unincorporated businesses, household consumption expenditures are separated from expenditures relating to production.

Excluded from the reference population are individuals in institutions (for example, hospitals, prisons, etc.). All households with at least one resident would be enumerated in the HBS, excluding foreign diplomatic and military personnel stationed in Russia. No estimates are made for the non-observed economy when compiling expenditure data or in estimating the weights. Imputed rents for owner-occupied dwellings are also excluded.

All items exceeding 0.1 percent of total household consumption expenditure are included in the CPI market basket. A total of 489 items are included in the market basket, and the weights are fixed at the item level. The CPI reflects the “national” concept where expenditures of nonresidents are excluded from the CPI weights, but the consumption of nationals abroad (for example, while on holiday) is included.

The following are not covered in the CPI: expenditures on illegal goods and services, expenditures for gambling and prostitution, production for own consumption, expenditures on second-hand goods other than automobiles, and expenditures made by institutional households. These excluded items, however, are deemed minor and/or internationally common exceptions to the *1993 SNA*.

The CPI excludes owner-occupied housing; however, rents, maintenance, and repair costs for municipal and private apartments are included. The majority of households in Russia rent their dwelling, but the rate of home ownership is increasing steadily each year. Even if the weight is relatively low, the Rosstat should include owner-occupied housing in the CPI. The difficulty of measuring the cost of an index component is not usually a good justification for excluding that component from the index. International recommendations call for either using rental equivalence or net acquisition of residential housing stock, but it is generally preferred to include a rental equivalence component in the CPI market basket to represent the cost of owner-occupied housing.

The Rosstat noted that the weight for owner-occupied housing would be below the threshold of 0.1 percent; however, data are not collected via the HBS to develop weights for owner-occupied dwellings. The HBS should include questions to collect the data needed to develop weights for owner-occupied housing to either justify its exclusion because it falls below the threshold or to include it in the index because the weight meets the threshold.

Recommendation: *Include a rental equivalence component in the CPI market basket to represent the cost of owner-occupied housing unless expenditure data justify excluding it because it falls below the threshold of 0.1 percent.*

2.3 *Classification/sectorization*

2.3.1 *Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices*

It is generally recommended to use the *Classification of Individual Consumption by Purpose* (COICOP) to classify all items in the CPI. This is not the case in Russia. The classification system used for the CPI is the All-Russian Classification of Products and the All-Russian Classification of Services, neither of which are comparable or derived from COICOP. The Rosstat began an experimental use of COICOP in 2007 and proposed adopting COICOP in 2008. The Ministry of Economic Development denied the request, but the Rosstat is currently preparing another request for the ministry to approve the adoption of COICOP. The current classification system used for the CPI is composed of 3 groups, 189 sub-groups, and 489 items.

Recommendation: *Adopt COICOP to classify all items in the CPI to enhance international comparability of Russia's CPI*

2.4 *Basis for recording*

2.4.1 *Market prices are used to value flows and stocks*

Consistent with international standards, both market basket weights and monthly prices used in the compilation of the CPI are valued at market prices, including taxes (VAT, excise tax, sales tax, and other indirect taxes) and applicable discounts. Discounts available to the general public are included, while discounts restricted to pensioners, for example, are not included as they do not apply to the general public.

2.4.2 *Recording is done on an accrual basis*

Both expenditure data from the HBS and the price data for the monthly survey are recorded on an accrual basis. For monthly data collection, the prices are those actually charged at the date of collection—between the twenty-first and twenty-fifth of the months. In certain circumstances where there are no major price changes occurring, prices may be collected one or two days earlier.

2.4.3 *Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices*

According to international recommendations, the weights for durable goods in the CPI market basket should be based on net purchases (the value of purchases less the value of sales) of these goods. In general, all gross/netting procedures are in accordance with the 1993 SNA; however, the relatively minor weight for used cars is based on net purchases using alternative data sources.

Recommendation: *Include questions on the HBS to collect data needed to improve the estimates of net purchases (sales less disposals) for used cars.*

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions

The list of goods and services included in the CPI market basket and their corresponding index weights are derived from the annual HBS and supplemented by alternative sources as necessary. The HBS is conducted during October to September of each year. It is a sample survey collecting data on expenditures via a diary (for a two-week period) which collects daily expenditure data and a journal that collects data on all expenditures (i.e. recurring expenditures, expenditures on durable goods and other goods/services). Enumerators also collect data on household demographic characteristics, characteristics of the dwelling, access (in terms of distance) to public services, and income. Participation is voluntary.

The survey covers households from all socio-economic groups in both urban and rural areas throughout Russia. The sample of 47,800 households is selected using a sampling frame based on the 2002 population census and represents approximately 0.1 percent of the total population. A two-stage sampling procedure is used for the selection of households. Geographic areas are chosen in the first stage, while households are chosen in the second stage. For both stages, stratified systematic sampling is used to ensure that all types of households are selected for all geographic areas. The Rosstat oversamples to account for non-response. Standard errors are calculated for the national and regional levels, but only those for national level are published and used for survey planning purposes.

All data derived from the survey are adjusted for non-response and to values that correspond to the entire population. All expenditure data are compared with other data sources to ensure reliability and consistency. Alternative data sources used include retail trade data, production data, and other available data sources. Under-reported data are augmented as needed using these alternative sources. For example, expenditures on alcohol and tobacco are typically under-reported on HBS throughout the world. Using alternative source data, such as retail sales data, weights are adjusted to account for under-reporting. These alternative sources are also used to develop weights at the most detailed levels as needed. HBS data are based on sample surveys and cannot be expected to provide reliable expenditure estimates at very detailed levels.

Households selected to participate in the HBS report data until they self-select and request to be dropped from the survey. In theory, expenditure data could be collected from a single household for several years. This has proven to be problematic for developing accurate weights for durable goods. Procedures should be adopted for rotating households out of the sample and replacing them with new households. For example, each year 20 percent of the households could be rotated out of the sample and replaced by new households. This would

reduce respondent burden and improve the collection of expenditures on durable goods.

To compile the CPI within each subject of the federation, HBS data (validated against other data sources) are used to develop weights. The weights within each region reflect household expenditures in a specific region. The weight for each group, sub-group, and item refer to their shares in the total consumption expenditures of the reference population. Within each item, the regional weight reflects the consumption expenditure in the region in proportion to the expenditure in the whole country for that item.

CPI weights are revised on an annual basis, which exceeds the international recommendation of revising weights every five years. Revised weights are introduced in January of each year. The weights reflect expenditures made in the 12 months ending in September of the previous year. For example, the weights used in 2010 reflect expenditures during the period October 2008–September 2009.

Each month, approximately 617, 400 price quotations are collected for 489 items from over 58,000 outlets in 266 urban areas located throughout Russia. Reflecting international recommendations, the weights reflect expenditures of nearly all households living in urban and rural areas, while monthly price collection is restricted to urban areas. Since price indices are robust and measure changes in prices, rather than levels in prices, it is not unusual for the weights to represent a wider geographic area than the monthly price survey.

Using the most popular item as a guide, enumerators select and precisely specify varieties for which prices will be collected each month. Prices are collected during the twenty-first and twenty-fifth of each month or the nearest working day if these days fall on a weekend.

Outlets selected for monthly price collection are selected using purposive sampling techniques using sales data and product availability. Selection is made to ensure that the outlet sample reflects all types and sizes of outlets.

Recommendation: *Develop procedures for rotating the sample of households for the HBS to minimize respondent burden and to ensure a broad range of expenditure data are collected.*

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

The annual HBS provides detailed expenditure data on goods and services for the geographic areas covered by the CPI. The level of detail is limited to the four-digit COICOP level, while the CPI staff require more detailed expenditure data for many items to develop weights and must rely on alternative data sources to disaggregate expenditure data.

The concepts and definitions of the HBS match those of the CPI. COICOP has been adopted as the classification system used for the HBS, but the CPI still relies on the national classification systems (see section 2.3.1). International standards recommend the use a common classification system based on COICOP for the CPI, household budget survey, the purchasing power parity project, and personal consumption expenditures in the national

accounts.

3.1.3 Source data are timely

Prices are collected during the twenty-first through the twenty-fifth (or nearest business day) of each month. The index is published on the sixth business day of the month following the reference period. HBS data are compiled quarterly and are supplied in good time for use in developing and updating the weights each January.

3.2 Assessment of source data

3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes

Source data for the CPI are monitored on a continuous basis for errors of all types. For the monthly price survey, the price and specification data on the survey forms are checked for completeness and accuracy in the field. Captured data are subjected to automated checks for atypical and/or extreme values. Any atypical/extreme values that are identified by this process are checked for data entry errors. If problems persist, the respondent is contacted to verify the accuracy of the price data. Consistency checks are also made across the dataset.

For the Rosstat, the entire process of sampling the households, coding the data, collecting the data, and tabulating the data is monitored. Numerous consistency checks are made at every step of the process. Standard errors are calculated for the HBS household sample at the national level and for each region. These standard errors are published for the national level and taken into account when planning the survey. It is not possible to estimate sampling error for the CPI outlet and product samples as purposive sampling techniques are employed.

The CPI staff conduct 500 inspections of price collection procedures at the regional level semi-annually. Price collection techniques are observed for adherence to the Rosstat data collection methods. A comprehensive report is prepared identifying issues, problems, and shortcomings that drive the development of improved methods.

3.3 Statistical techniques

3.3.1 Data compilation employs sound statistical techniques to deal with data sources

In general, data compilation procedures are sound. Russia encounters missing prices for a variety of reasons, including seasonal unavailability. Prices of temporarily missing items are imputed based on the price movements for similar products or product groups. Prices will be carried forward only if it is absolutely certain that the price has not changed (e.g., tuition). Prices missing for several months (including seasonal items) are imputed using the same technique. This practice of imputing the prices of missing items due to seasonal factors reflects international standards and best practices and is preferred over the use of variable

weights for seasonal products.

Procedures have been developed for the introduction of new goods. The market basket is updated annually, which facilitates the introduction of new goods. Goods are introduced into the CPI as soon as they are available for pricing in those subjects of the federation that reported expenditures on the particular item.

Elementary aggregates are formed using a matched price methodology. If the enumerator determines that a price is permanently missing; a replacement item will be selected using the detailed price specifications as a guide. Enumerators select replacement items in consultation with regional office supervisors. When a replacement item is selected, the Rosstat tries to collect an overlap price. This means that a price can be collected for the new item in the previous month. If this overlap exists, then the current price of the replacement item will be compared to its overlap price collected for the previous period. If there is no overlap between the two items, the price of the new item is linked into the index to show no change. Rosstat does not make any additional adjustments for price change due to differences in quality between the old and new items.

Recommendation: *Improve procedures to adjust for changes due to differences in quality when making substitutions. The Rosstat should consider using imputation techniques in addition to the use of the overlap method. The CPI staff lack the necessary experience to make direct quality adjustments.*

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

For the CPI market basket, all of the weights are estimated in a manner consistent with the *1993 SNA* and *CPI Manual*. In particular, durable goods are valued at the market value of the good at the time of the purchase regardless of the method of payment.

To calculate the elementary aggregate, the relative of average prices (using the geometric mean) is calculated for each item by region. Using the appropriate weights, elementary aggregates are progressively aggregated within each region using the Two-stage (Modified) Laspeyres index formula. Expenditure weights are used to aggregate indices across subjects of the federation to compile the All Russia indices.

Reflecting international best practices, market basket weights, updated each January, are updated for the relative change in price between the weight (October–September) and price reference (December) periods. Though the old CPI is not linked to the new CPI to form a continuous time series of data, a separate time series of CPI data is published with an index reference year of 2000.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information, where applicable

The CPI is checked against relevant components of the PPI for industrial products and agricultural price indices for fresh food products.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

Consistency checks are made on a monthly basis to identify atypical price levels and price movements. This is done for the price movements by comparing price changes from the previous period to the current period for all price quotations for a given product. Any atypical values are investigated and corrected as necessary. Data assessment and investigation are done at the district and regional levels, as well as at headquarters.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

Geographical aggregation of indices to obtain the national index and imputation procedures for missing prices are carried out in a manner that do not produce inconsistent aggregate results regardless of the order of aggregation.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3)

In practice CPI data are final upon release and are not subject to revision. No revision policy has been developed to date because data have never been revised.

The Rosstat prepared a tender to conduct research on the regional weighting structure of the CPI. The goal of the proposed research, to be financed by the World Bank, is to review the regional weighting structure for reliability and accuracy. The Higher School of Economics prepares routine studies and analyses on substitution bias and the effect of the annual weights updates on the index. These studies are presented at the Ministry of Economic Development with written copies provided to the Rosstat. The Rosstat organizes conferences to discuss these studies and recommendations for improvement.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards

The periodicity of the CPI for Russia is monthly, which meets the IMF's Special Data Dissemination Standard (SDDS).

4.1.2 Timeliness follows dissemination standards

The Rosstat releases the CPI on the fourth and the sixth business day of the month following the close of the reference month. An express release is issued on the fourth business day, while the detailed data are released on the sixth business day. This exceeds the SDDS timeliness requirement that specifies 30 days following the reference month.

4.2 Consistency

4.2.1 Statistics are consistent within the dataset

Index aggregation procedures ensure that aggregates of regional indices at all levels of detail are consistent with corresponding indices at the national level.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time

Upon subscribing to the SDDS and to meet required specification, the Rosstat began presenting data in a time series format. These time series data are minimal and include only the average All Items index at the national level for each year. Two time series of data exist: (i) 1996–2004 (1995 base) and (ii) 2001–present (2000 base). These data series should be linked to create a continuous time series of data and can be done in such a way as to preserve the required year 2000 index reference.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

The CPI price, weights, and index data are conceptually consistent and/or reconcilable with corresponding data from the national accounts and the PPI.

4.3 Revision policy and practice

4.3.1 Revisions follow a regular and transparent schedule

The weights for the CPI are revised on an annual basis, with revised weights introduced in January of each year. Documentation describing weight revisions is available to users. CPI weights have been published on the Rosstat website since 2006. Detailed expenditure data used to develop the CPI weights are also available on the Rosstat website and are published in the biannual publication, *Prices in Russia* (since 2006).

4.3.2 Preliminary and/or revised data are clearly identified

The CPI is final upon publication.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

Weight and methodology revisions are explained to users. Data are not revised; therefore, studies detailing the magnitude of change between preliminary and final data are not produced. As noted above in 3.5.1, the Rosstat is preparing to undertake a study of the regional weighting structure and the Higher School for Economics routinely publishes studies on the effect of weight revisions and substitution bias.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

The monthly CPI is disseminated in a number of hard-copy formats. The key monthly bulletins include:

- *Express Release* (in Russian only)—Data are not presented as a continuous time series. The cover of the release does not include contact details or resources where users could locate additional details. The release provides data on index levels at the national level for each of the major groups. Tables present index levels for key items within each group (food, nonfood, and services). Tables highlight the current period index level, index level last month, index level for December of the previous year, and the index level 12 months ago. No percent changes are calculated or presented in the tables. A brief analysis describes which prices contributed most to changes in the aggregate index and which ones may be most different from the aggregate. The analysis includes percent changes at the All Items level for the month-to-month change, the 12-month change, and the change for the current month to the previous year.
- *Socio-Economic Situation of the Russian Federation* (in Russian only)—Monthly bulletin that includes price data on a more detailed level produced from January of the current year to the month prior to release, as well as all data for the previous year. For example, the June 2010 publication contains data for the period January to May 2010. Data are not presented in a continuous time series. Graphs and tables show index levels as well as the impact on the index in percentage terms of the major index groups, and several tables showing the month-on-month change, current month to previous December, and 12-month index changes by major groups. Limited analysis is included as this publication includes a variety of data produced by different government agencies.

Other publications disseminate price data. None of these publications presents data as a continuous time series. Tables present detailed index levels for the current month, previous month, 12 months ago, and from December of the previous year. Percent changes are calculated comparing the current month with each of these time periods. Quarterly publications include data for each of the months in the quarter, while annual and biannual publications include detailed data for the months of the relevant year(s). Limited analysis of

the data is provided. These publications include:

- *Statistical Review* (in Russian only)—Quarterly
- *Regions of Russia: Social and Economic Indicators* (in Russian only)—Annual bulletin
- *Prices in Russia* (in Russian only)—Biannual bulletin
- *Statistical Yearbook of Russia* (in Russian and English)—Annual bulletin
- *Social Status and Living Standards in Russia* (in Russian only)—Annual bulletin
- *Russia in Figures* (in Russian only)—Annual bulletin

All publications are available on the Rosstat website and hard copy can be requested. Up to 500 hardcopy versions are available for each publication every month. Once these supplies run out, publications can be purchased in the bookstore run by the publication center located on the ground floor of the Rosstat headquarters in Moscow.

Regional data are also published by the various regional offices of the Rosstat. Each regional office determines how and by what means prices data will be published in their regions. Most recently, the Russian government developed a web-based federal portal providing a single access point for all data produced by all federal agencies. Users can access all Rosstat data, publications and metadata via this portal.

Detailed CPI data are not presented in a continuous time series of data. The limited time series data are posted on the Rosstat website and are available through the English-language portal. Consistent time series index data are not published in regular Rosstat publications.

It should be noted that time series data are produced by the CPI staff upon request. A consistent time series of data are produced to meet users' specified level of detail and time period.

Recommendation: *To reflect international best practices, a continuous time series of data at a detailed level should be produced and published.*

5.1.2 Dissemination media and format are adequate

As described above, CPI data are published in a number of paper publications. CPI data are also disseminated through the Rosstat website, in other electronic formats (e-mail and other forms upon request, and hard-copy printout). Prices data are only available in English in, *Statistical Yearbook of Russia*, and on the website.

Recommendation: *Publish CPI weights at a detailed level on the website for those years prior to 2006.*

5.1.3 *Statistics are released on a preannounced schedule*

The Rosstat publishes an Advance Release Calendar (ARC) on its website and the IMF's Data Standards Bulletin Board (DSBB). The ARC posted on the English-language portal of the Rosstat website and the IMF's SDDS notes that data are released on the last working day of the month following the reference month; however, this is not the actual date of release. In practice, data are released on the fourth and sixth business day of the month (or nearest business day if this falls on a weekend) following the reference month. The express release occurs on the fourth business day, while the full release of data occurs on the sixth business day. The ARC posted on the main (Russian language) version of the Rosstat website indicates the actual dates for release of the data. It is important that all data users (including English-speaking users) know exactly when data are to be disseminated. The ARC posted on the English-language portal and the IMF's DSBB should include the actual dates of release. The current ARC posted on these sites reflects the SDDS general guideline of releasing the data within one month following the reference month and not the scheduled date for disseminating the CPI data.

Recommendation: *Update the ARC posted on the English-language portal of the Rosstat website and the IMF's DSBB to reflect actual dates of release.*

5.1.4 *Statistics are made available to all users at the same time*

CPI data are released simultaneously to all users, with no one outside of the Rosstat having access to the index prior to its release. Data are released via the Rosstat website, courier, email, and fax.

CPI data are officially released and disseminated once the head of Rosstat signs and approves the release. Immediately upon approval, the appropriate staff begin working to post the data on the Rosstat website, which is the primary means of obtaining data for general users. According to the Statistical Plan, no official release time exists, but data are to be released no later than 4:00 p.m. for monthly data releases such as the CPI. Though past delays of posting data to the website have been corrected, data users must continually check the website on the day of release to obtain the data. As data are being posted on the website, Rosstat simultaneously begins sending out the release by e-mail, fax, and courier to the media and other federal agencies.

Recommendation: *Eliminate the no later than 4:00 p.m. requirement for the release of data and adopt a standard policy of releasing data at 4:00 p.m. on the day of release. This better informs users of when to expect the data and enhances the practice of simultaneous data release to all users.*

5.1.5 *Statistics not routinely disseminated are made available upon request*

The Rosstat's main Russian-language website and publications present a great deal of detailed index data. Special tabulations of non-confidential data are available on request.

These special tabulations are available free of charge not only to users included on the list contained in the federal statistics program, but also to other users on an occasional basis. Rosstat is not authorized to charge fees. The publication center, which is operated independently of the Rosstat, assesses fees to users not listed in the federal statistics program who desire special tabulations of non-confidential data on a regular basis.

5.2 *Metadata accessibility*

5.2.1 *Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

The Statistical Law requires the Rosstat to provide detailed explanations on the concepts and methods used to compile official statistical information. Decree No.110, dated December 30, 2005, describes in detail the concepts, scope, classifications, basis of recording, data sources, and statistical techniques used to compile the CPI. This methodology is complete and exhaustive in describing all concepts and methods, but deviations from internationally accepted standards are neither identified nor explained (e.g. COICOP).

Overviews of CPI methodology are included in each of the Rosstat publications. Detailed CPI weights have been published on the website since 2006. Detailed expenditure data used to develop the CPI weights are posted on the Rosstat website annually and published in the Rosstat publication, *Prices in Russia*. Detailed historical weight data can be found only in *Prices in Russia*. Rosstat should consider publishing detailed historical weight data on the website.

5.2.2 *Levels of detail are adapted to the needs of the intended audience*

The Rosstat publishes the CPI methodology in a variety of formats to meet the needs of different users. Releases and bulletins include a brief overview of CPI methodology. The Rosstat website includes a comprehensive and detailed description of CPI concepts and methods in Russian; while the English-language portal of the website reflects their entry on the DSBB. Hardcopy versions of CPI concepts and methods can also be purchased at the bookstore operated by the publications center.

5.3 *Assistance to users*

5.3.1 *Contact points for each subject field are publicized*

With the exception of the *Express Release*, all publications indicate a name and telephone number of staff users may contact for additional assistance. Also, the Rosstat website includes a detailed list of names, telephone numbers, and email addresses of staff available to provide support and assistance.

Recommendation: *The Express Release should include contact details where users can obtain more information.*

5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available

The Rosstat produces a catalogue of all publications and other data products. The catalogue of publications includes a short description of each product and notes the price of those publications available only for purchase.

A central call center provides users with detailed information on how to obtain additional information of data products. It is the policy of the Rosstat that all questions or requests for additional information be made in writing, either by email or post. All queries are assigned a control number and tracked to ensure timely response. Current procedures require Rosstat staff to respond to all queries and requests within three weeks.

Rosstat publications can be purchased in the bookstore, operated independently of the Rosstat by a publishing house, located on the first floor of the headquarters. Users can also obtain information about statistics at the bookstore. The Information and Publications Center provides access to the Rosstat website to all users. Users can also access publications in the Rosstat library located on the second floor of the headquarters in Moscow.

Table 2. Data Quality Assessment Framework: Summary of Results for Price Statistics (Consumer Price Index)
(Compiling Agency: Rosstat)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment		X				
0.2 Resources		X				
0.3 Relevance		X				
0.4 Other quality management		X				
1. Assurances of integrity						
1.1 Professionalism				X		Staff are highly qualified and professional, but the Rosstat lacks complete independence on the choice of methodologies.
1.2 Transparency		X				
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions		X				Owner-occupied housing excluded. Index not compiled using the COICOP classification.
2.2 Scope			X			
2.3 Classification/sectorization				X		
2.4 Basis for recording		X				
3. Accuracy and reliability						
3.1 Source data		X				CPI data are not subject to revision; however, studies are conducted on effect of weights revisions and substitutions.
3.2 Assessment of source data		X				
3.3 Statistical techniques		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies		X				
4. Serviceability						
4.1 Periodicity and timeliness		X				
4.2 Consistency		X				
4.3 Revision policy and practice		X				
5. Accessibility						
5.1 Data accessibility			X			Detailed time series data not produced.
5.2 Metadata accessibility		X				
5.3 Assistance to users		X				

III. PRICE STATISTICS (PRODUCER PRICE INDEX)

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating the statistics is clearly specified*

The Federal State Statistics Service (Rosstat) is the official body entrusted by law for coordinating and overseeing the production and dissemination of the official statistics of the country. Significant and important changes in the structural organization of the Russian Federation Statistical System have taken place since the 2003 ROSC mission. These changes also reflect the new administrative structure of the country which now includes 83 subjects of the federation (oblasts) with their own administrative structure but with each institution subordinated to the corresponding central institution in the capital city. The Rosstat has offices in the capital cities of each of these subjects of the federation.

Currently, the most significant legal documents regulating and providing support for the statistical activity are the resolution No. 399 of the government of the Russian Federation, *Provisions on the Federal State Statistics Service*, issued on July 30, 2004 (whose latest update is Resolution 420, issued on June 2, 2008) and the Federal Law No. 282 F3, *On Official Statistical Accounting and State Statistics System in the Russian Federation*, (herein after referred to as the Statistical Law) issued on November 29, 2007, signed by the President of Russia. The latter document is in compliance with recommended legal frameworks for the regulation of countries' statistical systems as advised by Eurostat, the United Nations, and the World Bank.

The first of these two documents mentioned above states in Article 1 that “the Federal State Statistics Service is an authorized executive agency that carries out functions related to the approval of regulatory and legal acts in the area of state statistical activity, functions related to preparation of official statistical information on the social, economic, demographic, and environmental situation in the country, as well as functions related to oversight in the area of state statistical activity.” The purpose of the above-mentioned federal law is to provide the “legal basis for the implementation of the unified governmental policy in the field of official statistical accounting aimed to satisfy information needs of the state and the society.

Article 2 of the Statistical Law defines *official statistical information* as “summarized aggregated documented information on the quantitative component of social, economic, demographic, ecological, and other social processes in the Russian Federation, compiled by the subjects of then official statistical accounting in compliance with official statistical methodology.” The subjects of official statistical accounting information are the federal authorities and other federal state bodies compiling official statistical information. Article 5 of this law says that official statistical accounting shall be exercised in compliance with the *Federal Plans of Statistical Operations* to be prepared by the federal executive authority.

The *Federal Plan of Statistical Operations* is drafted by the Rosstat in consultation with all other government institutions responsible for compiling official statistics. The plan and any of its subsequent updating should be approved by the government of Russia. The plan is formulated taking into account the rational use of resources, avoiding duplication of activities, and reducing the respondents' burden. It assigns the responsibility for compiling and disseminating the official statistics among all government bodies subject to the law, and it includes detailed information describing the statistics to be compiled, their periodicity, and the dissemination deadlines. The compilation of the national accounts and the price indices statistics are clearly defined in the *Federal Plan of Statistical Operations* as the responsibilities of the Rosstat.

The Rosstat also prepares a separate document containing its own annual plan, where the activities undertaken by the institution are provided at a more detailed level than in the *Federal Plan of Statistical Operations*, including inter alia, the type of forms to be used to collect information, the technology to be used to process the information, level of aggregation of the data, dissemination formats, etc.

The Rosstat has the authority to issue official orders establishing the methodology and classifications to be used in the compilation of the official statistics by all compiling entities. It also monitors the compliance of the production of the official statistics in accordance with the federal plan.

The legal framework for the compilation of the statistics assures that there are no conflicts or potential conflicts between the legal authority to produce statistics and other laws or provisions. Thus, Article 5, Section 9, of the Law No. 282-F3 states that the official entities producing statistics can obtain information from administrative sources and from respondents without limitations at the same time that they should provide for the security of the information acquired in compliance with the legislation of Russia.

0.1.2 Data sharing and coordination among data-producing agencies are adequate

The Rosstat is self-sufficient in the production of the PPI. Both the data for index weights and the monthly price data are collected and processed by the Rosstat. No other agencies are involved in the compilation of the PPI.

The Statistical Law establishes the role of the Rosstat as the federal statistics coordinating agency. One of the major goals of the legislation is to delegate authority to the Rosstat to coordinate statistical efforts of all federal agencies to ensure standard definitions, classification systems, and methodologies.

In addition to the legislation, the Rosstat coordinates working meetings with other data producing agencies. The focus of these working meetings is to coordinate statistical needs to avoid duplication and reduce respondent burden.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

Two primary pieces of legislation guarantee and protect the confidentiality of individual reports' data. The first, *The Law on Personal Data* (FZ-152), stipulates that all data are confidential and to be used solely for statistical purposes. The second, *The Law on Information, Information Technology, and Data Collection* (FZ-149), provides for the protection and safe storage of all collected data. In addition to these pieces of legislation, other decrees related to specific data collection activities (e.g. the decennial census) contain specific language ensuring data confidentiality.

Survey questionnaires state clearly on the front page that all information collected by the agency will be kept confidential and used for statistical purposes only. Though the form cites the relevant legal basis for the collection of data, the confidentiality statement fails to reference the relevant laws providing the safeguarding of data.

Any Rosstat staff responsible for releasing confidential data may be subject to prosecution. The statutes do not define specific penalties for breeches of confidentiality; rather, it states that penalties will be assessed by the administrative courts. It is up to the court to decide an appropriate penalty based on the circumstances surrounding the release of confidential data.

The Rosstat has implemented numerous internal safeguards to ensure the confidentiality of the data. Access to confidential documents is limited to persons who may need to refer to them during the course of the statistical compilation process. The documents are stored in secured premises with limited, monitored access and computer programs with information on individual units are password protected. Procedures have been developed for the secure storing and destroying of confidential data.

Regular meetings are conducted in the various regional offices to impress upon staff the critical importance of protecting confidentiality and upholding procedures to safeguard data. Prior to release, the head of the prices unit studies the data to ensure that no data of a confidential nature are inadvertently released and signs-off on the release attesting to this fact.

The Rosstat has developed procedures for the aggregation of individual responses to prevent the disclosure of individual data, including those that could be identified by a process of elimination; however, the agency is not prohibited from disseminating data in the form of indexes from which information on individual units can be derived. No policies have been developed requiring the permission of the respondent before dissemination. For example, in the national accounts, a minimum of three respondents is required for aggregation within a specific activity; otherwise, aggregation is done at the next highest level to avoid respondent identification. This special aggregation policy does not apply to the price programs as they are producing data in the form of indexes.

The Rosstat releases micro-data upon request, but only after all personally identifiable data are removed. The authorities have drafted specific instructions guiding staff on how to make

all records anonymous by removing all personally identifiable data.

Recommendation: Amend the confidentiality statement included on data collection questionnaires to include a reference to the relevant laws providing the safeguarding of data.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

The Rosstat has the legal authority to collect data required to compile the statistics and enforces mandatory reporting provisions as necessary. The authority to collect information by the Rosstat is provided by the Federal Law No. 282-Φ2 which in its Article 5 establishes that “to compile official statistics the subjects of official statistical accounting shall obtain primary statistical data and administrative data from respondents.” The federal law covers all legal entities as well as individuals. However, Article 8 of the law states that individuals residing in Russia not conducting business should provide information on a voluntary basis, unless otherwise stipulated by the federal laws. In the case of population censuses, individuals are obliged to respond.

Lack of compliance with the reporting obligation is subject to administrative sanctions and penalties. Monetary fines are imposed by the regional offices of the Rosstat, and the proceeds from these fines are transferred to the Treasury. Fines are not particularly high and, in the past, they have not served as a deterrent for noncompliance by private enterprises, which were more concerned with the confidentiality of their operations. This situation has improved as respondents are now more confident of the protection of the data supplied to the statistical agencies.

The Rosstat also tries to encourage reporting by considering the reporting burden, avoiding duplication of reporting requests to the same respondents through the coordination of the activities of the statistical entities. Forms for collecting information include detailed instructions. The telephone numbers of contact persons are provided in case assistance is needed. In fact, this is a requirement for data collection imposed on the Rosstat in the Statistical Law. Before collecting data for the first time, letters explaining the purposes of data collection are sent to respondents to the surveys conducted by the Rosstat. Cooperation of respondents is also sought by means of seminars conducted in the subjects of the federation, where the purposes of data collection are explained to respondents.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

In general, the staff and financial resources available for compiling the PPI are adequate to support monthly compilation and dissemination of the index. The section responsible for overseeing the production of the PPI is part of the Division of Price and Financial Statistics of the Rosstat. The PPI section consists of 11 staff members working on the PPI, all of whom received a university degree. Three of the ten staff joined the Rosstat within the last five

years. Low salaries, as compared to similar positions in other ministries, result in high turnover rates; however, recruitment of new staff is not difficult, and vacancies are quickly filled.

There are 270 full-time staff engaged in the PPI work in the regional and local office levels. These regional office staff perform a range of PPI activities including data collection, data validation, data processing, and responding to public queries. The average age of the Rosstat workforce is 52 years old. The organization has implemented efforts to recruit young staff to replace retiring staff.

All staff participate in mandatory refresher training every three years. The program reinforces data quality issues as well as other pertinent topics of interest. Staff may also participate in seminars and training programs organized by the Rosstat training facility.

Computing equipment and information technology support at both headquarters and at the regional/local level are sufficient for compiling the PPI. All staff are assigned a desktop computer that has all needed software. Though all staff have access to the Rosstat intranet, direct access to the internet for their assigned desktop is restricted to the head and deputy head of the division and to those who require the internet to fulfill their regularly assigned duties. Staff may not have internet access directly from their desktop, but at least three computers in every room have access to the internet which other staff can use when needed. Additionally, staff who participate in web-based training programs are granted direct access to the internet for the duration of the course.

The Rosstat computer center processes all price data and stores all data on a secure central database which responsible staff can access from their desktop computers. All data are backed up regularly. Plans for the continuity of operations in the event of a natural or other disaster have been developed to ensure that the PPI can be compiled and released from an off-site location.

The physical facilities are currently under extensive renovation. Staff have been displaced as a result of construction activity, and current working space is limited with many employees sharing rooms. Air conditioners are outdated and in many cases they are not in working condition. Physical office space will be improved once renovations have been completed.

Other resources are adequate for compiling and disseminating the PPI. Enumerators are provided with sufficient resources to collect prices each period. Procedures have been implemented in the last two years to reimburse data collectors for transportation expenses on a regular basis.

Funding for the PPI is reasonably secure to ensure timely compilation and dissemination of the index. Beginning in 2007, a three-year budget cycle was implemented; however, the financial crisis of 2008 forced the Rosstat to revert to an annual budget cycle in 2009 and 2010. It is planned that the three-year budget cycle will return in 2011. The financial crisis resulted in a 30 percent reduction in the 2009 budget of the Rosstat; however, the agency absorbed these cuts by delaying capital improvement expenditures and did not reduce the

budgets for any of the statistical programs.

0.2.2 Measures to ensure efficient use of resources are implemented

Staff performance is reviewed and evaluated on a monthly basis. The evaluation results are used as the basis for awarding a merit-based performance bonus to deserving staff. As was mentioned earlier, all staff are required to participate in a mandatory refresher training program every three years. Upon completing this program, staff are tested and accredited. The accreditation provides the justification for promoting, suspending, or separating staff.

All departments within the Rosstat use consistent methodologies and classification systems, thereby averting the need for constant reviews and adjustments to the data. Survey instruments are streamlined to capture the information required by a cross-section of departments thus reducing the number of surveys and questionnaires.

The Finance Department of the Rosstat reviews all resources to ensure that efficient allocation and spending practices are followed. Budgeting procedures are used to allocate resources.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

The Scientific and Methodological Council of the Rosstat provides a structured venue for consulting on the usefulness/quality of existing statistics and to discuss emerging data requirements and the implementation of methodological improvements. Member of this group include economists and statisticians from within and outside of the Rosstat, as well as members representing major data users including other government ministries and trade unions. Business groups and trade associations are not regular members of the Council. The council is co-chaired by the head of the Rosstat and the head of the Higher School of Economics. This group meets approximately four times each year and focuses mainly on methodological and data quality issues. The Rosstat is not obligated to accept the recommendations made by the group, but in the event of disagreement, a compromise is usually found.

The Rosstat routinely organizes working groups with data users, such as the Ministry of Finance, Russian Academy of Sciences, and other users, to discuss data needs and elicit feedback on statistical activities. Also Rosstat has recently established on its website the means by which the general public can address their concerns about the data by email. Comments and queries are monitored by the agency and properly considered when planning the statistical activities.

The relevance of the statistics is also discussed during the consultations conducted in the preparation of the *Federal Plan of Statistical Operations*. Staff interact with foreign partners to compare methodologies and ensure that the Rosstat's methods reflect international best

practices. Staff routinely participate in international meetings, working groups, and training programs. Bi-lateral cooperation activities between the Rosstat and other statistical agencies also ensure that statistical methods reflect international recommendations and best practices. Moreover, Russia is in the process of joining the OECD, which requires the compilation of statistics in accordance with this institution's standards.

PPI staff are encouraged to engage in research on new and emerging data requirements. For example, the PPI staff recently completed research on the agricultural price index. This research paper reviewed PPI calculation methods, the effect of seasonality on compiling the index, the treatment of quality changes, and an analytical review of the price specifications.

Recommendation: *Consult business groups and trade associations on a more frequent basis on the usefulness of existing statistics in meeting their needs.*

0.4 Other quality management

0.4.1 Processes are in place to focus on quality

The Rosstat management is sensitive to all dimensions of data quality and promotes awareness of data quality issues through the development of a numerous procedures and systems to ensure data quality. A written manual—detailing the data quality procedures implemented by the Rosstat—serves as a reference and guide for all staff. Each program area, such as the CPI, PPI, and national accounts, has developed detailed methodology manuals which include a separate manual focusing on data quality issues. Staff training programs include discussions on the importance of data quality issues.

0.4.2 Processes are in place to monitor the quality of the statistical program

Monitoring processes are in place to inform managers of the quality of ongoing statistical activities. Reports are generated and reviewed detailing response rates, incidence of error, and editing rates to ensure that accurate, reliable data are collected, compiled and disseminated.

The Scientific and Methodology Council provides expert guidance on the quality of the Rosstat's statistics and makes recommendations for improvement. Working groups are also convened to assess data quality and recommend changes.

Individual staff performance for all PPI staff, including regional and district staff, is monitored and reviewed on a regular basis to ensure all activities such as data collection, validation, and editing meet the minimum quality standards. Staff receive feedback on performance.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

As noted earlier, the Rosstat prepares a work plan that includes an annual timetable of the

receipt of source data and dissemination of statistics. Multiple divisions and groups within the Rosstat actively and routinely review the work plan to ensure quality standards are maintained.

Major data users, such as other government agencies/ministries, academicians, and trade unions, review and comment on the work plan for the Rosstat. During this review process, data users comment on how well current needs are met and emerging data needs to be considered.

1. Assurances of integrity

1.1 Professionalism

1.1.1 Statistics are produced on an impartial basis

The terms and conditions under which the statistics are produced are stipulated by resolution No. 420 of the government of Russia issued on July 30, 2004. Article 5.4 of this resolution states that the Federal Statistics Service shall develop the official statistical methodology; ensuring consistency with international standards. Additionally, the Statistics Law emphasizes the professional independence and integrity of staff. Though the Rosstat is not mentioned specifically by name in the Statistics Law, the legislation refers to the “national agents responsible for statistics”, which includes the Rosstat.

It should be noted that because the Rosstat has been subordinated to the Ministry of Economic Development, this relationship may give rise to a potential conflict of interest given that the ministry produces forecasts of the same economic statistics produced by the Rosstat (i.e., GDP and inflation measures). In addition, the professional independence of the Rosstat is undermined by the strong role played by the Ministry of Economic Development (beyond its role as a member of the Scientific and Methodological Council) in the decision-making process for introducing changes in the methods used to compile prices indexes. For example, the ministry denied Rosstat's initial request to implement COICOP and questioned the methods used by the CPI staff for the treatment of seasonal items. It should be noted that all questions raised by the ministry are based strictly on statistical methodological grounds, and not for other purposes.

Nevertheless it should be noted that intervention of the ministry is based on statistical methodological grounds, not for other purposes.

The head of the Rosstat is appointed and dismissed by the prime minister. The deputy heads of the Rosstat are appointed and dismissed by the minister of Economic Development. These positions are usually held for extended periods of time by experienced professionals that rose from the ranks of the institution during long careers.

The staff of the Rosstat are prohibited by law from joining or participating in any political party. The Statistical Plan, discussed above, protects the Rosstat from interference from other government agencies or officials in the compilation and/or dissemination of statistical

information. Changes, alterations, or deviations from the approved Statistical Plan are not possible without agreements by all agencies producing statistics and approval by the prime minister; thus, preventing interference from others, including government officials, and protecting the Rosstat's professional independence.

Staff are recruited via a competitive process and selected based on qualifications. All vacancies are announced on the Rosstat website, and applications can be received from both internal and external candidates. All promotions are merit-based.

All newly hired staff participate in a mentoring program where each new staff member is paired with an experienced staff member. The senior staff member provides on-the-job training in methodology and data compilation methods. The duration of the mentoring program varies with individual staff and depends upon the rate at which the newly hired staff member is able to demonstrate the competencies necessary to complete his or her duties.

Staff are encouraged to participate in training program. Ongoing skills development programs in a variety of areas are offered by the Rosstat either in a classroom setting or computer-based training. Staff may also participate in courses offered by the Public Service Academy and are urged to participate in short-term university courses. The Rosstat actively encourages all staff to pursue post-graduate studies and grants leave to these staff for purposes of preparing for and completing exams and assignments required to pass courses. The Russian Academy of Sciences sponsors seminars and discussion on statistical issues, and staff are encouraged to attend. Finally, English language courses are offered by the Rosstat for all interested staff.

Research and analysis by staff are encouraged and published by the Rosstat. Staff produce scholarly works for publication in journals and bulletins outside of the Rosstat. Additionally, the Rosstat produces a monthly bulletin, *Issues of Statistics*, which publishes research papers produced by the staff.

Recommendation: *The Rosstat should be provided the independence to implement improvements and changes of a statistical nature without the approval of the Ministry of Economic Development.*

1.1.2 Choices of sources and statistical techniques, as well as decisions about dissemination, are informed solely by statistical considerations

The choice of data sources and statistical techniques is guided solely by considerations of a statistical nature. Dissemination timing is predetermined in an advance release calendar posted in the website of the agency at the beginning of each year and with exact dates provided a quarter in advance. The Rosstat disseminates the PPI in conformity with the periodicity and timing prescribed by the SDDS.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

The Rosstat is authorized to make public clarifications regarding erroneous interpretations or misuse of the data. All criticisms or reporting of erroneous error are responded to in a timely manner. The Rosstat directs commentary directly to the organization reporting the criticism or erroneous data. Responses are posted on the Rosstat website and are included in the Rosstat publications. Additionally, the head of the Rosstat holds press conferences to correct misconceptions and clarify methodologies.

Because the PPI is less controversial than the CPI, it is not subject to the same level of criticism and misconception. There are no recent examples of the Rosstat having to issue statements correcting erroneous PPI data.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The relevant legal documents are posted on the website of the agency. The questionnaires used for the collection of data make reference to the statistical law and the confidentiality provided to the data.

Publications and the website clearly identify a specific contact and details where more information about the data can be found. Publications also identify the members of the editorial board responsible for reviewing the Rosstat publications.

PPI weight data have not been published. Data on total annual sales collected from establishments, used to develop the PPI weights, are available by economic activity on the Rosstat website. Like the CPI, PPI weights at a detailed level should be published in hardcopy and on the website and easily accessible by all users.

Recommendation: Publish the detailed PPI weight data (both current and historic) on the Rosstat website and include them in the PPI methodology bulletin.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

There are no procedures for providing internal government access to the statistics prior to their release to the general public.

1.2.3 Products of statistical agencies/units are clearly identified as such

All of the publications of the Rosstat identify the source of the published data. Data released via hardcopy and the website clearly identify the Rosstat. In lieu of a logo, all publications include the official government seal. The Rosstat requires that explicit reference be made to the data source when its data are reproduced in the publications of other agencies and in the

press. Users quoting data produced by the Rosstat are required to cite the Rosstat as the source.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

Major changes in the concepts and methods used to compile the PPI are announced in advance. Minor or routine changes are announced in all publications and on the website at the time of release. For example, when NACE was adopted as the classification system for the PPI, the change was announced on the website and in all PPI publications two years in advance.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

All staff are made aware of the code of conduct to be observed during employment. The commitment to the observance of the codes has to be signed by workers at the time of accepting the terms and conditions of employment, and any time a new contract is issued due to changes in positions within the organization. Individual job descriptions list duties and rights of staff and include specific clauses prohibiting staff from disclosing pre-release data or using data for personal use. All staff are required to sign their job descriptions attesting that they have read and fully understood their duties and rights. During the mentoring period for new staff, the senior staff emphasize the importance of maintaining ethical standards. Regional office staff received written procedures describing how to behave as a representative of the Rosstat. A strong culture of professionalism and ethical standards precludes political interference.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

In general, the current PPI is constructed using concepts and definitions recommended in the *1993 SNA* and the *PPI Manual*. Deviations from international standards are noted below. The *PPI Manual* is currently available only in English, so staff rely on translated summary materials distributed at international meetings and seminars.

Rosstat Decree No. 55 of March 11, 2008 details the concepts and methods used to compile the PPI for Russia.⁸ The methodology is developed by the Rosstat and reflects the official statistical standards of Russia.

⁸ The decree is posted on the Rosstat website and hardcopy can be obtained by request.

PPI data are compiled both by industry and commodity for the country and by region. Industry indices are compiled and published at the 4- to 6-digit level of *Statistical Classification of Economic Activities in the European Community, Revision 1.1* (NACE, Rev 1.1), while commodity indices are compiled and published at the 6- to 9-digit level of the Classification of Products by Activity (CPA).

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

The Rosstat produces a system of producer price indices. This system includes what is referred to as the PPI, which covers the entire mining, manufacturing, and utilities (water, gas, and electricity) sectors, which correspond to sections C, D, and E of NACE Rev. 1.1. Producer price indices are also compiled and released for construction, agriculture, forestry, fishing, transportation of cargo and freight, and communications. These indices reflect the same methods used to produce the headline PPI and are not discussed further in this report.

Although the index covers total sales of production, prices are collected only for goods sold on the domestic market. Goods sold on the export market are excluded from price collection. International recommendations suggest that export goods be included for pricing in the PPI.

Recommendation: *Expand coverage of the PPI to include export goods for price collection.*

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

Since the 2003 ROSC, Russia adopted the internationally recommended classification systems for the PPI. The classification of economic activities used for the PPI is NACE, while commodities are classified according to CPA.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

In accordance with the *1993 SNA* and the international *PPI Manual*, weights and prices are valued at basic prices at the factory gate.

2.4.2 Recording is done on an accrual basis

Both producer prices and weights are valued on an accrual basis. For monthly data collection, prices collected refer to transactions on or near the twenty-second of each month. Actual prices are collected and not unit values or average prices.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

Transactions between establishments within the same enterprise are recorded on a gross basis for the determination of PPI weights, consistent with international standards.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions

PPI weights are based on the value of sales at current prices as reported by establishments collected during the annual industrial surveys. These surveys cover all large- and medium-sized establishments and a sample of small establishments. The sample of establishments was selected using a sample frame based on the statistical business register.

The Rosstat maintains both the statistical and administrative business registers. The administrative business register is updated using information from the legal registration of businesses with the Ministry of Taxation and Revenues. This register contains 3.6 million legal entities and 4.5 million sole proprietors. Only businesses that have been officially liquidated are deleted from the register, so many inactive enterprises are included. The statistical register seeks to capture only active enterprises. Currently, 4.3 million legal entities are included on this register. Sole proprietors are not included on the statistical register. The statistical register is derived from the administrative register and is updated on an annual basis by deleting those enterprises that do not respond to two consecutive annual surveys.

Businesses are required to include the total number of employees and their total annual sales revenue during the registration process. Economic censuses of medium- and large-sized firms are conducted every five years. The first census of small establishments will be conducted in 2011 and will be conducted every five years thereafter. Total annual revenues and number of employees defines whether a firm will be classified as micro, small, medium, or large. Micro establishments earn less than 60 million rubles in revenue per year and employ less than 15 persons. Small establishments earn between 61 and 400 million rubles per year and employ 15 to 100 persons. Medium firms employ 101 to 250 persons and earn up to 1 billion rubles per year, while large firms earn in excess of 1 billion rubles per year and employ more than 250 persons.

Unique products and works in progress (e.g. ships, aircrafts, turbines, etc) are included in the weights but not in the prices. The Rosstat argues that practical difficulties preclude the collection of these prices; however, international best practices can guide the collection of prices for unique products and works in progress. For example, model pricing is a popular technique used by many countries to collect prices for ships, aircrafts, and other unique products. Another option is to develop a detailed specification that includes all of the inputs

used to produce a ship or an aircraft and use the prices of the inputs to calculate a price.

Data on production volumes are used to develop product weights within establishments.

The sample size includes 8,500 establishments from which over 30,000 prices are collected on approximately 1,030 specific goods each month. Prices are collected mainly through mailed questionnaires. Though other methods are used to collect prices (including telephone, personal visit, facsimile, and e-mail), establishments are required to submit a completed and signed questionnaire from the designated responsible officer within each respondent establishment. The Statistical Law mandates that all establishments report correct data to the Rosstat upon request. By signing the questionnaire, the respondent certifies that the data are correct.

The current establishment sample includes all establishments that account for more than 50 percent of the total value of sales for a given industry in the mining, manufacturing, and utilities sectors. The weights reflect the total value of sales for each of these sectors.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

The monthly prices collected for the PPI reflect the definitions, scope, classification, valuation, and time of recording needed for the index. The prices used in the index are basic prices at the factory gate.

A list of product groups common to all subjects of the federation throughout Russia is developed by the PPI staff in Moscow based on returns from the establishment survey.

Regional staff are requested to meet with contact persons within sampled establishments to initiate price collection for each of the selected product groups. Sampled establishments are asked to provide product prices and production volumes. Respondents develop and submit detailed specifications for those varieties that they consider will be available for pricing on a regular basis. Detailed product specifications include a detailed product description (size, weight, power, model, etc) as well as defined terms of transaction (volume, class of customer, applicable discounts, etc). Using these detailed specifications, prices are collected each month from respondents through post. The questionnaire indicates the type of price (excluding value added and excise taxes and transportation charges) and the timing of price collection (twenty-second of each month).

The questionnaire notes that establishments are required by law to submit timely and accurate data to the Rosstat. Respondent establishments know that the Rosstat will enforce these mandates. In the recent past, the Rosstat won a legal case against an establishment that submitted a financial statistics questionnaire with significant errors. Because of the magnitude of the errors, the Rosstat initiated legal proceedings allowed under the law.

The Rosstat developed a comprehensive manual to guide PPI staff in the regional offices. The manual provides an overview of the concepts and methods used in the PPI as well as

pricing procedures. Topics include how weights are developed; how products are selected; calculation of indices; price collection procedures; quality change procedures; how to handle temporarily missing goods; how to handle seasonal items; how to deal with production on commission; special notes on energy products; and special notes on household durables.

3.1.3 Source data are timely

Monthly price data for the PPI are collected in a timely manner. As noted above, the Statistics Law requires all establishments to report data on time as requested by the Rosstat. All questionnaires are submitted on time in accordance with this law.

3.2 Assessment of source data

3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes

The source data used to select the establishment and product samples and to estimate the weights for the PPI is thoroughly scrutinized manually and statistically. Purposive sampling techniques are used in the PPI and hence there is no information available on sampling errors. Response rates are effectively 100 percent, so no adjustments are necessary to account for non-response. Again, establishments are required by law to report data requested by the Rosstat.

Price quotations are carefully checked at the regional level and are compared both over time and with related products. The data processing system flags for review any short-term price change that exceeds a defined threshold or those prices significantly different from averages. All flagged data are reviewed and validated. If necessary, the Rosstat sends a written request to the establishment to verify prices. Additional validation checks are performed at the Rosstat headquarters.

3.3 Statistical techniques

3.3.1 Data compilation employs sound statistical techniques to deal with data sources

In general, data compilation procedures are sound. Prices of temporarily missing items are imputed based on the price movements for similar products or product groups. Prices missing for several months (including seasonal items) are imputed using the same technique.

Procedures have been developed for the introduction of new goods. The weights and product list are updated annually, which facilitates the introduction of new goods. Goods are introduced into the PPI as soon as they are available for pricing in those subjects of the federation that reported revenues on the particular item.

Elementary aggregates are formed using a matched price methodology. If the enumerator determines that a price is permanently missing; a replacement item will be selected using the detailed price specifications as a guide. When a replacement item is selected, the Rosstat tries to collect an overlap price. This means that a price can be collected for the new item in the previous month. If this overlap exists, then the current price of the replacement item will be compared to its overlap price collected for the previous period. If there is no overlap between the two items, the Rosstat first compares the detailed description of the new item with the detailed description of the old item to identify changes to the price-determining characteristics. Changes to the price-determining characteristics are noted. In consultation with the respondent, the PPI staff estimate the value of the change in these characteristics. The price in the previous period is adjusted to account for the change in the price-determining characteristics so that the old and the new items are judged to be comparable.

Recommendation: *Improve procedures to adjust for changes due to differences in quality while allowing pure price change to be measured when making substitutions. The Rosstat should consider using imputation techniques in addition to the use of the overlap method. The PPI staff lack the necessary experience to make direct quality adjustment.*

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

The PPI is compiled using the short-term formulation of the Laspeyres index formula—also known as the Two-stage or Modified Laspeyres formula. Within each subject of the federation price relatives for the current period over the previous period are calculated at the product specification level and then aggregated upwards using product weights that reflect the product's share of sales within the relevant establishment or product group. Values of sales weights are used to aggregate indices across the subjects of the federation to compile the All Russia indices.

Reflecting international best practices, the index weights are updated for price change between the weight reference period and the price reference period.

Weights are revised annually and introduced in the index in January of each year with a one-year lag. For example, the index for 2010 is based on weights reflecting the value of sales in 2008 and these weights were introduced in January 2010.

The sample of establishments is adjusted in January of each year. If a respondent ceases business during the first half of the year, the index for the elementary aggregate is recalculated to exclude the respondent, which may result in a revision to the appropriate index series at the region/industry/product levels. If a significant business begins production of a representative product during the second half of the year, the normal practice is to defer introduction of that business to the PPI survey until the following January.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information, where applicable

On a regular basis, comparative analysis is conducted for the components of the PPI and corresponding components of the CPI.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

Any unusual movements in the PPI are documented and explained to users in select publications (described below in section 5.1.1) and on the website.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

The PPI is compiled by product and by industry for all Russia and by subject of the federation. Careful checks are made to ensure consistency between the two datasets. Imputation procedures for missing prices are carried out in a manner that does not produce inconsistencies in the aggregate index over time.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3)

PPI data are subject to revision. The general guideline for revising PPI data allows for data to be revised within one month of the release of the preliminary data; however, in practice PPI data can be revised up to the end of December of the current year. All data are considered final in January of the next year.

Revised data are explained and footnoted in publications. The Rosstat has conducted studies on the magnitude of change between preliminary and final PPI data and noted that the impact of data revisions on the aggregate index is negligible. The most common error noted was a misreporting of the unit of measurement. The Higher School of Economics prepares routine studies and analyses on substitution bias and the effect of the annual weights updates on the index. These studies are presented at the Ministry of Economic Development with written copies provided to the Rosstat. The Rosstat organizes conferences to discuss these studies and recommendations for improvement.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards

The periodicity of the PPI for Russia is monthly, which meets the IMF's Special Data

Dissemination Standard (SDDS).

4.1.2 Timeliness follows dissemination standards

The Rosstat releases the PPI on the tenth business day of the month following the close of the reference month. This exceeds the SDDS timeliness requirement that specifies 30 days following the reference month.

4.2 Consistency

4.2.1 Statistics are consistent within the dataset

The PPI is compiled both by product and by industry for all Russia and by subject of the federation. There are no internal inconsistencies due to aggregation or imputation.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time

Upon subscribing to the SDDS and to meet required specification, the Rosstat began presenting data in a time series format. These time series data are minimal and include only the average All Items index at the national level for each year. Two time series of data exist: (i) 1996–2004 (1995 base) and (ii) 2001–present (2000 base). These data series should be linked to create a continuous time series of data and can be done in such a way as to preserve the required year 2000 index reference.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

Checks are made with the relevant elements of the CPI to ensure that the two series are consistent. Both the national accounts and PPI use NACE, Rev 1.1, so the weights for the PPI are reconcilable with the weights used for the national accounts.

4.3 Revision policy and practice

4.3.1 Revisions follow a regular and transparent schedule

PPI weights are updated and revised on an annual basis each January. Revisions are made to PPI data as needed to account for necessary corrections to prices or item specifications. PPI data can be revised up to the end of December of the current year. All data are considered final in January of the next year.

4.3.2 Preliminary and/or revised data are clearly identified

When first published, PPI data are noted in publications as being preliminary and subject to revision. Once final, data are footnoted and explained.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

Weight and methodology revisions are explained to users in publications and on the website. Reasons for data revision are explained and published. As noted above in section 3.5.1, the Rosstat has conducted studies on the magnitude of change between preliminary and final PPI data and noted that the impact of data revisions on the aggregate index is negligible. The most common error noted was a misreporting of the unit of measurement.

5. Accessibility

5.1 Data accessibility

5.1.1 *Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)*

The PPI is compiled and disseminated by industry and product. Detailed industry and product data are published by subject of the federation and for Russia as a whole.

The monthly PPI is disseminated in a number of hard-copy formats. The key monthly bulletins include:

- *Express Release* (in Russian only)—Monthly release that contains the first, albeit abbreviated, release of PPI data. Published on the tenth business day following the end of the month, the report highlights PPI data for three major commodities (energy, oil, and gas) and 14 industry categories. Data are not presented as a continuous time series. The cover of the release does not include contact details or resources where users could locate additional details. Tables highlight the current period index level, index level last month, index level for December of the previous year, and the index level 12 months ago. No percent changes are calculated or presented in the tables. A brief analysis describes which prices contributed most to changes in the aggregate index and which ones may be most different from the aggregate. The analysis includes percent changes at the All Items level for the month-on-month change, the 12-month change, and the change for the current month to the previous year.
- *Socio-Economic Situation in Russia* (in Russian only)—Monthly bulletin that includes price data on a more detailed level produced from January of the current year to the month prior to release, as well as all data for the previous year. For example, the June 2010 publication contains data for the period January to May 2010. Data are not presented in a continuous time series. Graphs and tables show index levels as well as the impact on the index in percentage terms of the major index groups, and several tables showing the month-to-month change, current month to previous December, and 12-month index changes by major group. Limited analysis is included as this publication includes a variety of data produced by different government agencies.

Other publications disseminate price data. None of these publications presents data as a continuous time series. Tables present detailed index levels for the current month, previous month, 12 months ago, and from December of the previous year. Percent changes are calculated comparing the current month with each of these time periods. Quarterly

publications include data for each of the months in the quarter, while annual and biannual publications include detailed data for the months of the relevant year(s). Limited analysis of the data is provided. These publications include:

- *Statistical Review* (in Russian only)—Quarterly
- *Regions of Russia: Social and Economic Indicators* (in Russian only)—Annual bulletin
- *Prices in Russia* (in Russian only)—Biannual bulletin
- *Statistical Yearbook of Russia* (in Russian and English)—Annual bulletin
- *Social Status and Living Standards in Russia* (in Russian only)—Annual bulletin
- *Russia in Figures* (in Russian only)—Annual bulletin

All publications are available on the Rosstat website and can be requested in hard copy.

Regional data are also published by the various regional offices of the Rosstat. Each regional office determines how and by what means prices data will be published in their specific region. Most recently, the Russian government developed a web-based federal portal providing a single access point for all data produced by all federal agencies. Users can access all Rosstat data, publications, and metadata through this portal.

Detailed PPI data are not presented in a continuous time series of data. The limited time series data are posted on the Rosstat website and are available through the English-language portal. Consistent time series index data are not published in regular Rosstat publications.

It should be noted that time series data are produced by the PPI staff upon request. A consistent time series of data are produced to meet users' specified level of detail and time period.

Recommendation: *To reflect international best practices, a continuous time series of data at a detailed level should be produced and published.*

5.1.2 Dissemination media and format are adequate

As described above, PPI data are published in a number of paper publications. PPI data are also disseminated through the Rosstat website, in other electronic formats (e-mail and other forms upon request, and hardcopy printout. Prices data are only published in English in the *Statistical Yearbook of Russia* and on the website.

5.1.3 Statistics are released on a preannounced schedule

The Rosstat publishes an Advance Release Calendar on its website and the IMF's Data

Standards Bulletin Board (DSBB) noting that data are released on the last working day of the month following the reference month; however, this is not the actual date of release. In practice, data are released on the tenth business day of the month (or nearest business day if this falls on a weekend) following the reference month. The ARC posted on the main (Russian language) version of the Rosstat website indicates the actual dates for release of the data. It is important that data users (including English-speaking users) know exactly when data are to be disseminated. The ARC posted on the English-language portal and the IMF's DSBB should include the actual date of release. The current ARC posted on these sites reflects the SDDS general guideline of releasing data within one month following the reference month and not the scheduled date for disseminating the PPI data.

Recommendation: Update the ARC posted on the English-language portal of the Rosstat website and the IMF's DSBB to reflect actual dates of release.

5.1.4 Statistics are made available to all users at the same time

PPI data are released simultaneously to all users, with no one outside of the Rosstat having access to the index prior to its release. Data are released via the Rosstat website, courier, email, and fax.

PPI data are officially released and disseminated once the head of Rosstat signs and approves the release. Immediately upon approval, the appropriate staff begin working to post the data on the Rosstat website, which is the primary means of obtaining data for general users. According to the Statistical Plan, no official release time exists, but data are to be released no later than 4:00 p.m. for monthly data releases such as the PPI. Though past delays of posting data to the website have been corrected, data users must continually check the website on the day of release to obtain the data. As data are being posted on the website, Rosstat simultaneously begins sending out the release by e-mail, fax, and courier to the media and other federal agencies.

Recommendation: Eliminate the no later than 4:00 p.m. requirement for the release of data and adopt a standard policy of releasing data at 4:00 p.m. on the day of release. This better informs users of when to expect the data and enhances the practice of simultaneous data release to all users.

5.1.5 Statistics not routinely disseminated are made available upon request

Reasonable requests for PPI data, which are not available on the Rosstat website, are accommodated so long as the confidentiality of the informant is not breached. As noted in 0.1.3 above, price movements relating to an individual producer (or dominant producers) are not regarded as confidential although the corresponding prices collected are regarded as strictly confidential. Special tabulations are available free of charge not only to users included on the list contained in the federal statistics program, but also to other users on an occasional basis. Rosstat is not authorized to charge fees. The publication center, which is operated independently of the Rosstat, assesses fees to users not listed in the federal statistics program who desire special tabulations of non-confidential data on a regular basis.

5.2 *Metadata accessibility*

5.2.1 *Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

The Statistical Law requires the Rosstat to provide detailed explanations on the concepts and methods used to compile official statistical information. Decree No. 55 dated March 11, 2008, describes in detail the concepts, scope, classifications, basis of recording, data sources, and statistical techniques used to compile the PPI. This methodology is complete and exhaustive in describing all concepts and methods.

Overviews of PPI methodology are included in each of the Rosstat's PPI publications. Detailed PPI weights are not published; however, detailed data on total annual sales, which are used to develop weights for the PPI, are published by economic activity on the Rosstat website under the Entrepreneurship section, industrial subsection.

5.2.2 *Levels of detail are adapted to the needs of the intended audience*

The Rosstat publishes the PPI methodology in a variety of formats to meet the needs of different users. Releases and bulletins include a brief overview of PPI methodology. The Rosstat website includes a comprehensive and detailed description of PPI concepts and methods in Russian; while the English-language portal of the website reflects their entry on the IMF's DSBB. Hardcopy versions of PPI concepts and methods can also be purchased at the bookstore operated by the publications center.

5.3 *Assistance to users*

5.3.1 *Contact points for each subject field are publicized*

With the exception of the *Express Release*, all publications indicate a name and telephone number of staff that users may contact for additional assistance. Also, the Rosstat website includes a detailed list of names, telephone numbers, and email addresses of staff available to provide support and assistance.

Recommendation: *The Express Release should include contact details where users can obtain more information.*

5.3.2 *Catalogs of publications, documents, and other services, including information on any charges, are widely available*

The Rosstat produces a catalogue of all publications and other data products. The catalogue of publications includes a short description of each product and notes the price of those publications available only for purchase.

A central call center provides users with detailed information on how to obtain additional information of data products. It is the policy of the Rosstat that all questions or requests for additional information be made in writing, either by email or post. All queries are assigned a control number and tracked to ensure timely response. Current procedures require Rosstat staff to respond to all queries and requests within three weeks.

Rosstat publications can be purchased in the bookstore, operated independently of the Rosstat by a publishing house, located on the first floor of the headquarters. Users can also obtain information about statistics at the bookstore. The Information and Publications Center provides access to the Rosstat website to all users. Users can also access publications in the Rosstat library located on the second floor of the headquarters in Moscow.

Table 3. Data Quality Assessment Framework: Summary of Results for Price Statistics (Producer Price Index)
(Compiling Agency: Rosstat)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment		X				No consultation of business groups and trade associations.
0.2 Resources		X				
0.3 Relevance			X			
0.4 Other quality management		X				
1. Assurances of integrity						
1.1 Professionalism				X		The staff are highly qualified and professional, but Rosstat lacks complete independence on the choice of methodologies. Detailed PPI weights not published.
1.2 Transparency			X			
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions		X				Products for export excluded.
2.2 Scope			X			
2.3 Classification/sectorization		X				
2.4 Basis for recording		X				
3. Accuracy and reliability						
3.1 Source data		X				
3.2 Assessment of source data		X				
3.3 Statistical techniques		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies		X				
4. Serviceability						
4.1 Periodicity and timeliness		X				
4.2 Consistency		X				
4.3 Revision policy and practice		X				
5. Accessibility						
5.1 Data accessibility			X			Detailed time series data not produced.
5.2 Metadata accessibility		X				
5.3 Assistance to users		X				

IV. GOVERNMENT FINANCE STATISTICS

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating the statistics is clearly specified*

The authority and responsibility to collect, process, and disseminate fiscal statistics on the operations of the central and general government is assigned to the Federal Treasury (Treasury), an agency subordinated to the Ministry of Finance (MOF). The fiscal statistics disseminated by the Treasury on its website correspond exclusively to budget execution data. Fiscal statistics compiled in accordance with the guidelines of the *Government Finance Statistics Manual 2001 (GFSM 2001)* are also compiled and reported for publication to the IMF, but are not currently posted on the Treasury's website.^{9 10} The authority and responsibility to collect, process, and disseminate fiscal statistics on the debt of the central government is assigned to the MOF.

The compilation and dissemination of budget execution data is conducted in accordance with the terms and conditions established in the following laws and regulations (and their amendments): (i) Budget Code of the Russian Federation, adopted by Law No. 145-FZ on July 31, 1998; (ii) Government Resolution No. 329 on the Ministry of Finance of the Russian Federation, dated June 30, 2004; (iii) Government Resolution No. 703 on the Federal Treasury of the Russian Federation, dated December 1, 2004; (iv) annual Budget Law; (v) annual Law on Budget Execution; (vi) MOF Order No. 150n on approval of the procedures for application of the Budget Classification, dated December 30, 2009; (vii) Government Resolution No. 281 on the submission of quarterly and annual reports on federal budget execution to the Government of the Russian Federation, dated May 11, 2006; (viii) Federal Law No. 129-FZ on accounting, dated November 21, 1996; (ix) MOF Order No. 128n on approval of guidelines for annual, quarterly, and monthly reports, dated November 13, 2008; (x) MOF Order No. 148n on approval of budget reporting guidelines, dated December 30, 2008; and (xi) MOF Order No. 139n, on the organization of work to compile quarterly and annual reports on federal budget execution, the consolidated budget of the Russian Federation, and the budgets of state extrabudgetary funds, dated November 7, 2006.

The law on the Budget Code describes the budgetary system and establishes the general procedures for budget execution and reporting. The government resolution on the MOF states in Article 5 that the tasks of the MOF include, among others, provision of the federal budget execution report and consolidated budget execution reports to the government. Article 6 states that the functions of the MOF include, among others, setting the procedures for the accounting and reporting on budget execution. The presidential decree on the Treasury states in Article 2 that the tasks of the institution include, among others, the collection, processing, and analysis of the information on state government

⁹ Fiscal statistics compiled following the *GFSM 2001* methodology are denominated government finance statistics (GFS).

¹⁰ The Treasury began posting the data reported for publication in *International Financial Statistics (IFS)* on its website on July 8, 2010.

finances, and the reporting on the financial operations of the government and on the budgetary system of the Russian Federation, to the supreme legislative and executive authorities.

The annual Budget Law sets out the fiscal policies and the allocation of resources for the upcoming year. The annual law on Budget Execution approves the final budget execution report for the previous fiscal year. The MOF order on Budget Classification determines the budget classifications to be followed by budgetary units. The government resolution on reporting details the information to be provided on the quarterly and annual budget execution reports, as well as the terms and conditions under which they should be submitted. Finally, the executive orders of the MOF establish the procedures to be followed for budget reporting and reports, and assign tasks to its various units.

The task of compiling and disseminating budget execution data and GFS on the central government and general government operations, and debt data of the central government, is assigned to various Treasury and MOF units: (i) the Consolidated Reporting Unit, which prepares consolidated budget execution reports and GFS; (ii) the Federal Budget Execution Reporting Unit, which prepares federal budget execution reports; (iii) the Unit of Analysis of Cash Budget Execution, which provides explanatory notes for all federal budget execution reports; (iv) the Unit of Cash Budget Execution Reporting, which collects and consolidates the cash budget execution reports for all budgets of the Russian budgetary system prepared by territorial offices of the Treasury; (v) the Department of Public Debt and State Financial Assets, which prepares reports on the government domestic and foreign debt; and (vi) the Department of Long-Term Financial Planning, which prepares the data in SDDS format. Working arrangements are consistent with the assignment of responsibility.

0.1.2 Data sharing and coordination among data-producing agencies are adequate

The Treasury is the only entity authorized to collect data on budget execution, which it provides to other agencies as requested. All of the data needed to compile fiscal statistics on government operations are available within the Treasury. There are close communications and information flows among the MOF and the Treasury units responsible for compiling budget execution data and GFS. There is also close coordination between the MOF, the Treasury, and the Central Bank of the Russian Federation (CBR) at the level of accounting and reporting units and concerning financing and debt data. The Federal Program for Statistical Work, approved every year, specifies the data to be provided by the MOF to the Federal State Statistics Service (Rosstat). In general, there is good coordination with internal (government) users of the statistics.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

The federal law on Official Statistical Accounting and State Statistical System establishes in its Article 9 that (i) primary statistical data are confidential; (ii) should be processed in conditions guaranteeing protection of such data against unauthorized access, theft, loss, falsification, or distortion; and (iii) officials who by virtue of their activities have access to primary statistical data and unlawfully disclose or disseminate these data, will bear disciplinary, civil, administrative, or criminal responsibility in compliance with legislation of the Russian Federation.

The Law on State Secrets No. 5485-1, dated July 21, 1993, identifies data that are considered confidential and applies to both the private and public sectors. An example of confidential data is the economic classification of defense expenditure. The sanctions for revealing confidential information are established in the Criminal Code and include jail sentences. Civil servants are well aware of the provisions of the law. In general, aggregated data are not confidential.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

For the central and general government, there are legal and administrative provisions for collecting the information necessary for the compilation of budget execution reports. The Treasury has the right to request from the federal and regional executive authorities the information necessary for the compilation of budget execution reports. According to these provisions, it is mandatory to report any information requested, within the stipulated deadlines and in accordance to the relevant established procedures. There are no problems with access to data. Agencies that do not comply are subject to sanctions.

The Executive Department within the MOF and the Treasury are responsible for the control and management of information exchange within the institution. Each draft executive order aimed at collecting data goes through several departments to ensure the information to be requested is needed and not already available, thereby minimizing the reporting burden of respondent units.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

The human and physical resources allocated to compiling budget execution data and GFS, as well as debt data, are adequate. Most staff holds university degrees in economics, finance, or accounting; and is knowledgeable about GFS concepts and practices. The necessary computer resources and other modern technologies are available to facilitate the timely compilation and dissemination of fiscal statistics, such as through the automation of data collection and processing. Each staff member has a computer to perform his or her tasks. Training is strongly supported by top management. Internal and external training (including attendance to IMF courses), as well as participation in international conferences and institutional visits, are encouraged and pursued. Measures to retain experienced personnel include promotion to higher positions based on performance and scholarships to pursue higher education. Wages are comparable to the average wages across the economy.

0.2.2 Measures to ensure efficient use of resources are implemented

The costs associated with compiling budget execution data and GFS are directly calculated. The Financial Division of the Treasury conducts a regular assessment of the financial inputs to each compiling unit and evaluates its output based on performance indicators such as completeness of the information compiled and disseminated, timeliness, comments from users, etc.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

The budget execution reports and GFS compiled by the Treasury are the main sources of information for the design, monitoring, and assessment of tax and budget policy. The evolving needs of internal users are closely monitored and reflected in the data compiled. There is no mechanism established for regular consultation with external users, although there is regular contact with selected users, such as rating agencies and international organizations.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality

The MOF and the Treasury are fully aware of the importance of the quality of data, which is regularly emphasized by management. Particular attention is placed on the quality of accounting data. A major medium-term effort to implement a program for budget reform is well advanced. This program includes changing accounting standards and procedures to meet international standards and best practice, the adoption of accrual accounting, and the introduction of a new chart of accounts aligned with the guidelines of the *GFSM 2001*.

0.4.2 Processes are in place to monitor the quality of the statistical program

Processes have been formally established to monitor the quality of data. The MOF jointly with the Treasury approves the accounting and reporting rules applicable to all central and general government units. All budgetary and extrabudgetary units use the same chart of accounts, which enhances the consistency of the data reported. There is regular control of the reliability and overall quality of the financial information received from general government units. The budget execution data and GFS are compiled and cross-checked in accordance with prevailing national accounting standards.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

As indicated under 0.4.1, a medium-term budget reform program is under implementation. This program has already led and will continue to lead to further improvements in the quality of fiscal statistics, as well as the ability to meet the requirements of users. At present, there is regular coordination with internal users to meet their data requirements. The information provided by one unit to another, and to outside agencies is specified annually in internal documents and officially agreed upon.

1. Assurances of integrity

1.1 Professionalism

1.1.1 Statistics are produced on an impartial basis

The compilation and dissemination of fiscal statistics are not supported by specific laws affording professional independence to the unit responsible for compiling budget

execution data and GFS. However, the executive order that created the Department of Budget Accounting and Reporting, under which all Treasury units that compile budget execution reports and GFS fall, establishes its functions, responsibilities, and rights. It also establishes that fiscal statistics are to be based on accounting data and must be compiled in accordance with international standards. Furthermore, the legal framework establishes detailed procedures to be followed for all aspects of data collection and processing. Thus, the possibility for outside interference is severely constrained by the legal environment.

Continuous efforts to promote professionalism are made. Staff is strongly encouraged to pursue internal and external training. There is a policy of regular attendance to international conferences on relevant accounting and methodological issues, as well as visits to other data compiling agencies.

1.1.2 Choices of sources and statistical techniques, as well as decisions about dissemination, are informed solely by statistical considerations

Statisticians are free of political influence in the choice of the most appropriate data sources and methods for compiling budget execution reports and GFS, and changes in the statistical procedures are made on the basis of technical rather than political criteria. Data sources are selected according to both the basis of recording and the availability of the information needed to compile and disseminate fiscal statistics.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

Budget execution reports are disseminated through coordination between the Department of Budget Accounting and Reporting of the Treasury and the Department of Information Systems. Compilers are authorized to provide expert advice on technical aspects of budget execution reports. Press releases are issued in cases of misinterpretation of data by external users. Budget execution reports include explanatory notes to assist in the interpretation of statistics. In addition, speeches of the members of the Board of the MOF and the Treasury related to the budget and internal discussion of the reports are made publicly available. For example, the speech to Congress by the Deputy Minister of Finance on the execution of the budget for 2009 has been posted on the MOF's website.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The laws and regulations governing the compilation and dissemination of budget execution data and GFS are available to the public. Internal executive orders of the MOF and the Treasury are not disseminated, but are not considered secret.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

No official or public agency outside of the Treasury has access to budget execution data and GFS prior to their dissemination. Budget execution data and debt data are released to the general public through the Treasury's and MOF's websites, respectively.

The Budget Code and other legislation describe the approval process for reporting and disseminating budget execution data. The MOF procedures authorizing the dissemination of budget execution data and GFS are deemed internal arrangements and are not published.

1.2.3 Products of statistical agencies/units are clearly identified as such

The tables disseminated by the MOF and the Treasury identify the department responsible for their compilation. The tables disseminated by the Rosstat identify the MOF and the Treasury as their source.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

Methodological changes are usually described in the Budget Law and other laws for the corresponding year. Notes are included in quarterly and annual reports explaining other major changes, at the time the changes are introduced. Changes which cause a break in the time series are identified in footnotes (e.g., changes in coverage).

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

The compilation and dissemination of budget execution data and GFS are governed by the provisions of the Federal Law No. 79-FZ on Civil Service, dated July 27, 2004; rules of good conduct for federal civil servants of the Treasury (approved by Treasury Board Resolution No. 17, dated September 28, 2009); and the Presidential Decree No. 885, “General Principles for Workplace Behavior of Civil Servants,” dated August 12, 2002. These laws and regulations establish the ethical behavior expected of state servants and the penalties for infringement of the norms.

The above mentioned legislation is publicly available. The Human Resources Department of the MOF and the Treasury informs new employees of the norms, and the sanctions for their violation. Staff is reminded periodically of the provisions of the legislation.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

The compilation and dissemination of budget execution data follows national concepts and definitions, which differ in certain aspects from, but can be linked to the guidelines of the *GFSM 2001*. GFS are compiled and reported to the IMF for publication in *IFS* and the *Government Finance Statistics Yearbook (GFS Yearbook)*, in accordance with the guidelines of the *GFSM 2001*. These data are not currently disseminated domestically, but there are plans to begin such dissemination during July 2010. Furthermore, a new chart of accounts introduced in 2005 is aligned with the guidelines of the *GFSM 2001*. The authorities currently have no plan to migrate to the *GFSM 2001* for purposes of compiling budget execution data.

Recommendation: Disseminate on the Treasury website the GFS reported to the IMF.¹¹

2.2 Scope

2.2.1 *The scope is broadly consistent with internationally accepted standards, guidelines, or good practices*

To facilitate understanding of the coverage of fiscal statistics, the institutional structure of the public sector is set out below (numbers in parenthesis denote number of institutional units).

Public Sector

I. Federal Government

1. Executive, legislative, judiciary

II. Federal Extrabudgetary Funds

1. Pension Fund
2. Social Insurance Fund
3. Federal Medical Insurance Fund

III. Subnational Governments

1. Regional governments (83)
2. Local governments (24,245)

IV. Subnational Extrabudgetary Funds

1. Territorial Medical Insurance Funds

V. Government-owned state unitary enterprises

As of January 1, 2009 the federal government owned 3,765 state unitary enterprises (not legally incorporated as corporations)

VI. Open-joint stock companies

1. Majority shareholder (1,895)
2. Minority shareholder (1,055)

The following definitions related to the institutional coverage of budget execution data and the GFS are used by the Russian authorities:

¹¹ The authorities have taken or are taking action to implement this recommendation. See Vol. II Response by the Authorities.

- Subnational governments: Regional governments plus local governments (III.1+III.2).
- Consolidated general government: Federal government, plus federal extrabudgetary funds, plus subnational governments, plus subnational extrabudgetary funds (I+II+III+III+IV).
- Public Sector: Consolidated general government, plus state unitary enterprises, plus open-joint stock companies as majority shareholder (I+II+III+IV+V+VI.1).

In GFS terminology:

- budgetary central government would correspond to I,
- social security funds would correspond to II+IV,
- central government would correspond to I+II+IV,
- state governments would be III.1,
- local governments would be III.2,
- general government would be I+II+III+IV, and
- public sector would be I+II+III+IV+V+VI.1.

There are two state unitary enterprises that belong to the general government sector under the *GFSM 2001* methodology, which are not included in the Russian definition of general government, the Foundation for the Reform of Housing and Communal Services and The Russian Corporation of Nanotechnologies. These two institutions are included in the GFS reported to the IMF.

It is important to note that both federal and subnational budgetary entities have own-resource accounts (ORAs). The funds that flow into ORAs are generated from the sale of goods and services in the market by off-budget units. The Budget Code states that these funds should be included in the budget; however, the Civil Code states that these funds should be accounted for separately. At present, these funds are classified as extrabudgetary.

There are monthly, quarterly, and annual budget execution reports for the general government and its subsectors. However, statistics for the consolidated central government are not compiled, though the data for its preparation are available. The monthly reports are on a cash basis, cumulative, and final when first disseminated. The quarterly reports are the monthly reports with additional explanatory notes. In addition, three annual reports are also disseminated: a cash flow statement, a report on financial results of activity, and a balance sheet. The latter two reports are on an accrual basis. There are no sub-annual reports on an accrual basis. These reports contain the fiscal statistics disseminated on national websites that are subject to assessment under the ROSC Data Module.

Recommendations:

Compile and disseminate budget execution data for the consolidated central government. See footnote 11.

Disseminate monthly and quarterly discrete (non-cumulative) budget execution data. See footnote 11.

Disseminate sub-annual reports on an accrual basis.

Monthly budget execution reports are available 30 days after the end of the month, except for those corresponding to quarters, which are available 35 days after the end of the month. These reports are published on the Treasury website (www.roskazna.ru).

A preliminary annual report for the federal budget is available on January 20 of the following year, while the whole set of annual reports are available on April 30. The quarterly and annual reports are submitted to Congress and the Accounting Chamber, 45 days after the end of the quarter and by May 20, respectively. The annual report is revised by the MOF after receiving comments from the Accounting Chamber and resubmitted to government in August. It is officially approved by Congress (Law on Budget Execution) around November. The main text and tables of the annual report are then posted on the Treasury's and government's websites.

The monthly budget execution reports include information on a cash basis for revenues, expenditures by function, financing, and debt. There is also monthly information on expenditures by economic classification on a cash basis, but it is not disseminated; it is only provided in the annual reports on an accrual basis.¹² Likewise, monthly reports only include stock data for debt liabilities, whereas the annual reports include comprehensive stock data for non-financial assets, financial assets, and liabilities.

Recommendation: *Disseminate a monthly cash based economic classification of expense table. See footnote 11.*

Monthly budget execution reports for each region are available with a 15-day lag and are disseminated on the Treasury website. Consolidated data for all regions are prepared monthly, and are also published. The quarterly reports are the cumulative monthly reports for the last month of the quarter. There is also an annual report, available by the end of March of the following year.

There are monthly reports on domestic and foreign debt for the federal government, which are posted separately on the MOF website. The quarterly and annual reports are the monthly cumulative reports for the last month of the quarter or year, respectively. The domestic debt report is posted by the fifth of the following month, while the foreign debt report is posted by the fifteenth of the following month. These reports are final when first disseminated. Domestic debt is presented by type of security and maturity, while foreign debt is presented by type of debt obligation. The criterion to classify debt as either domestic or foreign is the currency criterion as established in budget legislation, and not

¹² Beginning July 8, 2010, the Treasury began posting on its website monthly information on expenditures by economic classification on a cash basis.

the residency criterion recommended by international guidelines. Amounts in foreign currency are converted into rubles using the exchange rate of the CBR applicable on the reporting date. In calculating the amounts of debt on multi-currency loans from international financial organizations, a pool unit value is used based on data from the World Bank website. The reports include the debt guaranteed by the federal government. Quarterly debt reports are sent to the Rosstat and the World Bank in specific formats provided by these institutions.

Recommendations:

Disseminate a monthly table on total central government debt, with a breakdown of domestic and foreign debt.

Use the residency criterion to classify debt as either domestic or foreign debt.

In addition, data in Special Data Dissemination Standard (SDDS) format are also published in the MOF website. They include monthly information on the budget execution of the federal government (i.e., budgetary central government), annual information on the budget execution of the general government, and quarterly information on the domestic and foreign debt of the federal government. These data are released according to a quarterly advance release calendar (ARC).

The SDDS data for central government operations come from a combination of sources. The revenues and expenditure data are obtained from the monthly budget execution reports for the federal government. The financing data, domestic and foreign, are obtained not from budget execution data, but instead are calculated using the methodology established in the past to calculate financing for purposes of monitoring the program with the IMF. The calculation uses data from the CBR and from various MOF units. The mission recommended that financing data from budget execution reports be used instead. Complementary information for disaggregating financing into its bank and nonbank components is obtained from CBR data. The 35- to 40-day lag to receive the information on the breakdown of financing into bank financing and nonbank financing, compels the government to use the SDDS flexibility option for the timeliness of central government.

Recommendation: *Use as source data for the financing figures from the monthly budget execution reports and apply initially a ratio (e.g., average of last three months) for the split between bank financing and nonbank financing. Once the actual split for the month becomes available from the CBR, replace the preliminary figures as appropriate. In this manner; there would be no need to use the SDDS flexibility option for the timeliness of data on central government operations.*

The SDDS data for general government operations come from the consolidated annual budget execution report, while the data for central government debt come mainly from the debt reports. The data on external debt are converted into rubles and the total debt is presented in rubles. The exchange rate used for the conversion is also published. The data include a breakdown by instrument and maturity for the domestic and external debt. The data presented include the debt guaranteed by the central government.

The SDDS metadata for fiscal sector statistics needs to be updated to reflect current circumstances for the compilation and dissemination of central government operations, general government operations, and central government debt, as described in this

assessment.

Recommendation: *Update the SDDS metadata currently posted on the IMF's Dissemination Standards Bulletin Board (DSBB).*

Beginning January 1, 2010, monthly data for the general government are reported to the IMF for publication in *IFS*, based on the monthly budget execution reports for the federal government and subnational governments and on monthly domestic and external debt reports; while the annual GFS reported for publication in the IMF's *GFS Yearbook* are based on the annual reports. The data for both publications are reported in *GFSM 2001* format. These statistics are currently not disseminated domestically, but as indicated above there are plans to post them on the Treasury website shortly.

2.3 *Classification/sectorization*

2.3.1 *Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices*

The budget classifications to be followed in the compilation of budget execution reports are contained in MOF Order No. 150n of December 30, 2009. In general, the classifications follow national concepts and definitions, which can be aligned with the *GFSM 2001* classifications.

Institutional sectors are generally defined in accordance with international guidelines, and the sectors and subsectors for which budget execution data and GFS are produced generally follow the guidelines of the *GFSM 2001*. The budget execution data compiled and disseminated do not follow the presentation of the statements and tables of the *GFSM 2001*. The data can be converted to *GFSM 2001* format, but this conversion requires knowledge of the methodology and access to some information not publicly available.

As indicated under 2.1.1, the current chart of accounts used to record flows and stocks of general government units is generally aligned with the guidelines of the *GFSM 2001*. However, the terminology of the categories for the classification of revenue, expense, financing, and debt are different, especially for the latter two. The budget execution reports on a cash basis show revenue and expense by function classified in a similar manner to the guidelines of the *GFSM 2001*. As indicated under 2.2.1, a monthly economic classification of expense is available, but is not currently disseminated. Financing is shown classified as a mix of instrument and holder, with emphasis on the former. Domestic debt is shown classified by type of instrument and external debt classified by type of holder. There are no summary statements for sub-annual budget execution data.

Recommendation: *Compile and disseminate monthly GFS summary statements and detailed tables in accordance with GFSM 2001 classifications for the central government, state and local governments, and general government. See footnote 11.*

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

Revenue, expenditure, financing, and the overall balance are presented on a modified cash basis. For budget execution purposes, these include: (i) cash transactions, and (ii) offset operations, which do not involve cash movements, although the corresponding entries for the transactions are effectively made.

Debt is shown on a modified cash basis. In addition to cash transactions, the revaluation of foreign currency denominated debt and debt restructuring operations are also included. All transactions are recorded in domestic currency. Transactions denominated in foreign currency are converted to domestic currency using the daily exchange rate announced by the CBR as of the day of the transaction. This rate is market-based, and it is a single rate (not buying and selling rates). Gross domestic debt and foreign debt are recorded at face value.

The value of nonfinancial assets is recorded at original cost, not market value. The value of nonfinancial assets denominated in foreign currency is converted to rubles by using the CBR rate effective on the date the assets are recognized in the accounting books. The value of financial assets and liabilities denominated in foreign currency is converted to rubles on a monthly basis using the CBR rate for the reporting date. Stocks and other shareholdings are valued at current market prices. Securities are valued at issue price and loans at disbursement value.

2.4.2 Recording is done on an accrual basis

Transactions are recorded at the time when the cash flows take place. More specifically, cash transactions are recorded when money flows in or out of the Treasury account according to the corresponding bank account.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

All transactions are expressed in gross values, except for financing transactions, which are shown in both gross and net values. Corrective transactions are netted against the original transactions when they occur in the current year. If the corrective transactions take place in a different year than the original transaction, then they are not netted.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions

Data covering the full range of economic flows and stocks are provided from administrative and accounting systems. The main sources of information for the compilation of fiscal statistics on the federal government are the following: (i) the daily statements from the CBR and other state-owned banks for cash transactions, and the reports from various departments of the MOF involved in non-cash transactions; (ii) the

monthly reports of regional treasuries, also based on bank statements, which are submitted electronically; and (iii) the monthly reports submitted by budgetary units, which include information on ORAs. All these data are collected and processed by the Department of Budget Accounting and Reporting of the Treasury.

The information is reported to the Treasury in accordance with the accounting and reporting procedures established by the MOF and the Treasury. These include the use of a single chart of accounts, uniform budget codes and classifications, and standard formats for all general government units. Data are available to allow consolidation for the central government sector, local governments sector, and general government sector.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

Beginning in 2002, all general government units use the same chart of accounts and budget classifications. The chart of accounts provides sufficient detail to allow the reclassification of data to align with GFS categories. There is an automated mechanism for generating GFS items directly from budgetary items. Compilers are aware of the differences between source data and GFS concepts. The time of recording and valuation are partially in conformity with GFS methodology (See 2.4.1). Finally, GFS are fully reconcilable with budget execution data, as the latter are the source data for compiling GFS.

3.1.3 Source data are timely

Accounting and administrative records provide comprehensive, up-to-date data on the execution of the federal budget and subnational budgets. All general government units are aware of the deadlines for reporting information to the Treasury.

3.2 Assessment of source data

3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes

Budget execution reports and GFS are based on comprehensive information from all general government units. As a result, no estimation of omissions in the data is needed. The information is reported electronically to the Treasury and is cross-checked for accuracy with other sources of information such as bank statements.

3.3 Statistical techniques

3.3.1 Data compilation employs sound statistical techniques to deal with data sources

There are no material gaps in the coverage or completeness of data collection. As pointed out above, budget execution reports and GFS are compiled on the basis of comprehensive information. There is an adequate balance between accuracy and timeliness.

Budget execution reports and GFS follow a regular cycle. GFS are compiled based only on final data. All data are corrected at the time an error is noticed, no adjustment is made

to the report for the period in which the detected error took place.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

Conversion tables for the automated compilation of GFS from budget execution reports have been prepared. These tables present budget execution data in *GFSM 2001* format. The consolidation of data for general government is done following the *GFSM 1986* approach, where the data for each subsector is directly consolidated, instead of the *GFSM 2001* approach, where a separate consolidation column is used.

Recommendation: *Adopt the GFSM 2001 approach to consolidation. See footnote 11.*

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information, where applicable

Budget execution data and GFS are based on accounting records. The information reported by general government units is cross-checked with bank statements and other information in a regular manner.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

Financing flows are reconciled with changes in the corresponding debt data on a regular basis.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

Data are checked at the accounting level. Use of the correct budget codes to enter information is verified. Statistical outputs are checked horizontally and vertically to minimize discrepancies. Debt information is reconciled with creditors and debtors.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3)

Reliability of source data is continuously assessed. Revisions to final budget execution data are rare, and occur only when an accounting error is detected. There are no revisions to GFS, because they are based on final data. Therefore, no studies of revisions are needed.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards

Statistics on central government operations (federal budget) are disseminated monthly, on

general government operations annually, and on central government debt monthly. Therefore, the periodicity of fiscal sector statistics meets or exceeds the SDDS periodicity requirements.

4.1.2 Timeliness follows dissemination standards

Statistics on central government operations (federal budget) in SDDS format are available 35 to 40 days after the end of the month. The lag is due to the time needed to obtain the breakdown of financing between bank financing and non-bank financing. Therefore, a flexibility option for the timeliness of data on central government operations has been taken by the authorities. Statistics on general government operations and central government debt are available one quarter and one month after the end of the corresponding period, respectively. Therefore, the timeliness of these fiscal sector statistics exceeds the SDDS timeliness requirements.

4.2 Consistency

4.2.1 Statistics are consistent within the dataset

Budget execution reports are internally consistent. The quarterly and annual reports are the cumulative monthly reports. Thus, the concepts, definitions, and classifications of subannual and annual reports are the same. However, the sum of the quarters differs to a minor extent from the annual figures because certain adjustments are only made annually, and the corresponding quarterly reports are not adjusted.

Flow data on nonfinancial assets, financial assets, and liabilities are reconciled with changes in the corresponding stocks on an annual basis.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time

Statistics are consistent with expected trends and reflect discretionary changes, external shocks, and economic activity. Previous series are not adjusted to account for discontinuities arising from changes in coverage or methodological developments. Breaks in the time series and the reasons for them are identified.

Consistent time series are available for: (i) quarterly and annual federal budget execution reports from 1997, and for monthly reports from 2005; (ii) annual subnational budget execution reports from 2000; and (iii) annual consolidated general government from 2003. Time series for annual domestic debt are available from 1993, and for monthly domestic debt from 2003, by type of security and maturity. Time series for annual foreign debt are available from 2006, and for monthly foreign debt from mid-2009, by creditor.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

Budget execution data are used in the compilation of national accounts. Thus, budget execution data and GFS are largely consistent with related national accounts aggregates. Budget execution data and GFS are consistent with banking data. The reconciliation has traditionally been done at the accounting level. At the statistics level, reconciliation of financing data started in 2010. GFS foreign debt data are consistent with balance of

payments data. The MOF is the agency responsible for official external debt statistics. Debt data are classified as either domestic or foreign on the basis of currency. The CBR reclassifies the MOF debt data based on the residence criterion.

Recommendation: *Reconcile macroeconomic statistics not only at the source data level but also at the output level on a regular basis. See footnote 11.*

4.3 Revision policy and practice

4.3.1 Revisions follow a regular and transparent schedule

Budget execution data and GFS are not revised because they are based on final data. The dissemination of the statistics follows a regular cycle known to users, and in several cases follows a schedule established by law.

4.3.2 Preliminary and/or revised data are clearly identified

Subannual budget execution data are final when first disseminated. Only the annual budget execution report has a preliminary version, which is later replaced by a final version.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

No studies of revisions are conducted because data are not revised.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

The budget execution data and GFS are presented in a way that allows major aggregates and balancing items to be identified and related to detailed underlying data. The budget execution data are disseminated according to national components, whereas the GFS follow the *GFSM 2001* components. Budget execution data and GFS for the general government and its subsectors are provided, though budget execution data for the consolidated central government are not provided. Data on the MOF and Treasury websites are difficult to access. The statistics could be presented in a significantly more user-friendly manner, by introducing a dedicated fiscal data dissemination page that brings together all fiscal data related information. and by introducing summary tables and graphs. Limited information is disseminated in English.

Recommendations: *Introduce a dedicated fiscal data dissemination page that brings together all fiscal data related information, and summary tables and graphs to facilitate user interpretation of fiscal statistical developments. See footnote 11.*

Disseminate more budget execution data in English. See footnote 11.

5.1.2 *Dissemination media and format are adequate*

Budget execution data and debt data are posted on the MOF and the Treasury websites, while GFS are only disseminated in IMF publications (*IFS* and *GFS Yearbook*). The websites could be made more user-friendly, currently data is difficult to access. Press releases are provided when new data are first released. Time series are available for central government operations, general government operations, and central government debt.

Recommendation: *Make the MOF and the Treasury websites more user-friendly. Users should be able to access and download data with ease. See footnote 11.*

5.1.3 *Statistics are released on a preannounced schedule*

Budget execution data are released according to dates specified in government resolutions. Data disseminated in SDDS format are released according to an ARC with information for the current month and the following quarter. The publication date for SDDS format data usually coincides with the pre-announced date, although on occasion there is a delay due to technical reasons. The delay is not announced in the ARC.

Recommendation: *Announce in the ARC the revised release date of SDDS fiscal statistics, when dissemination cannot be done on the date initially announced.*

5.1.4 *Statistics are made available to all users at the same time*

The budget execution data and debt data are released at the same time to all users, through the MOF and the Treasury websites, respectively, without preferential treatment to any user.

5.1.5 *Statistics not routinely disseminated are made available upon request*

Non-disseminated, non-confidential disaggregated data are supplied on request. To this end, users usually send a letter to the MOF or the Treasury. The availability of non-disseminated data, and the terms and conditions on which it is made available, are not publicized.

Recommendation: *Make public the availability of non-disseminated data, and the procedure to request it. See footnote 11.*

5.2 *Metadata accessibility*

5.2.1 *Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

Many of the concepts, scope, and classifications used in the compilation of budget execution data are contained in legislation that is publicly available. However, no methodological notes with concepts, sources, and methods are posted on the MOF or the Treasury websites. The regulations applicable to accounting and reporting procedures are published in the MOF and the Treasury websites. Methodological differences with

internationally accepted standards are not identified. There is a link on the MOF website to the National Summary Data Page in the DSBB and associated metadata. Finally, no request has ever been received for bridge tables showing the links between budget execution data and GFS, but such information is not considered secret and could be made available.

Recommendation: *Disseminate methodological notes, detailing concepts, sources, and methods used in the compilation of budget execution data and GFS on the MOF and the Treasury websites. See footnote 11.*

5.2.2 *Levels of detail are adapted to the needs of the intended audience*

As indicated in 5.2.1, no methodological notes with general or detailed descriptions of concepts, sources, and methods are made public.

5.3 *Assistance to users*

5.3.1 *Contact points for each subject field are publicized*

No contact person for budget execution data is publicized. Users interested in obtaining information usually send letters to the MOF or the Treasury. Users often call the MOF or the Treasury for information, and are referred to the corresponding unit. Data queries to these entities are few. Only the name, telephone number, fax number, and e-mail address of the person who can be consulted regarding SDDS format data are posted on the IMF's DSBB.

Recommendation: *Make public a contact person and contact details, for users interested in requesting information on budget execution data. See footnote 11.*

5.3.2 *Catalogs of publications, documents, and other services, including information on any charges, are widely available*

No catalogue of statistical products and services provided by the MOF or Treasury are posted on their websites.

Recommendation: *Make available to the public a list of the statistical products and services provided by the MOF and the Treasury. See footnote 11.*

Table 4. Data Quality Assessment Framework: Summary of Results for Government Finance Statistics
(Compiling Agency: Treasury and Ministry of Finance)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment		X				There is no structured process of consultation with external users.
0.2 Resources		X				
0.3 Relevance			X			
0.4 Other quality management		X				
1. Assurances of integrity						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions			X			The compilation of budget execution data follows national concepts and definitions, which differ in certain aspects from <i>GFSM 2001</i> guidelines. Fiscal statistics for consolidated central government are not compiled. Economic classification of expenditure only disseminated annually and with a long lag. Debt not classified by residency criterion. No sub-annual reports on an accrual basis. Presentation of budget execution data does not follow <i>GFSM 2001</i> classifications.
2.2 Scope				X		
2.3 Classification/sectorization			X			
2.4 Basis for recording		X				
3. Accuracy and reliability						
3.1 Source data		X				Errors corrected in period detected, not in period error took place. <i>GFSM 2001</i> consolidation approach not followed.
3.2 Assessment of source data		X				
3.3 Statistical techniques			X			
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies	X					
4. Serviceability						
4.1 Periodicity and timeliness			X			An SDDS flexibility option for the timeliness of central government operations is taken. Previous series not adjusted to account for discontinuities arising from methodological developments. Statistics only checked at the input level, not at the output level.
4.2 Consistency			X			
4.3 Revision policy and practice	X					
5. Accessibility						
5.1 Data accessibility				X		Data on the MOF and the Treasury websites are difficult to access. Limited data available in English. Delays in the release of statistics not reflected in advance release calendar. Availability of non-published data not made public. Concepts, scope and classifications only available from legislation, no methodological notes posted on the MOF website. No contact person for budget execution data is publicized. No catalogue of statistical products and services is available.
5.2 Metadata accessibility			X			
5.3 Assistance to users				X		

V. MONETARY STATISTICS

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

The CBR is the sole official agency designated to compile monetary statistics for the Russian Federation. CBR's responsibility for collecting, processing, and disseminating monetary statistics is established by the *Federal Law of the Russian Federation No. 86-FZ On the Central Bank of the Russian Federation (Bank of Russia)* of July 10, 2002 (with amendments). Compilation of monetary statistics is directly related to the basic functions and powers vested in the CBR by Article 75 of the *Constitution of the Russian Federation*.

Article 4 of the *Federal Law On the Central Bank of the Russian Federation (Bank of Russia)* specifies functions of the CBR, among which are the analysis and forecasting of the state of the Russian economy with respect to monetary, financial, and price developments. And, paragraph 18 of this article and Article 57 authorize the CBR to publish documents, research papers, and statistics.

The General Economic Department (GED) of the CBR is responsible for review and improvements in statistical methodology, statistical compilation, and dissemination to the public of monetary and financial statistics for the Russian Federation.

0.1.2 *Data sharing and coordination among data producing agencies are adequate*

CBR's internal organizational instructions regulate information and data flows between departments in support of their individual mandates.

Monetary and Financial Statistics Section of the GED's Division for Organization of Statistical Work receives accounting data for the CBR and credit institutions from the Information Technology Center (ITC). GED also receives from other CBR departments supplemental information that are considered necessary for its monetary statistics compilation program.

A written agreement between the CBR and the Federal State Statistics Service (Rosstat) regulates exchange of data and statistical information. Agreements underpin joint work with the Federal Treasury and other arrangements, as needed, are made for collaborative efforts with other statistical agencies.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

Federal Law On Information, Information Technology, and Protection of Information of July 27, 2006 establishes requirements for protection of information, confidentiality, and penalties for infraction of the Federal laws.

Article 26 of the *Federal Law On Banks and Banking Activity* No. 395-I of December 2, 1990 (with amendments) establishes that a credit institution and the CBR shall guarantee secrecy of operations, accounts, and deposits of their customers and correspondents.

Confidentiality of reporter's data is stipulated in Article 57 of the *Federal Law On the Central Bank of Russian Federation (Bank of Russia)*: "... information received from legal persons on concrete operations is not subject to disclosure without the consent of the relevant legal person, except in cases stipulated by Federal laws."

CBR employees are prohibited from disclosing internal information on the CBR activities by Article 92 of the *Federal Law On the Central Bank of the Russian Federation (the Bank of Russia)*. The responsibilities of the CBR staff regarding preservation of confidentiality are also set forth in their employment contracts, job descriptions, and other CBR internal documents pertaining to issues of data and information.

At the CBR, access to the individual reporter's data is available only to authorized staff who must pass identification and authentication procedures before access is granted.

Cryptographic security measures are in place to protect the databases. CBR's internal regulations govern access to premises housing data processing facilities, security of electronic infrastructure, including data storage and transmission facilities.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Federal Law On the Central Bank of the Russian Federation (Bank of Russia), the *Federal Law On Banks and Banking Activity*, and CBR regulations and instructions constitute the legal basis for CBR's data and information collection, and data and information reporting by credit institutions to the CBR.

Specifically, Article 57 of the *Federal Law On the Central Bank of the Russian Federation (Bank of Russia)* authorizes the CBR "to request and receive the necessary information free of charge from federal executive authorities, their territorial offices, and legal entities for the purposes of compilation of banking and monetary statistics, the balance of payments of the Russian Federation, and analysis of the economic situation." In particular, it authorizes the CBR (i) to request from credit institutions the necessary information on their activity; (ii) to require explanations of the information received, and (iii) set rules for credit institutions and bank groups concerning compilation and submission of financial and statistical reports, as well as other information specified in Federal laws.

Article 74 of the *Federal Law On the Central Bank of the Russian Federation (Bank of Russia)* empowers the CBR (i) to demand that a credit institution complies with Federal laws and CBR instructions and regulations, (ii) to impose a fine,¹³ or (iii) to restrict the right of a credit institution to engage in specific operations for up to twelve months. Failure by a credit institution to submit information or submission of incomplete or inaccurate information is pursued by the CBR under this article.

Article 20 of the *Federal Law On Banks and Banking Activity* authorizes the CBR to revoke credit institution's banking license if reported data are determined to suffer from significant deficiencies or if the monthly data reporting exceeds the established timeliness by more than 15 days.

CBR directive 1375-U *On the Rules for Drawing up and Submission of Reports by Credit Institutions to the Central Bank of the Russian Federation* (January 16, 2004) and CBR directive 2332-U *On the List, Forms and Procedure for Compiling and Presenting Credit Institutions Reporting Forms to the Central Bank of the Russian Federation* (November 12, 2009) set out specific requirements for compiling and reporting accounting and statistical forms by credit institutions, their periodicity, and timeliness.¹⁴

CBR directives contain detailed instructions and explanations on the preparation of statistical reports by credit institutions and their submission to the CBR. Meetings, seminars, and consultations with representatives of reporting institutions are held on an *ad hoc* basis. Their purpose is to respond to questions on the compilation of data and other information report forms that will ensure that these are completed in accordance with the specified requirements. Draft new report forms and amended compilation instructions are posted on CBR's website for comments by the reporters during a one-week period. Data reporters also participate in regular meetings with the CBR's Banking Regulation and Supervision Department (BRSD), the purpose of which are to provide feedback to the BRSD on data reporting requirements and obtain clarification on data reporting issues.

Article 40 and 43 of the *Federal Law On Banks and Banking Activity* establish requirements for data and information reporting by credit institutions to CBR. Specific instructions concerning data reporting, such as timeliness, periodicity, format, and details are contained in topical regulations and instructions issued by the CBR.

¹³ In the amount of up to 0.1 per cent of the minimum assigned capital for every violation.

¹⁴ All regulations, including those concerning reporting requirements, are registered at the Ministry of Justice.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

The Monetary and Financial Statistics Section of the GED's Division for Organization of Statistical Work compiles monthly monetary statistics for the Russian Federation. The staffing level is relatively stable: the section employs 6 staff, with higher education degrees in economics or technical disciplines, providing a firm basis for compiling monetary statistics.

Staff responsible for compiling monetary statistics attend training courses on monetary and financial statistics organized by the IMF and participate in seminars conducted by other central banks and international institutions. The CBR Human Resources and Personnel Management Department draws up annual plans for improvement of professional skills of CBR employees and organizes seminars to enhance the professional qualifications of the staff.

Computer resources of the units engaged in the preparation of monetary and financial statistics are considered adequate for their designated tasks. Hardware is appropriately allocated to ensure effective data processing and database management.

Financial resources available for the compilation of monetary statistics are sufficient for the required tasks. Plans are drawn up annually for acquisition and upgrade of the computing facilities, taking into account the scope of the evolving work program.

0.2.2 Measures to ensure efficient use of resources are implemented

GED management holds regular staff meetings to discuss effective implementation of the work program set out by the CBR management. CBR activities are subject to its expense budget considerations and performance assessments. A CBR commission holds inter-department discussions and coordinates the flow of financial resources to areas experiencing unexpected demand, and advises CBR management on resource allocation for the next fiscal year. CBR management oversees all new data collection programs in an effort to streamline data reporting.

GED participates, at a drafting stage, in the discussions of changes in accounting framework for the CBR and credit institutions so as to ensure that an efficient data collection can be established serving both the supervision and statistical compilation needs.

Rosstat compiles a Federal Register of Statistical Outputs based on information provided by the individual official compiling agencies, including the CBR. This register enumerates each agency's statistical products, thus informing other agencies about currently available products so as to prevent duplication of efforts.

0.3 *Relevance*

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

A number of fora (*viz.*, the Consultative Group under the Governor of the CBR, the Advisory Group on the Monetary Policy at Bankers' Association) provide users of monetary statistics with an opportunity to discuss CBR's data dissemination as concerns structure, content, and details.

The CBR's Training Center at Tula conducts semiannual workshops covering discussions of CBR's activities, policies, and statistics. These workshops provide another opportunity to receive feedback from data users, including from representatives of the press, on data transparency and relevance. The CBR also offers a channel for comments (*User's Questionnaire*) through the contact point on the *Statistics* page of its website and a phone number listed in the *CBR's Bulletin of Banking Statistics (BBS)*. Through these facilities, data users provide suggestions for enhancements in data dissemination.

GED holds regular discussions with CBR departments involved in the design and implementation of monetary policy. These departments are internal users of monetary statistics and are in the position to identify emerging data needs. These serve as a basis for future project developments. Meetings with other official agencies are held on an ad hoc basis to discuss specific methodological issues.

The CBR actively participates in the meetings of international working groups on statistical methodology organized by ECB, BIS, and the IMF.

0.4 *Other quality management*

0.4.1 Processes are in place to focus on quality

The CBR recognizes that official statistics must have the confidence of the users. The CBR management and senior staff concentrate on compliance with the key parameters of quality of statistical information such as integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility as integral part of compiling monetary statistics.

Reported information is subject to validation checks at the collection and processing stages. GED works with the CBR's Accounting Department, BRSD, the Balance of Payments Department, and other CBR departments and units on data verification and reconciliation before data are disseminated to the public.

Financial statements of the CBR and credit institutions are audited by established external audit companies. Monetary data published in the *CBR Annual Report* are covered in the annual audit of the CBR.

0.4.2 Processes are in place to monitor the quality of the statistical program

Cross-checks in the course of data collection and processing are routinely performed. In the event problems are identified, their cause and resolution is discussed with the CBR Accounting and the Banking Regulation and Supervision departments. Validation procedures for assessing the plausibility or reasonableness of reported data are undertaken through automated procedures on an institution-by-institution basis.

Methodology for internationally accepted practices for compiling monetary statistics is documented in the IMF's *MFSM 2000* and *MFSCG 2008*. These documents are consulted, as well as direct communication by GED staff with the IMF staff on outstanding methodological issues.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

The CBR management recognizes the trade-off between quality and timeliness of data. Timeliness of information is considered vital. To provide timely information, preliminary data could be published. The *BBS* informs the users that preliminary data may be subject to revision during the next three months (except for December data, which can be revised during the subsequent 6 months).

1. Assurances of integrity

1.1 Professionalism

1.1.1 Statistics are compiled on an impartial basis

The CBR's independence as an official entity is stipulated in Article 75 of the *Constitution of the Russian Federation* as well as in Articles 1 and 2 of the *Federal Law On the Central Bank of the Russian Federation (Bank of Russia)*. Article 1 of the law states that the CBR exercises the functions and powers provided by the *Constitution of the Russian Federation* independently from other Federal bodies, government authorities of territories of the Russian Federation, and local governments. Based on its independent legal status, the CBR alone determines the methodological and the dissemination framework for monetary statistics.

Hiring and promotion policies at the CBR are governed by the *CBR Provision 235P* of July 25, 2003 (with amendments) and are intended to promote professionalism and competence of the bank staff. The *Model Qualification Standards of Staff of the Bank of Russia* specifies requirements for staff engaged in statistical work. These staff are expected to have earned a university degree in economics, statistics, or information technology and have experience in the banking sector.

For professional development, the GED staff actively participate in international seminars and conferences organized by foreign central banks and international financial institutions. GED holds consultations with other CBR departments and credit institutions, conducts

training seminars for staff of other CIS central banks and for CBR staff posted to branches and field offices. GED staff review and provide comments on the draft documents relating to monetary statistics methodology prepared by international financial institutions.

1.1.2 Choices of sources and statistical techniques, as well as decisions about dissemination, are informed solely by statistical considerations

The choice of data sources and statistical methods is determined solely by statistical considerations. The CBR staff take steps to ensure that the data sources and statistical methodology employed for monetary statistics are consistent with the national accounts, balance of payments, and government finance statistics frameworks. At the time of significant changes in methodology, the changes are noted in the metadata published in the *BBS* and on the *Statistics* page of the CBR's website.

Dissemination of monetary statistics is guided by SDDS specifications and the timeliness of the source data.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

GED monitors financial press and mass media for statements of interpretation of monetary statistics. Provision of metadata and explanatory notes in *BBS* are intended to prevent misinterpretation or misuse of monetary statistics. Cases of misinterpretation or misuse are brought to the attention of the publisher with a request to make appropriate corrections in its publication.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

Legal documents that underpin CBR's data collection, statistical compilation, and dissemination are accessible to the public via the Internet. The terms and conditions for data collection are set out in the CBR directive 2332-U *On the List, Forms and Procedure for Compiling and Presenting Credit Institutions Reporting Forms to the Central Bank of the Russian Federation* of November 12, 2009.

The CBR's website contains an advance release calendar for major macroeconomic and financial data dissemination.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

Access to monetary statistics is provided simultaneously to all users, including ministries and other official agencies, through the posting on the *Statistics* page of the CBR's website and in the *BBS*.

No internal government access is provided to monetary statistics prior to their release.

1.2.3 Products of statistical agencies/units are clearly identified as such

The CBR's website and *BBS* present monetary statistics compiled by the CBR and which are identified as having been compiled by the CBR (specifically, by GED). The source of statistics that are provided by other agencies and included in the CBR's publications is clearly identified.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

Major changes in methodology are announced in advance in press releases posted on the CBR's website and in the *BBS*.¹⁵

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

Rules of ethical conduct for the CBR staff are set out in the *CBR Provision 235P*. Individuals employed by the CBR are required to familiarize themselves with this regulation. Articles 90–92 of the *Federal Law On the Central Bank of the Russian Federation (Bank of Russia)* regulate the range of activities that CBR staff may undertake so as to rule out conflict of interest.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

Monetary statistics for Russian Federation are compiled by the CBR and published on its website and in the monthly *BBS*.¹⁶

The structure of the data tables on *Central Bank Survey (BBS table 1.15)*, *Credit Institutions Survey (table 1.16)*, and the *Banking System Survey (table 1.17)* is consistent with the

¹⁵ For example, in December 2003 issue, concerning expansion of the institutional coverage of the Credit Institutions Survey; in April 2004 issue, concerning treatment of accrued interest; in August 2004 issue, concerning revised treatment of repurchase agreements.

¹⁶ In what follows, table references are with respect to tables in the *BBS* No. 5 (204) issued on June 16, 2010.

structure of the *MFSM*-recommended sectoral surveys for, respectively, the central bank/monetary authorities,^{17,18} other depository corporations, and depository corporations.

The *Banking System Survey*, which is a consolidation of the monetary authorities' accounts with those of the *credit institutions*, presents a broad measure of liquidity (*broad money liabilities*), deposits and securities excluded from broad money,¹⁹ shares and other equity, and other items net. *Broad money liabilities* comprise (i) currency outside banking system (which is currency and coins issued by the CBR minus currency and coin holdings in the CBR and credit institutions' vaults), (ii) transferable deposits (disaggregated by holding sector), and (iii) other deposits (disaggregated by holding sector). The assets comprise net foreign assets and domestic claims (net of liabilities to general government). Domestic claims are disaggregated into (a) net claims on general government (claims minus liabilities) and (b) claims on other sectors, comprising claims on other financial institutions, public nonfinancial organizations, other nonfinancial organizations, and households.

In addition to *broad money liabilities* in the *Banking System Survey* (table 1.17), the CBR compiles *Money Supply M2 National Definition* (table 1.18), comprising *cash in circulation* (which is currency and coins issued by the CBR minus currency and coin holdings in the CBR and credit institutions' vaults) and *non-cash funds*.^{20,21} The *non-cash funds* comprises balances on the various settlement, current, demand, and time accounts with accrued interest and pre-paid debit card balances held by non-financial and financial (except credit institutions) organizations and individuals. Foreign currency deposits and deposits at credit institutions whose licenses were revoked are excluded from *Money Supply M2 National Definition*. (The *broad money liabilities*, on the other hand, include foreign currency deposits.)

¹⁷ The *Central Bank Survey* (table 1.15) covers the *monetary authorities* for Russian Federation (compilation of monetary authorities' accounts is stipulated in *MFSM* paragraph 403). The monetary authorities' accounts for Russian Federation comprise accounts of CBR and data on the monetary authorities' functions performed by the Ministry of Finance (on behalf) of the Government of Russian Federation, specifically: (i) the holdings of international reserves and (ii) positions with the IMF, including holdings and the allocations of SDRs.

¹⁸ The contra-entries to data on central government's monetary authorities' functions are included in the monetary authorities' positions with general government.

¹⁹ Depository liabilities to residents of credit institutions with revoked license or in liquidation are incorporated in *deposits excluded from broad money*.

²⁰ The *BBS* states that "M2 is a major monetary aggregate used in elaborating the economic policy and setting quantitative macroeconomic targets."

²¹ In terms of currency coverage, *Monetary Base (Broad Definition)* in table 1.19, which is the same as *Monetary base* in the central bank survey (table 1.15), is conformable with the *Money Supply M2 National Definition*. However, the *broad money liabilities* compiled within the *Banking System Survey* (table 1.17) is not conformable with the monetary base (in table 1.15/1.19) because *broad money liabilities* includes foreign-currency denominated accounts whereas the monetary base does not. Data on credit institutions' foreign-currency denominated balances at the CBR are readily available within the *Central Bank Survey* (table 1.15) as *Other liabilities to credit institutions* and can be used to calculate the "expanded" monetary base that covers the CBR's ruble and foreign-currency denominated liabilities.

The CBR also compiles *Other Financial Institutions Survey* (table 1.20) covering insurance companies and private pension funds. This survey is consolidated with the *Banking System Survey* to derive the *Financial Sector Survey* (table 1.21). The structure of the *Other Financial Institutions Survey* and the *Financial Sector Survey* is consistent with the *MFSM* recommendations for the structure of the sectoral surveys for other financial corporations and the financial corporations, respectively. The coverage of OFC survey and the FC survey is planned for expansion and will then include other types of financial institutions (*viz.*, mutual funds.)

Designation in the CBR's BBS²²	<i>MFSM 2000</i> Equivalent
Central Bank Survey (table 1.15)	Central bank/monetary authorities survey
Credit Institutions Survey (table 1.16)	Other depository corporations survey
Banking System Survey (table 1.17)	Depository corporations survey
Other Financial Institutions Survey (table 1.20)	Other financial corporations survey
Financial Sector Survey (table 1.21)	Financial corporations survey

Data presented in these tables cover end-month positions for the referenced months or quarters.

2.2 *Scope*

2.2.1 *The scope is broadly consistent with internationally accepted standards, guidelines, or good practices*

The scope of the depository corporations/broad money survey (*Banking System Survey*) compiled by the CBR is consistent with the *MFSM* principles. The depository corporations survey covers the CBR/monetary authorities and all ODCs, which in Russian Federations comprise all resident *credit institutions*^{23,24} including credit institutions with revoked licenses or in liquidation.²⁵ The survey presents positions of depository corporations with other resident sectors and with nonresidents.

²² Table references are with respect to tables in the *BBS* No. 5 (204) issued on June 16, 2010.

²³ The CBR maintains the *State Register of Credit Institutions*. In Russian Federation, *credit institutions* are legal entities licensed by the CBR in accordance with the *Federal Law on Banks and Banking Activities*. Two types of credit institutions are defined: *banks*, which, *inter alia*, accept deposits and *nonbanking credit institutions*, which are authorized by CBR to undertake selected banking activities but accept deposits only from legal persons.

²⁴ Branches abroad of resident credit institutions are excluded.

²⁵ Credit institutions with revoked licenses or in liquidation were included in December 2003; monetary data for January 1998 onward were revised to reflect this change.

Based on the institutional and instrument coverage of *broad money liabilities* in the *Banking System Survey*, the table below presents classification of financial corporations in Russian Federation used in monetary statistics compiled by the CBR. Financial corporations and quasi-corporations, other than the central bank, that issue liabilities included in the nationally defined measure of broad money (*broad money liabilities*) are classified as ODCs and are included in the institutional coverage of the *Credit Institutions Survey* (the ODC survey). All other financial corporations and quasi-corporations are classified as OFCs.

Financial Corporations in Russian Federation (June 2010)

National Institutions (national designations)	National Classification	MFSM 2000 Classification	Comments
CBR	Central Bank	Central Bank	
Credit institutions (licensed)	ODC	ODC	
Vnesheconombank	ODC	ODC	Issues depository liabilities to corporate sector only; these are included in broad money.
Credit institutions with revoked license or in liquidation	ODC	ODC	
Credit unions	OFC	OFC	No depository facilities.
Investment pools, excluding money market funds	OFC	OFC	
Money market funds	OFC	See text below	
Finance companies	OFC	OFC	
Financial leasing companies	OFC	OFC	
Mortgage companies			
Insurance companies	OFC	OFC	
Pension companies	OFC	OFC	
Securities underwriters and dealers	OFC	OFC	
Representative offices of foreign financial corporations	Nonresident ²⁶	OFC	Very small deposits at resident credit institutions.
Securities, commodities, and other exchanges	OFC	OFC	

²⁶ Federal law on Foreign Currency Regulation and Control No. 173-FZ of December 10, 2003 (with amendments) states that representative offices are (i) not authorized for economic, financial, or commercial activity; (ii) non-corporate entities; and (iii) considered nonresident. Concerning corporations with little or no physical presence, *BPM6* paragraph 4.135 stipulates that if there is no incorporation or registration, legal domicile is used as a [residency] criterion. Thus, the national classification is consistent with *BPM6*.

The table below (*Russian Federation—Structure of the Financial System, in billions of rubles (June 2010)*) presents the structure of the financial system of Russian Federation. It provides indications of the relative size, in terms of assets, of the various types of financial corporations.

The money market funds issue instruments that are close substitutes to deposits, but at present they are very small. In due course, money market funds should be classified as ODCs, included in the institutional coverage of the ODC survey, and their liabilities that are close substitutes to deposits included in broad money. Analogous consideration should be given to other investment funds whose liabilities are similar to those already included in *broad money liabilities*.

The GED staff are monitoring the development and activities of investment pools and money market funds. As their relative significance increases, decisions will be made to establish a system for collecting their detailed data to meet monetary statistics compilation requirements.

The Russian Federation's financial system also includes about seven thousand very small credit unions associated with cooperatives and which serve their membership on a "mutual assistance" basis. Credit unions do not offer depository facilities.

Table. Structure of the Financial System, in billions of rubles (June 2010)

	2006		2007		2008		2009	
	Number	Assets	Number	Assets	Number	Assets	Number	Assets
Central Bank of Russia	1	8,204	1	12,437	1	16,964	1	15,420
Vnesheconombank	1	3001 ²	1	541	1	1,597	1	1,810
Credit Institutions (licensed)	1,345	14,046	1,296	20,241	1,228	28,022	1,178	29,430
Credit Institutions with revoked license or in liquidation	155	...	157	...	117	...	119	...
Investment Pools (mutual fund companies, unit trusts, etc.)	643	419	1009	766	1050	540	1251	323
<i>of which: Money market funds</i>	6	0.30	6	0.30	6	0.61	7	0.31
Bank-managed mutual funds	240	18	276	21	292	8	291	9
Finance Companies	...	...	...	...	...	...	...	...
Financial Leasing Companies	1832	549	1810	826	1796	1,142		
Mortgage Companies	101	17	157	37	131	28		
Insurance Companies ^{1/}	918	662	857	738	786	836	702	879
Pension Companies ^{1/}	289	513	247	600	241	579	175	741
Securities underwriters and dealers	...	...	...	...	...	...	...	...
Representative offices of foreign financial corporations	...	...	...	...	...	...	...	...
Securities, commodities, and other exchanges	...	...	...	...	...	...	...	...

Source: Central Bank of Russia, except for:

Investment Pools (net asset value): data are provided by National League of Management Companies;

Financial Leasing and Mortgage Companies: data are provided by Rosstat;

Bank-managed mutual funds (net asset value): data are provided by Information Agency Cbonds.ru.

^{1/} Data on total assets are provided by the reporting institutions.

^{2/} Includes positions resulting from operations undertaken as agent of the government.

2.3 *Classification/sectorization*

2.3.1 *Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices*

Principles used by financial corporations for classifying their clients by economic sector are set out below. They are largely consistent with the *MFSM* recommendations, but some deviations have been identified.

Distinction between residents and nonresidents reflects application of *center of economic interest* principle discussed in the *Balance of Payments Manual, 5th edition (BPM5)*. The definition is contained in *Federal law on Foreign Currency Regulation and Control No. 173-FZ* of December 10, 2003 (with amendments). In particular, a physical person is classified as resident if he/she has a local address in Russian Federation (as identified in the internal passport or other official document); a foreign person is classified as a nonresident during his/her stay of up to one year, subsequently he/she can obtain a residence permit and then becomes a resident. Foreign students and staff of foreign embassies and international organizations, other than citizens of Russian Federation, are classified as nonresidents. Legal persons are classified as residents based on the *registration certificate* issued by the Federal Tax Authority, which is necessary to undertake commercial or noncommercial activity in the economic territory of Russian Federation.

In general, financial corporations classify legal persons that are their clients based on information in the *Statistical Register of Legal Persons* maintained by Rosstat and available to them online.²⁷ Principles used by Rosstat for classifying institutional units by economic sector are based on *SNA 1993*. Information on ownership structure provided to Rosstat by the registrant is the basis by classifying the legal person as a state or privately controlled institutional unit.²⁸ At the time of opening an account at a financial corporation, a legal person also provides supporting documentation such as the registration certificate and number issued by the Federal Tax Authority.

A “single treasury account” system functions in Russian Federation, whereby all budgetary central government units maintain their accounts with financial corporations under the single Federal Treasury account.²⁹ Separate accounts in the CBR’s and credit institutions’ charts of

²⁷ A registrant is assigned a registration number and codes designating the registrant’s statistical characteristics necessary for classification by economic sector.

²⁸ There are federal unitary corporations, which are wholly state-owned. A corporation with mixed ownership in which the state has 50 percent plus one share equity stake is classified as state-controlled on the assumption that this equity ownership gives the owner *effective control*.

²⁹ The *Russian Classification of State Government and Management Units* (of July 1, 1997 with amendments) represents the register of units of central and local governments.

account are provided for recording positions with the extrabudgetary units.³⁰ There is a separate set of accounts for local authorities including their extrabudgetary funds. Therefore, identification and classification of the financial corporations' positions with central government (budgetary and extrabudgetary) and local authorities is readily and effectively possible.

Monetary statistics compiled by the CBR present financial corporations' positions with the general government, reflecting the view that the state/local authorities are substantively an extension of the central government. Since July 6, 2010, the CBR has disseminated monetary statistics with a breakdown of these claims on and liabilities to general government into positions with central government and positions with state/local authorities.

Industrial/trade/agricultural cooperatives are separately recognized legal entities which, in monetary statistics, are included in the data on private nonfinancial corporations. There are a number of nonprofit institutions operating in Russian Federation, but the breakdown between those serving households and the corporate sector is not yet possible. Informal analysis indicated that the largest financial share is that of institutions serving the corporate sector. Based on it, the entire group of nonprofit institutions was classified in *other (private) nonfinancial corporations* sector.

A standard *MFSM*-defined range of financial instruments is recognized in monetary statistics compiled by the CBR, except for financial derivatives. These are excluded from the balance sheets and thus from monetary statistics.

Recommendation: *Collect and include in monetary statistics data on central bank's/monetary authorities' and the other depository corporations' positions on financial derivatives, at end-referenced period market prices/fair values.*

Starting in mid-2004, repurchase agreements are classified as collateralized loans (instead of on a change-of-ownership basis). Monetary data starting in January 1998 were revised to reflect this change.

The contra-entries to data on central government's monetary authorities' functions are included in the monetary authorities' positions with the general government (presently in liabilities only). Paragraph 403 in *MFSM 2000* and Table 7.13 in *MFSCG 2008* (page 227) recommend that these contra-entries be presented in a *separate set of adjustment accounts* that are not subsumed in net claims on the government.

Recommendation: *Separately identify contra-entries to data on government's monetary authorities functions (as "of which" lines under the aggregates that include the contra-entries).*

³⁰ Establishment of extrabudgetary units is stipulated by the *Budget Code of Russian Federation No. 145-FZ* of July 31, 1998 (with amendments). This budget code includes the list of extrabudgetary funds; the *Budget Code* is updated if extrabudgetary units are included in the budget or new units are established.

The CBR's valuation adjustment account and current year result are classified in other liabilities, whereas *MFSM 2000* and *MFSCG 2008* recommend that these be included in *shares and other equity*.^{31,32}

Recommendation: *Reclassify the CBR's valuation adjustment and current year result accounts in shares and other equity.*

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

The basis for recording for the central bank and credit institutions are governed by, respectively, the *Accounting Rules for the CBR No. 66* (January 1, 2006, with subsequent amendments) and *Accounting Rules for Credit Institutions based in the Russian Federation No. 302-P* of March 26, 2007 (with subsequent amendments). These practices are set out in the table below.

Table. Basis for Recording

Financial Instrument	National Valuation Methods at CBR	National Valuation Methods at ODCs	<i>MFSM 2000</i> Guidance	Additional Comments
Monetary Gold	At end-period London gold market price.	-	At end-period market price.	
SDR Holdings	At end-period exchange rate.	-	At end-period exchange rate.	
Deposits	At book value.	At book value.	At book value. ³³	
Loans	At book value.	At book value.	At book value.	
Securities other than shares (assets)	At end-period market price or market price equivalent.	In accordance with <i>IFRS</i> ³⁴ : securities held to maturity are at acquisition cost plus accruals; securities available for sale and for trading are at market price or equivalent.	At end-period market price or market price equivalent.	

³¹ Refer to Table 7.1, Chapter VII in *MFSM 2000* and page 312 in *MFSCG 2008*.

³² GED staff noted that valuation adjustment, current result, and retained earnings for the current year are routed to the profit and loss account when CBR's end-fiscal year (December) accounts are prepared, in accordance with the *Federal Law on the Central Bank of Russian Federation*.

³³ Definition of *book value* in *MFSM* paragraph 205 as regards loans also applies to deposits. Specifically, in *MFSM* paragraph 205, the *book value* of a loan [deposit] refers to the outstanding amount of the loan [deposit] plus any accrued interest (*i.e.*, interest earned but not yet due for payment). For a loan [deposit] settled in foreign currency, its *book value* in foreign currency should be expressed in domestic currency on the basis of market exchange rate prevailing on the balance sheet date.

³⁴ *International Financial Reporting Standards*.

Financial Instrument	National Valuation Methods at CBR	National Valuation Methods at ODCs	MFSM 2000 Guidance	Additional Comments
Securities other than shares (liabilities)	At end-period market price or market price equivalent.	At sale price plus accruals.	At end-period market price or market price equivalent.	
Shares and Other Equity (assets)	At purchase prices.	Shares held for investment are at cost, available for sale or for trading are at market price or equivalent.	At end-period market price or market price equivalent.	
Shares and Other Equity (liabilities): (i) Funds Contributed by Owners; (ii) Retained Earnings; (iii) General and special Reserves; (iv) SDR Allocation; (v) Valuation Adjustment; (vi) Current-year result.	(i) At nominal amount of the proceeds from the initial and subsequent issuance of ownership shares. (ii) At nominal amount. (iii) At nominal amount. (iv) At end-period exchange rate. (v) At nominal amount. (vi) At nominal amount.	(i) At nominal amount of the proceeds from the initial and subsequent issuance of ownership shares. (ii) At nominal amount. (iii) At nominal amount. (v) At nominal amount. (vi) At nominal amount.	(i) At nominal amount of the proceeds from the initial and subsequent issuance of ownership shares. (ii) At nominal amount. (iii) At nominal amount. (iv) At end-period exchange rate. (v) At nominal amount. (vi) At nominal amount.	
Financial Derivatives	Not applicable.	Not applicable.	At end-period market price or market price equivalent.	Data are not included in monetary statistics.
Foreign-currency denominated positions	At end-period exchange rate.	At end-period exchange rate.	At end-period exchange rate. (The mid-point between the buying and selling rate of exchange should be used.)	The ruble/dollar exchange rate is announced by the CBR at 12 noon and is in effect for the following business day. The rates of ruble against other currencies is computed using cross rates published by Reuters or Bloomberg.
Nonfinancial assets:				
Nonmonetary gold	At end-period London gold market prices.	At end-period London gold market prices.	At end-period market price.	
Fixed assets	At acquisition cost plus revaluation minus accrued depreciation.	At acquisition cost plus revaluation minus accrued depreciation.	According to national accounting standards.	

Recommendation: Value securities held to maturity and shares for investment at market price or market price equivalent.

2.4.2 *Recording is done on an accrual basis*

Accrual accounting is practiced at the CBR and at credit institutions. Interest accrued but not yet due is incorporated into the outstanding amount of financial asset or liability.³⁵ Transactions are recorded on transaction date when there is a change in ownership of the financial instrument.

2.4.3 *Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices*

Source data are collected and compiled on a gross basis. Claims on a particular transactor or a group of transactors are not netted against the liabilities to that transactor or group of transactors. Whenever a data category in a sectoral survey is shown on a net basis, the underlying gross positions are also shown. Data on loans are on a gross basis. Loan loss provisions are included in other liabilities.

A sectoral level survey presents that sector's positions with respect to all other economic sectors, wherein the intra-sectoral claims and liabilities have been cancelled/consolidated.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions

A comprehensive data collection system provides source data required for compiling monetary statistics. Specifically, the monthly balance sheet of the CBR, data on monetary authorities functions of the government, and the aggregated balance sheets of credit institutions are the main sources of data used for compiling monetary statistics. Data on CBR's accounts and the credit institutions are provided in electronic format by ITC. Data on monetary authorities' functions performed by the MOF are provided by CBR's Balance of Payments Department; other supplemental and operation data are provided by other CBR departments.

The CBR maintains an up-to-date State Register of Credit Institutions that is used to ensure that the institutional coverage of the source data for credit institutions is complete.

Publications and research papers dealing with financial markets are monitored in order to identify data issues relevant to monetary statistics which would be the basis for reviewing and amending data collection. Meetings are held with the financial market participants, including with bank associations, and members of the business community to discuss

³⁵ Interest accruals at credit institutions follow risk-based classification of assets recommended by Basel II.

financial market developments that should be taken into account in the compilation of monetary statistics.

The CBR maintains strong cooperative relations and consults with other government agencies (*viz.*, MOF, the Federal Service for Financial Markets, and Rosstat) as part of its process to enhance or expand data collection.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

The CBR's and the credit institutions' balance sheets, in the format of respective charts of accounts, constitute the main source data for compiling monetary statistics. The balance sheets are prepared in accordance with, respectively, the *Accounting Rules for the CBR No. 66* of January 1, 2006 (with amendments) and the *Accounting Rules for Credit Institutions based in the Russian Federation No. 302-P* of March 26, 2007 (with amendments).

The structure and the details of the balance sheet statements (with certain supplemental data) provide information on the depository corporations' positions by type of financial instrument (except for financial derivatives)³⁶ and the counterparty economic sector. This information is sufficient for classifying source data accounts by financial instrument (except for financial derivatives) and economic sector of counterparty identified in *MFSM 2000*.

3.1.3 Source data are timely

The source data for the CBR/monetary authorities and for other depository corporations are available by the ninth and twenty-fourth days, respectively, following the end of reference month. This timeliness permits compilation of the analytical accounts of monetary authorities and the analytical accounts of the banking sector, in the SDDS-prescribed format, by the fourteenth day and by the last business day of the month, respectively, which meets the SDDS specifications.

The CBR's regional branches follow up with the credit institutions that have not met the reporting deadline (by the fourth business day of the month for all banks, except the tenth business day for large banks with large branch network) to ensure that the data are reported.

³⁶ Positions on financial derivatives are maintained as off-balance sheet items. Credit institutions provide these data to the CBR and they are published in *BBS* Table 4.4.

3.2 Assessment of source data

3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes

Source data issues identified through routine cross-checks (for intra-sectoral data consistency) and the horizontal checks (for large magnitude movements) are brought to the attention of the BSRD and the CBR's Accounting Department. These departments verify the accuracy of the data in the follow-up consultations with the reporter.

3.3 Statistical techniques

3.3.1 Data compilation employs sound statistical techniques to deal with data sources

Compilation of monetary statistics is fully automated, based on the approved classification tables. Automation minimizes data processing errors associated with manual data entry, aggregation, coding, and editing.

Source data for credit institutions' monetary accounts are provided by the ITC. The structure of reports by the individual reporter is uniform, thereby allowing for automated aggregation. The aggregated balance sheet is compiled by the ITC in a database format which includes cross-checks to assess the completeness of the reported data.

Similar procedures apply to the CBR's balance sheet, which consolidates accounts of CBR's headquarters in Moscow with those of its 79 branches across Russian Federation. Individual positions are reviewed and verified by the CBR's Accounting Department.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

The source data used for monetary statistics comprises accounting/balance sheet records which are not subject to statistical adjustments or transformations.

Adherence by credit institutions to the established accounting standards is assessed through regular external audits and through on-site inspection by the CBR's Department of Chief Inspection of Credit Institutions. The CBR is also subject to an annual external audit.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information, where applicable

Balance sheet data and any other additional data received are assessed relative to records maintained by other CBR departments, primarily, against corresponding data at the Balance

of Payments Department, and between records maintained by the BRSD and the Accounting Department.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

If statistical discrepancies are identified, GED investigates the potential cause using, as a reference, information on a related time series within monetary statistics or the related data available at another CBR department.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

Large movements in money and credit aggregates are, as a matter of routine, subject to investigation and validation. Using detailed low-level accounts, the origin of the large movement is tracked and the accuracy of the reported data is verified. If the discrepancy is due to a classification error, classification tables are corrected.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3)

Monetary statistics are based on accounting records that are not subject to estimation. However, whenever they arise, preliminary data are compared to final data, and the cause for the differences is routinely investigated. It has been found that such differences are relatively small.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards

The analytical accounts of monetary authorities and the analytical accounts of the banking sector, as well as the sectoral surveys in the *MFSM*-recommended format, are disseminated on a monthly basis, in accordance with the SDDS specifications for periodicity, which is monthly.

4.1.2 Timeliness follows dissemination standards

Dissemination of monetary statistics follows the advance release calendar for the release of data on key macroeconomic and financial data. Preliminary data on the analytical accounts of monetary authorities in the SDDS-prescribed format are disseminated within two weeks after the end of the reference month, which is in accordance with SDDS specification for timeliness. Preliminary data on the analytical accounts of the banking sector in the SDDS

prescribed format are disseminated within one month after the end of the reference month, also in accordance with the SDDS specifications.

4.2 Consistency

4.2.1 Statistics are consistent within the dataset

In general, interbank positions between monetary authorities and credit institutions are consistent: (i) since October 2008, the difference between the CBR's claims on credit institutions and credit institutions liabilities to the CBR is typically less than five percent, although for February–April 2010 (latest data available) it is approximately 7.5 percent;³⁷ (ii) by financial instrument, the CBR's liabilities to credit institutions match, to within one percent, the credit institutions' claims on the CBR.

The CBR compiles the Other Financial Corporations (OFC) survey covering insurance companies and pension funds, however the coverage is not complete. Therefore, comparison of the reciprocal positions between the banking system survey and the OFC survey are not presently feasible.³⁸

Reconciliation of flow data is not performed since the flow of funds accounts are not compiled.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time

The CBR's website disseminates monetary statistics for 1995 to the present. Monthly monetary statistics for 1995–2000 were compiled following the methodology in the IMF's *Guide to Money and Banking Statistics in International Financial Statistics* (draft, 1984), and being based on the same methodology are consistent for the period. Monthly monetary statistics for January 2001 and onward are compiled following the methodology in the IMF's *MFSM 2000*, and being based on the same methodology are consistent for the period. Notes to the data tables clearly specify methodological basis for statistics and refer users to the detailed methodological notes published in the *BBS* for the relevant period and on the CBR's website. For users' reference, tables covering monthly data for 2001 also include data for December 2000 so as to facilitate comparison with the January 2001 data.

The current charts of accounts were introduced for the CBR and the credit institutions in 1998 and revised in 2006/7 to improve compliance with *IFRS*. The detail and structure of the charts of accounts provide sufficient information for classifying accounts by financial

³⁷ GED identified the reason for the difference: the CBR's ownership of shares in Sberbank (a credit institution) is classified in the CBR's claims on Sberbank, whereas Sberbank classifies this liability in its *shares and other equity*, which is not disaggregated by economic sector of counterparty. Such classifications are consistent with *MFSM*.

³⁸ An expansion of coverage of the OFC survey is planned to include other types of financial institutions (e.g., mutual funds).

instrument (except for financial derivatives) and by economic sector of counterparty, as recommended in *MFSM 2000*.

Monetary accounts are fully reconcilable starting in January 2000. Where applicable and possible, historical time series from 1998 onward were recompiled taking into account changes in the source data and methodology.

Announcements are included in the *BBS* whenever changes in methodology will lead to changes in the time series trends.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

The GED routinely reconciles monetary statistics with the BOP data. Taking into account some methodological differences in the compilation of the monetary and BOP statistics, the corresponding aggregates in the two datasets are reconcilable. The reasons for the differences between the two datasets are noted in the metadata to the *BBS* tables on monetary statistics. Net foreign assets of the banking system in monetary statistics are consistent with the corresponding aggregate in international investment position.

With the exception of cash balances, which are treated in government finance data as government claims on the banking sector, the accounting data on general government's deposits at the CBR and at credit institutions and the general government's liabilities to the banking system presented in government finance data are consistent with the corresponding source data used for compiling monetary statistics.

4.3 Revision policy and practice

4.3.1 Revisions follow a regular and transparent schedule

The latest monthly data published on the CBR's website are considered preliminary, are so identified, and may be revised during the next three months (six months for the December data); thereafter, the data are considered final. The *BBS* notes that the latest published data are subject to revisions during the subsequent three months (six months for the December data).

For users' convenience, the revised data are provided in a special bold-face font. Whenever data revisions are due to methodological changes, comments are provided explaining revisions to the data.

4.3.2 Preliminary and/or revised data are clearly identified

On the website, preliminary data are denoted as such (by an asterisk and a footnote). Users are informed that the preliminary data are subject to revisions. Notes in *BBS* inform the users that latest data are subject to revision during the next three months (six months for December data). Revised data are identified by bold-face font.

4.3.3 *Studies and analyses of revisions are made public (see also 3.5.1)*

When methodological changes are implemented to the historical data, explanations of the revisions are contained in the *BBS* or in a press release.

Preliminary, revised, and final data are routinely compared and studied. These studies are for internal use only. The findings are discussed with the providers of the revised data.

5. **Accessibility**

5.1 *Data accessibility*

5.1.1 *Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)*

The monthly time series for monetary statistics, including the sectoral surveys discussed in this report, are disseminated on the *Statistics* page of the CBR's website in MS Excel format, with user-selectable date ranges, in read-only tabular format, and in the *BBS* (posted on the *Publications* page). All tabular data presentation are clear. A number of analytical charts and graphs are included in the *BBS*.

Two Excel files can be downloaded from the *Statistics* page. One contains monthly data for 1995–2000 based on the *Guide to Money and Banking Statistics in International Financial Statistics* (draft, 1984). The other file contains monthly data for 2001 to the present, in the format of sectoral surveys based on *MFSM 2000*.

The structure of the surveys compiled by the CBR for the central bank/monetary authorities, credit institutions, and the banking sector is consistent with the structure for the central bank, other depository corporations, and the depository corporations surveys, respectively, recommended in *MFSM 2000*. The levels of detail in the disseminated data have improved in recent years. But to facilitate certain types of analysis, such as sustainability and vulnerability, they could be further enhanced by providing the breakdown of positions by currency of denomination, financial instrument, and maturity, where such are absent at present. In July 2010, the CBR began compiling and disseminating the breakdown of positions by currency of denomination for the banking system survey (table 1.1.7). The CBR will also consider compiling and disseminating this and other breakdowns for the central bank/monetary authorities survey (table 1.15) and the credit institutions survey (table 1.1.6).

Analysis of monetary developments is included in a separate CBR publication—the *Quarterly Inflation Review*.

5.1.2 *Dissemination media and formats are adequate*

Monetary statistics are disseminated in Russian and in English on the CBR's website (in MS Excel format and read-only format) and in the *BBS*. The structure of the CBR website and

links to the *Statistics* page are clear. The *BBS* is available (from 1998) in the PDF format on the *Publications* page on CBR's website.

5.1.3 Statistics are released on a preannounced schedule

An advance release calendar, including release dates for monetary statistics, is posted on the CBR's website and is also published on the first page in the *BBS*. Monetary statistics are released in accordance with the timetable in that calendar.

The advance release calendar on the CBR's website contains release dates for (i) monetary statistics compiled in accordance with the SDDS format and (ii) monetary statistics in the *MFSM*-recommended format for sectoral surveys. The latter are published on the CBR's website 35 days after the end of the reference month and in *BBS* 65 days after the end of the reference months.

5.1.4 Statistics are made available to all users at the same time

Monetary statistics are released simultaneously to all users, in accordance with the published advance release calendar. The CBR's main/home page contains a list of announcements covering new data releases and a list of press releases covering, among others, publication of monetary data.

5.1.5 Statistics not routinely disseminated are made available upon request

Unpublished but non-confidential data are made available upon request free of charge with the approval of CBR management. However, such requests have been rare. The CBR does not announce availability of additional unpublished but non-confidential data.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

For each of the monetary statistics tables referred to in this report, the *BBS* includes comprehensive metadata containing discussion of data sources, institutional coverage, classification, compilation method, and definitions of the aggregates. The *Statistics* page on the CBR's website provides access to methodological documents (in PDF format). When applicable, methodological notes are updated.

The SDDS metadata/summary methodology for the financial sector of Russian Federation is accessible via a link on the CBR's website to the IMF's *Dissemination Standards Bulletin Board*.

5.2.2 *Levels of detail are adapted to the needs of the intended audience*

The metadata published in *BBS* is comprehensive. The detail of descriptions is commensurate with the knowledge base expected of the analyst making use of these data.

5.3 *Assistance to users*

5.3.1 *Contact points for each field are publicized*

The CBR website identifies a person who is responsible for answering questions about SDDS data. Also, a contact point is included in the *Statistics* page of the CBR's website for sending questions to GED concerning monetary data posted on the CBR's website. (A user survey questionnaire is also provided on the *Statistics* page). A phone number and e-mail address to contact GED is printed in the *BBS*.

5.3.2 *Catalogs of publications, documents, and other services, including information on any charges, are widely available*

The CBR website displays information on data and publications availability (on *Statistics* and *Publications* pages, respectively), including access to the complete *BBS* (for issues starting in 1998) which can be downloaded in PDF format. Access to the CBR's website and information retrieval is free of charge.

Table 5. Data Quality Assessment Framework: Summary of Results for Monetary Statistics

(Compiling Agency: Central Bank of the Russian Federation)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment		X				
0.2 Resources		X				
0.3 Relevance		X				
0.4 Other quality management		X				
1. Assurances of integrity						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions		X				
2.2 Scope		X				
2.3 Classification/sectorization			X			Financial derivatives are excluded from monetary data. Contra-entries to data on government's monetary authorities' functions are not separately identified. CBR's current year result and valuation adjustment accounts are misclassified.
2.4 Basis for recording			X			Securities held to maturity and shares in the investment portfolio are not valued at market price or fair value.
3. Accuracy and reliability						
3.1 Source data		X				
3.2 Assessment of source data		X				
3.3 Statistical techniques		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies		X				
4. Serviceability						
4.1 Periodicity and timeliness		X				
4.2 Consistency		X				
4.3 Revision policy and practice		X				
5. Accessibility						
5.1 Data accessibility		X				
5.2 Metadata accessibility		X				
5.3 Assistance to users		X				

VI. BALANCE OF PAYMENTS STATISTICS

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating the statistics is clearly specified*

The responsibility of the Central Bank of the Russian Federation (CBR) for collecting, processing and disseminating balance of payments statistics is established by Government Decree 849 of July 18, 1994, and the requisite functions are clearly defined by the *Federal Law of the Russian Federation* No. 86-FZ of July 10, 2002 “*On the Central Bank of the Russian Federation (Bank of Russia)*,” as amended on January 10, 2003.

Paragraph 16 of Article 4 of the *Federal Law of the Russian Federation* stipulates that the CBR shall “participate in making a forecast of the Russian Federation balance of payments and organize the compilation of the Russian Federation balance of payments.” Article 57 states that “the Bank of Russia is authorized to request and receive the necessary information free of charge from federal executive authorities, their territorial offices, and legal entities for purposes of compilation of banking and monetary statistics, the balance of payments of the Russian Federation, and analysis of the economic situation.”³⁹

Together with the Government Decree 849, the Federal Law regulates the responsibility and mechanism of interaction between the CBR and other state agencies regarding balance of payments compilation and source data collection, as well as stipulates mandatory statistical reporting by all legal entities engaged in foreign economic activity.

Article 4, paragraph 18 of the Federal Law prescribes the publication of statistical data, as part of the CBR’s responsibility for economic analysis and forecasting.

In addition to the laws/decrees noted above, the Federal Statistics Plan launched by Government Resolution 203 of February 14, 2009 includes in Section 48, a list of 38 statistical data sets that are within the competency of the CBR.

0.1.2 *Data sharing and coordination among data-producing agencies are adequate*

Information flows for balance of payments statistics exist at three main levels: the direct reporting of credit institutions and other entities; data available from other departments of the CBR; and data sourced from state agencies, including the Federal Customs Service (FCS),

³⁹ Discussions are currently ongoing regarding the delegation of authority by the Federal State Statistics Service (Rosstat) to the CBR, as a basis for establishing more comprehensive statistical collections on direct investment, in line with the requirements of the Coordinated Direct Investment Survey (CDIS), and the OECD *Benchmark Definition of Foreign Direct Investment (BMD4)*. These requirements extend beyond those required for compiling balance of payments statistics.

the Rosstat, the Federal Border Service (FBS), the Federal Insurance Supervision Service (FISS), the Federal Service for Taxes (FST); and the ministries of finance, energy, defense, and emergencies. Other primary data sources include Vnesheconombank, the International Monetary Fund, the central banks of Belarus and Kazakhstan, and direct surveys of enterprises.

Commercial banks' data are collected by the CBR's provincial offices, and are transmitted to the CBR's Information Technology Center (TsIT), which then sends the processed data to the Balance of Payments Department (BOPD). Procedures exist to ensure efficient and timely data transmission at each stage. Internal instructions guide the exchange of information across departments of the CBR, while agreements with some state agencies—including the FCS and the Rosstat—include terms and conditions for collaboration in exchanging statistical data. The CBR is currently finalizing similar agreements with the Federal Service for Financial Markets and the Ministry of Finance (MOF).

These agreements are complemented by regular meetings between the CBR and data producing agencies to promote common understanding of existing and emerging data requirements. The Rosstat's Scientific and Methodological Council also provides a forum for statistical coordination across Russia's statistics-producing agencies.

In the CBR, the General Economic Department (GED) has an oversight role for assessing emerging data requirements against respondents' burden and for avoiding internal duplication of efforts in data collection.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

Confidentiality is an important aspect of statistical work and is strictly followed at the CBR. Under Article 92 of the Federal Law "*On the Central Bank of the Russian Federation (the Bank of Russia)*," employees are prohibited from disclosing internal information on the activities of the CBR. The official responsibilities of the CBR staff regarding preservation of confidentiality are also prescribed in their employment contracts and other internal documents pertaining to issues of information on the central bank's activities.

Protection of individual reporters' data (i.e., those of natural persons) is also secured by the *Federal Law on Information, Information Technology, and Protection of Information* dated July 27, 2006. Under this law, the state authorities establish the requirements for the information protection of and responsibility for the breach of the legislation.

The confidentiality of respondent data is stipulated in Article 57 of the Federal Law "*On the Central Bank of the Russian Federation (Bank of Russia)*," which prohibits disclosure without the respondent's consent, except in cases stipulated by Federal laws. The Federal Law "*On Information, Information Support, and Protection of Information*" No. 24-FZ of February 20, 1995 (as amended on January 10, 2003)—in Article 21 "Protection of information"—stipulates that "any documented information, whose wrongful use can cause damage to its proprietor, holder, user, or any other person, is subject to protection." On the

basis of the present Federal Law, the protection status is assigned to confidential information by the owner of information resources or an authorized person. The proprietor or holder of the information has the right to request from public authorities an assessment of the measures that exist to ensure compliance with rules and regulations for protection of their information.

The legal provisions underpinning the confidentiality of individual respondents' data are widely disseminated. All CBR reporting forms are registered with the Ministry of Justice. In CBR surveys and other inquiries, respondents are informed of their rights and obligations.

Where inquiries are multipurpose in nature, the reporting instructions detail the specific provisions underlying each type of information request (for example, those for statistical purposes as distinct from those for bank supervision purposes). Thus, the exceptions under which respondents' data may be disclosed appear to apply to data collected for non-statistical purposes, and are in concert with federal laws on exchange control and bankruptcy.

In the CBR, measures to protect confidentiality include, among others, the following:

- use of file encryption technologies to ensure safe and secure data transmission and storage;
- access to disaggregated data is available only to authorized employees on a “need-to-know” basis;
- access to the computers of CBR employees and to network resources are controlled by security procedures of identification and authentication; and
- physical access to premises in which technical facilities for data processing and transfer of information are located complies with CBR regulations on the maintenance of information security of electronic technologies for processing, storage, and transfer of information containing restricted data within the CBR's system.

CBR staff also exercise care in preventing published information from being used to derive information about a business; for example in sectors dominated by a single or few firm/s, disaggregated data are included in broader aggregates.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Statistical reporting is mandatory under Article 57 of the Federal Law “*On the Central Bank of the Russian Federation (Bank of Russia)*.” The CBR also has the right to verify reported information and impose fines for misreporting or for noncompliance with the reporting

requirements.⁴⁰ CBR provincial offices apply such penalties for noncompliance, while the CBR's BOPD uses moral suasion combined with a more proactive strategy for encouraging response to its direct surveys. These include working sessions, seminars, and consultations with respondents for the purpose of addressing issues that arise in completing and submitting reporting forms. CBR training courses for, and meetings with, bankers also include lectures or sessions on statistical topics designed to raise awareness of the importance of quality economic and financial statistics.

The CBR has also issued Executive Order No. 2332 U (November 12, 2009) which lists all CBR data reporting forms; provides a sample of each form; and describes the procedures for compiling and submitting the forms.

For statistical reporting, definitions of “resident” and “nonresident”—important for collecting data for the international accounts—are consistent with those provided in the *Russian Federation Law No. 173 “On Foreign Exchange Regulation and Foreign Exchange Control* (December 10, 2002). Foreign firms entering into oil product sharing agreements (PSAs) with the Government of the Russian Federation establish enterprises in the territory of Russia. These foreign firms are not considered to be holding direct investment equity in the enterprises established. These enterprises are treated as nonresidents by law and are therefore exempted from statistical reporting.⁴¹

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

The CBR's BOPD is responsible for compiling and disseminating balance of payments, international investment position (IIP), external debt, merchandise trade and international reserves statistics. The BOPD has 50 staff with higher education degrees in economics or related disciplines, including 6 with doctoral degrees. Twenty-five staff from the BOPD completed courses in the International Financial Reporting Standards (IFRS). A high staff retention rate has ensured the accumulation of a wealth of expertise—80 percent of the staff in the BOPD has at least five years' experience in balance of payments compilation, while the average age of the staff is 39. These indicators evidence the CBR's wider current personnel policy that is aimed at “attracting young workers and encouraging them to stay...” (see *CBR Annual Report 2008*, p. 113). The CBR's Department of Personnel Policies and Personnel Support prepares annual plans for skills improvement and organizes seminars for enhancing the expertise of CBR staff.

⁴⁰ *The CBR Annual Report 2008* (Table 43) reports that in 2008, 309 banks were subject to punitive measures for breaches of federal laws and CBR rules and regulations issued in pursuance of these laws, and for non-reporting, underreporting, or false reporting.

⁴¹ For statistical purposes, the CBR treats the PSAs as foreign direct investment (FDI) enterprises, and has developed estimation techniques for covering PSA-related transactions and positions in the international accounts (see discussion under 3.3.2).

Staff responsible for compiling the international accounts has taken training courses organized by the IMF and participated in seminars conducted by other central banks and international financial institutions. Building on the considerable technical assistance in balance of payments compilation provided by the IMF's Statistics Department (STA) during the 1990s, the CBR has continued to benefit from STA's technical advice in areas including direct investment and reserve assets statistics.

Information technology (IT) resources in the BOPD are adequate for designated tasks and are undergoing upgrades under the CBR's overall information and telecommunications system (ITS) strategy, as set out in the ITS Development Concept for the period until 2013. Incoming data are tabulated at the TsIT where modern hardware and software systems are utilized. Hardware is appropriately allocated to ensure effective data processing and database management. Compilers employ modern report preparation software techniques, and play a role in developing computing programs as evidenced by their recent work on the data processing system for direct investment statistics. The BOPD indicated that the CBR provincial offices are well equipped to perform data collection and processing tasks. The financial resources available for compiling balance of payments statistics are sufficient for completing required tasks. Annual plans are produced to identify the resources necessary for collecting and processing data, taking into account the requirements of new initiatives for external sector statistics.

0.2.2 Measures to ensure efficient use of resources are implemented

Within the framework of a specially created commission at the CBR, a procedure has been established for preliminary consideration and coordination of the amounts of financial resources planned for the forthcoming year, including resources for the statistical work program that may cover new data initiatives.

As part of the annual budget planning process, the BOPD provides to the relevant CBR departments, information on planned physical and IT resource requirements, new reporting forms, and publications. Requests for changing the structure of any CBR department (for example, to address staffing requirements for emerging /new tasks) are reviewed by specialized departments.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

Data users' needs are monitored through electronic user surveys. The CBR's Training Center at Tula conducts semiannual workshops covering discussions of CBR's activities, policies, and statistics. These workshops also provide an opportunity to receive feedback from data users, including from representatives of the press, on data transparency, and relevance. The CBR also offers a channel for comments through the contact point included on the statistics section of the CBR. Through these facilities, data users provide suggestions for enhancements in data dissemination.

The CBR actively participates in the meetings of international working groups on statistical methodology organized by the Bank for International Settlements (BIS), IMF, and the OECD. Such meetings provide a channel for gauging the needs of international users.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality

The CBR recognizes that official statistics must have the confidence of the users. The CBR management and senior staff concentrate on compliance with the key parameters of quality of statistical information such as integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility as an integral part of compiling external sector statistics.

Reported information is subject to validation checks at the collection and processing stages. The BOPD works with the GED, the Accounting Department, the Bank Supervision and Regulation Department, the Department of Financial Monitoring and Foreign Exchange Control, and other CBR departments and units on data verification and reconciliation before data are disseminated to the public.

Financial statements of the CBR and credit institutions are audited by established external audit companies. International reserves data for 2006–2008 were audited by the Chamber of Accounts.

0.4.2 Processes are in place to monitor the quality of the statistical program

The quality of the statistical program is assured by rigorous review of statistical outputs by the CBR senior management. These reviews include—but are not limited to—comparisons with partner-country data/trends.

Regarding the balance of payments data and forecasts, the CBR is subject to public accountability, and can be called on by the State Duma and the Federation Council to answer questions related to the underlying methodology and/or compilation techniques.

Management discussions of the monetary guidelines and compilation of the *CBR's Annual Report* also provides occasion for intense internal scrutiny of data.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

Quality considerations are taken into account in planning the statistical program, and are driven by (i) quality improvements identified during ongoing monitoring and in periodic reviews; (ii) feedback from users on quality standards, and on new and emerging data requirements; and (iii) trade-offs among the dimensions of quality (e.g., timeliness, and the demand for more supplementary information versus resource and data source availability). Indicators that these drivers impact the statistical program include: efforts by the CBR to

address the recommendations of the previous IMF data ROSC mission (2003); the availability of comprehensive trade in services statistics (by partner-country breakdowns) through a dedicated annual publication; and the availability of advance estimates of the balance of payments and external debt prior to the release of preliminary data.

1. Assurances of integrity

1.1 Professionalism

1.1.1 Statistics are produced on an impartial basis

Intrinsic to the legal status of the CBR is the principle of its independence, which is reflected in Article 75 of the Constitution of the Russian Federation as well as in Articles 1 and 2 of the Federal Law “*On the Central Bank of the Russian Federation (Bank of Russia)*.” According to Article 1, the CBR exercises its functions and powers provided by the Constitution of the Russian Federation and by this Federal Law independently from other federal bodies of state power, government authorities of territories of the Russian Federation, and local governments.

The high professional standards of the staff of the BOPD is evidenced by their active participation in international seminars, expert working groups⁴², and conferences organized by other central banks and international financial institutions for sharing expertise, shaping statistical methodologies, and collaborating on statistical work programs. Key areas in which the CBR is playing an active role include cross-border remittances statistics, and the implementation of *BPM6*. The Director of CBR’s BOPD is a member of the IMF Committee on Balance of Payments Statistics (BOPCOM).

Balance of payments compilers also hold working meetings and consultations with staff in other departments and in provincial offices. High levels of multilateral technical cooperation in balance of payments statistics also exist among the central banks of the Eurasian Economic Community (EurAsEC) member states, and the CBR conducts regional training programs in external sector statistics. On a bilateral level, exchange visits between the CBR and the Bank of Japan were conducted in 2009 and 2010. The CBR also discussed with the Bank of Finland (in 2009) issues related to bilateral data on the balance of payments and IIP, and to the implementation of *BPM6* and *BMD4*. These initiatives reflect a strong professional culture in the institution.

Hiring and promotion policies are governed by the CBR Provision 235 P of July 25, 2003 (with amendments), and are aimed at promoting professionalism. The CBR’s Model Qualification Standards—approved by the CBR’s Board of Directors in 2003—specifies the requirements for staff engaged in statistical work.

⁴² The CBR was a member of the Direct Investment Technical Expert Group (DITEG) and the Reserve Assets Technical Expert Group (RESTEG) which provided inputs to the drafting of *BPM6*.

1.1.2 Choices of sources and statistical techniques, as well as decisions about dissemination, are informed solely by statistical considerations

The choice of sources and statistical methods is determined by statistical considerations. One example is that given the growing importance of individual cross-border transactions, the CBR has introduced new reporting forms for compiling remittances data. These forms are aimed at improving the coverage of source data, and for implementing *BPM6*.

Dissemination of external sector statistics is guided by the SDDS specifications, and by the timeliness of the source data.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

The BOPD tracks the use and interpretation of balance of payments statistics in the financial press and mass media, and maintains an archive of related materials. Cases of data misinterpretation or misuse are brought to the attention of the publisher—via the CBR External Relations Department—with a request to make appropriate corrections in their publications, as evidenced by a recent case (March 2010) involving one of the largest business newspapers in Russia. Bloomberg and Reuters internet platforms are also used to disseminate data and address inaccuracies reported in the press.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The Federal Law of the Russian Federation “*On the Central Bank of the Russian Federation (Bank of Russia)*”—as amended on January 10, 2003—is posted on the CBR’s website, in Russian and in English. Detailed references to the legal terms and conditions of data collection and dissemination are included in the reporting forms sent to reporting agents.

Key features of data sharing agreements between the CBR and state agencies are widely reported in the press, and the general provisions of these agreements are available. The Rosstat, for example, disseminates on its website, information on all agreements made with other agencies.

Using the DQAF metadata formats, the CBR disseminates the terms and conditions of data dissemination (balance of payments, IIP, and external debt) on its internet website. The site also publishes advance release calendars for all SDDS external sector data categories (excluding exchange rates, which are published daily). Similar materials are published in the CBR’s *Vestnik Banka Rossii* and the monthly *Bulletin of Banking Statistics*.

1.2.2 *Internal governmental access to statistics prior to their release is publicly identified*

Government officials do not have prior access to the balance of payments and IIP data, and this is stated on the CBR's website.

The CBR provides to the Rosstat, quarterly data on the exports and imports of services approximately two days prior to public release. This allows the Rosstat to finalize the quarterly estimates of GDP by expenditure, which is released with the same timeliness as that of the quarterly balance of payments. The practice is prescribed under the CBR–Rosstat information sharing agreement, and is considered an internal working arrangement to facilitate the release of consistent macroeconomic statistics. This practice is publicly identified on the CBR website.

1.2.3 *Products of statistical agencies/units are clearly identified as such*

In the CBR's press releases and electronic modes of dissemination, the CBR is identified as the producer of Russia's balance of payments and IIP statistics. The hard copy publication *Vestnik Banka Rossii* (in Russian) use product labels, and requests attribution. The *Bulletin of Banking Statistics*, the annual *External Trade in Services of the Russian Federation* and *External Sector Statistics 2010* follow similar practices. The latter two publications specifically identify the CBR's BOPD as the compiling unit. When reporting balance of payments statistics, the official press (for example, the *Rossiyskaya Gazeta*) references the CBR as the data source.

The Agreement on Information Cooperation between the Rosstat and the CBR stipulates a mandatory procedure for acknowledging the data source when publishing the data provided to the CBR by the Rosstat, and vice versa. Data sharing agreements between the CBR and other state agencies include similar provisions.

1.2.4 *Advance notice is given of major changes in methodology, source data, and statistical techniques*

Since the last ROSC assessment (2003), the CBR has implemented a policy of providing advance notice of major changes in methodology, source data, and statistical techniques. For instance, through CBR Information Notice dated October 26, 2009, the CBR has already informed users of plans to adopt the *BPM6* methodology by end-2012. Beginning with data for June 2010, the CBR implemented a *BPM6* recommendation on monetary gold (by including in the coverage of gold bullion, gold coins with purity of 999 parts per 1000),⁴³ and advance notice of this change in methodology was communicated to the public in a CBR Information Notice dated May 27, 2010.

⁴³ See *BPM6*, Chapter 5, paragraph 5.74. The *BPM6* recommendation allows for gold coins with a purity of at least 995 parts per 1000.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

Rules of ethical conduct for the CBR staff are set out in the CBR Provision 235P of 1997 (amended on July 25, 2003) that defines the status of a CBR employee. Individuals entering into employment with the CBR undergo screening tests, and are required to familiarize themselves with this regulation. Articles 90–92 of the *Federal Law On the Central Bank of the Russian Federation (Bank of Russia)* regulate the range of activities that CBR staff may undertake so as to avoid conflict of interest.

On joining the CBR, new staff is also made aware of the following documents: *Internal Office Regulations, Regulations on Employees of the Bank of Russia* and *Regulations on Procedures for the Recruitment and Termination of Bank of Russia Employees*. The CBR indicated that these procedures are in line with the *Labor Code of the Russian Federation*.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

The overall structure of Russia's balance of payments accords with the guidelines of *Balance of Payments Manual*, fifth edition (*BPM5*). The current, capital and financial accounts are clearly distinguished, and the broad components of each account are also identified. Institutional sector breakdowns follow *BPM5* guidelines. In line with the CBR's phased work program for moving to *BPM6* by end-2012, some methodological changes have already been adopted, and these are noted in the relevant paragraphs of this assessment, as applicable.

The residency of institutional units is defined in broad conformity with *BPM5*. Given the level of individual cross-border flows with neighboring countries, the CBR seeks to ensure that income (compensation of employees), travel, and transfers are based on the one-year residency rule, by assessing data from the FBS and the Federal Migration Service, against those obtained from CBR border visits, and partner country information. The recording of construction services associated with large projects is guided by the residency criterion.

Reserve assets are compiled according to the *System of National Accounts, 1993 (1993 SNA)* definition of monetary authorities, *BPM5*, and the *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template*. Foreign currency deposits held by the authorities with resident banks are excluded from reserve assets. Reserve-related liabilities are introduced as a classification in *BPM6*, and the CBR has adopted the new classification in recording the Fund's SDR allocation in 2009 (see also 1.2.4 for reference to CBR's implementation of the *BPM6* recommendation on monetary gold).

2.2 *Scope*

2.2.1 *The scope is broadly consistent with internationally accepted standards, guidelines, or good practices*

Russia's balance of payments and IIP statistics broadly cover all transactions and positions of resident institutional units vis-à-vis the rest of the world. The criterion of residence is generally determined by the principles established in the *BPM5*. In cases where administrative complexities give rise to measurement issues, the CBR makes strong efforts to estimate the transactions and positions on a residency basis. *BPM5* guidelines are followed in the recording of resident–resident transactions in transferable foreign financial assets.⁴⁴

Estimates are made for goods not covered under the Customs-based trade statistics. For services, estimates are made for transportation, travel, and government services to address nonexistent/incomplete source data. Some transactions related to PSAs (mainly affecting services, income, and direct investment flows) are also estimated using partial administrative data, as well as assumptions based on industry-specific information. To enhance the scope of the IIP, direct investment equity positions related to PSAs are imputed by the CBR.⁴⁵ In recent years, the coverage of remittances data has improved.

2.3 *Classification/sectorization*

2.3.1 *Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices*

The classification and sectorization of Russia's international accounts in principle follow *BPM5*, with further extensions to take account of domestic and international user requirements. In particular, transactions in debt securities of the federal government are published in greater detail than that required by *BPM5*, including a geographical split between Commonwealth of Independent States (CIS) and non-CIS countries. The CBR also compiles and disseminates data on direct investment transactions (abroad and in the reporting economy) by institutional sector, and on the currency composition of international reserves (annual position data).

The classification system used in national data presentations is broadly consistent with the structure of *BPM5*. The “neutral” presentation of Russia's balance of payment continues to report a line item titled “non-repatriation of exports proceeds, non-supply of goods and services against import contracts, and remittances against fictitious transactions in securities” under other investment (in the financial account).⁴⁶ These entries account for a sizeable share

⁴⁴ These guidelines are amended in *BPM6*. See also “Treatment of Resident-to-Resident Transactions in Foreign Securities” Paper presented by the CBR to the Twenty-Second Meeting of the IMF Committee on Balance of Payments Statistics, Shanghai, China, P.R., November 2–4, 2009.

⁴⁵ As noted under 0.1.4, foreign firms entering into oil PSAs with the Government of the Russian Federation are not considered to be holding direct investment equity in the enterprises that emerge from such agreements.

⁴⁶ Individual components of this line item are also published by the CBR.

of other investment assets, and are classified by the CBR under other investment, other assets (other sectors) for the balance of payments data reported to STA. The CBR maintains that the line item aims to capture in the balance of payments, capital flight arising from the foreign exchange control system. Also included under the other investment classification is a line item termed “indebtedness to suppliers according to intergovernmental agreements,” which is reported under trade credits.

In response to the previous ROSC mission recommendations, the monetary authorities’ portfolio and other investment transactions are separately identified (these transactions were previously included as part of the banking sector). In the current account, freight insurance is now classified under insurance services, instead of under transportation, as was noted by the previous mission.

For services, the CBR has adopted the extended classifications, in line with the *Manual on Statistics of International Trade in Services*. In line with *BPM5*, repurchase agreements (repos) and financial leases are treated as loans. Data on nonproduced nonfinancial assets are available from 2008.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

Russia’s balance of payments statistics are compiled in U.S. dollars. Transactions denominated in other currencies are converted into U.S. dollars at the official exchange rate fixed by the CBR. This rate is viewed by data compilers as a close approximation of the market rate on the transaction date.

A security-by-security database supports the market valuation of debt and equity securities actively traded on the secondary market. For securities that are either not actively traded, or are not issued in organized markets, reporters are asked to provide a proxy to market valuation using any of the approaches outlined in the *Coordinated Portfolio Investment Survey Guide*. In line with *BPM5*, commissions and brokerage fees are excluded in the recording of transactions in securities.

The valuation of monetary gold is based on the CBR’s gold reference price which is fixed each business day, based on prices obtained at that time from the London Daily Spot Metal Market Rates (quoted per ounce) and the prevailing official ruble/U.S. dollar exchange rate. The CBR gold price fix is calculated in U.S. dollars per troy ounce, but referenced in rubles per gram. The reference price for refined gold is effective for the following business day. On official holidays when there are no price fixings, the CBR uses the most recently-fixed price.

2.4.2 Recording is done on an accrual basis

In principle, Russia’s balance of payments statistics are compiled with the full recognition of the change in ownership criteria as the basis for determining balance of payments

transactions and their time of recording. In practice, deviations exist for loan-related transactions of the other sectors.

For direct and portfolio investment income:

- reinvested earnings (including undistributed branch profits) are recorded in the period in which they are earned;
- dividends are recorded at the time they are declared payable; and
- income on debt securities is compiled on an accrual basis.

Regarding other investment income, the income (interest) of banks, monetary authorities, and general government are based on accrual accounting, but the loan-related income of other sectors are recorded on a due-for-payment basis.

For external debt statistics, the due for payment method is used in recording the debt position of the federal government⁴⁷ and the nontradable debt of other sectors. Accrual accounting is used for recording the debt positions of the monetary authorities and banks, and for traded instruments in other sectors (positions on loans, deposits and accounts payable/receivable are recorded at nominal value, which is the outstanding amount the debtor owes the creditor, including accrued interest). For the IIP, no adjustments are made to address the due for payment basis for recording the debt position (loans) of the federal government and the nontradable debt of other sectors.

In line with *BPM5*, direct investment earnings are measured on the basis of current operating performance.

Recommendations: Use accrual accounting for recording (i) income on other investment (interest) of other sectors; and (ii) position data on government loans and the nontradable debt of other sectors.

2.4.3 *Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices*

In line with the recommendations of *BPM5*, Russia's balance of payments record current and capital account transactions on a gross basis. Financial account transactions are recorded on a net basis, separately for the individual asset and liability components.⁴⁸ During the mission,

⁴⁷ The CBR receives the source data from the MOF and retains the due-for-payment recording basis in external debt tables so that the position data are identical to those published by the MOF.

⁴⁸ For surveillance purposes, IMF missions have identified the need for supplemental transactions data on banks' external debt liabilities on a gross basis (i.e., drawings and repayments separately identified), as is currently reported by the CBR for government and nonfinancial enterprises. The net recording of flows in financial assets and liabilities is maintained in *BPM6* (with a possible exception for financial derivatives noted). However, *BPM6* acknowledges the usefulness of data on gross flows, noting that "where practical to do so, data
(continued)

balance of payments data on trade credits and advances were revised by the CBR to separately identify assets and liabilities (the CBR has also adopted the *BPM6* terminology “trade credits and advances” in its neutral data presentation). A revision to the IIP trade credits data for 2009 was made to show separately asset and liability positions.

Recommendation: *External debt tables (and corresponding metadata) should be updated to reflect the recent changes in recording trade credits in the international accounts. The CBR has already initiated work on this recommendation, with tables for 2009 reflecting the change, and appropriate footnotes to alert users of the change.*

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions

The data sources for compiling Russia’s international accounts (balance of payments and IIP) are broadly sufficient and are under continuous review to ensure that the data collection program remains comprehensive.⁴⁹ The CBR’s legal framework, supported by active follow up on statistical enquiries by the Balance of Payments Department (and other CBR departments and provincial offices, as applicable) ensures a high level of cooperation by respondents.

The data collection program is based mainly on:

- the reporting of credit institutions (through the CBR international transactions reporting system and other reporting forms), and other financial entities;
- data available from other departments of the CBR;
- data sourced from state agencies, including the FCS, FBS, the Rosstat, the FISS, and the FST; and
- administrative data from the ministries of finance, energy, defense, and emergencies.

Other primary data sources include Vnesheconombank, the IMF, the central banks of Belarus and Kazakhstan, direct surveys of enterprises, and the IFRS-based financial statements of bank and nonbank enterprises. Appendix I provides a list of reporting forms used for compiling the international accounts.

on drawings and repayments on loans or acquisitions or disposals of other instruments could be made available to users on a supplementary basis” (*BPM6*, Chapter 8, paragraph 8.9).

⁴⁹ The key data sources are documented in the previous data ROSC assessment, the IMF’s *Balance of Payments Statistics Yearbook (BOPSY)* and Dissemination Standards Bulletin Board (DSBB), and in CBR online metadata and statistical publications, including the recently-launched methodological publication *External Sector Statistics 2010*.

Regarding issues noted in the previous data ROSC assessment (2003), the incomplete coverage of Customs-based foreign trade statistics has been, and continues to be, a long-standing issue in the national statistical system. The CBR continues to use its program of coverage adjustments, and both the calculations and methodology for these adjustments are published (see 3.1.2). The FCS strives to ensure complete and accurate data capture of goods crossing the border. Initiatives in recent years include the introduction of the Single Administrative Document (SAD) as a means of simplifying the procedures for customs clearance for enterprises and individuals; and active cooperation in data sharing with other customs agencies, including those of the CIS and Finland. The FCS has signed a data sharing agreement with Eurostat, and uses partner-country data—including those sourced from the United Nations COMTRADE and the IMF *Direction of Trade Statistics* (DOTS) databases—for detecting and assessing trade data discrepancies. These assessments are shared with the Rosstat, the MOF, and the CBR. The FCS indicated to the mission that these assessments show that there has been a reduction in the discrepancies over time.

The CBR also continues to use estimation techniques for the credit entries for government services; surveys of foreign embassies in Russia were attempted in the past but were unsuccessful.⁵⁰

Since 2003, the CBR has expanded the range of sources for direct investment through surveys of banks, custodians, and nonfinancial enterprises; through the IMF's Coordinated Portfolio Investment Survey (CPIS) and CDIS;⁵¹ and data from federal agencies/ministries (including PSA information from the Ministry of Energy), and from partner countries. These initiatives have widened the coverage of direct investment data to account for PSA activities, as well as mergers and acquisitions (M&As), and real estate investments by residents (purchases abroad) and nonresidents (purchases in Russia). The CBR has also introduced new reporting forms (or updated previously existing ones) to expand data collection on securities, remittances, and financial derivatives. Improvements in source data have informed more accurate calculations for insurance.

During the crisis of 2008, the CBR detected increasing levels and types of financial derivative transactions by banks, and have implemented procedures for more comprehensive data reporting by banks. Previously, the source data were based on foreign exchange (FX) derivative contracts. Beginning in 2010, the CBR introduced a survey of financial derivatives designed to collect transactions and positions data on all types of derivatives. However the results obtained from banks are currently under review. Thus, the coverage of financial derivatives in the international accounts is limited to FX derivatives. This exception to coverage is identified in the CBR's metadata.

⁵⁰ By convention, reporting by foreign embassies are voluntary as they are not subject to the laws of the host country.

⁵¹ In addition to portfolio investment, the CPIS was also used to enumerate information on direct investment. The CDIS is being conducted for the first time in 2010.

The CBR is currently finalizing the first quarter 2010 (Q1/2010) data collected from banks, and plans to introduce wider financial derivatives coverage, beginning with revisions to the Q1/2010 balance of payments in September 2010.

Where source data do not exist or are difficult to collect, compilers use the best possible secondary sources and approximation techniques as the basis for their estimates (see 3.3.2).

Recommendation: *Include in the international accounts, the results of expanded data collections on financial derivatives.*

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

Source data derived from within the CBR and from banks generally meet the definitions, scope, classifications, valuation, and time of recording required for compiling the international accounts. Deviations with regard to source data on general government and other sectors are noted under 2.4.2. Where applicable, procedures are in place to adjust the data from these sources to improve the coverage, classification, valuation, and time of recording to conform to the *BPM5* guidelines. These procedures are outlined in 3.3.1.

3.1.3 Source data are timely

Data collections are scheduled to allow for the compilation of quarterly balance of payments and annual IIP statistics⁵² (see Appendix I for reporting lags of the CBR's statistical reporting system). Respondent banks are aware of the deadlines for reporting data to the CBR's provincial offices, and rigorous follow-up procedures exist to ensure the timely receipt of respondents' data. Data sourced from most federal agencies are subject to agreements that specify delivery dates.

Compilers reported no major problems with the timeliness of source data, except in the case of some PSA-related position data (used for estimating direct investment assets/liabilities in the IIP) sourced from the Ministry of Energy (annual data are reported with an eight-month lag and are in line with the ministry's report production schedule).

The timeliness of key source data is underscored by the fact that the CBR is able to compile an advance estimate of the quarterly balance of payments within two business days after the end of the reference period. The advance estimates are an approximation of statistical data and are based mainly on FCS data on goods, transactions on a cash basis as reported by banks, and international reserves data.

⁵² Quarterly IIP data for the banking sector (CBR and credit institutions) are also compiled by the CBR.

3.2 *Assessment of source data*

3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes

The coverage of bank reporting stays current because it is integrated with the register maintained by the bank supervisory authorities. There are no reporting thresholds for transactions, and explanatory comments are required for transactions beyond stated levels. Primary and secondary data sources are also assessed against information from electronic databases, the financial press, and industry journals (for example those of the oil sector). These sources are actively monitored for new and/or counterparty information on emerging/significant current and financial account transactions (for example, allowing the CBR to detect the widening scope of financial derivative transactions in Russia).

The results of new reporting forms and/or changes to existing ones are carefully assessed prior to use in the balance of payments. CBR compilers seek to ensure that data providers understand the concepts underlying the measurement, and efforts are made to minimize recording/classification errors by reviewing atypical responses. The recent work on implementing the survey on financial derivatives is a case in point.

Source data are also reviewed for consistency with related data sources, including partner country information (e.g., foreign trade statistics and BIS banking statistics). The completeness of the closed-type ITRS reporting by banks is assessed by comparing transactions with changes in account balances.

Issues such as sample error, response error, and nonsampling error are not applicable as sample surveys are not generally used in compiling the international accounts. As part of efforts to expand data collection on foreign direct investment abroad, the CBR has used the CPIS form (see footnote 13), which in 2008 yielded a 73 percent response rate.

3.3 *Statistical techniques*

3.3.1 Data compilation employs sound statistical techniques to deal with data sources

Data compilation procedures employ rigorous standards for minimizing coding, editing and processing errors. The ITRS provides for detailed verification checks, and transactions exceeding stated amounts are flagged for explanatory comments. Deviations from historical trends are also monitored.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.

Compilers employ a range of statistical techniques, including the following:

- Coverage adjustments include transactions in goods not recorded in customs statistics. These transactions include goods sold without crossing the Russian Federation's customs frontier: mainly fish and sea products and goods procured by foreign carriers in Russian ports and by the Russian carriers in foreign ports; goods brought in and taken out by migrants; and goods not registered by Customs (goods undeclared and/or inadequately declared when imported by legal entities; and goods exported/imported by individuals for subsequent selling, including imports of vehicles). The estimates of goods not registered by Customs are based on a CBR model, considering the absolute volumes of retail turnover on the domestic market, volumes of supply of goods by official sources, price structure of final consumption of imports, and price changes within the reporting period (for the purpose of deriving ratios for converting consumer prices to free on board import prices).
- Compilers also adjust customs data on imports, measured on a cost of insurance and freight (c.i.f.) basis, to obtain an estimated free on board (f.o.b.) basis. They make this adjustment for countries that have no common borders with the Russian Federation using a conversion ratio based on the data of a customs declarations survey. The CBR has also conducted sample surveys of oil and gas companies to determine the f.o.b./c.i.f. adjustment ratios used in the balance of payments. These surveys provided valuable insights about the recording practices related to oil and gas exports using pipelines and overland transport. The ITRS data are also used to inform the adjustments.
- Based on a statistical analysis of the difference between preliminary and final customs-based trade data, CBR balance of payments compilers adjust goods data for missing observations in the customs statistics. This serves to reduce the magnitude of revisions to the balance of payments that arise from changes in customs-based trade statistics, and contributes to the stability of the series.
- For income, the CBR estimates income gross of taxes by applying the requisite tax rates.
- For calculating investment income of general government, the CBR uses a special database that applies accrual accounting to the data on government loans and securities, taking into account secondary market transactions between residents and nonresidents.
- A detailed estimation model is used to compile quarterly estimates of reinvested earnings for nonfinancial enterprises.⁵³
- The CBR has developed estimation techniques to estimate PSA transactions (and positions). These include the use of a standardized measure of discounted future net

⁵³ The methodology is described in "Methodological Guidelines for the Estimation of Reinvested Earnings of Direct Investors in Nonbank Corporations" in *External Sector Statistics 2010*.

cash flows,⁵⁴ and the computation of revenue using the average price of the previous twelve months.

As noted by the previous ROSC mission in 2003, the CBR has also developed external debt statistics using the residency criterion. This required, for example, the adjustment of MOF data on Eurobonds for consistency with the residency criterion. For the IIP, the CBR also employs a range of methods and supplementary data sources to bring position data on portfolio investment in line with *BPM5* valuation principles.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information, where applicable

The plausibility of intermediate results is reviewed for consistency with related data sources, including partner country information (e.g., foreign trade statistics and BIS banking statistics). Given the size of the Russian economy, these results are also reviewed against domestic, regional, and global economic trends, and information available in specialized databases and in the financial press.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.

Compilers routinely assess the behavior of series against related series. For instance:

- reported data on investment income payments and receipts are regularly assessed in relation to the corresponding position data;
- data on freight earnings are regularly assessed in relation to the value of the trade flows;
- goods and services data are compared with information from UN statistical databases, and from the World Tourism Organization (for travel); and
- the reported financial flow data are reconciled with changes in the corresponding stock data collected for external debt and for other elements of the IIP.

The CBR compiles a geographical breakdown of the Russian international accounts between CIS and non-CIS countries. Detailed assessments are made of the CIS' component of the balance of payments/IIP, against these countries' data. Detailed bilateral comparisons are made with Kazakhstan and Belarus, which are part of a customs union with Russia.

⁵⁴ The CBR is guided by the Financial Accounting Standards Board (FASB) Standards for Disclosures about Oil and Gas Producing Activities (Statement of Financial Accounting Standards No. 69, 2008). The FASB recommends a discount rate of 10 percent, but the CBR has chosen 15 percent, given different conditions in Russia. In seeking to estimate income statement and balance sheet items for PSA enterprises, the CBR also examined the published consolidated financial statements of OAO LUKOIL, the largest private oil company in Russia.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

The CBR's BOPD monitors developments in the errors and omissions, and there is the general recognition that these originate in capital flight. Continuous efforts are made to identify statistical gaps, but the ingenuity of transactors in escaping detection continues to provide a challenge for statistical compilation. Other departments in the CBR are working to address gaps in the operations of the foreign exchange control mechanism; and this may enhance the accuracy of classifications in the source data. CBR staff noted, as an example, that the high level of payments recorded under other business services in the ITRS may reflect suspicious transactions.

Bilateral data reconciliations are conducted for selected trade, and other current and financial account items with principal trading partners, and inconsistencies are investigated. Data are also compared with international databases, including the Joint BIS-IMF-OECD-World Bank Statistics on External Debt, BIS locational international banking statistics, UN and Eurostat information, the CPIS derived-liabilities data, and the IMF *Direction of Trade Statistics* (DOTS) database.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3)

Revisions to the balance of payments statistics originate from routine revisions to source data, and from periodic changes in methodology and the introduction of new data sources. Periodic revisions are an important feature of Russia's balance of payments, given the CBR's commitment to moving to *BPM6*. The source and magnitude of these revisions are tracked and are fully explained in statistical publications. Recently, the CBR produced a paper outlining the implications of adopting the *BPM6* guidelines for remittances.

The CBR also tracks revisions to customs trade data, and the trends are used to calculate an adjustment in goods. Thus, the preliminary balance of payments includes an "anticipatory revision" adjustment to goods; while undershooting or overshooting occurs, this process helps to insulate the balance of payments from significant source data revisions.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards

All external sector statistics are disseminated in line with the periodicity prescribed under the SDDS (see Volume I, Appendix I of this report). Foreign trade statistics are published monthly. Balance of payments and external debt data are released quarterly. International reserves are disseminated weekly, exceeding the SDDS monthly periodicity requirement, but

in line with the SDDS recommended periodicity. The reserves template is disseminated monthly, and the IIP—annually.

A quarterly IIP for the banking sector (CBR and credit institutions) is also compiled and disseminated with a lag of one quarter.

Recommendation: *Compile quarterly IIP data for all institutional sectors.*⁵⁵

4.1.2 Timeliness follows dissemination standards

External sector statistics are disseminated in line with the SDDS (see Volume I, Appendix I of this report). Annual IIP data are released two quarters after the end of the reference quarter, exceeding the SDDS three-quarters timeliness requirement.⁵⁶

In addition, advance quarterly estimates of the balance of payments and external debt are compiled and disseminated within two and three business days, respectively after the end of the reference quarter (see discussion under 3.1.3).

4.2 Consistency

4.2.1 Statistics are consistent within the dataset

Regarding consistency within the international accounts (balance of payments and IIP), the CBR disseminates tables presenting the annual IIP in a full reconciliation statement, with transactions in the IIP equal to financial account transactions recorded in the financial account of the balance of payments. A similar table is compiled and disseminated quarterly for international reserves and external debt.

As noted under 2.3.1, the CBR, with a view to ensuring the accuracy and reliability of the balance of payments, includes an entry under the financial account (other investment, other) titled “non-repatriation of exports proceeds, non-supply of goods and services against import contracts, and remittances against fictitious transactions in securities.” The item aims to capture in the balance of payments, capital flight arising from the foreign exchange control system. However, the corresponding foreign asset positions cannot be measured given the nature of these transactions and so are not included in the external position data. In the IIP, a counter entry is therefore made under other changes to net out the transactions, so that opening and closing positions are undefined.

⁵⁵ As of end-June 2010, 120 Fund-member countries compile and disseminate (through the IMF’s *International Financial Statistics*) annual IIP data, of which 48 also compile and disseminate quarterly data. Seven G-20 economies are among those compiling the IIP quarterly.

⁵⁶ The timeliness of the reserves template and merchandise trade statistics also exceeds SDDS requirements.

Annual balance of payments statistics are compiled from quarterly data, ensuring consistency is achieved within datasets of different periodicity. The concepts, definitions, and classifications are therefore identical across data sets of different periodicity. Net errors and omissions have been stable over time; and except in 2006, have been consistently negative since 1995.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time

Consistent time series are available since 1994. When changes in source data, methodology, or techniques are introduced, historical series are reconstructed as far back as is reasonably possible. Generally, as the Russian balance of payments compilation system was built on the *BPM5* methodology, breaks and discontinuities in the balance of payments component time series do not exist. Regarding the implementation of *BPM6*, the CBR has begun changing some series, starting with data from 2010.

Quarterly balance of payments series are published on the CBR website from 1994. The main monthly balance of payments aggregates are available from 2007. Annual IIP series are available from 2001. Quarterly IIP for the banking sector are available from 1994. Financial derivatives were introduced in 2002. The series on services, using the extended balance of payments classification are available from 2002. International reserve statistics are available from 1994, and the CBR also disseminates a table that tracks methodological changes to this dataset dating back to 1998. Data on nonproduced nonfinancial assets are available from 2008.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

Balance of payments adjustments made to FCS-based international merchandise trade data are published in the detailed balance of payments presentation, allowing users to identify the FCS data, and the type of coverage adjustments made by the CBR. Similar tables exist for the transactions and positions data on external debt sourced from the MOF. The international accounts are reconcilable with the monetary statistics.

As noted in the national accounts section of this report (Volume III, National Accounts), there are some issues that preclude full reconciliation of the national and international accounts, not least due to the Rosstat's revision policy that appear to result in CBR's latest balance of payments data not being used when estimating GDP by expenditure.

4.3 Revision policy and practice

4.3.1 Revisions follow a regular and transparent schedule

Quarterly balance of payments data are preliminary when first released. At the time of the data release for the latest quarter, data for the previous three quarters may also be revised to take account of changes in reported (source) data, the introduction of new data sources, changes in methodology, and other factors. In the case of major changes in methodology, the

historical data are revised as far back as possible. However, the historical data are not revised when new data collection systems are introduced.

These practices are transparent; they are identified in both the SDDS as well as in the CBR's DQAF-based metadata.

4.3.2 Preliminary and/or revised data are clearly identified

Preliminary data are identified as such in all publications, and revisions are identified by the convention of bold print when the data are published in the *Bulletin of Banking Statistics*.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

Analysis of revisions are described in the *Balance of Payments and External Debt of the Russian Federation* by means of appendix tables that (i) identify the cause for revisions to specific items in the balance of payments; (ii) indicate the period to which the revision occur; (iii); and provides a comparison of the initial and revised estimates with commentary.

The impact of new source data is also discussed. The CBR has posted on its website, a paper discussing the implications of revising the remittances data in line with *BPM6*.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

The national presentation of the Russia's balance of payments (neutral and analytical format) follows *BPM5*, with adaptations for national user needs, as described in section 2.3.1 of this report. International accounts data (using STA's reporting templates) are reported to the IMF for publication in the *Balance of Payments Statistics Yearbook (BOPSY)* and the *International Financial Statistics (IFS)*. Russia's monthly reserves template is disseminated on the CBR website, and redisseminated on the IMF's website. Comments on current period developments are included in most publications, including the *External Trade in Services of the Russian Federation*.

Presentation formats respond to diverse user needs. For example, the national balance of payments presentation includes both a summarized table, as well as tables covering individual components of the current and financial accounts with breakdowns between CIS and non-CIS countries. Responding to user needs, data on oil, oil products and natural gas are separately identified under exports.⁵⁷ A bilateral balance of payments table is produced for Belarus, Russia's customs union partner (Kazakhstan joined the customs union on July 1, 2010).

⁵⁷ The CBR also publishes additional quarterly data on export volumes, price, and values, by CIS and non-CIS geographical breakdowns.

Some series are available in seasonally-adjusted format. The techniques used for these adjustments are described in the methodological publication *External Sector Statistics 2010*, and in the *Vestnik Bank Rossii*.

5.1.2 *Dissemination media and format are adequate*

Balance of payments data are readily available on the CBR's website (under Statistics, there is a sub-section on external sector statistics). Data are also published in the *Vestnik Bank Rossii* and the *Bulletin of Banking Statistics*. The former presents datasets with various levels of detail, and focuses on the international accounts at the end of each quarter, while the latter presents fewer (and more aggregated) tables, consistent with the nature of general statistical publications. Both publications are in hard copy and electronic formats.

Regarding electronic access to data on the CBR website, some users have expressed a preference for more user-friendly data formats, including in downloadable Excel files (one user noted that "data tables are for calculation not contemplation") and search engines. The CBR has already started work on addressing these user preferences, evidenced, for example, by their website's capabilities for defining search queries by year.

5.1.3 *Statistics are released on a preannounced schedule*

All SDDS external sector data are released according to a preannounced schedule, which is disseminated on the CBR website, and published in the monthly *Bulletin of Banking Statistics*. The schedule identifies the precise release date and takes the form of a quarter-ahead rolling calendar, thereby meeting the SDDS requirements for advance release calendars. CBR website usage statistics record a surge in "visits" on release dates, suggesting widespread awareness of data release schedules.

The CBR has noted that the statistics are released on time in the Russian section of the CBR website. Observance of SDDS periodicity and timeliness requirements against the advance release calendar is monitored by the IMF using Russia's National Summary Data Page (NSDP), which is maintained by the MOF. According to the IMF's Annual SDDS Observance Reports, there were delays in disseminating the quarterly balance of payments on the NSDP.

The dissemination of a "flash estimate" of the quarterly balance of payments two days after the end of the reference quarter (compared to preliminary data available with a one quarter lag) appears to generate uncertainty among some users about the date of first release. This results in a perception that data are released ahead of schedule. In the SDDS metadata, there is no reference to the estimate, and the advance release calendar posted on the CBR website does not refer to the release of the estimates.

Recommendations:

Update the external sector statistics section of the NSDP as soon as the CBR's data are released.

Explain in the CBR's advance release calendar that the planned release dates refer to the preliminary data, and that estimates are available earlier on the CBR website.

5.1.4 Statistics are made available to all users at the same time

The data are released simultaneously to all users through the posting of the data on the CBR's website (including on the "What's New" section of the website). The data are also sent on time to the MOF for posting on the NSDP.

5.1.5 Statistics not routinely disseminated are made available upon request

Further disaggregations are available on request and free of charge. The availability of this service is publicized on the CBR website (through the DQAF-based metadata for balance of payments) with information on contact points. For trade in services data, the availability of specialized tabulations on demand is also noted in the annual *External Trade in Services of the Russian Federation*.

Individual and institutional users (for example, foreign embassies in Moscow) are among those who have requested specialized tables.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

Since the last data ROSC mission in 2003, the CBR has compiled a sources and method document, *External Sector Statistics 2010* (in Russian), to inform analysts and other users of statistics of the sources and methods used in compiling the international accounts.

Metadata are also disseminated on the CBR's website (using the DQAF format), in the *Bulletin of Banking Statistics*, and in the *Vestnik Banka Rossii*. These provide information on concepts, definitions, classifications, methodology, and data sources. Departures from international practices are annotated. Descriptions of statistical techniques are also regularly published. The CBR has posted online, its response to the OECD Survey of Implementation of Methodological Standards for Direct Investment (SIMSDI).⁵⁸ The impact of changing the recording of securities lending on international reserves data was explained by identifying pre- and post-revision scenarios in the press release announcing the change.

⁵⁸ During the transition period to *BPM6*, the balance of payments metadata could explain that the CBR is adopting the asset/liability principle for recording direct investment, but that the existing data presentation format uses the directional principle, as adopted in *BPM5*. This would clarify the recording of reverse investment.

Russia's metadata are also disseminated by international organizations, including the IMF (through *BOPSY* and the SDDS) and the OECD. Technical papers presented by the CBR to BOPCOM are presented on the IMF website. Information on major links with other data systems are also disseminated (e.g., with the external debt data of the MOF).

5.2.2 Levels of detail are adapted to the needs of the intended audience

As noted above, the CBR has compiled a single sources and method document, which should address some user concerns that information on sources and methods appear fragmented. The other formats identified in 5.2.1 present information that meet the needs of both general and specialized users. For example, the SIMSDI information presents detailed information on Russia's practices regarding direct investment statistics. Tables also have footnotes, as applicable, presenting important user information.

5.3 Assistance to users

5.3.1 Contact points for each subject field are publicized

Statistical releases provide information on a central point of contact in the CBR, and the SDDS metadata on the CBR and Fund websites include information on contact persons for all SDDS external sector data categories. The CBR website also provides a prompt user request service. The CBR indicated that users are aware of these facilities, and local users sometimes seek clarifications by calling the CBR.

5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available

Online documentation of statistical publications exists through the publications section of the CBR website. Data tables and statistical publications are also available free on the website. Hard copy publications are disseminated free to a number of users including ministries, the mass media, embassies, data compilers in other countries, international and regional institutions, public libraries, and research and educational institutions. Organizations willing to obtain a free subscription to any of the CBR hard copy publications can contact the CBR. The availability of this service and the relevant contact information are publicized.

Table 6. Russia: Data Quality Assessment Framework: Summary of Results for Balance of Payments Statistics
(Compiling Agency: Central Bank of the Russian Federation)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment		X				
0.2 Resources		X				
0.3 Relevance						
0.4 Other quality management		X				
1. Assurances of integrity						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions		X				
2.2 Scope		X				
2.3 Classification/sectorization		X				
2.4 Basis for recording			X			Accrual accounting not used for recording (i) other investment income flows (interest) for other sectors and (ii) position data on government loans and the nontradable debt of other sectors.
3. Accuracy and reliability						
3.1 Source data			X			Financial derivatives data limited to foreign exchange contracts (The CBR has introduced expanded data collections and the results will be included in revisions to Q1/2010 balance of payments by end-September 2010).
3.2 Assessment of source data						
3.3 Statistical techniques		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies		X				
4. Serviceability						
4.1 Periodicity and timeliness		X				
4.2 Consistency		X				
4.3 Revision policy and practice		X				
5. Accessibility						
5.1 Data accessibility		X				
5.2 Metadata accessibility		X				
5.3 Assistance to users		X				

Table 7. List of Report Forms Underlying Russia’s Balance of Payments Compilation

Form No.	Form description	Organization responsible for the introduction of the form	Reporting periodicity	Time lag	Reporting entities
No. 8 - Foreign Economic Activity—Fish	Information on exports (imports) of fish, fish products, and seafood	Rosstat	Monthly	Not later than 15 working days after the end of the reporting period	Legal entities engaged in exports (imports) of fish, fish products, and seafood
No. 8 - Foreign Economic Activity (Services)	Information on exports (imports) of services in foreign economic activity	Rosstat	Quarterly	Not later than 46 working days after the end of the reporting period	Legal entities engaged in foreign economic activity
No. 1 - Grant	Information on material and financial grants provided by the Russian Federation to foreign countries	Rosstat	Quarterly	Not later than 15 working days after the end of the reporting period	Ministries, state agencies, public organizations providing grants
No. 1 - Grant (MID—Foreign Affairs Ministry)	Information on the use of appropriated funds allocated from the federal budget for the implementation of measures to support compatriots residing abroad	Rosstat	Quarterly	Not later than 15 working days after the end of the reporting period	Ministry of Foreign Affairs of the Russian Federation
No. 1 - Invest	Information on foreign investments in Russia and Russian investments abroad	Rosstat	Quarterly	Not later than 44 working days after the end of the reporting period	Nonbanking corporations making investments abroad or receiving foreign investments
No. 1 - INT (Special)	Information on the number of foreign citizens’ visits to Russia and Russian citizens’ visits abroad	Frontier Service of the Federal Security Service of Russia	Quarterly	Not later than 30 working days after the end of the reporting period	Border-crossing checkpoints of the Frontier Service of Russia’s Federal Security Service
No. 1 - t (Migration)	Information on the number and categories of Russian citizens leaving for employment abroad	Federal Migration Service	Semi-annual	Not later than September 8 and March 20 after the end of the respective reporting periods (June and December)	Legal entities engaged in arranging employment of Russian citizens abroad

Table 7. List of Report Forms Underlying Russia's Balance of Payments Compilation (continued)

Form No.	Form description	Organization responsible for the introduction of the form	Reporting periodicity	Time lag	Reporting entities
No. 2 - t (Migration)	Information on the number and structure of foreign workforce	Federal Migration Service	Quarterly	Not later than 40 working days after the end of the reporting period	Legal entities employing foreign citizens
No. 0409401	Report by an authorized bank on foreign transactions	Bank of Russia	Monthly	Not later than 10 working days (15 working days for authorized banks with a wide net of branches) after the end of the reporting period	Authorized banks and Vnesheconombank
No. 0409402	Information on settlements between residents and nonresidents for completed works, provided services, transferred information, results of intellectual activity and noncommercial transactions	Bank of Russia	Monthly	Not later than 17 working days after the end of the reporting period	Authorized banks and Vnesheconombank
No. 0409404	Information on investment by an authorized bank and its resident clients (excluding credit organizations) in securities issued by nonresidents and in equity (shares, participations) of nonresidents	Bank of Russia	Annual	Not later than February 15 after the end of the reporting period	Authorized banks and Vnesheconombank
No. 0409405	Information on settlements between residents and nonresidents for transactions in securities, shares, participations and contributions of property	Bank of Russia	Monthly	Not later than 17 working days after the end of the reporting period	Authorized banks and Vnesheconombank
No. 0409407	Information on cross-border transactions of individuals	Bank of Russia	Monthly/ Quarterly	Not later than 17 working days after the end of the reporting period	Authorized banks
No. 0409408	Report on claims and liabilities of the former USSR and the Russian Federation recorded in the books of Vnesheconombank	Bank of Russia	Quarterly	Not later than 15 calendar days of the third month following the reporting period	Vnesheconombank
No. 0409601	Report on cash flows in foreign currencies and on transfers of foreign currency payment documents	Bank of Russia	Monthly	The first day of the month following the reporting period	Authorized banks and Vnesheconombank
No. 0409608	Report on the Russian currency importation/exportation operations	Bank of Russia	Quarterly	Not later than 14 working days after the end of the reporting period	Authorized banks and Vnesheconombank

Table 7. List of Report Forms Underlying Russia's Balance of Payments Compilation (concluded)

Form No.	Form description	Organization responsible for the introduction of the form	Reporting periodicity	Time lag	Reporting entities
No. 0409664	Report on foreign exchange transactions through clients' bank accounts with authorized banks	Bank of Russia	Monthly	Not later than 15 working days after the end of the reporting period	Authorized banks and Vnesheconombank
No. 0409665	Report on foreign exchange transactions within passport assignment and monitoring system	Bank of Russia	Monthly	Not later than 17 working days after the end of the reporting period	Authorized banks and Vnesheconombank
No. 0409701	Report on operations on currency and money markets	Bank of Russia	Daily	Not later than 11 a.m. after the end of the reporting period	Selected authorized banks and Vnesheconombank
No. 0409711	Depository report	Bank of Russia	Monthly	Not later than 5 working days (11 working days for authorized banks with a wide net of branches) after the end of the reporting period. For January 1, not later than 10 working days (February 5 for authorized banks with a wide net of branches) after the end of the reporting period	Banks licensed for custodian activity and Vnesheconombank

Appendix I. Summary of the Special Data Dissemination Standard (SDDS)

The SDDS prescribes the following practices under each of the identified dimensions:

Data dimension (coverage, periodicity, and timeliness)

- the dissemination of 18 data categories, including component detail, covering the four main sectors (real, fiscal, financial, and external) of the economy, with prescribed periodicity and timeliness.

Access dimension

- the dissemination of advance release calendars providing at least a one-quarter advance notice of approximate release dates, and at least a one-week advance notice of the precise release dates; and
- the simultaneous release of data to all users.

Integrity dimension

- the dissemination of the terms and conditions under which official statistics are produced and disseminated;
- the identification of internal government access to data before release;
- the identification of ministerial commentary on the occasion of statistical release; and
- the provision of information about revision and advance notice of major changes in methodology.

Quality dimension

- the dissemination of documentation on statistical methodology and sources used in preparing statistics; and
- the dissemination of component detail and/or additional data series that make possible cross-checks and checks of reasonableness.

SDDS subscribers are required to:

- post descriptions of their data dissemination practices (metadata) on the IMF's Dissemination Standards Bulletin Board (DSBB). Summary methodologies, which describe data compilation practices in some detail, are also disseminated on the DSBB; and
- maintain an Internet website, referred to as the National Summary Data Page (NSDP), which contains the actual data described in the metadata and to which the DSBB is electronically linked.

The IMF staff is monitoring observance of the standard through NSDPs maintained on the Internet. Monitoring is limited to the coverage, periodicity, and timeliness of the data and to the dissemination of advance release calendars.

Source: <http://dsbb.imf.org>.

**Appendix II. Data Quality Assessment Framework—Generic Framework
(July 2003 Framework)**

Quality Dimensions	Elements	Indicators
<p>0. Prerequisites of quality</p>	<p>0.1 Legal and institutional environment—<i>The environment is supportive of statistics.</i></p> <p>0.2 Resources—<i>Resources are commensurate with needs of statistical programs.</i></p> <p>0.3 Relevance—<i>Statistics cover relevant information on the subject field.</i></p> <p>0.4 Other quality management—<i>Quality is a cornerstone of statistical work.</i></p>	<p>0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified.</p> <p>0.1.2 Data sharing and coordination among data-producing agencies are adequate.</p> <p>0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only.</p> <p>0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response.</p> <p>0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs.</p> <p>0.2.2 Measures to ensure efficient use of resources are implemented.</p> <p>0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored.</p> <p>0.4.1 Processes are in place to focus on quality.</p> <p>0.4.2 Processes are in place to monitor the quality of the statistical program.</p> <p>0.4.3 Processes are in place to deal with quality considerations in planning the statistical program.</p>
<p>1. Assurances of integrity <i>The principle of objectivity in the collection, processing, and dissemination of statistics is firmly adhered to.</i></p>	<p>1.1 Professionalism—<i>Statistical policies and practices are guided by professional principles.</i></p> <p>1.2 Transparency—<i>Statistical policies and practices are transparent.</i></p> <p>1.3 Ethical standards—<i>Policies and practices are guided by ethical standards.</i></p>	<p>1.1.1 Statistics are produced on an impartial basis.</p> <p>1.1.2 Choices of sources and statistical techniques, as well as decisions about dissemination, are informed solely by statistical considerations.</p> <p>1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.</p> <p>1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public.</p> <p>1.2.2 Internal governmental access to statistics prior to their release is publicly identified.</p> <p>1.2.3 Products of statistical agencies/units are clearly identified as such.</p> <p>1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.</p> <p>1.3.1 Guidelines for staff behavior are in place and are well known to the staff.</p>

Quality Dimensions	Elements	Indicators
<p>2. Methodological soundness <i>The methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.</i></p>	<p>2.1 Concepts and definitions—<i>Concepts and definitions used are in accord with internationally accepted statistical frameworks.</i></p> <p>2.2 Scope—<i>The scope is in accord with internationally accepted standards, guidelines, or good practices.</i></p> <p>2.3 Classification/sectorization—<i>Classification and sectorization systems are in accord with internationally accepted standards, guidelines, or good practices.</i></p> <p>2.4 Basis for recording—<i>Flows and stocks are valued and recorded according to internationally accepted standards, guidelines, or good practices</i></p>	<p>2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices.</p> <p>2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices.</p> <p>2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices.</p> <p>2.4.1 Market prices are used to value flows and stocks.</p> <p>2.4.2 Recording is done on an accrual basis.</p> <p>2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices.</p>
<p>3. Accuracy and reliability <i>Source data and statistical techniques are sound and statistical outputs sufficiently portray reality.</i></p>	<p>3.1 Source data—<i>Source data available provide an adequate basis to compile statistics.</i></p> <p>3.2 Assessment of source data—<i>Source data are regularly assessed.</i></p> <p>3.3 Statistical techniques—<i>Statistical techniques employed conform to sound statistical procedures.</i></p> <p>3.4 Assessment and validation of intermediate data and statistical outputs—<i>Intermediate results and statistical outputs are regularly assessed and validated.</i></p> <p>3.5 Revision studies—<i>Revisions, as a gauge of reliability, are tracked and mined for the information they may provide.</i></p>	<p>3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions.</p> <p>3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required.</p> <p>3.1.3 Source data are timely.</p> <p>3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes.</p> <p>3.3.1 Data compilation employs sound statistical techniques to deal with data sources.</p> <p>3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.</p> <p>3.4.1 Intermediate results are validated against other information, where applicable.</p> <p>3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.</p> <p>3.4.3 Statistical discrepancies and other potential indicators or problems in statistical outputs are investigated.</p> <p>3.5.1 Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3).</p>

Quality Dimensions	Elements	Indicators
<p>4. Serviceability <i>Statistics, with adequate periodicity and timeliness, are consistent and follow a predictable revisions policy.</i></p>	<p>4.1 Periodicity and timeliness—<i>Periodicity and timeliness follow internationally accepted dissemination standards.</i></p> <p>4.2 Consistency—<i>Statistics are consistent within the dataset, over time, and with major datasets.</i></p> <p>4.3 Revision policy and practice—<i>Data revisions follow a regular and publicized procedure.</i></p>	<p>4.1.1 Periodicity follows dissemination standards. 4.1.2 Timeliness follows dissemination standards.</p> <p>4.2.1 Statistics are consistent within the dataset. 4.2.2 Statistics are consistent or reconcilable over a reasonable period of time. 4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.</p> <p>4.3.1 Revisions follow a regular and transparent schedule. 4.3.2 Preliminary and/or revised data are clearly identified. 4.3.3 Studies and analyses of revisions are made public (see also 3.5.1).</p>
<p>5. Accessibility <i>Data and metadata are easily available and assistance to users is adequate.</i></p>	<p>5.1 Data accessibility—<i>Statistics are presented in a clear and understandable manner, forms of dissemination are adequate, and statistics are made available on an impartial basis.</i></p> <p>5.2 Metadata accessibility—<i>Up-to-date and pertinent metadata are made available.</i></p> <p>5.3 Assistance to users—<i>Prompt and knowledgeable support service is available.</i></p>	<p>5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts). 5.1.2 Dissemination media and format are adequate. 5.1.3 Statistics are released on a preannounced schedule. 5.1.4 Statistics are made available to all users at the same time. 5.1.5 Statistics not routinely disseminated are made available upon request.</p> <p>5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated. 5.2.2 Levels of detail are adapted to the needs of the intended audience.</p> <p>5.3.1 Contact points for each subject field are publicized. 5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available.</p>

Appendix III. Users' Survey

With the assistance of the CBR, the mission conducted an informal survey of users to ascertain their views on selected aspects of the quality of Russia's macroeconomic statistics. The survey used a questionnaire developed by STA staff, and generated 36 responses from a broad range of users. Respondents include members of academia, financial institutions, international organizations, media, government agencies, embassies, and consulting companies.

Overall, users consider the quality of Russia's macroeconomic statistics good. A majority of the users are satisfied with the methodological soundness, coverage, timeliness, and accessibility of official statistics, especially monetary and financial statistics, and balance of payments. There is a perceived general need for improvement in the information about revisions to official statistics, particularly in national accounts, and availability of metadata for all macroeconomic datasets. The need for improvements in the coverage, level of detail, and timeliness of national accounts and government finance statistics, were also identified. A few respondents specifically noted their concern over the potential conflict of interest and possible loss of objectivity of Rosstat's data since Rosstat is under the Ministry of Economic Development.

All macroeconomic statistics have similar demand from users and are obtained mainly from official press releases, publications, and postings on agency websites. The data are used for a variety of purposes, including economic research, comparison with other countries, general information, and model building and forecasting. The results of the user survey show knowledge about advance release calendars. A need for more user-friendly websites was identified by several users. Finally, a large majority of respondents consider Russia's official statistics to be of the same or better quality than those from other countries in the region.