

**FOR
AGENDA**

SM/11/11
Supplement 1
Correction 1

January 21, 2011

To: Members of the Executive Board

From: The Secretary

Subject: **Republic of Estonia—Staff Report for the 2011 Article IV Consultation—
Informational Annex**

The attached corrections to SM/11/11, Sup. 1 (1/13/11) have been provided by the staff:

Factual Errors Not Affecting the Presentation of Staff's Analysis or Views

Page 4, para. 4, lines 2-8: for “Data for individual banks are also available on a quarterly basis, and consolidated data on commercial bank reserves, NFAs, and net open foreign exchange positions are available on the eleventh banking day of the month. Commercial bank off-balance sheet data, leverage and liquidity ratios, and short term external debt are available on the eighteenth banking day of the month. Average capital adequacy ratios are available on the thirteenth banking day of the month. Data on non-performing loans are available on the seventeenth banking day of the month.” read “The majority of statistics are disseminated on the Bank of Estonia’s webpage on the 17th banking day after the end of the reporting period, with data on off-balance sheet activities published on the 18th banking day. Data for individual banks are also available on a quarterly basis since 2008Q1 on the Financial Supervision Authority’s webpage.”

Page 4, para. 6, line 4: for “...data are available with a quarterly lag.” read “...data are available with a 70-day lag.”

Questions may be referred to Mr. Hoffmaister (ext. 35883), Ms. Herzberg (ext. 39503), and Mr. Lutz (ext. 36588) in EUR.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities. This correction is not being distributed in hard copy. It can be accessed in the Institutional Repository. A link to this document can be found in the daily list (<http://www-int.imf.org/depts/sec/services/eb/dailydocumentsfull.htm>) for the issuance date shown above.

Att: (1)

Other Distribution:
Department Heads

FSAP and ROSCs:

A review under the Financial Sector Assessment Program (FSAP) was completed at the time of the 2000 Article IV Consultation. Further Reports on Observance of Standards and Codes (ROSC) modules were discussed in the 2001 Article IV Consultations and updated during the 2002 Consultation. A FAD mission concluded a fiscal transparency ROSC in January 2009 and an FSAP update was completed in February 2009. MONEYVAL conducted its evaluation of Estonia's AML/CFT framework in February 2008, and its report was released in December 2008.

Technical Assistance:

TECHNICAL ASSISTANCE FROM THE FUND, 2000–10

DEPT	Project	Action	Timing	Counterpart
FAD	Pension Reform	Mission	April 2000	Ministries of Finance and Social Affairs
MAE	Banking Supervision	Staff Visit	December 2000	Bank of Estonia
FAD	Tax Policy	Mission	March 2001	Ministry of Finance
INS	Financial Markets	Training	September 2002	Bank of Estonia
FAD	Medium-term Budget	Technical Assistance	December 2003	Ministry of Finance
FAD	Tax Reform	Technical Assistance	February 2005	Ministry of Finance
FAD	Tax Reform	Technical Assistance	October 2009	Ministry of Finance

APPENDIX II. ESTONIA: STATISTICAL ISSUES

1. Data provision to the Fund is generally adequate for surveillance purposes. A May 2001 data ROSC mission found that the quality of macroeconomic statistics was generally good. The 2009 fiscal transparency ROSC indicated that Estonia now meets nearly all of the requirements of the transparency code, and approaches best international practice in some areas.
2. Estonia is a subscriber to the Special Data Dissemination Standard (SDDS). Also, the Bank of Estonia (BoE) and the Statistical Office of Estonia (SE) periodically update on their websites a wide variety of data on the key variables for the monetary, fiscal, real, and external sectors.

A. Monetary and Financial Statistics

3. The BoE has adopted the framework of the ECB for the compilation of monetary and financial statistics, which is consistent with the IMF's *Monetary and Financial Statistics Manual*. STA and BoE have completed the data work on mapping Estonia's monetary data into the *Standardized Report Forms* which have been published in the June issue of the *IFS Supplement*.
4. Aggregate financial data are compiled by the BoE and reported on a monthly basis. The majority of statistics are disseminated on the Bank of Estonia's webpage on the 17th banking day after the end of the reporting period, with data on off-balance sheet activities published on the 18th banking day. Data for individual banks are also available on a quarterly basis since 2008Q1 on the Financial Supervision Authority's webpage.
5. Estonia participated in the Fund's Coordinated Compilation Exercise for Financial Soundness Indicators and regularly provides a large number of FSIs.

B. Balance of Payments Statistics

6. Quarterly balance of payments and IIP data are compiled by the BoE. Daily exchange rate data are available with a one working day lag. Monthly import/export data are available with a two month lag. Quarterly balance of payments and public and private external debt data are available with a 70-day lag.

C. Government Finance Statistics

7. All fiscal data are published by the Ministry of Finance (MoF). Historical data are also available on SE's website.
- Monthly central government operations data are available with a lag of up to 25 days after the end of the month. The government began reporting monthly data on a consolidated government basis in January 1999 on its Estonian-language web site. Quarterly data on foreign loans and guarantees by the central government are