
Changes to legislation: There are outstanding changes not yet made to Council Regulation (EC) No 2223/96. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

ANNEX A

EUROPEAN SYSTEM OF ACCOUNTS
ESA 1995

CHAPTER 5

FINANCIAL TRANSACTIONS

Annex Link with measures of money

5.1

5.146. This Annex explains a method which allows measures of money to be shown in the balance sheets and the financial accounts.

5.147. The definitions of the measures of money applied vary among countries and over time. In addition, these definitions are not necessarily based on the classification of financial assets and the classification of sectors as defined in the system. Therefore, measures of money are not defined in the system.

5.148. The following problems appear in integrating measures of money in the balance sheets and the financial accounts. Firstly, the measures of money may be composed of components which do not correspond with the classes, that is to say the categories, sub-categories and sub-positions, of financial assets and liabilities as defined in the system. For example, a measure of money may include only a sub-class of the category currency and deposits (AF.2). The sub-class may be defined by a reference to maturity and/or by a reference to the institutional units holding or issuing currency and deposits. Secondly, the measures of money may imply money-creating, money-holding and money-neutral sectors which cannot be composed of the sectors and subsectors as defined in the system. Thirdly, the data sources used for compiling monetary aggregates may in practice differ from the data sources used for compiling the balance sheets and the financial accounts of the sectors and the rest of the world.

5.149. In order to identify a measure of money MX in the balance sheets or the financial accounts, it may be necessary to subdivide any class i of financial assets and liabilities defined in the system into two sub-classes:

(a) MX_i : sub-class of financial assets (liabilities) classified in class i and included in the measure of money MX ;

(b) MX_{-i} : sub-class of financial assets (liabilities) classified in class i but not included in the measure of money MX .

In practice, some classes of financial assets (liabilities) do not contribute even to broad measures of money, for example, monetary gold and SDRs (AF.1) or insurance technical reserves (AF.6). Therefore, MX_1 and MX_6 would be zero, that is to say a breakdown of AF.1 in MX and MX_{-1} or of AF.6 in MX_6 and MX_{-6} is not necessary.

5.150. The measure of money MX is equal to the sum of all sub-classes of financial assets MX_i of the money-holding sectors and MX is equal to the sum of all sub-classes of liabilities MX_i of the money-creating sectors.

5.151. A main advantage of this method is its flexibility. In cases where the definition of a measure of money is changed, only the breakdowns of some classes of financial assets and liabilities into MX_i and MX_{-i} have to be adapted.

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Measures of money in the balance sheets or the financial accounts

Financial assets of money-holding sectors				Liabilities of money-creating sectors	
Total	Breakdown by sectors			Breakdown by sectors	Total
		AF.1			
		AF.2			
		of which	MX ₂		
			MX ₋₂		
		AF.3			
		AF.33			
		of which	MX ₃₃		
			MX ₋₃₃		
		AF.34			
		of which	MX ₃₄		
			MX ₋₃₄		
		AF.4			
		AF.41			
		of which	MX ₄₁		
			MX ₋₄₁		
		AF.42			
		of which	MX ₄₂		
			MX ₋₄₂		
		AF.5			
		AF.51			
		of which	MX ₅₁		
			MX ₋₅₁		
		AF.52			
		of which	MX ₅₂		
			MX ₋₅₂		
		AF.6			
		AF.7			
		AF.71			
		of which	MX ₇₁		

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Measures of money in the balance sheets or the financial accounts

			MX.71		
		AF.79			
		Total of financial assets and liabilities of which MX			

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Changes and effects yet to be applied to :

- Regulation revoked by [S.I. 2021/1300 Sch. 1 para. 13](#)