

Planned Retroactive Revision to the Flow of Funds Accounts

The Bank of Japan retroactively revises data for the Flow of Funds Accounts (FFA), in principle once a year, to reflect information updates, such as newly obtained source data and institutional changes, and to incorporate revised estimation methods. The retroactive revision of 2022 is scheduled to be implemented in June and data from the first quarter of 2005 onward will be updated accordingly. This document outlines the key points of the revision currently planned, as well as their effect on outstanding and other figures in the FFA (tentative figures for end-March 2021).

- Charts at the end of this document present figures before and after the retroactive revision for the following outstanding amounts, which are assumed to be of greatest interest to users in general: financial assets of "Households," and financial assets and liabilities of "Private nonfinancial corporations." At present, the extent to which this revision affects these outstanding amounts is likely to be marginal.
- Figures and charts in this document are tentative, and subject to additional revisions as a result of, for example, newly obtained source data in the period ahead. The revised data are scheduled to be released on June 27 and will be available in the "BOJ Time-Series Data Search."

(1) "Pension entitlements" of "Other pensions"

(a) Revision

"Other pensions," which is a sub-sector of "Pension funds," refers to public entities that engage in the management of pension funds for the self-employed and employees of smaller businesses etc. Within "Other pensions," "Pension entitlements" equals the sum of the National Pension Fund, the individual-type Defined Contribution pension plan, the Organization for Workers Retirement Allowance Mutual Aid, the Organization for Small & Medium Enterprises and Regional Innovation, the Farmers' Pension Fund, and the annuity retirement benefits accounts of mutual aid associations, each estimated separately.

With the planned revision and information updates—such as newly obtained source data—liability reserves in respective financial statements will be posted as "Pension entitlements" when the partial or the total amount of each pension expected to be received by policyholders in the

future is prescribed. The total amount of entrusted assets obtained from trustees will be estimated as a market value basis and posted as "Pension entitlements" when the pension amounts to be received in the future depend on investment performance, in order to take account of price change of market value.

(b) Effect

Due to the above revision, figures for "Pension entitlements" of "Other pensions" and of "Households" will be revised downward.

Change in amount outstanding: "Pension entitlements" (end-March 2021)

Sector	Assets/liabilities	Amount outstanding (before revision)	Amount outstanding (after revision)	Change in amount outstanding
Pension funds	Liabilities	158.8 tril. yen	155.9 tril. yen	-2.9 tril. yen
Other pensions	Liabilities	31.3 tril. yen	26.7 tril. yen	-4.6 tril. yen
Households	Assets	158.8 tril. yen	155.9 tril. yen	-2.9 tril. yen

(2) Composition ratio of trust assets

(a) Revision

In the Flow of Funds Accounts, trust assets are recorded as the asset of the real investor (trustor) instead of that of the administrator, as is the case with trust banks. With this revision, the asset composition ratio of those trust assets will be revised by reflecting new data sources.

(b) Effect

Due to the above revision, figures for "Central government securities and FILP bonds" held by "Financial institutions for small businesses" will be revised upward, whereas "Investment trust beneficiary certificates" held by "Financial institutions for small businesses," and "Loans by private financial institutions" provided by "Life insurance" will be revised downward.

Change in amount outstanding: "Central government securities and FILP bonds," "Investment trust beneficiary certificates," and "Loans by private financial institutions" (end-March 2021)

Sector; Transaction item	Assets/liabilities	Amount outstanding (before revision)	Amount outstanding (after revision)	Change in amount outstanding
Financial institutions for small businesses; Central government securities and FILP bonds	Assets	68.2 tril. yen	69.6 tril. yen	+1.4 tril. yen
Financial institutions for small businesses; Investment trust beneficiary certificates	Assets	57.9 tril. yen	57.1 tril. yen	-0.8 tril. yen
Life insurance; Loans by private financial institutions	Assets	25.5 tril. yen	24.9 tril. yen	-0.6 tril. yen

(3) Other key points of the retroactive revision

Other than the above revisions in estimation methods, the Bank will reflect newly obtained source data as part of the planned revision. Below are the highlights of such revisions currently planned.

"Unlisted shares" issued by "Private nonfinancial corporations"

In estimating the amount outstanding of "Unlisted shares" issued by "Private nonfinancial corporations," the Bank makes use of data such as those on market value from the *Annual Report on National Accounts*. With the planned revision, historical figures will be retroactively revised to reflect the newly obtained source data.

Reflecting the retroactive revision of the Balance of Payments related statistics

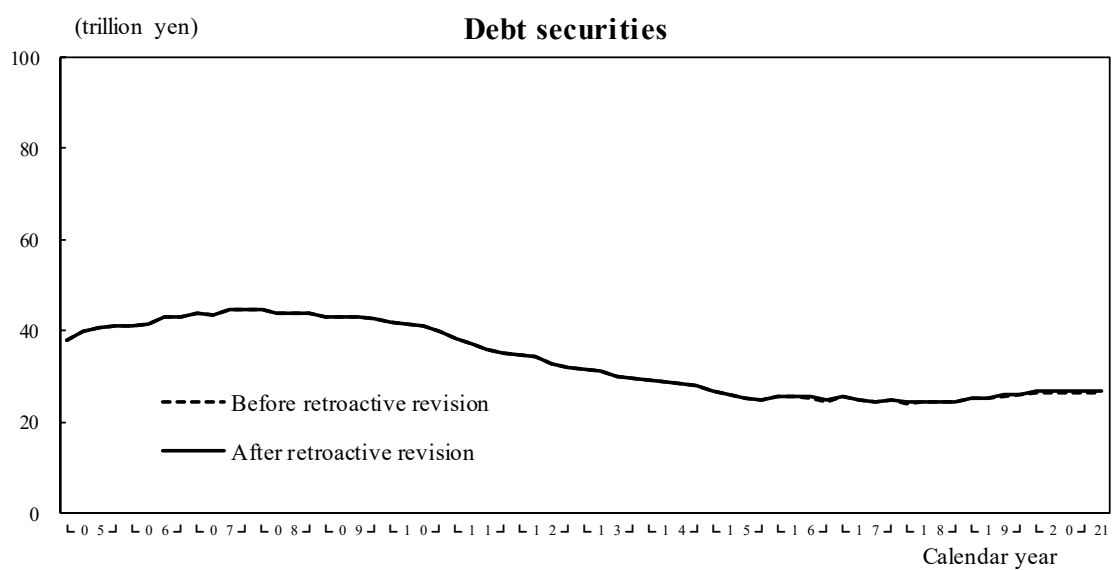
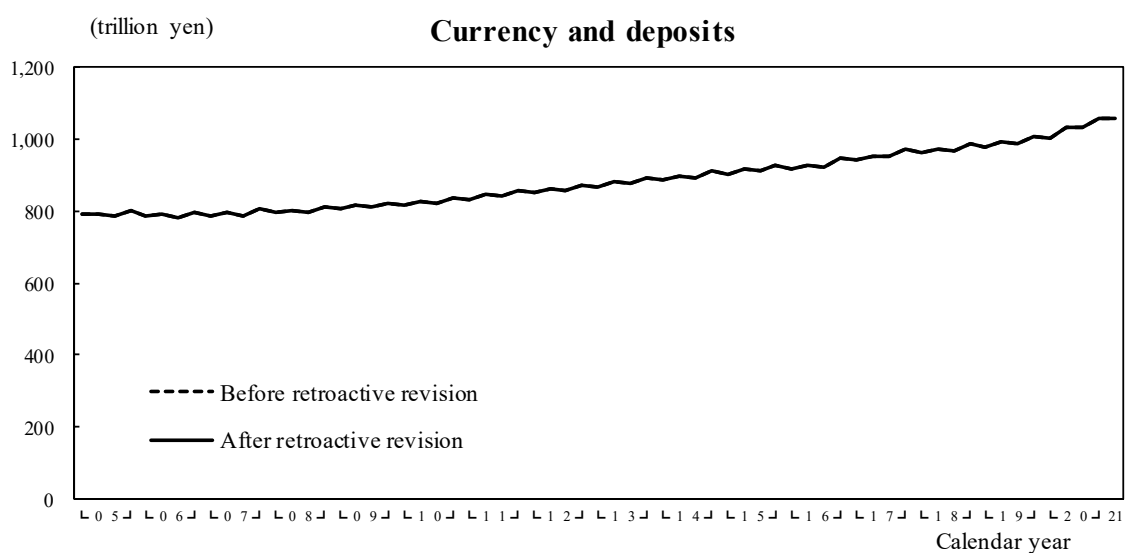
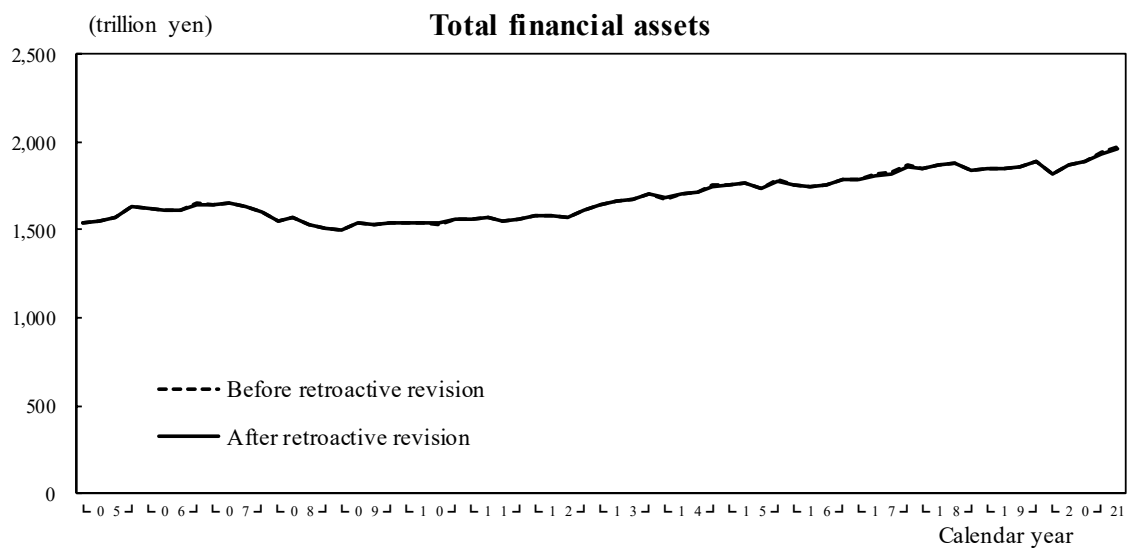
As a result of incorporating the retroactively revised data from the Balance of Payments related statistics, figures for some transaction items of the sector "Overseas" will be revised from 2019 onward.

Inquiries:

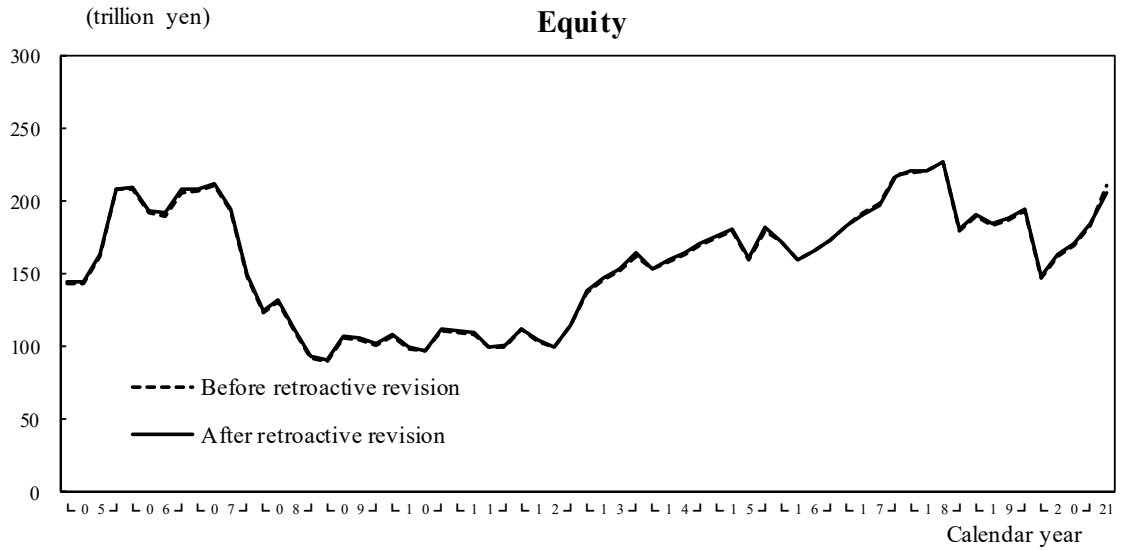
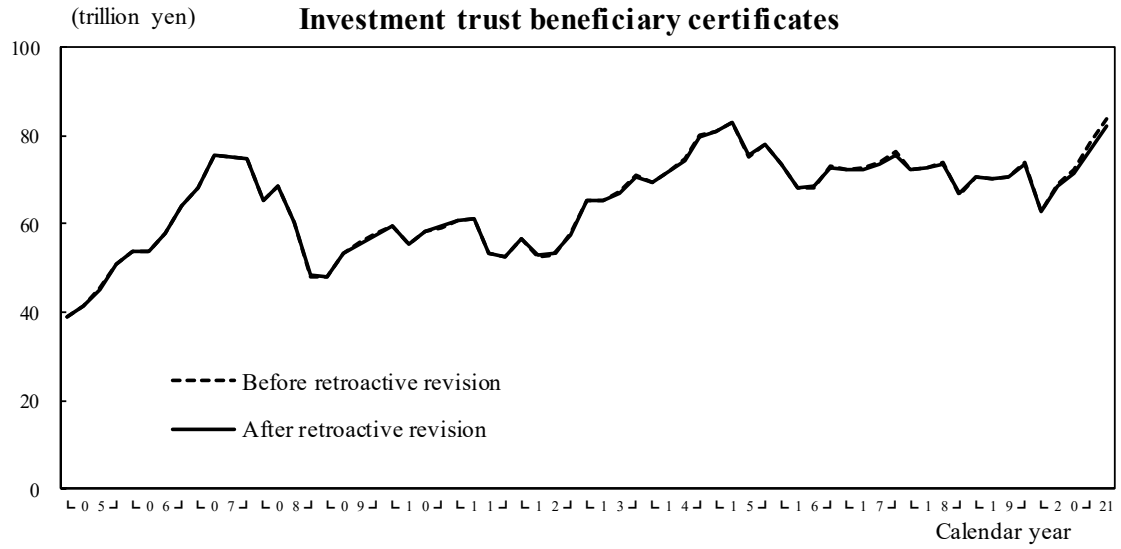
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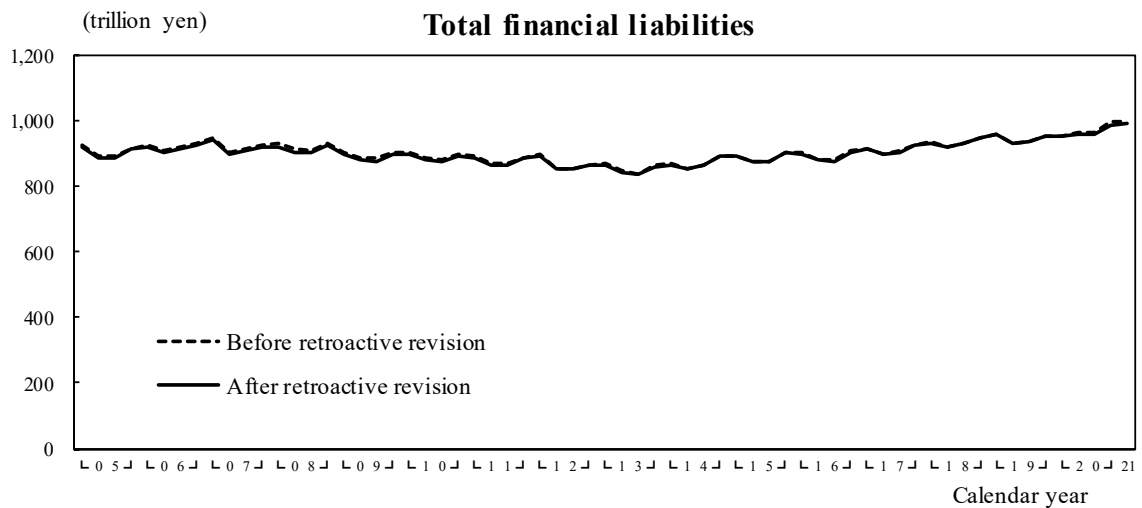
(1) Households (outstanding financial assets)



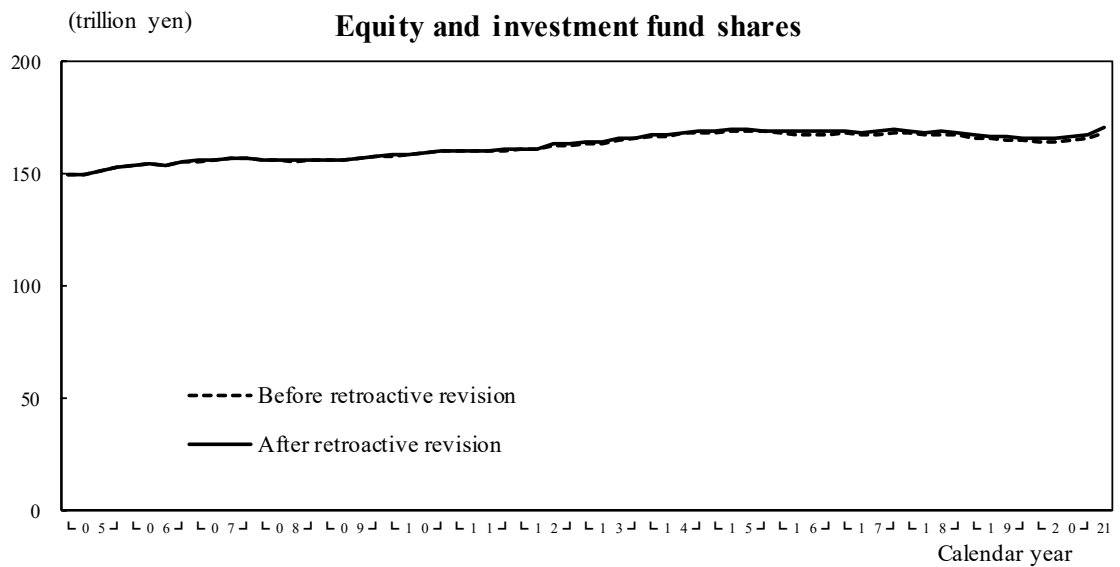
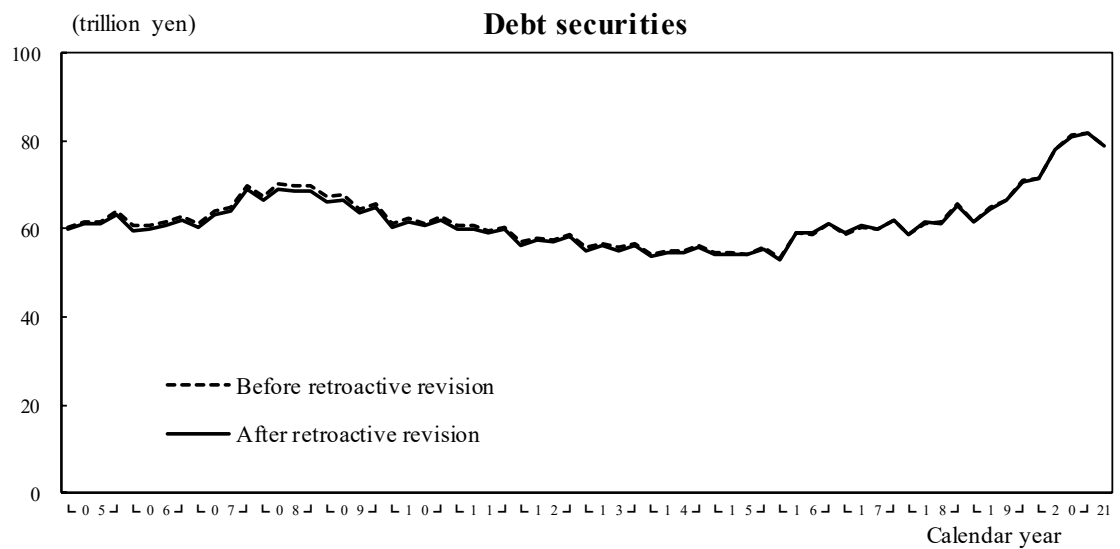
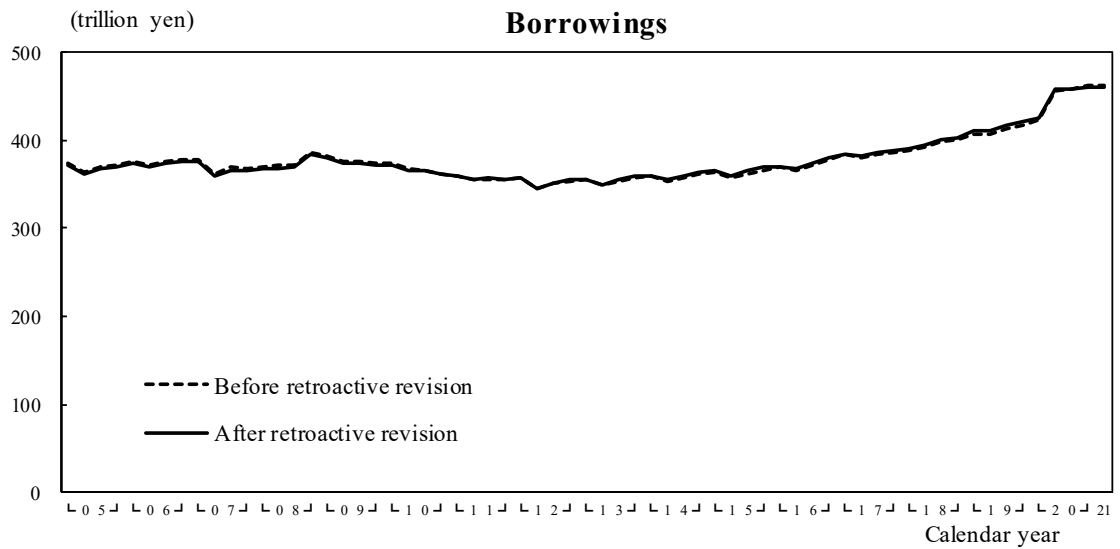
(1) Households (outstanding financial assets) (continued)



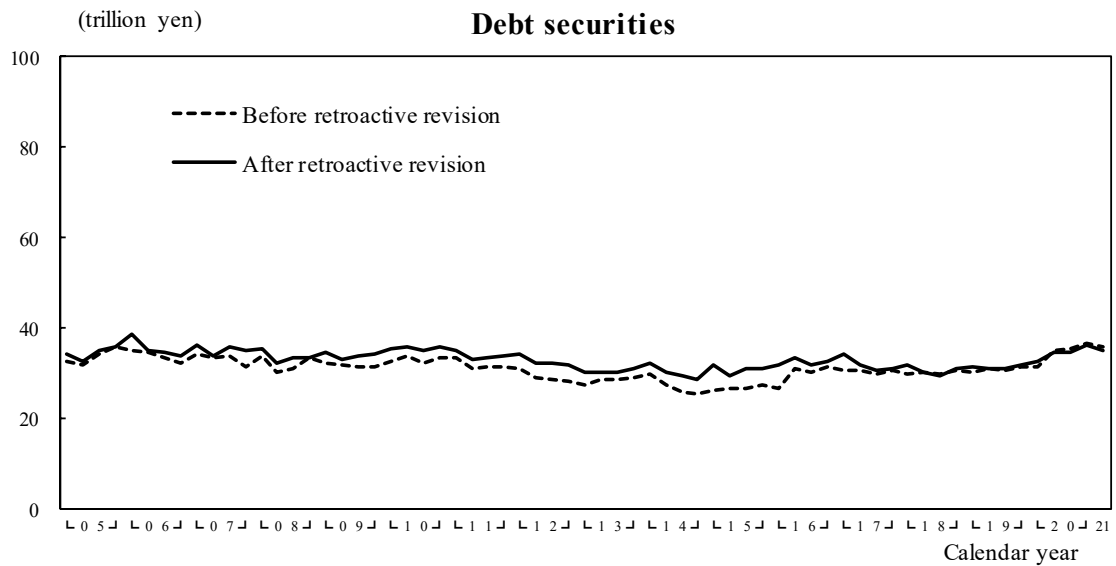
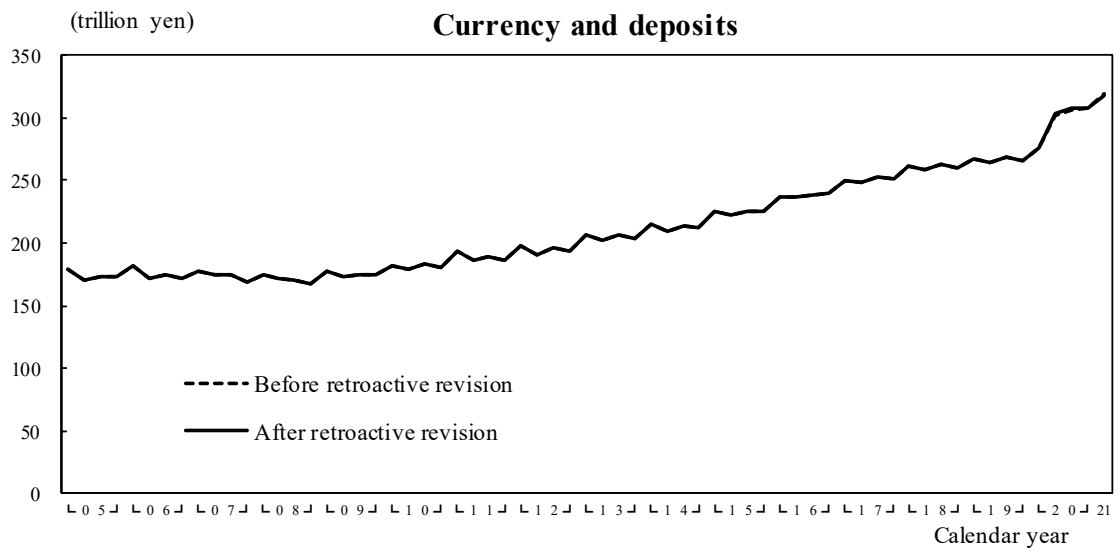
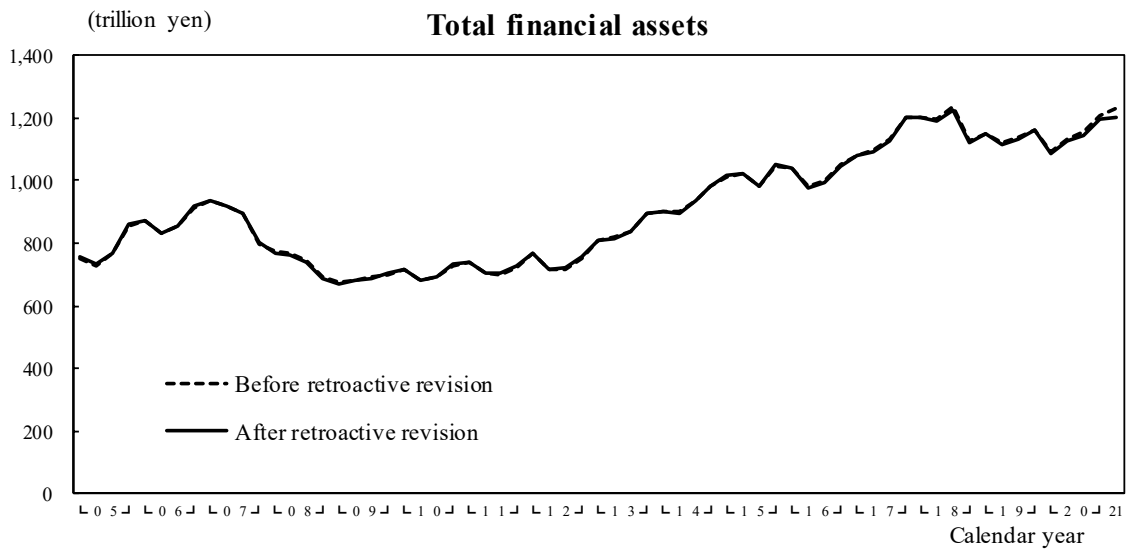
(2) Private nonfinancial corporations (outstanding financial liabilities, book value/face value basis)



(2) Private nonfinancial corporations (outstanding financial liabilities, book value/face value basis) (continued)



(3) Private nonfinancial corporations (outstanding financial assets)



(3) Private nonfinancial corporations (outstanding financial assets) (continued)

