

EUROPEAN CENTRAL BANK

RECOMMENDATION OF THE EUROPEAN CENTRAL BANK

of 16 July 2004

on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserves template

(ECB/2004/16)

(2004/C 292/05)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular to Article 5.1 and the third indent of Article 34.1 thereof,

Whereas:

- (1) To fulfil its tasks, the European System of Central Banks (ESCB) requires comprehensive and reliable balance of payments and international investment position statistics and the international reserves template, showing the main items affecting monetary conditions and exchange markets in the euro area. The European Central Bank's (ECB's) statistical requirements in this area are laid down in Guideline ECB/2004/15 of 16 July 2004 on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserve template ⁽¹⁾.
- (2) Article 5.1, first sentence, of the Statute requires the ECB, assisted by the national central banks (NCBs), to collect either from the competent authorities other than NCBs or directly from economic agents the statistical information necessary in order for it to undertake the tasks of the ESCB. Article 5.1, second sentence, provides that for these purposes it shall cooperate with the Community institutions or bodies and with the competent authorities of the Member States or third countries and with international organisations.
- (3) Information necessary to meet the ECB's requirements in the field of balance of payments and international investment position statistics may be collected and/or compiled by competent authorities other than NCBs. Therefore, some of the tasks to be undertaken to meet these requirements require cooperation between the ECB or the NCBs and such competent authorities, in line with Article 5.1 of the Statute. Article 4 of Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank ⁽²⁾ requires the Member States to organise themselves in the field of statistics and to cooperate fully with the ESCB in order to ensure the fulfilment of the obligations arising out of Article 5 of the Statute.

⁽¹⁾ OJ L 354, 30.11.2004.

⁽²⁾ OJ L 318, 27.11.1998, p. 8.

- (4) In cases where, in accordance with national rules and established practices, the reporting agents report to competent authorities other than NCBs, such authorities and their respective NCBs have to cooperate with each other to ensure that the statistical requirements of the ECB are met. In Ireland the Central Statistics Office (CSO), and in Italy the Ufficio Italiano dei Cambi (UIC), collect and compile necessary information in the field of balance of payments and international investment position statistics. In order to meet the said statistical requirements, the Central Bank and Financial Services Authority of Ireland and the CSO, and the Banca d'Italia and the UIC, should cooperate with each other. Such cooperation should include the establishment of a permanent structure for transmission of data, unless the same result is already achieved by national legislation. The UIC, in accordance with Italian Legislative Decree No 319/9 of 26 August 1998 ⁽¹⁾, is an instrumental entity of the Banca d'Italia.
- (5) As laid down in Article 4(3) of Guideline ECB/2004/15, where competent authorities other than NCBs are the source of statistical information marked as confidential, such information will be used by the ECB exclusively for the exercise of ESCB-related statistical tasks, unless the reporting agent or the other legal or natural person, entity or branch which provided the information, assuming that it can be identified, has explicitly given its consent to the use of such information for other purposes.
- (6) Data on monthly and quarterly balance of payments and quarterly and annual international investment position statistics showing the main items affecting monetary conditions and exchange markets in the euro area should be made available to the Central Bank and Financial Services Authority of Ireland and the Banca d'Italia in a timely manner. For this purpose the required statistical information should be transmitted according to modalities agreed upon with the respective NCB or, in the absence thereof, on or before the 30th working day following the month to which data relate for monthly balance of payments data, within three months of the end of the quarter to which data relate for quarterly balance of payments and international investment position data and within nine months of the date to which data relate for the annual international investment position data.
- (7) The centralised securities database (CSDB), which will in the future be used for many different statistical (compilation and production) and non-statistical (economic, financial stability or operation analyses) purposes, will be made available to NCBs. The data content will be made available to competent authorities other than NCBs, subject to any legal constraints. This will, notably, assist their production of the required data for the compilation of the euro-area transactions and positions statistics concerning portfolio investment. In particular, by combining information from the CSDB with data collected on a security-by-security basis, it should be possible to accurately compile transactions and positions in portfolio investment securities issued by euro-area residents and held by residents in other euro-area countries. This will ultimately allow the compilation of a sectoral breakdown for the euro-area portfolio investment liabilities data.
- (8) It is necessary to set up a procedure to carry out technical amendments to the Annexes to this recommendation in an effective manner, provided that such amendments neither change the underlying conceptual framework nor affect the reporting burden of reporting agents in Member States. Account will be taken of the views of the Statistics Committee of the ESCB (hereinafter 'the STC') when following this procedure. NCBs and other competent national authorities may propose such technical amendments to the Annexes to this recommendation through the Statistics Committee and its relevant working group.
- (9) Since the adoption of Recommendation ECB/2003/8 of 2 May 2003 on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserves template ⁽²⁾, tangible progress has been made with new requirements and data collection and compilation methods within the euro area. It is therefore necessary to replace Recommendation ECB/2003/8 with the present recommendation,

⁽¹⁾ Gazzetta ufficiale della Repubblica italiana No 206 of 4 September 1998.

⁽²⁾ OJ C 126, 28.5.2003, p. 7.

HAS ADOPTED THIS RECOMMENDATION:

Article 1

Definitions

For the purposes of this recommendation:

- 'participating Member State' shall mean a Member State which has adopted the single currency in accordance with the Treaty,
- the term 'resident' shall have the same meaning as defined in Article 1 of Regulation (EC) No 2533/98,
- 'euro area' shall mean the economic territory of the participating Member States, and the ECB. Territories forming part of, or countries associated with, euro-area Member States are given in Annex III, Table 10,
- 'Eurosysteem' shall mean the NCBs of the participating Member States and the ECB,
- 'cross-border transaction' shall mean any transaction that creates or redeems, in full or in part, claims or debts, or any transaction that implies the transfer of a right over an object between residents of the euro area and non-euro-area residents,
- 'cross-border positions' shall mean the stock of financial claims on and financial liabilities to non-euro-area residents. Cross-border positions shall also encompass (i) land, other tangible non-produced assets and other immovable assets physically located outside the euro area and owned by euro-area residents and/or located inside the euro area and owned by non-euro-area residents and (ii) monetary gold and special drawing rights (SDRs) owned by euro-area residents.

However, to the extent necessary to compile the portfolio investment account and the portfolio investment income account within the balance of payments statistics, and the portfolio investment account within the international investment position statistics, covering the euro area, the terms 'cross-border positions' and 'cross-border transactions' also include positions and transactions in the assets and/or liabilities of euro-area residents vis-à-vis residents of other euro-area Member States,

- 'reserve assets' shall mean highly liquid, marketable and creditworthy claims held by the Eurosysteem on non-euro-area residents and denominated in currencies other than the euro, plus gold, reserve positions in the IMF and SDR holdings,
- 'other foreign currency assets' shall mean (i) claims held by the Eurosysteem on euro-area residents denominated in currencies other than the euro and (ii) claims held by the Eurosysteem on non-euro-area residents denominated in currencies other than the euro which do not meet the liquidity, marketability and creditworthiness criteria of reserve assets,
- 'reserve-related liabilities' shall mean predetermined and contingent short-term net drains on the Eurosysteem, similar to reserve assets and other foreign currency assets of the Eurosysteem,
- 'balance of payments' shall mean the statistical statement that reports, with the appropriate breakdown, cross-border transactions during the period under review,
- 'international reserves template' shall mean the statistical statement that reports, with the appropriate breakdown, stocks of reserve assets, other foreign currency assets and reserve-related liabilities of the Eurosysteem at a reference date,
- 'international investment position' shall mean the balance sheet that reports, with the appropriate breakdown, the stock of cross-border financial assets and liabilities at a reference date,
- 'security-by-security' data collection shall mean the collection of data broken down into individual securities.

*Article 2***Provision of statistical information to the NCBs**

1. In so far as the collection of statistical information concerning cross-border transactions and positions is entrusted to the addressees of this recommendation, each shall ensure that it is made available to the respective NCB in a timely manner. For this purpose, unless otherwise agreed with the said NCB, the required statistical information shall be transmitted on or before the 30th working day following the month to which data relate for monthly balance of payments data, within three months of the end of the quarter to which data relate for quarterly balance of payments and international investment position data and within nine months of the date to which data relate for the annual international investment position data.
2. The information shall be made available in accordance with the statistical standards and requirements of the ECB concerning balance of payments and international investment position statistics as laid down in Annexes I, II, III, IV, V and VII to this recommendation. Without prejudice to the ECB's monitoring task as laid down in Annex VI to this recommendation, its addressees shall monitor the quality and reliability of statistical information made available to the respective NCB.

*Article 3***Permanent cooperation**

The addressees of this recommendation shall establish with their respective NCB, in writing, the appropriate modalities of cooperation to ensure a permanent structure for transmission of data which fulfils the statistical standards and requirements of the ECB, unless the same result is already achieved by national legislation.

*Article 4***Simplified amendment procedure**

Taking account of the views of the STC, the Executive Board of the ECB shall be entitled to make technical amendments to the Annexes to this recommendation, provided that such amendments neither change the underlying conceptual framework nor affect the reporting burden of reporting agents in Member States.

*Article 5***Final provisions**

1. This recommendation replaces Recommendation ECB/2003/8.
2. This recommendation is addressed to the CSO in Ireland and the UIC in Italy.

Done at Frankfurt am Main, 16 July 2004.

The President of the ECB
Jean-Claude TRICHET

ANNEX I

STATISTICAL REPORTING REQUIREMENTS OF THE EUROPEAN CENTRAL BANK

1. Statistical obligations of the national central banks (NCBs)

- 1.1. The NCBs make available to the European Central Bank (ECB) data on the cross-border transactions, stocks of reserve assets, other foreign currency assets, reserve-related liabilities and cross-border positions necessary to enable it to compile the aggregated balance of payments and international investment position statistics and the international reserves template of the euro area. The data are made available in accordance with the deadlines contained in Table 13 of Annex III.
- 1.2. The data are accompanied by readily available information on single major events and on reasons for revisions, when the magnitude of the change to the data caused by such single major events and by revisions is significant, or upon request by the ECB.
- 1.3. The required data for monthly and quarterly transactions and quarterly and annual positions are made available to the ECB as laid down in Annexes II, III and IV, which conform to current international standards, notably the fifth edition of the International Monetary Fund Balance of Payments Manual. In particular, the required data on transactions and positions concerning portfolio investment assets in euro-area securities broken down by sector of the euro-area resident issuer are made available as laid down in Annex II, Sections 1.1, 1.2 and 3 and Annex III, Tables 1, 2, 4 and 5.
- 1.4. The required data on the balance of payments are made available on a monthly and quarterly basis. The quarterly balance of payments data include a geographical breakdown for the counterparts laid down in Table 9 of Annex III. The required data on the international reserves template are made available as at the end of the month to which the data relate. The required data on the international investment position are made available on a quarterly and annual basis. The annual international investment position data include a geographical breakdown for the counterparts laid down in Table 9 of Annex III.
- 1.5. For the analysis of the international role of the euro as an investment currency, the required data broken down by currency are made available on a semi-annual basis as laid down in Table 6 of Annex III.
- 1.6. From March 2008 (starting with data corresponding to January 2008 transactions and end of 2007 positions) euro-area portfolio investment collection systems conform to one of the models set out in the table contained in Annex VII.

2. Timeliness

- 2.1. The data required for the compilation of the monthly balance of payments of the euro area are made available to the ECB by the close of business on the 30th working day following the end of the month to which the data relate.
- 2.2. The data required for the compilation of the quarterly balance of payments of the euro area is made available to the ECB within three months of the end of the quarter to which the data relate.
- 2.3. The data required for the compilation of the international reserves template of the Eurosystem are made available to the ECB within three weeks of the end of the month to which the data relate.
- 2.4. From 1 January 2005, the data required for the compilation of the quarterly international investment position of the euro area are made available to the ECB within three months of the end of the quarter to which the data relate.
- 2.5. The data required for the compilation of the annual international investment position of the euro area are made available to the ECB within nine months of the end of the year to which the data relate.
- 2.6. Transactions and positions in debt securities broken down by currency of issue and by sector of the issuer shall be made available to the ECB within six months of the end of the period to which the data relate.
- 2.7. Revisions concerning the balance of payments and the international investment position of the euro area are made available to the ECB according to the time schedule laid down in Annex V.
- 2.8. The national collection of these data is organised with a view to meeting these deadlines.

3. **Transmission standard**

The required statistical information is made available to the ECB in a form which meets the requirements laid down in Annex V of this recommendation.

4. **Quality of the statistical information**

- 4.1. Without prejudice to the ECB's monitoring tasks as laid down in Annex VI, the NCBs, in cooperation with competent authorities other than NCBs where relevant, ensure the monitoring and the assessment of the quality of statistical information made available to the ECB. The ECB assesses in a similar manner data relating to the euro area balance of payments, international investment position statistics and international reserves. The assessment is carried out in a timely manner. The Executive Board of the ECB reports yearly to the Governing Council on the quality of the data.
 - 4.2. The assessment of the quality of data on portfolio investment transactions and positions, as well as on related income is subject to sufficient coverage of the securities information in the centralised securities database (CSDB). The ECB, as administrator of the CSDB, monitors whether, from June 2006 onwards, coverage of the securities information is sufficient to enable NCBs, or other competent authorities where relevant, to meet fully the quality standards specified in Annex VII as well as other quality criteria defined in this recommendation.
 - 4.3. For the provision of data on transactions and positions concerning portfolio investment assets in euro area securities, broken down by sector of the euro-area resident issuer as laid down in Annex II, Sections 1.1, 1.2 and 3 and Annex III, Tables 1, 2, 4 and 5, the use of estimates is allowed until security-by-security portfolio investment collection systems become mandatory.
 - 4.4. For the provision of data on currency of issue in respect of portfolio investment data as laid down in Annex III, Table 6, the use of estimates is allowed until security-by-security portfolio investment collection systems become mandatory.
 - 4.5. The ECB's monitoring of the quality of statistical information may include scrutiny of revisions made to these data: first, to include the latest assessment of the statistical information, thereby improving the quality and secondly, to ensure as far as possible consistency between the corresponding balance of payments items for each of the different frequencies.
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ANNEX II

STATISTICAL REQUIREMENTS OF THE EUROPEAN CENTRAL BANK

1. **Balance of payments statistics**

The European Central Bank (ECB) requires balance of payments statistics at two frequencies: monthly and quarterly in respect of the corresponding reference calendar periods. Annual data are compiled by adding up the quarterly data reported by the Member States for the corresponding year. As far as possible, balance of payments statistics should be consistent with other statistics provided for the conduct of monetary policy.

1.1. *Monthly balance of payments statistics*

Objective

The objective of the monthly balance of payments of the euro area is to show the main items affecting monetary conditions and exchange markets (see Annex III, Table 1).

Requirements

It is essential that the data are suitable for use in the calculation of the balance of payments of the euro area.

In view of the short deadline for the provision of the monthly balance of payments data, their highly aggregated nature and their use for monetary policy purposes and foreign exchange operations, the ECB allows some departure from international standards (see Article 2(3) of Guideline ECB/2004/15), where unavoidable. Recording on a full accruals or transactions basis is not required. In agreement with the ECB, national central banks (NCBs) may provide data on the current and financial account on a settlement basis. Where necessary to meet the deadline, the ECB will accept estimates or preliminary data.

The requirement for each broad category of transaction is assets and liabilities (or credits and debits for current account items). In general this requires NCBs, as regards external transactions, to distinguish between transactions with residents of other euro-area Member States and transactions outside the euro area. NCBs do this in a consistent manner.

When membership of the euro area changes, the NCBs are required to implement the change in the definition of the country composition of the euro area from the date on which the change in membership takes effect. Best estimates for historical data covering the enlarged euro area are requested from NCBs of the euro area in its previous composition and of the new participating Member State(s).

In order to permit a meaningful aggregation of the data relating to the euro area on a monthly basis in the area of portfolio investment, a distinction is required between transactions in securities issued by euro-area residents and transactions in securities issued by non-euro-area residents. The statistics on net transactions in portfolio investment assets of the euro area are compiled by aggregating reported net transactions in securities issued by non-euro-area residents. Statistics on net transactions in portfolio investment liabilities of the euro area are compiled by consolidation of net transactions in total national liabilities and net transactions in securities issued and purchased by euro-area residents.

An analogous reporting requirement and compilation method for the aggregate data are applied for portfolio investment income.

With a view to compiling the monetary presentation of the balance of payments, NCBs are required to submit the data broken down by institutional sector. For the monthly balance of payments the following is the sectoral breakdown:

- for direct investment: (i) MFIs (excluding central banks); and (ii) other sectors,
- for portfolio investment assets: (i) monetary authorities; (ii) MFIs (excluding central banks); and (iii) non-MFIs,
- for other investment: (i) monetary authorities; (ii) MFIs (excluding central banks); (iii) general government; and (iv) other sectors.

With a view to compiling a sectoral breakdown of the balance of payments, thereby allowing the construction of a monetary presentation, NCBs will be required to provide, from the date laid down in Table 13 of Annex III to the present recommendation, data on net transactions in portfolio investment securities issued by euro-area residents broken down by the institutional sector to which the issuer belongs. In addition, portfolio investment liabilities will include a breakdown by institutional sector of the domestic issuer.

The statistics on net transactions in portfolio investment liabilities of the euro area broken down by sector are then compiled by consolidation of the respective sectors' net total national liabilities and the corresponding net transactions in securities issued and purchased by euro-area residents.

From March 2008, for transactions related to January 2008, NCBs (and other competent national authorities where appropriate), collect portfolio investment data according to one of the models set out in the table contained in Annex VII.

1.2. Quarterly balance of payments statistics

Objective

The objective of the quarterly balance of payments of the euro area is to provide more detailed information to permit further analysis of external transactions. These statistics notably contribute to the compilation of the euro-area sectoral and financial accounts and to the joint publication of EU/euro-area balance of payments in cooperation with the Commission of the European Communities (Eurostat).

Requirements

Quarterly balance of payments statistics conform as far as possible to international standards (see Article 2(3) of Guideline ECB/2004/15). The required breakdown of quarterly balance of payments statistics is presented in Annex III, Table 2. Harmonised concepts and definitions used in the capital and financial accounts are set out in Annex IV.

The breakdown of the quarterly current account is similar to the one required for the monthly figures. However, for income a more detailed breakdown is needed on a quarterly basis.

In the financial account, the ECB follows the requirements of the fifth edition of the International Monetary Fund (IMF) Balance of Payments Manual (hereinafter 'the BPM5') for the 'other investment' item. There is a difference in the presentation of the breakdown (i.e. sector as first priority). This sectoral breakdown is however compatible with the breakdown of the BPM5 where instruments have priority. As in the BPM5 presentation, currency and deposits are distinguished from loans and other investments.

NCBs are required to distinguish in their quarterly balance of payments statistics between transactions with participating Member States and all other external transactions. As for the monthly data, a distinction between transactions in securities issued by euro-area residents and securities issued by non-euro-area residents is required for quarterly data in the area of portfolio investment. The statistics on net transactions in portfolio investment assets of the euro area are compiled by aggregating reported net transactions in securities issued by non-euro-area residents. Net transactions in portfolio investment liabilities of the euro area are compiled by consolidation of net transactions in total national liabilities and net transactions in securities issued and purchased by euro-area residents.

An analogous reporting requirement and compilation method for the aggregate data are applied for portfolio investment income.

For direct investment NCBs are required to submit quarterly an 'MFIs (excluding central banks)/non-MFIs' sectoral breakdown. For 'portfolio investment assets' and 'other investment' the breakdown of reports according to institutional sectors follows the standard components of the IMF comprising (i) monetary authorities, (ii) MFIs (excluding central banks), (iii) general government and (iv) other sectors.

For compiling the statistics on euro-area net transactions in portfolio investment liabilities by sector of the euro-area resident issuers, the requirements for quarterly data are similar to those for monthly balance of payments.

For the balance of payments of the euro area, accrued investment income data are required on a quarterly basis. In line with the system of national accounts, the BPM5 recommends that interest should be recorded on an accruals basis. This requirement affects the current account (investment income) as well as the financial account.

2. International reserves template

Objective

The international reserves template is a monthly statement of the reserve assets, other foreign currency assets and reserve-related liabilities held by NCBs and the ECB following the presentation of the joint IMF/Bank for International Settlements (BIS) template on 'International Reserves and Foreign Currency Liquidity'. This information complements the data on reserve assets included in the euro-area balance of payments and international investment position statistics.

Requirements

Reserve assets of the euro area are highly liquid, marketable and creditworthy claims held by the ECB (pooled reserves) and by the NCBs (unpooled reserve assets) on non-euro-area residents and denominated in foreign currency (i.e. in currencies other than the euro), gold, reserve positions in the IMF and SDR holdings. They may include positions in financial derivatives. Reserve assets are compiled on a gross basis without any netting out of reserve-related liabilities. The breakdown of the data required from the NCBs is presented in Annex III, Table 3, Section I.A.

Foreign currency-denominated assets of the Eurosystem which do not meet this definition, namely (i) claims on euro-area residents and (ii) claims on non-euro-area residents which do not meet the liquidity, marketability and creditworthiness criteria, are included under the 'other foreign currency assets' item of the international reserves template (Annex III, Table 3, Section I.B).

Euro-denominated claims on non-residents and balances in foreign currency held by governments of participating Member States are not considered as reserve assets; such amounts are recorded as 'other investment' if they represent claims on non-euro-area residents.

In addition, information on predetermined and contingent short-term net drains on the Eurosystem connected to reserve assets and other foreign currency assets of the Eurosystem, the so-called 'reserve-related liabilities', is to be reported under Annex III, Table 3, Sections II to IV.

3. International investment position statistics

Objective

The international investment position is a statement of the external assets and liabilities of the euro area as a whole, for monetary policy and exchange market analysis. In particular, it contributes to the assessment of the Member States' external vulnerability and to monitoring the developments in holdings of liquid assets abroad by the money holding sector. This statistical information is key to the compilation of the rest of the world account in the euro-area quarterly financial accounts and may also assist in the compilation of balance of payments flows.

Requirements

The ECB requires international investment position statistics on a quarterly and annual basis in respect of end-of-period stock levels.

The international investment position data conform as far as possible to international standards (see Article 2(3) of the Guideline ECB/2004/15). The ECB compiles the international investment position for the euro area as a whole. The breakdown of the international investment position for the euro area is presented in Annex III, Table 4.

The international investment position shows financial stocks at the end of the reference period, valued at end-period prices. Changes in the value of stocks could be due to the following factors. First, part of the change in the value during the reference period will be due to the financial transactions that have taken place and been recorded in the balance of payments. Secondly, part of the changes in positions at the beginning and at the end of a given period will be caused by changes in the prices of the financial assets and liabilities shown. Thirdly, in the event that stocks are denominated in currencies other than the unit of account used for the international investment position, changes in the exchange rates vis-à-vis other currencies will also affect the values. Finally, any other change which is not due to the above factors will be considered as due to 'other adjustments'.

A proper reconciliation between the financial flows and stocks of the euro area requires changes in value owing to price, to exchange-rate changes and to other adjustments to be distinguished.

Coverage of the international investment position should be as close as possible to that for quarterly balance of payments flows. The concepts, definitions and breakdowns are in line with those used for quarterly balance of payments flows. As far as possible, data on the international investment position should be consistent with other statistics, such as money and banking statistics, financial accounts and national accounts.

As for the monthly and quarterly balance of payments, NCBs are required to distinguish in their international investment position statistics between holdings vis-à-vis participating Member States and all other external positions. A distinction between holdings in securities issued by euro-area residents and in securities issued by non-euro-area residents is required in the portfolio investment accounts. The statistics on net assets in portfolio investment of the euro area are compiled by aggregating reported net assets in securities issued by non-euro-area residents. Statistics on net liabilities in portfolio investment of the euro area are compiled by consolidation of net total national liabilities and net holdings in securities issued and purchased by euro-area residents.

NCBs are required to submit quarterly and annual holdings according to the same sectoral breakdown for 'direct investment', 'portfolio investment assets' and 'other investment' as for quarterly balance of payments flows.

For the ECB's compiling of a sectoral breakdown of the euro area net liabilities in portfolio investment, the requirements imposed on NCBs regarding international investment position data are the same as for balance of payments flows, subject to the provisions of Article 2(6) of Guideline ECB/2004/15.

Portfolio investment assets and liabilities within the international investment position are compiled purely from stock data.

From the end of March 2008, NCBs (and other competent national statistical authorities where appropriate) collect, as a minimum, quarterly portfolio investment stocks of assets and liabilities on a security-by-security basis according to one of the models set out in the table contained in Annex VII.

ANNEX III

REQUIRED BREAKDOWNS

Table 1

Monthly national contributions to the euro-area balance of payments ⁽¹⁾

	Credit	Debit	Net
I. Current account			
<i>Goods</i>	<i>extra</i>	<i>extra</i>	<i>extra</i>
<i>Services</i>	<i>extra</i>	<i>extra</i>	<i>extra</i>
<i>Income</i>			
Compensation of employees	<i>extra</i>	<i>extra</i>	<i>extra</i>
Investment income			
— direct investment	<i>extra</i>	<i>extra</i>	<i>extra</i>
— portfolio investment	<i>extra</i>		<i>national</i>
— other investment	<i>extra</i>	<i>extra</i>	<i>extra</i>
Current transfers	<i>extra</i>	<i>extra</i>	<i>extra</i>
II. Capital account	<i>extra</i>	<i>extra</i>	<i>extra</i>
	Net assets	Net liabilities	Net
III. Financial account			
<i>Direct investment</i>			<i>extra</i>
Abroad			<i>extra</i>
— Equity			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>
— Reinvested earnings			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>
— Other capital			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>
In the reporting economy			<i>extra</i>
— Equity			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>

	Net assets	Net liabilities	Net
— Reinvested earnings			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>
— Other capital			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>
<i>Portfolio investment</i> ⁽²⁾	<i>extra/intra</i>	<i>national</i>	
Equity securities	<i>extra/intra</i>	<i>national</i>	
(i) Monetary authorities	<i>extra/intra</i>	—	
(ii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iii) Non-MFIs	<i>extra/intra</i>	<i>national</i>	
Debt securities	<i>extra/intra</i>	<i>national</i>	
— Bonds and notes	<i>extra/intra</i>	<i>national</i>	
(i) Monetary authorities	<i>extra/intra</i>	—	
(ii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iii) Non-MFIs	<i>extra/intra</i>	<i>national</i>	
— Money market instruments	<i>extra/intra</i>	<i>national</i>	
(i) Monetary authorities	<i>extra/intra</i>	—	
(ii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iii) Non-MFIs	<i>extra/intra</i>	<i>national</i>	
<i>Financial derivatives</i>			<i>national</i>
<i>Other investment</i>	<i>extra</i>	<i>extra</i>	<i>extra</i>
Monetary authorities	<i>extra</i>	<i>extra</i>	
General government	<i>extra</i>	<i>extra</i>	
Of which:			
Currency and deposits	<i>extra</i>		
MFIs (excluding central banks)	<i>extra</i>	<i>extra</i>	
— Long-term	<i>extra</i>	<i>extra</i>	
— Short-term	<i>extra</i>	<i>extra</i>	
Other sectors	<i>extra</i>	<i>extra</i>	
Of which:			
Currency and deposits	<i>extra</i>		
<i>Reserve assets</i>	<i>extra</i>		

⁽¹⁾ 'extra' — means transactions with non-euro-area residents (for portfolio investment assets and related income it refers to the residency of the issuers)

'intra' — means transactions between different Member States of the euro area

'national' — means all cross-border transactions by residents of a participating Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts)

⁽²⁾ Breakdown by sectors based on (i) euro-area holders in the case of extra euro-area portfolio investment assets and (ii) euro-area issuers in the case of intra-euro-area portfolio investment assets and portfolio investment liabilities.

Table 2

Quarterly national contributions to the euro-area balance of payments ⁽¹⁾

	Credit	Debit	Net
I. Current account			
<i>Goods</i>	<i>extra</i>	<i>extra</i>	<i>extra</i>
<i>Services</i>	<i>extra</i>	<i>extra</i>	<i>extra</i>
<i>Income</i>			
Compensation of employees	<i>extra</i>	<i>extra</i>	<i>extra</i>
Investment income			
— Direct investment	<i>extra</i>	<i>extra</i>	<i>extra</i>
— Income on equity	<i>extra</i>	<i>extra</i>	<i>extra</i>
— Income on debt (interest)	<i>extra</i>	<i>extra</i>	<i>extra</i>
— Portfolio investment	<i>extra</i>		<i>national</i>
— Income on equity (dividends)	<i>extra</i>		<i>national</i>
— Income on debt (interest)	<i>extra</i>		<i>national</i>
— Bonds and notes	<i>extra</i>		<i>national</i>
— Money market instruments	<i>extra</i>		<i>national</i>
— Other investment	<i>extra</i>	<i>extra</i>	<i>extra</i>
<i>Current transfers</i>	<i>extra</i>	<i>extra</i>	<i>extra</i>
II. Capital account	<i>extra</i>	<i>extra</i>	<i>extra</i>
	Net assets	Net liabilities	Net
III. Financial account			
<i>Direct investment</i>			<i>extra</i>
Abroad			<i>extra</i>
— Equity			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>
— Reinvested earnings			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>
— Other capital			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>
In the reporting economy			<i>extra</i>
— Equity			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>
— Reinvested earnings			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>

	Net assets	Net liabilities	Net
— Other capital			<i>extra</i>
(i) MFIs (excluding central banks)			<i>extra</i>
(ii) Other sectors			<i>extra</i>
<i>Portfolio investment</i> (?)	<i>extra/intra</i>	<i>national</i>	
Equity securities	<i>extra/intra</i>	<i>national</i>	
(i) Monetary authorities	<i>extra/intra</i>	—	
(ii) General government	<i>extra/intra</i>	—	
(iii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iv) Other sectors	<i>extra/intra</i>	<i>national</i>	
Debt securities	<i>extra/intra</i>	<i>national</i>	
— Bonds and notes	<i>extra/intra</i>	<i>national</i>	
(i) Monetary authorities	<i>extra/intra</i>	<i>national</i>	
(ii) General government	<i>extra/intra</i>	<i>national</i>	
(iii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iv) Other sectors	<i>extra/intra</i>	<i>national</i>	
— Money market instruments	<i>extra/intra</i>	<i>national</i>	
(i) Monetary authorities	<i>extra/intra</i>	<i>national</i>	
(ii) General government	<i>extra/intra</i>	<i>national</i>	
(iii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iv) Other sectors	<i>extra/intra</i>	<i>national</i>	
<i>Financial derivatives</i>			<i>national</i>
(i) Monetary authorities			<i>national</i>
(ii) General government			<i>national</i>
(iii) MFIs (excluding central banks)			<i>national</i>
(iv) Other sectors			<i>national</i>
<i>Other investment</i>	<i>extra</i>	<i>extra</i>	<i>extra</i>
(i) Monetary authorities	<i>extra</i>	<i>extra</i>	
— Loans/currency and deposits	<i>extra</i>	<i>extra</i>	
— Other assets/liabilities	<i>extra</i>	<i>extra</i>	
(ii) General government	<i>extra</i>	<i>extra</i>	
— Trade credits	<i>extra</i>	<i>extra</i>	
— Loans/currency and deposits	<i>extra</i>	<i>extra</i>	
— Loans	<i>extra</i>		
— Currency and deposits	<i>extra</i>		
— Other assets/liabilities	<i>extra</i>	<i>extra</i>	
(iii) MFIs (excluding central banks)	<i>extra</i>	<i>extra</i>	
— Loans/currency and deposits	<i>extra</i>	<i>extra</i>	
— Other assets/liabilities	<i>extra</i>	<i>extra</i>	

	Net assets	Net liabilities	Net
(iv) Other sectors	<i>extra</i>	<i>extra</i>	
— Trade credits	<i>extra</i>	<i>extra</i>	
— Loans/currency and deposits	<i>extra</i>	<i>extra</i>	
— Loans	<i>extra</i>		
— Currency and deposits	<i>extra</i>		
— Other assets/liabilities	<i>extra</i>	<i>extra</i>	
Reserve assets	<i>extra</i>		
Monetary gold	<i>extra</i>		
SDRs	<i>extra</i>		
Reserve position in the International Monetary Fund (IMF)	<i>extra</i>		
Foreign exchange	<i>extra</i>		
— Currency and deposits	<i>extra</i>		
— With monetary authorities	<i>extra</i>		
— With MFIs (excluding central banks)	<i>extra</i>		
— Securities	<i>extra</i>		
— Equities	<i>extra</i>		
— Bonds and notes	<i>extra</i>		
— Money market instruments	<i>extra</i>		
— Financial derivatives	<i>extra</i>		
Other claims	<i>extra</i>		

(¹) 'extra' — means transactions with non-euro-area residents (for portfolio investment assets and related income it refers to the residency of the issuers)

'intra' — means transactions between different Member States of the euro area

'national' — means all cross-border transactions by residents of a participating Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts)

(²) Breakdown by sectors based on (i) euro-area holders in the case of extra euro-area portfolio investment assets and (ii) euro-area issuers in the case of intra-euro-area portfolio investment assets and portfolio investment liabilities.

Table 3

Monthly international reserves of the Eurosystem; reserve-related liabilities of the euro area

I. Official reserve assets and other foreign currency assets (approximate market value)

A Official reserve assets

1. Foreign currency reserves (in convertible foreign currencies)

(a) Securities, of which:

— issuer headquartered in the euro area

(b) total currency and deposits with

(i) other NCBs, Bank for International Settlements (BIS) and IMF

(ii) banks headquartered in the euro area and located abroad

(iii) banks headquartered and located outside the euro area

2. IMF reserve position

3. SDRs

4. gold (including gold deposits and gold swaps)

- 5. other reserve assets
 - (a) financial derivatives
 - (b) loans to non-bank non-residents
 - (c) other

B *Other foreign currency assets*

- (a) securities not included in official reserve assets
- (b) deposits not included in official reserve assets
- (c) loans not included in official reserve assets
- (d) financial derivatives not included in official reserve assets
- (e) gold not included in official reserve assets
- (f) other

II. **Predetermined short-term net drains on foreign currency assets (nominal value)**

	Total	Maturity breakdown (residual maturity, where applicable)		
		Up to one month	More than one month and up to three months	More than three months and up to one year
1. Foreign currency loans, securities and deposits				
— outflows (-) Principal				
Interest				
— inflows (+) Principal				
Interest				
2. Aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)				
(a) Short positions (-)				
(b) Long positions (+)				
3. Other (specify)				
— outflows related to repos (-)				
— inflows related to reverse repos (+)				
— trade credits (-)				
— trade credits (+)				
— other accounts payable (-)				
— other accounts receivable (+)				

III. Contingent short-term net drains on foreign currency assets (nominal value)

	Total	Maturity breakdown (residual maturity, where applicable)		
		Up to one month	More than one month and up to three months	More than three months and up to one year
1. Contingent liabilities in foreign currency				
(a) Collateral guarantees on debt falling due within one year				
(b) Other contingent liabilities				
2. Foreign currency securities issued with embedded options (puttable bonds)				
3.1. Undrawn, unconditional credit lines provided by:				
(a) other national monetary authorities, BIS, IMF and other international organisations				
— other national monetary authorities (+)				
— BIS (+)				
— IMF (+)				
(b) banks and other financial institutions headquartered in the reporting country (+)				
(c) banks and other financial institutions headquartered outside the reporting country (+)				
3.2. Undrawn, unconditional credit lines provided to:				
(a) other national monetary authorities, BIS, IMF and other international organisations				
— other national monetary authorities (-)				
— BIS (-)				
— IMF (-)				
(b) banks and other financial institutions headquartered in the reporting country (-)				
(c) banks and other financial institutions headquartered outside the reporting country (-)				
4. Aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency				
(a) Short positions				
(i) bought puts				
(ii) written calls				
(b) Long positions				
(i) bought calls				
(ii) written puts				

	Total	Maturity breakdown (residual maturity, where applicable)		
		Up to one month	More than one month and up to three months	More than three months and up to one year
PRO MEMORIA: in-the-money options				
1. At current exchange rates				
(a) short position				
(b) long position				
2. + 5 % (depreciation of 5 %)				
(a) short position				
(b) long position				
3. - 5 % (appreciation of 5 %)				
(a) short position				
(b) long position				
4. + 10 % (depreciation of 10 %)				
(a) short position				
(b) long position				
5. - 10 % (appreciation of 10 %)				
(a) short position				
(b) long position				
6. Other (specify)				
(a) short position				
(b) long position				

IV. Memo items

1. To be reported with standard periodicity and timeliness:
 - (a) short-term domestic currency debt indexed to foreign exchange rates
 - (b) financial instruments denominated in foreign currency and settled by other means (e.g. in domestic currency)
 - non-deliverable forwards
 - (i) short positions
 - (ii) long positions
 - other instruments
 - (c) pledged assets
 - included in reserve assets
 - included in other foreign currency assets
 - (d) securities lent and on repo
 - lent or repoed and included in Section I
 - lent or repoed but not included in Section I
 - borrowed or acquired and included in Section I
 - borrowed or acquired but not included in Section I
 - (e) financial derivative assets (net, marked to market)
 - forwards
 - futures
 - swaps
 - options
 - other

- (f) derivatives (forward, futures or options contracts) that have a residual maturity greater than one year, which are subject to margin calls
- aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)
 - (i) short positions
 - (ii) long positions
 - aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency
 - (i) short positions
 - bought puts
 - written calls
 - (ii) long positions
 - bought calls
 - written puts
2. To be disclosed less frequently (e.g. once a year):
- (a) currency composition of reserves (by groups of currencies)
- currencies in SDR basket
 - currencies not included in SDR basket

Table 4

Quarterly national contributions to the euro-area international investment position ⁽¹⁾

	Assets	Liabilities	Net
I. Direct investment			<i>extra</i>
<i>Abroad</i>	<i>extra</i>		
— Equity and reinvested earnings	<i>extra</i>		
(i) MFIs (excluding central banks)	<i>extra</i>		
(ii) Other sectors	<i>extra</i>		
— Other capital	<i>extra</i>		
(i) MFIs (excluding central banks)	<i>extra</i>		
(ii) Other sectors	<i>extra</i>		
<i>In the reporting economy</i>		<i>extra</i>	
— Equity and reinvested earnings		<i>extra</i>	
(i) MFIs (excluding central banks)		<i>extra</i>	
(ii) Other sectors		<i>extra</i>	
— Other capital		<i>extra</i>	
(i) MFIs (excluding central banks)		<i>extra</i>	
(ii) Other sectors		<i>extra</i>	
II. Portfolio investment ⁽²⁾			
<i>Equity securities</i>	<i>extra/intra</i>	<i>national</i>	
(i) Monetary authorities	<i>extra/intra</i>	—	
(ii) General government	<i>extra/intra</i>	—	
(iii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iv) Other sectors	<i>extra/intra</i>	<i>national</i>	

	Assets	Liabilities	Net
<i>Debt securities</i>	<i>extra/intra</i>	<i>national</i>	
— Bonds and notes	<i>extra/intra</i>	<i>national</i>	
(i) Monetary authorities	<i>extra/intra</i>	<i>national</i>	
(ii) General government	<i>extra/intra</i>	<i>national</i>	
(iii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iv) Other sectors	<i>extra/intra</i>	<i>national</i>	
— Money market instruments	<i>extra/intra</i>	<i>national</i>	
(i) Monetary authorities	<i>extra/intra</i>	<i>national</i>	
(ii) General government	<i>extra/intra</i>	<i>national</i>	
(iii) MFIs (excluding central banks)	<i>extra/intra</i>	<i>national</i>	
(iv) Other sectors	<i>extra/intra</i>	<i>national</i>	
III. Financial derivatives	<i>extra</i>	<i>extra</i>	<i>extra</i>
(i) Monetary authorities	<i>extra</i>	<i>extra</i>	<i>extra</i>
(ii) General government	<i>extra</i>	<i>extra</i>	<i>extra</i>
(iii) MFIs (excluding central banks)	<i>extra</i>	<i>extra</i>	<i>extra</i>
(iv) Other sectors	<i>extra</i>	<i>extra</i>	<i>extra</i>
IV. Other investment	<i>extra</i>	<i>extra</i>	<i>extra</i>
(i) Monetary authorities	<i>extra</i>	<i>extra</i>	
— Loans/currency and deposits	<i>extra</i>	<i>extra</i>	
— Other assets/liabilities	<i>extra</i>	<i>extra</i>	
(ii) General government	<i>extra</i>	<i>extra</i>	
— Trade credits	<i>extra</i>	<i>extra</i>	
— Loans/currency and deposits	<i>extra</i>	<i>extra</i>	
— Loans	<i>extra</i>		
— Currency and deposits	<i>extra</i>		
— Other assets/liabilities	<i>extra</i>	<i>extra</i>	
(iii) MFIs (excluding central banks)	<i>extra</i>	<i>extra</i>	
— Loans/currency and deposits	<i>extra</i>	<i>extra</i>	
— Other assets/liabilities	<i>extra</i>	<i>extra</i>	
(iv) Other sectors	<i>extra</i>	<i>extra</i>	
— Trade credits	<i>extra</i>	<i>extra</i>	
— Loans/currency and deposits	<i>extra</i>	<i>extra</i>	
— Loans	<i>extra</i>		
— Currency and deposits	<i>extra</i>		
— Other assets/liabilities	<i>extra</i>	<i>extra</i>	
V. Reserve assets	<i>extra</i>		
<i>Monetary gold</i>	<i>extra</i>		
<i>SDRs</i>	<i>extra</i>		
<i>Reserve position in the IMF</i>	<i>extra</i>		
<i>Foreign exchange</i>	<i>extra</i>		
— Currency and deposits	<i>extra</i>		
— With monetary authorities	<i>extra</i>		
— With MFIs (excluding central banks)	<i>extra</i>		

	Assets	Liabilities	Net
— Securities	<i>extra</i>		
— Equities	<i>extra</i>		
— Bonds and notes	<i>extra</i>		
— Money market instruments	<i>extra</i>		
— Financial derivatives	<i>extra</i>		
<i>Other claims</i>	<i>extra</i>		

(¹) 'extra' — means positions with non-euro-area residents (for portfolio investment assets, it refers to the residency of the issuers)
'intra' — means positions between different Member States of the euro area
'national' — means all cross-border positions by residents of a participating Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts)

(²) Breakdown by sectors based on (i) euro-area holders in the case of extra euro-area portfolio investment assets and (ii) euro-area issuers in the case of intra-euro-area portfolio investment assets and portfolio investment liabilities.

Table 5

Annual national contributions to the euro-area international investment position (¹)

	Assets	Liabilities	Net
I. Direct investment			<i>extra</i>
<i>Abroad</i>	<i>extra</i>		
— Equity and reinvested earnings	<i>extra</i>		
(i) MFIs (excluding central banks)	<i>extra</i>		
(ii) Other sectors	<i>extra</i>		
Of which:			
Equity stocks in foreign listed companies (market values)	<i>extra</i>		
Equity stocks in foreign unlisted companies (book values)	<i>extra</i>		
Memorandum item:			
Equity stocks in foreign listed companies (book values)	<i>extra</i>		
— Other capital	<i>extra</i>		
(i) MFIs (excluding central banks)	<i>extra</i>		
(ii) Other sectors	<i>extra</i>		
<i>In the reporting economy</i>		<i>extra</i>	
— Equity and reinvested earnings		<i>extra</i>	
(i) MFIs (excluding central banks)		<i>extra</i>	
(ii) Other sectors		<i>extra</i>	

	Assets	Liabilities	Net
Of which:			
Equity stocks in euro-area listed companies (market values)		extra	
Equity stocks in euro-area unlisted companies (book values)		extra	
Memorandum item:			
Equity stocks in euro-area listed companies (book values)		extra	
— Other capital		extra	
(i) MFIs (excluding central banks)		extra	
(ii) Other sectors		extra	
II. Portfolio investment (?)			
<i>Equity securities</i>	extra/intra	national	
(i) Monetary authorities	extra/intra	—	
(ii) General government	extra/intra	—	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	
<i>Debt securities</i>	extra/intra	national	
— Bonds and notes	extra/intra	national	
(i) Monetary authorities	extra/intra	national	
(ii) General government	extra/intra	national	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	
— Money market instruments	extra/intra	national	
(i) Monetary authorities	extra/intra	national	
(ii) General government	extra/intra	national	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) Other sectors	extra/intra	national	
III. Financial derivatives	extra	extra	extra
(i) Monetary authorities	extra	extra	extra
(ii) General government	extra	extra	extra
(iii) MFIs (excluding central banks)	extra	extra	extra
(iv) Other sectors	extra	extra	extra
IV. Other investment	extra	extra	extra
(i) Monetary authorities	extra	extra	
— Loans/currency and deposits	extra	extra	
— Other assets/liabilities	extra	extra	

	Assets	Liabilities	Net
(ii) General government	<i>extra</i>	<i>extra</i>	
— Trade credits	<i>extra</i>	<i>extra</i>	
— Loans/currency and deposits	<i>extra</i>	<i>extra</i>	
— Loans	<i>extra</i>		
— Currency and deposits	<i>extra</i>		
— Other assets/liabilities	<i>extra</i>	<i>extra</i>	
(iii) MFIs (excluding central banks)	<i>extra</i>	<i>extra</i>	
— Loans/currency and deposits	<i>extra</i>	<i>extra</i>	
— Other assets/liabilities	<i>extra</i>	<i>extra</i>	
(iv) Other sectors	<i>extra</i>	<i>extra</i>	
— Trade credits	<i>extra</i>	<i>extra</i>	
— Loans/currency and deposits	<i>extra</i>	<i>extra</i>	
— Loans	<i>extra</i>		
— Currency and deposits	<i>extra</i>		
— Other assets/liabilities	<i>extra</i>	<i>extra</i>	
V. Reserve assets	<i>extra</i>		
<i>Monetary gold</i>	<i>extra</i>		
<i>SDRs</i>	<i>extra</i>		
<i>Reserve position in the IMF</i>	<i>extra</i>		
<i>Foreign exchange</i>	<i>extra</i>		
— Currency and deposits	<i>extra</i>		
— With monetary authorities	<i>extra</i>		
— With MFIs (excluding central banks)	<i>extra</i>		
— Securities	<i>extra</i>		
— Equities	<i>extra</i>		
— Bonds and notes	<i>extra</i>		
— Money market instruments	<i>extra</i>		
— Financial derivatives	<i>extra</i>		
<i>Other claims</i>	<i>extra</i>		

(¹) '*extra*' — means positions with non-euro-area residents (for portfolio investment assets, it refers to the residency of the issuers)

'*intra*' — means positions between different Member States of the euro area

'*national*' — means all cross-border positions by residents of a participating Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts)

(²) Breakdown by sectors based on (i) euro-area holders in the case of extra euro-area portfolio investment assets and (ii) euro-area issuers in the case of intra-euro-area portfolio investment assets and portfolio investment liabilities.

Table 6

Statistics on debt securities for the analysis of the international role of the euro as an investment currency ⁽¹⁾

Euro	Transactions in the first/last six months of the year		
		Assets	Liabilities
	<i>Debt securities</i>	<i>extra/intra</i>	<i>national</i>
	— Bonds and notes	<i>extra/intra</i>	<i>national</i>
	— Money market instruments	<i>extra/intra</i>	<i>national</i>
	Positions as at end of June/end of December		
		Assets	Liabilities
	<i>Debt securities</i>	<i>extra/intra</i>	<i>national</i>
	— Bonds and notes	<i>extra/intra</i>	<i>national</i>
	— Money market instruments	<i>extra/intra</i>	<i>national</i>
US Dollar	Transactions in the first/last six months of the year		
		Assets	Liabilities
	<i>Debt securities</i>	<i>extra/intra</i>	<i>national</i>
	— Bonds and notes	<i>extra/intra</i>	<i>national</i>
	— Money market instruments	<i>extra/intra</i>	<i>national</i>
	Positions as at end of June/end December		
		Assets	Liabilities
	<i>Debt securities</i>	<i>extra/intra</i>	<i>national</i>
	— Bonds and notes	<i>extra/intra</i>	<i>national</i>
	— Money market instruments	<i>extra/intra</i>	<i>national</i>
Other currencies	Transactions in the first/last six months of the year		
		Assets	Liabilities
	<i>Debt securities</i>	<i>extra/intra</i>	<i>national</i>
	— Bonds and notes	<i>extra/intra</i>	<i>national</i>
	— Money market instruments	<i>extra/intra</i>	<i>national</i>
	Positions as at end of June/end of December		
		Assets	Liabilities
	<i>Debt securities</i>	<i>extra/intra</i>	<i>national</i>
	— Bonds and notes	<i>extra/intra</i>	<i>national</i>
	— Money market instruments	<i>extra/intra</i>	<i>national</i>

⁽¹⁾ 'extra' — means transactions/positions with non-euro-area residents (for portfolio investment assets and related income it refers to the residency of the issuers)
'intra' — means transactions/positions between different Member States of the euro area
'national' — means all cross-border transactions/positions by/of residents of a participating Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts)

Table 7

Quarterly national contributions to the euro-area balance of payments with geographical breakdown ⁽¹⁾

	Credit	Debit	Net
I. Current account			
<i>Goods</i>	Step 3	Step 3	Step 3
<i>Services</i>	Step 3	Step 3	Step 3
<i>Income</i>			
Compensation of employees	Step 3	Step 3	Step 3
Investment income			
— Direct investment	Step 3	Step 3	Step 3
— Portfolio investment	Step 3		
— Other investment	Step 3	Step 3	Step 3
Current transfers	Step 3	Step 3	Step 3
II. Capital account	Step 3	Step 3	Step 3
	Net assets	Net liabilities	Net
III. Financial account			
<i>Direct investment</i>			Step 3
Abroad			Step 3
— Equity			Step 3
— Reinvested earnings			Step 3
— Other capital			Step 3
In the reporting economy			Step 3
— Equity			Step 3
— Reinvested earnings			Step 3
— Other capital			Step 3
— <i>Portfolio investment</i>	Step 3		
Equity securities	Step 3		
Debt securities	Step 3		
— Bonds and notes	Step 3		
— Money market instruments	Step 3		
<i>Financial derivatives</i>			
<i>Other investment</i>	Step 3	Step 3	Step 3
(i) Monetary authorities	Step 3	Step 3	
(ii) General government	Step 3	Step 3	
— Trade credits	Step 3	Step 3	
— Loans/currency and deposits	Step 3	Step 3	
— Loans	Step 3		
— Currency and deposits	Step 3		
— Other assets/liabilities	Step 3	Step 3	
(iii) MFIs (excluding central banks)	Step 3	Step 3	
(iv) Other sectors	Step 3	Step 3	
— Trade credits	Step 3	Step 3	
— Loans/currency and deposits	Step 3	Step 3	
— Loans	Step 3		
— Currency and deposits	Step 3		
— Other assets/liabilities	Step 3	Step 3	
Reserve assets			

⁽¹⁾ Step-3 refers to the geographical breakdown as detailed in Table 9.

Table 8

Annual national contributions to the euro-area international investment position with geographical breakdown ⁽¹⁾

	Assets	Liabilities	Net
I. Direct investment			
<i>Abroad</i>	Step 3		
— Equity and reinvested earnings	Step 3		
— Other capital	Step 3		
<i>In the reporting economy</i>		Step 3	
— Equity and reinvested earnings		Step 3	
— Other capital		Step 3	
II. Portfolio investment			
<i>Equity securities</i>	Step 3		
<i>Debt securities</i>	Step 3		
— Bonds and notes	Step 3		
— Money market instruments	Step 3		
III. Financial derivatives			
IV. Other investment	Step 3	Step 3	Step 3
(i) Monetary authorities	Step 3	Step 3	
(ii) General government	Step 3	Step 3	
— Trade credits	Step 3		
— Loans/currency and deposits	Step 3		
— Loans	Step 3		
— Currency and deposits	Step 3		
— Other assets/liabilities	Step 3	Step 3	
(iii) MFIs (excluding central banks)	Step 3	Step 3	
(iv) Other sectors	Step 3	Step 3	
— Trade credits	Step 3		
— Loans/currency and deposits	Step 3		
— Loans	Step 3		
— Currency and deposits	Step 3		
— Other assets/liabilities	Step 3		
V. Reserve assets			

⁽¹⁾ Step-3 refers to the geographical breakdown as detailed in Table 9.

Table 9

ECB geographical breakdowns for quarterly balance of payments flows and annual international investment position data

— Denmark
— Sweden
— United Kingdom
— EU institutions ⁽¹⁾
— Other EU Member States (i.e. the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia) ⁽²⁾
— Switzerland
— Canada
— United States
— Japan
— Offshore centres ⁽³⁾
— International organisations excluding the EU institutions ⁽⁴⁾
— Residual ⁽⁵⁾

⁽¹⁾ See composition in TABLE 12. No individual breakdown is required

⁽²⁾ No individual breakdown is required.

⁽³⁾ Only mandatory for the balance of payments financial account, the related income accounts and the international investment position. Current account (excluding income) flows vis-à-vis offshore centres may be reported either separately or indistinguishably under the residual item category. See composition in TABLE 11. No individual breakdown is required

⁽⁴⁾ See composition in TABLE 12. No individual breakdown is required.

⁽⁵⁾ Calculated as residual (excluding from the total national contribution to the euro-area balance of payments/international investment position item the amounts corresponding to the above-listed counterparts).

Table 10

Territories forming part of, or countries associated with, euro-area Member States

Territories forming part of the euro area:

- Helgoland: Germany
 - Canary Islands, Ceuta and Melilla: Spain
 - Monaco, Guyana, Guadeloupe, Martinique, Réunion, Saint Pierre and Miquelon, Mayotte: France
 - Madeira, the Azores: Portugal
 - The Åland Islands: Finland
-

Territories associated with euro-area Member States to be included in the RoW:

- Büsingen (not Germany)
 - Andorra (neither Spain nor France)
 - The Netherlands Antilles and Aruba (not the Netherlands)
 - French Polynesia, New Caledonia and the Wallis and Futuna Islands (not France)
 - San Marino and the Vatican City (not Italy)
-

Table 11

List of offshore centres for the ECB geographical breakdown for quarterly balance of payments flows and annual international investment position data

ISO codes	Eurostat + OECD Offshore financial centers
AD	Andorra
AG	Antigua and Barbuda
AI	Anguilla
AN	Netherlands Antilles
BB	Barbados
BH	Bahrain
BM	Bermuda
BS	Bahamas
BZ	Belize
CK	Cook Islands
DM	Dominica
GD	Grenada
GG	Guernsey
GI	Gibraltar
HK	Hong Kong
IM	Isle of Man
JE	Jersey
JM	Jamaica
KN	Saint Kitts and Nevis
KY	Cayman Islands
LB	Lebanon
LC	Saint Lucia
LI	Liechtenstein
LR	Liberia
MH	Marshall Islands
MS	Montserrat
MV	Maldives
NR	Nauru
NU	Niue
PA	Panama
PH	Philippines
SG	Singapore
TC	Turks and Caicos Islands
VC	Saint Vincent and the Grenadines
VG	Virgin Islands, British
VI	Virgin Islands, U.S.
VU	Vanuatu
WS	Samoa

Table 12

List of international organisations ⁽¹⁾ for the ECB geographical breakdown for quarterly balance of payments flows and annual international investment position data

1. **European Union institutions**
 - 1.1. *Major European Union institutions, organs and organisms (excluding the ECB)*
 - EIB (European Investment Bank)
 - EC (European Commission)
 - EDF (European Development Fund)
 - EIF (European Investment Fund)
 - 1.2. *Other European Union institutions, organs and organisms covered by the general budget*
 - European Parliament
 - Council of the European Union
 - Court of Justice
 - Court of Auditors
 - European Economic and Social Committee
 - Committee of the Regions
 - Other European Union institutions, organs and organisms
2. **International organisations**
 - 2.1. *International monetary organisations*
 - IMF (International Monetary Fund)
 - BIS (Bank for International Settlements)
 - 2.2. *International non-monetary organisations*
 - 2.2.1. *Major United Nations organisations*
 - WTO (World Trade Organisation)
 - IBRD (International Bank for Reconstruction and Development)
 - IDA (International Development Association)
 - 2.2.2. *Other United Nations organisations*
 - Unesco (United Nations Educational, Scientific and Cultural Organisation)
 - FAO (Food and Agriculture Organisation)
 - WHO (World Health Organisation)
 - IFAD (International Fund for Agricultural Development)
 - IFC (International Finance Corporation)
 - MIGA (Multilateral Investment Guarantee Agency)
 - Unicef (United Nations Children's Fund)
 - UNHCR (United Nations High Commissioner for Refugees)
 - UNRWA (United Nations Relief and Works Agency for Palestine)
 - IAEA (International Atomic Energy Agency)
 - ILO (International Labour Organisation)
 - ITU (International Telecommunication Union)

(1) Based on the European Commission (Eurostat) balance of payment vademecum.

2.2.3. Other major international institutions, organs and organisms (excluding the ECB)

OECD (Organisation for Economic Cooperation and Development)

IADB (Inter-American Development Bank)

AfDB (African Development Bank)

AsDB (Asian Development Bank)

EBRD (European Bank for Reconstruction and Development)

IIC (Inter-American Investment Corporation)

NIB (Nordic Investment Bank)

IBEC (International Bank for Economic Cooperation)

IIB (International Investment Bank)

CDB (Caribbean Development Bank)

AMF (Arab Monetary Fund)

BADEA (Banque arabe pour le développement économique en Afrique)

CASDB (Central African States Development Bank)

African Development Fund

Asian Development Fund

Fonds spécial unifié de développement

CABEI (Central American Bank for Economic Integration)

ADC (Andean Development Corporation)

2.2.4. Other international organisations

NATO (North Atlantic Treaty Organisation)

Council of Europe

ICRC (International Committee of the Red Cross)

ESA (European Space Agency)

EPO (European Patent Office)

Eurocontrol (European Organisation for the Safety of Air Navigation)

EUTELSAT (European Telecommunications Satellite Organisation)

INTELSAT (International Telecommunications Satellite Organisation)

EBU/UER (European Broadcasting Union/Union européenne de radio-télévision)

EUMETSAT (European Organisation for the Exploitation of Meteorological Satellites)

ESO (European Southern Observatory)

ECMWF (European Centre for Medium-range Weather Forecasts)

EMBL (European Molecular Biology Laboratory)

CERN (European Organisation for Nuclear Research)

IOM (International Organisation for Migration)

Table 13

Summary of requirements and deadlines

Item	First reference period(s)	First transmission/deadline	Relevant provision(s) of present recommendation and Guideline ECB/2004/15
Geographical breakdown (except other investment instruments)			GUI Article 2(4), REC Annex IV Section 2
Quarterly b.o.p.	Q1 2003 to Q1 2004	End of June 2004	REC Annex III, Table 7
Annual i.i.p.	2002 and 2003	End of September 2004	REC Annex III, Table 8
Geographical breakdown for other investment instruments			GUI Article 2(4), REC Annex IV Section 2
Quarterly b.o.p.	Q1 2004 to Q2 2005	End of September 2005	REC Annex III, Table 7
Annual i.i.p.	2003 and 2004	End of September 2005	REC Annex III, Table 8
Quarterly i.i.p.	Q4 2003 to Q3 2004	End of December 2004	GUI Article 3(4)
Portfolio investment s-b-s			
Quarterly i.i.p.	Q4 2007 position	End of March 2008	GUI Article 2(6)
Annual i.i.p.	2007	End of September 2008	GUI Article 2(6)
Portfolio investment (intra) assets broken down by issuer sector			GUI Article 2(3)
Monthly b.o.p.	January to April 2006	June 2006	REC Annex III, Table 1
Quarterly b.o.p.	Q1 2006	End of June 2006	REC Annex III, Table 2
Quarterly i.i.p.	Q4 2005 and Q1 2006	End of June 2006	REC Annex III, Tables 4 and 5
Annual i.i.p.	2005	End of September 2006	REC Annex III, Tables 4-5
FDI additional breakdowns by valuation of equity stocks			REC Annex IV, Section 1.3
Annual i.i.p.	2004 and 2005	End of September 2006	REC Annex III, Table 5 and Annex IV, Table 1
Split loans/deposits			
Monthly b.o.p.	January and February 2004	April 2004	REC Annex III, Table 1
Quarterly b.o.p.	Q1 2004	End of June 2004	REC Annex III, Table 2
Quarterly i.i.p.	Q4 2003 to Q3 2004	End of December 2004	REC Annex III, Table 4
Annual i.i.p.	2003	End of September 2004	REC Annex III, Table 5

Item	First reference period(s)	First transmission/deadline	Relevant provision(s) of present recommendation and Guideline ECB/2004/15
Currency breakdown on debt securities (EUR/non-EUR) Six-month transactions Positions end of June/end of December	July to December 2004 2004	End of June 2005 End of June 2005	GUI Article 3(6) REC Annex III, Table 6 REC Annex III, Table 6
Currency breakdown on debt securities (EUR/USD/other currencies) Six-month transactions Positions end of June/end of December	July to December 2007 2007	End of June 2008 End of June 2008	GUI Article 3(6) REC Annex III, Table 6 REC Annex III, Table 6

ANNEX IV

CONCEPTS AND DEFINITIONS TO BE USED IN THE BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION STATISTICS, AND THE INTERNATIONAL RESERVES TEMPLATE

In order to construct meaningful aggregated external statistics for the euro area, concepts and definitions have been defined in the field of balance of payments statistics (income, capital and financial accounts), international investment position statistics and the international reserves template. These concepts and definitions are based on the 'Implementation Package' (July 1996) and additional documents endorsed by the Governing Council of the European Central Bank (ECB). Current international standards, such as the fifth edition of the International Monetary Fund (IMF) Balance of Payments Manual (hereinafter 'the BPM5') and the IMF/Bank for International Settlements template on International Reserves and Foreign Currency Liquidity, have been used as a reference in formulating these concepts and definitions. The most important harmonisation proposals are listed below in line with the ECB's methodological notes on 'Balance of payments and international investment position of the euro area (including reserves)' published on its website at <http://www.ecb.int>. Further guidance is available in Chapters 2 and 3 of the ECB's publication European Union balance of payments/international investment position statistical methods (hereinafter 'the B.o.p. book') which is revised annually and is available both on the website and in hard copy.

1. Concepts and definitions of selected items**1.1. Investment income (see also B.o.p. book, Section 3.4)**

Investment income incorporates income derived from a euro-area resident's ownership of a non-euro-area financial asset (credits) and, symmetrically, income derived from a non-euro-area resident's ownership of a euro-area financial asset (debits). Where they are separately identifiable, gains and losses on (capital) holdings are not classified as income on investments, but as changes in the value of the investments due to market price developments.

Investment income includes income generated by direct investment, portfolio investment and other investment and by the Eurosystem's reserve assets. However, net flows associated with interest-rate derivatives are recorded under 'financial derivatives' in the financial account. Reinvested earnings are recorded under 'direct investment income'. They are defined as the direct investor's share of the total consolidated profits earned by the direct investment enterprise in the given reference period (after allowing for tax, interest and depreciation) less dividends due for payment in the reference period, even if these dividends relate to profits earned in previous periods.

The requirements for monthly and quarterly balance of payments data are almost identical to IMF Standard Components as defined in the BPM5. The main difference is that the ECB does not require a breakdown of direct investment income on equity into distributed and undistributed profits.

Interest income is recorded on an accruals basis (this is not required for the monthly data). Dividends are recorded as of the date on which they become payable. Reinvested earnings are to be recorded in the period in which they are earned.

1.2. Capital account (see also B.o.p. book, Section, 3.6)

The capital account covers capital transfers and the acquisition/disposal of non-produced non-financial assets. Current transfers are to be recorded in the current account. Capital transfers consist of (i) transfers of ownership of fixed assets, (ii) transfers of funds linked to, or conditional upon, the acquisition or disposal of fixed assets and (iii) the cancellation, without any consideration being received in return, of liabilities by creditors. Capital transfers may be in cash or in kind (such as debt forgiveness). The distinction between current and capital transfers, in practice, rests in the use of the transfer by the recipient country. Acquisition/disposal of non-produced non-financial assets covers mainly intangibles such as patents, leases or other transferable contracts. Only the purchase/sale of such assets, but not their use, is to be recorded in this item of the capital account.

While the IMF's standard components of the capital account consist of a sectoral breakdown into the items 'general government' and 'other sectors' (with a further breakdown thereafter), the ECB compiles only a lump-sum capital account, without any breakdown.

1.3. Direct investment (see also B.o.p. book, Section 3.7)

Direct investment is a category of international investment that reflects the objective of an entity resident in one economy to obtain a lasting interest in an enterprise resident in another economy. In line with international standards (IMF), the '10 % ownership criterion' is applied in order to infer the existence of a direct investment relationship, i.e. a lasting interest in the case of the euro-area balance of payments/international investment position. Based on this criterion, a direct investment relationship can exist between a number of related enterprises, regardless of whether the linkage involves a single chain or a number of chains. It can extend to a direct investment enterprise's subsidiaries, sub-subsidiaries and associates. Once the direct investment is established, all subsequent financial flows/holdings between/vis-à-vis the related entities are recorded as direct investment transactions/positions⁽¹⁾.

Following the IMF standards and Eurostat/OECD guidelines, direct investment relationships of the euro area are recorded using the directional principle, implying that the financial transactions between the euro-area resident direct investor and the non-euro-area direct investment enterprises are classified as 'direct investment abroad'. Symmetrically, the financial transactions between resident direct investment enterprises and non-euro-area direct investors are classified under the 'direct investment in the reporting economy' item of the euro-area balance of payments.

The components of direct investment are equity capital, reinvested earnings and 'other capital' associated with various inter-company debt operations. Equity capital comprises equity in branches as well as all shares in subsidiaries and associates. Reinvested earnings consist of the offsetting entry to the direct investor's share of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor and which are recorded under 'investment income'. 'Other capital' covers all financial operations between affiliated companies (borrowing and lending of funds) — including debt securities and suppliers' credits (i.e. trade credits) — between direct investors and subsidiaries, branches and associates.

With regard to the valuation of direct investment stocks, the internationally recommended approach is to use market prices. This approach is applied to the valuation of equity stocks in the case of direct investment companies listed in stock exchanges. Conversely, in the case of unlisted direct investment companies, equity stocks are valued on the basis of book values using a common definition comprising the following accounting items:

- (i) paid-up capital (excluding own shares and including shares premium accounts);
- (ii) all types of reserves (including investment grants when accounting guidelines consider them as company's reserves);
- (iii) non-distributed profits net of losses (including results for the current year).

As memorandum items, the book values of equity stocks in listed direct investment companies are also required using the same common definition.

The work of the joint ECB/Commission (Eurostat) Task Force on Foreign Direct Investment led to some recommendations aimed at harmonising methodology and practices across Member States. TABLE 1 summarises the main recommendations.

1.4. Portfolio investment (see also B.o.p. book, Section 3.8)

The euro-area portfolio investment account includes (i) equity securities and (ii) debt securities in the form of bonds and notes and money market instruments, unless they are categorised either as direct investment or as reserve assets. Financial derivatives as well as repurchase agreements and securities lending are excluded from portfolio investment.

The 'equity securities' item covers all instruments representing claims on the residual value of incorporated enterprises after the claims of all creditors have been met. Stocks, shares, preference stocks or shares, participation certificates or similar documents denote ownership of equity. Transactions/holdings of shares of collective investment institutions, e.g. investment funds, are also included.

Bonds and notes are securities issued with an initial maturity of more than one year which usually give the holder (i) the unconditional right to a fixed monetary income or contractually determined variable monetary income (payment of interest being independent of the earnings of the debtor) and (ii) the unconditional right to a fixed sum in repayment of principal on a specified date or dates.

Unlike bonds and notes, money market instruments are securities issued with an initial maturity of one year or less. They generally give the holder the unconditional right to receive a stated, fixed sum of money on a specified date. These instruments are usually traded, at a discount, in organised markets; the discount is dependent upon the interest rate and the time remaining to maturity.

The report by the Task Force on Portfolio Investment Data Collection Systems was followed by national feasibility studies concerning the possibility of data collection on a security-by-security basis euro-area-wide. These studies were carried out by the then 15 European Union Member States and concluded with an agreement to collect, as a minimum, quarterly portfolio investment stocks in the euro area on a security-by-security basis. This agreement established four valid models for the compilation of portfolio investment statistics, as presented in the table contained in Annex VII.

⁽¹⁾ Exceptions relate to transactions/positions in financial derivatives between affiliates for which recording under the category 'financial derivatives' rather than under 'direct investment/other capital' was agreed at the euro-area level.

For the sectoral breakdown of the euro-area net liabilities in portfolio investment, the requirements regarding international investment position data are the same as for balance of payments flows.

The recording of portfolio investment transactions in the euro-area balance of payments takes place when the euro-area creditors or debtors enter the claim or liability in their books. Transactions are recorded at the effective price received or paid, less commission and expenses. Thus, in the case of securities with coupons, the interest accrued from the last payment of interest is included and, in that of securities issued at a discount, the interest accumulated since the issue is included. Inclusion of interest accrued is required for the financial account of the quarterly balance of payments and the international investment position; in the monthly balance of payments the same treatment is encouraged; these recordings in the quarterly (and monthly) financial account need to have offsetting entries in the respective income account.

1.5. *Financial derivatives (see also B.o.p. book, Section 3.9)*

Financial derivatives are financial instruments that are linked to a specific financial instrument, indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. Transactions in financial derivatives are treated as separate transactions rather than as integral parts of the value of underlying transactions to which they may be linked.

Transactions and positions in options, futures, swaps, forward foreign exchange contracts, credit derivatives and embedded derivatives are recorded in the balance of payments, international reserves and international investment position. For practical reasons, embedded derivatives are not distinguished from the underlying instrument to which they are linked.

Net flows associated with interest-rate derivatives are recorded as financial derivatives, not as investment income, in line with recent international agreement. The classification of specific instruments of credit derivatives should be decided on a case-by-case basis.

Initial margin payments are regarded as changes in deposits and should be recorded, if identifiable, under 'other investment'. The treatment of variation margin payments depends on the form of the variation margin: options-style variation margins are regarded, in principle, as changes in deposits and should be recorded, if identifiable, under 'other investment'. Futures-style variation margin payments are regarded, in principle, as transactions in derivatives and should be recorded under 'financial derivatives'.

In the case of options, the full premium (i.e. the purchase/sale price of the options and the implied service charge) is recorded.

The valuation of financial derivatives should be conducted on a marked-to-market basis.

The recording of transactions in financial derivatives takes place when the euro-area creditors and debtors enter the claim or liability in their books. Owing to practical problems involved in separating the asset and liability flows for some derivative instruments, all financial derivatives transactions in the euro-area balance of payments are recorded net. Financial derivative asset and liability positions in the international investment position statistics are recorded on a gross basis, with the exception of those financial derivatives falling into the category of reserve assets, which are recorded on a net basis.

1.6. *Other investment (see also B.o.p. book, Section 3.10)*

Other investment is defined as a residual category that includes all financial transactions not covered in the direct investment, portfolio investment, financial derivatives or reserve assets categories.

Other investment covers trade credits, loans, currency and deposits and other assets/other liabilities. It also encompasses the offsetting entries for accrued income on instruments classified under other investment.

Trade credits consist of claims or liabilities arising from the direct extension of credit by euro-area suppliers or buyers respectively for transactions in goods and services and advance payments for work in progress (or to be undertaken) that is associated with such transactions.

Loans/currency and deposits comprise transactions/holdings in the following financial instruments: loans, i.e. financial assets created through the direct lending of funds by a creditor (lender) to a debtor (borrower) through an arrangement in which the lender either receives no security or receives a non-negotiable document or instrument, repo-type operations, currency and deposits. This includes, *inter alia*, loans to finance trade, other loans and advances (including mortgages) and financial leases. The distinction between 'loans' and 'currency and deposits' is based on the nature of the borrower. This implies that, on the assets side, money granted by the euro-area money-holding sector to non-euro-area banks is to be classified as 'deposits' and money granted by the euro-area money-holding sector to non-euro-area non-banks (i.e. institutional units other than banks) is to be classified as 'loans'. On the liabilities side, money taken by euro-area non-banks (i.e. non-MFIs) is always to be classified as 'loans'. Finally, this distinction implies that all transactions involving euro-area MFIs and foreign banks are to be classified as 'deposits'.

All repo-type operations, i.e. repurchase agreements, sell/buy-back operations and securities lending (with exchange of cash as collateral), are treated in the euro-area balance of payments/international investment position as collateralised loans, not as outright purchases/sales of securities, and are recorded under 'other investment', within the euro-area resident sector that carries out the operation. This treatment, which is also in line with the accounting practice of banks and other financial corporations, is intended to better reflect the economic rationale behind these financial instruments.

Other assets/other liabilities covers all items other than trade credits, loans and currency and deposits.

The euro-area sector 'Eurosysteem' in 'other investment' includes net positions of the Eurosysteem with the national central banks (NCBs) of non-participating Member States related to the operation of the TARGET system. These intra-European System of Central Banks (ESCB) balances/accounts, which are denominated in euro, are similar to movements of the monetary financial institutions' (MFIs) nostro/vostro accounts and, thus, reported to the ECB on a net basis under liabilities.

The principles of 'transfer of ownership', 'time of settlement' and 'time of payment' all conform to the IMF standards.

Compared with BPM5 standard components, there is a difference in the presentation of the breakdown (i.e. sector as first priority). This sectoral breakdown is however compatible with the breakdown of the BPM5 where instruments have priority. For the monthly balance of payments data, a distinction between short-term and long-term flows in the MFI sector is required. As in the BPM5 presentation, currency and deposits are distinguished from loans and other investments.

1.7. Reserve assets (see also B.o.p. book, Section 3.11)

The reserve assets of the euro area consist of the Eurosysteem's reserve assets, i.e. the ECB's and the NCBs' reserve assets.

Reserve assets must (i) be under the effective control of the relevant monetary authority of the Eurosysteem or an NCB and (ii) be highly liquid, marketable and creditworthy claims held by the Eurosysteem on non-euro-area residents denominated in currencies other than the euro, gold, reserve positions in the IMF or special drawing rights (SDRs).

This definition expressly excludes foreign currency claims on residents of the euro area, and euro claims on non-residents of the euro area, from being considered to be reserve assets either at the national or at the euro-area level. Likewise, foreign exchange positions of central governments and/or the Treasury are not included in the definition of reserve assets for the euro area in accordance with the institutional arrangements in the Treaty establishing the European Community.

Reserve assets of the ECB are those assets which are pooled in accordance with Article 30 of the Statute of the ESCB and thus considered to be under the direct and effective control of the ECB. As long as no further transfer of ownership takes place, reserve assets retained by the NCBs are under their direct and effective control and are treated as reserve assets of each individual NCB.

The presentation of the Eurosysteem's international reserves transactions shows a total figure for monthly transactions. Additional details of Eurosysteem transactions in gold, foreign exchange, holdings of SDRs and reserve position in the IMF are available quarterly following BPM5 standard components. A separate category for financial derivatives is presented, in line with the recent IMF recommendation in this field.

The Eurosysteem's reserves are compiled on a gross basis without any netting-off of reserve-related liabilities (with the exception of those reserve assets included in the subcategory 'financial derivatives', which are recorded on a net basis).

The valuation is based on market prices by using (i) for transactions, the prevailing market prices at the time when the transaction takes place and (ii) for holdings, the closing mid-market prices at the end of the appropriate period. Prevailing market exchange rates at the time when the transaction takes place and closing mid-market prices at the end of the appropriate period are respectively used for the conversion of transactions and holdings of foreign currency-denominated assets into euro.

Income on reserve assets is to be recorded indistinguishably under the 'other investment' item of the investment income account, including interest income on reserve holdings of debt securities, and on an accruals basis at least quarterly.

The view that usable reserves might be a more important indicator of a country's ability to meet its foreign exchange obligations than gross reserves as shown in the balance of payments and international investment position statistics has become more widespread and has been adopted in the IMF's Special Data Dissemination Standard. To calculate usable reserves, data on gross reserves need to be supplemented with information about other foreign currency assets and reserve-related liabilities. Accordingly, monthly data on (gross) reserve assets of the Eurosystem are supplemented with information on other foreign currency assets and predetermined and contingent short-term net drains on the gross reserve assets classified according to residual maturity. Moreover, a currency distinction between gross reserve assets denominated in SDR currencies (in total) and other currencies (in total) with a quarter's lag is also required.

Regarding specific items, holdings of monetary gold should remain unchanged in all reversible gold transactions (gold swaps, repos, loans and deposits). Repo transactions in foreign currency-denominated securities result in increases in the total amount of the reserve assets of the cash-borrowing NCB owing to the fact that the repoed securities still remain on the balance sheet; in the case of reverse repos, the cash-lending monetary authority does not register any variation in the total amount of reserve assets if the non-resident counterpart is another monetary authority or financial institution, owing to the fact that the claim on the cash borrower is then regarded as a reserve asset.

2. Implementation methods for geographical allocation

A step-by-step approach has been followed for the compilation of geographically broken down balance of payments and international investment position statistics. This approach has involved three steps towards meeting data requirements, which were progressively more demanding:

Step 1: Compilation method at the euro-area level:: addition of national total net transactions/positions.

Step 2: Compilation method at the euro-area level:: separate addition of transactions/positions with non-residents for credits and debits or net assets and net liabilities (balance of payments)/assets and liabilities (international investment position).

Data requirements at the NCB level: separate identification of transactions/positions between euro-area and non-euro-area residents, as laid down in Annex III (Tables 1, 2, 4 and 5).

Step 3: Compilation method at the euro-area level and data requirements at the NCB level:: similar to Step 2 with the addition of a geographical breakdown within non-euro-area transactions/positions. Step 3 is only necessary for quarterly balance of payments and annual international investment position statistics, as laid down in Annex III (Tables 7 and 8).

Data requirements at the NCB level: separate identification of transactions/positions between euro-area residents and residents of countries in the agreed list of counterpart countries/regions contained in Annex III (Tables 9 to 12).

3. Classification by institutional sector in the euro-area aggregates (See also B.o.p. book, Section 3.1.6)

The sectoral breakdown of euro-area aggregates comprises monetary authorities, general government, MFIs and other sectors of the euro area.

Monetary authorities

The 'monetary authorities' sector of the euro-area statistics consists of the Eurosystem.

General government

The 'general government' sector of the euro-area statistics is consistent with the definition of that sector in the SNA 93 and ESA 95 and thus comprises the following units:

- central government,
- state/regional government,
- local government,
- social security funds.

MFIs excluding monetary authorities

This 'MFIs excluding monetary authorities' sector coincides with the MFI sector for money and banking statistics (excluding monetary authorities). It comprises:

- (i) credit institutions as defined by Community law, i.e. undertakings whose business is to receive deposits or other repayable funds from the public (including the proceeds arising from the sales of bank bonds to the public) and to grant credit for their own account;
- (ii) all other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account (at least in economic terms), to grant credits and/or to make investments in securities.

Other sectors

The 'other sectors' category of the euro-area statistics comprises a variety of institutional units, mainly:

- (i) other financial institutions not included in the MFI definition, such as collective investment institutions not deemed to be money market funds, real estate investment institutions, securities dealers, mortgage credit institutions, insurance corporations, pension funds and financial auxiliaries;
- (ii) non-financial institutions, such as public and private non-financial enterprises, non-profit institutions serving households and households.

Non-MFIs

The 'non-MFIs sectors' category of the euro-area statistics comprises the sectors (i) 'general government' and (ii) 'other sectors'.

Table 1

Recommendations related to foreign direct investment transactions, including related income, and positions ⁽¹⁾

Priority	Action
Short term	
High	All indirect FDI relationships ⁽²⁾ should be conceptually treated in accordance with the interpretation of international statistical standards outlined in Chapter 1 of the Task Force on FDI report
	All (indirect) FDI transactions/positions should be geographically allocated to the immediate affiliate or parent company ⁽²⁾ ⁽³⁾
	All Member States should start compiling FDI equity stocks and reinvested earnings on the basis of the results of FDI surveys (to be collected at least annually) ⁽⁴⁾ ⁽⁵⁾
	FDI equity stocks should be collected separately for listed (both book and market values) and non-listed companies
Low	Contributions to cover losses of direct investment enterprises should be recorded in the financial account
Medium term	
High	The 'current operating performance concept' should be used by all Member States to record reinvested earnings ⁽⁶⁾
	Other capital components should be classified in accordance with the recommendations of the Task Force on FDI report

Priority	Action
Medium term	
Medium	Payment of dividends from exceptional capital gains should be recorded in the financial account (thus not entering in the calculation of reinvested earnings)
Long term	
High	Indirect FDI relationships should cover (as a minimum) either (i) indirect links of ownership above 50 % or (ii) direct and indirect links of ownership above 10 %, calculated as the product of the subsequent links of ownership along a chain

(1) As at end 2003.

(2) This recommendation does not refer to the need to cover indirect relationships, but rather to the methodology that should be applied. See also the long-term action related to the coverage of indirect FDI relationships in practice.

(3) This recommendation is only applicable to reinvested earnings (flows) and FDI equity stocks. To better understand the distortions that any other criterion would imply, see Chapter 2 of the Task Force on FDI report.

(4) Exceptions are the first i.i.p. assessment (to be provided at T + 9) and real estate investments. The following non-acceptable practices should be abandoned: (i) leaving the choice of the valuation criterion to reporting agents (market values or book values); (ii) the application of a perpetual inventory method/accumulation of b.o.p. flows to compile stocks.

(5) During a transitional period to be defined bilaterally, best estimates for the new requirements, within the agreed deadlines, will be accepted.

(6) Member States may focus on a reduced number of companies (the biggest ones and/or holding companies) in making a distinction between ordinary and extraordinary gains and losses.

ANNEX V

TRANSMISSION OF DATA TO THE EUROPEAN CENTRAL BANK

The national central banks (NCBs) use the facility provided by the European System of Central Banks (ESCB), which relies upon the telecommunications network 'ESCB-Net', for the electronic transmission of the statistical information required by the European Central Bank (ECB). All exchanges of data within the ESCB use the same conceptual data model. The statistical message format developed for this electronic exchange of statistical information is the 'GESMES/TS' format. This requirement does not prevent the use of some other means of transmitting statistical information to the ECB as an agreed fall-back solution.

NCBs observe the recommendations listed below in order to ensure that data transmission functions satisfactorily.

- Completeness: NCBs report all required series keys. Reporting no series keys or non-listed series keys will be considered as incomplete reporting. Should an observation be missing, the omission is recorded using the corresponding observation status flag. In addition, when revisions are made to only a subset of series keys, the validation rules should be applied to the whole balance of payments.
- Sign convention: the data transmission by NCBs to the ECB as well as to the European Commission (Eurostat) follows a uniform sign convention for all data which are to be reported. Under this sign convention, credits and debits in the current and capital account must be reported with a plus sign, whilst net balances are to be calculated and reported as credits minus debits. In the financial account, decreases in net assets/increases in net liabilities must be reported with a plus sign, whereas increases in net assets/decreases in net liabilities must be reported with a minus sign. Net balances are to be calculated and reported as net changes in assets plus net changes in liabilities.

In transmitting international investment position data, the net positions should be calculated and reported as asset position minus liability position.

- Accounting identities of the data: the validation rules which were distributed and which are available on request must be implemented by the NCBs before the data are transmitted to the ECB.

Whenever revisions occur, NCBs may send an updated dataset to the ECB. Any revisions should be transmitted as follows:

- revisions for monthly balance of payments data are made available with the submission of (i) the data for the following month, (ii) the corresponding quarterly data and (iii) the corresponding revised quarterly data,
- revisions for quarterly balance of payments data are made available with the submission of the data for the following quarter,
- revisions for quarterly international investment position data are made available with the submission of the data for the following quarter,
- revisions for annual international investment position data are made available with the submission of the data for following years.

Any revisions for monthly and quarterly balance of payments data relating to full years are made available by the NCBs to the ECB at the end of March and at the end of September, the latter together with the submission of the annual international investment position data.

Revisions for quarterly international investment position data relating to full years are made available by the NCBs to the ECB at the end of September together with the submission of the annual international investment position data.

The data for the international reserves template may be revised on an ongoing basis, where appropriate. However, the consistency between the end-of-period positions and the relevant items in the contributions to the euro-area (quarterly and annual) international investment position should be ensured.

ANNEX VI

MONITORING OF STATISTICAL COMPILATION METHODS

The European Central Bank (ECB) monitors the compilation methods used for the reporting of the balance of payments and international investment position statistics, as well as the concepts and definitions applied on a regular basis by the participating Member States. The monitoring will be carried out in connection with the updating of the ECB's publication European Union balance of payments/international investment position statistical methods (hereinafter 'the B.o.p. book'). Besides the monitoring purpose, the B.o.p. book aims at informing the euro-area balance of payments compilers about developments in other euro-area Member States.

The B.o.p. book contains information on the structure of balance of payments and international investment position statistics for all Member States. There are detailed descriptions of data compilation methods and of the concepts and definitions applied, as well as information on departures from the agreed definitions for the balance of payments and international investment position statistics in the Member States.

The B.o.p. book is updated on an annual basis in close cooperation with the Member States.

ANNEX VII

DATA COLLECTION IN THE AREA OF PORTFOLIO INVESTMENT

Given the inherent difficulties in the compilation of portfolio investment statistics, it was considered necessary to define common approaches for the collection of this information across the euro area.

As explained in Section 1.4 of Annex IV, national feasibility studies were carried out concerning the possibility of data collection on a security-by-security basis euro-area-wide. These studies concluded with the following agreement: by the end of March 2008, euro-area Member States will collect at least quarterly portfolio investment stocks of assets and liabilities on a security-by-security basis. Until then, some Member States will only be able to supply best estimates for some specific portfolio investment breakdowns, in particular issuer sector or currency/country of issue.

The availability of a functioning centralised securities database (CSDB) is considered essential for the new collection systems to become operational. Therefore, if the 'project closure document' for Phase 1 of the CSDB project is not submitted to the Governing Council via the Statistics Committee of the European System of Central Banks by the end of March 2005, this deadline will be postponed by the same amount of time as that by which the submission is late.

The target coverage is defined as follows: stocks of securities reported to the national compiler on an aggregate basis, i.e. not using standard (ISIN or similar) codes, should not exceed 15 % of the total portfolio investment stocks of assets or liabilities. This threshold should be used as a guide in the assessment of the coverage of Member States' systems. The CSDB should sufficiently cover portfolio investment securities worldwide as to enable the compilation of statistics from security-by-security data.

Portfolio investment stocks of assets and liabilities within the international investment position are compiled purely from stock data.

From March 2008 (starting with data corresponding to January 2008 transactions and end of 2007 positions) euro-area portfolio investment collection systems conform to one of the models in the following table:

Valid portfolio investment data collection models

-
- Monthly stocks (s-b-s) + monthly flows (s-b-s)
 - Quarterly stocks (s-b-s) + monthly flows (s-b-s)
 - Monthly stocks (s-b-s) + derived monthly flows (s-b-s)
 - Quarterly stocks (s-b-s) + monthly flows (aggregate)
-

Notes:

's-b-s' = security-by-security data collection

'derived flows' = difference of stocks (adjusted for movements in exchange rates, prices and other identified changes in volume)
