

## II

*(Non-legislative acts)*

## GUIDELINES

## GUIDELINE OF THE EUROPEAN CENTRAL BANK

of 9 December 2011

**on the statistical reporting requirements of the European Central Bank in the field of external statistics****(recast)****(ECB/2011/23)****(2012/120/EU)**

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 Articles 3.1 and 3.3, Articles 5.1, 12.1, 14.3 and Article 16 thereof,

Having regard to Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank <sup>(1)</sup>, and in particular Articles 4 and 8 thereof,

Whereas:

(1) 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 reserves template <sup>(2)</sup> has been substantially amended. Since further amendments are to be made, it should be recast in the interests of clarity.

(2) To fulfil its tasks, the European System of Central Banks (ESCB) requires comprehensive and reliable external statistics consisting of 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, and statistics on cross-border shipments of euro banknotes.

(3) The first sentence of Article 5.1 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter 'the Statute of the ESCB') requires the European Central Bank (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 for it to undertake the tasks of the ESCB. The second sentence of Article 5.1 provides that for these purposes it will cooperate with the Union institutions or bodies and with the competent authorities of the Member States or third countries and with international organisations. Article 5.2 stipulates that the NCBs will carry out, to the extent possible, the tasks described in Article 5.1.

(4) Information necessary to meet the ECB's requirements in the field of external statistics may be collected and/or compiled by competent authorities other than NCBs. Therefore, some of the tasks to be undertaken under this Guideline require cooperation between the ECB or the NCBs and such competent authorities. Article 4 of Regulation (EC) No 2533/98 requires the Member States to organise themselves in the field of statistics and to cooperate fully with the ESCB to ensure the fulfilment of the obligations arising out of Article 5 of the Statute of the ESCB.

(5) Part of the necessary statistical information relates to the financial account of the balance of payments, the related income and the international investment position for which the Eurosystem has prime responsibility. In order to be able to fulfil their obligation to assist the ECB in this area, it should be ensured that the NCBs are equipped with the necessary statistical expertise, in particular as regards concepts, methodology and data collection, compilation, analysis and transmission.

<sup>(1)</sup> OJ L 318, 27.11.1998, p. 8.

<sup>(2)</sup> OJ L 354, 30.11.2004, p. 34.

- (6) Since the adoption of Guideline ECB/2004/15, the international statistical standards which are the reference for the compilation of the balance of payments and the international investment position have been revised. In particular, the International Monetary Fund (IMF) has published the sixth edition of the Balance of Payments and International Investment Position Manual (hereinafter the 'BPM6') and the United Nations Statistical Commission has revised the international statistical standard for national accounts in its latest version in 2008 of the System of National Accounts. In addition, the European Commission has proposed a regulation on the European system of national and regional accounts in the European Union (ESA 2010) <sup>(1)</sup>.
- (7) 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. Portfolio investment collection systems in the euro area should conform to a common standard, i.e. one of the four models entailing, as a minimum, the collection of quarterly stocks on a security-by-security basis as set out in the table contained in Annex VI.
- (8) Reporting of data on transactions and positions in the assets and/or liabilities of euro area residents vis-à-vis residents of other euro area Member States is necessary to fulfil the ECB's statistical requirements in the area of portfolio investment (and related income). The data are used to compile the euro area aggregated transactions and positions in portfolio investment liabilities and debits in portfolio investment income. This is in accordance with national requirements or established practices.
- (9) Quarterly euro area balance of payments and international investment position statistics are used as input in the compilation of the rest of the world account in the quarterly euro area financial accounts. Also for this purpose, information on transactions and positions vis-à-vis residents in other euro area Member States as described in this Guideline needs to be collected and compiled.
- (10) The centralised securities database (hereinafter the 'CSDB') is made available to NCBs and to other competent authorities, subject to licence and other relevant constraints. The CSDB will be the main source of securities reference data to be used in 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 Member States. This will ultimately allow the compilation of a sectoral breakdown in respect of the euro area portfolio investment liabilities data.
- (11) As a contribution to the annual review of the international role of the euro, statistical data on transactions and positions in debt securities broken down by currency are needed to assess the role of the euro as an investment currency.
- (12) The ESCB needs comprehensive statistics to estimate holdings of euro banknotes by entities outside the euro area. To this end, statistical information on the cross-border shipments of euro banknotes between Member States whose currency is the euro and countries outside the euro area is of particular relevance. Such statistics are necessary to facilitate decision-making in the area of euro banknote issuance with respect to the production planning of euro banknotes, management of stocks and the coordination of the issuance and transfers of euro banknotes by NCBs and the ECB in accordance with their respective competences. Euro banknote shipment statistics contribute to the assessment of monetary and foreign exchange developments and are needed to assess the role of the euro as an investment currency outside the euro area.
- (13) The quality assessment for the euro area balance of payments and international investment position statistics and the international reserves template should be performed in accordance with the ECB Statistics Quality Framework. The NCBs, in cooperation with other competent authorities, where appropriate, should assess the quality of the data which they contribute.
- (14) According to Article 3a of Regulation (EC) No 2533/98 and the Public Commitment on European Statistics by the European System of Central Banks, the development, production and dissemination of European statistics by the ESCB are governed by the principles of impartiality, objectivity, professional independence, cost-effectiveness, statistical confidentiality, minimisation of the reporting burden and high output quality.
- (15) Transmission from the NCBs to the ECB of confidential statistical information takes place to the extent and in the detail necessary for the exercise of the tasks of the ESCB. Where competent authorities other than NCBs are the sources of statistical information marked as confidential, such confidential statistical information should be used by the ECB in accordance with Regulation (EC) No 2533/98.

<sup>(1)</sup> COM(2010) 774 final.

- (16) It is necessary to set up a procedure to carry out technical amendments to the Annexes to this Guideline 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 ESCB Statistics Committee when following this procedure. NCBs may propose such technical amendments through the ESCB Statistics Committee,

HAS ADOPTED THIS GUIDELINE:

#### *Article 1*

#### **Definitions**

For the purposes of this Guideline:

- (1) 'external statistics' means balance of payments and international investment position statistics, the international reserves template and statistics on the cross-border shipment of euro banknotes;
- (2) 'balance of payments' means the statistical statement that reports, with the appropriate breakdown, international transactions during the period under review;
- (3) 'international investment position' means the balance sheet that reports, with the appropriate breakdown, the stock of international financial assets and liabilities at a reference date;
- (4) 'international reserves template' means the statistical statement that reports, with the appropriate breakdown, stocks of reserve assets, other foreign currency assets and reserve-related liabilities of the Eurosystem at a reference date;
- (5) 'cross-border shipment of euro banknotes' means the export and/or import of euro banknotes;
- (6) 'export of euro banknotes' means any delivery of euro banknotes from an NCB or from another monetary financial institution (MFI) resident in the euro area to any legal person outside the euro area;
- (7) 'import of euro banknotes' means any delivery of euro banknotes to an NCB or to another MFI resident in the euro area from any legal person outside the euro area;
- (8) 'resident' and 'residing' have the same meaning as defined in Article 1(4) of Regulation (EC) No 2533/98;
- (9) 'rest of the world' means all international organisations and residents in all territories other than a specific euro area Member State, which act as counterparts to the residents in that Member State;
- (10) 'international transaction' means 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 in a euro area Member State and non-residents in that Member State;
- (11) 'international positions' means the stock of financial claims on and financial liabilities to non-residents in a euro area Member State. International positions also encompass: (a) land, other tangible non-produced assets and other immovable assets physically located outside a euro area Member State that are owned by residents in that Member State, and/or physically located inside a euro area Member State and owned by non-residents; and (b) monetary gold and special drawing rights (SDRs) owned by residents;
- (12) 'revaluations' means holding gains and losses on international positions arising from changes to the exchange rate and/or other prices;
- (13) 'reserve assets' means highly liquid, marketable and creditworthy claims held by the Eurosystem on non-euro area residents and denominated in currencies other than the euro, plus gold, reserve positions in the IMF and SDR holdings;
- (14) 'other foreign currency assets' means (a) claims held by the Eurosystem on euro area residents denominated in currencies other than the euro; and (b) claims held by the Eurosystem 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;
- (15) 'reserve-related liabilities' means predetermined and contingent short-term net drains on the Eurosystem, similar to reserve assets and other foreign currency assets of the Eurosystem;
- (16) 'security-by-security' data collection means the collection of data broken down into individual securities.

#### *Article 2*

#### **Statistical obligations of the NCBs**

1. The NCBs shall make available to the ECB data on the international transactions, positions and revaluations, as well as on the stocks of reserve assets, other foreign currency assets and reserve-related liabilities, necessary to enable the ECB to compile the aggregated balance of payments and international investment position statistics and the international reserves template of the euro area. The data shall be made available as defined in Tables 1 to 5 of Annex II and in accordance with the deadlines defined in Article 3.

2. The NCBs shall also make available to the ECB data on cross-border shipments of euro banknotes as defined in Table 6 of Annex II. The NCBs shall report data on cross-border shipments of euro banknotes where the best estimate of the total amount of all cross-border shipments within the previous year exceeds EUR 1 000 million.

3. The data shall be 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 or revisions is significant or on request by the ECB. Available information on single major events shall also be exchanged with other euro area NCBs in the framework of existing arrangements, for instance in the context of foreign direct investment.

4. For monthly and quarterly transactions and quarterly positions, the required data shall be made available to the ECB as laid down in Annexes I, II and III, which conform with current international standards, notably the BPM6. For the monthly international reserves template, the required data shall be made available to the ECB as laid down in Annexes I, II and III, which conform with the IMF 'International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template'.

5. The required data on the balance of payments shall be made available on a monthly and quarterly basis. The required data on the international reserves template shall be made available on a monthly basis. The required data on the international investment position shall be made available on a quarterly basis. The required data on cross-border shipments of euro banknotes shall be made available on a monthly basis.

6. Portfolio investment collection systems shall conform with one of the models set out in the table contained in Annex VI.

7. In the event of an enlargement of the euro area, both the NCB of that Member State and the NCBs of all other euro area Member States at the time that Member State adopts the euro shall provide the ECB with back data to enable the compilation of aggregates covering the euro area in its new composition. These NCBs shall provide back data from 2008 on a best estimate basis. The items and breakdowns to be reported shall be decided by the Executive Board of the ECB on proposal by the ESCB Statistics Committee on a case-by-case basis.

If the Member State that adopts the euro joined the Union after 2007, the back data shall cover, as a minimum, the period from the date on which that Member State joined the Union.

8. In the event of an enlargement of the euro area, those euro area Member States that were part of a monetary union for a period prior to the physical introduction of the euro shall provide, for that period, back data for that monetary union as a whole.

By derogation from Article 2(7), the Banque centrale du Luxembourg shall not be required to transmit back data for the period ending December 2001. The Nationale Bank van België/Banque Nationale de Belgique shall transmit joint back data for Belgium and Luxembourg for the period ending December 2001. The same procedure is applied in case of any back data regarding a period prior to the physical introduction of the euro required in case of methodological changes or any other modification in the requirements.

### Article 3

#### Timeliness

1. The data required for the compilation of the monthly balance of payments of the euro area and the data on revaluations of euro area reserve assets shall be made available to the ECB by 2.00 p.m. Central European Time (CET) <sup>(1)</sup> of the 44th calendar day following the end of the month to which the data relate.

2. The data required for the compilation of the quarterly balance of payments and the quarterly international investment position of the euro area shall be made available to the ECB by 2.00 p.m. of:

- (a) the 85th calendar day following the end of the quarter to which the data relate, from 2014 to 2016;
- (b) the 82nd calendar day following the end of the quarter to which the data relate, in 2017 and 2018;
- (c) the 80th calendar day following the end of the quarter to which the data relate, from 2019.

3. The data required for the compilation of the international reserves template of the Eurosystem shall be made available to the ECB by 2.00 p.m. of the 10th calendar day following the end of the month to which the data relate.

4. The data required on the cross-border shipments of euro banknotes as defined in Table 6 of Annex II shall be made available to the ECB by 2.00 p.m. of the 35th calendar day following the end of the month to which the data relate.

5. Where a deadline referred to in paragraphs 1 to 4 falls on TARGET2 closing day, the deadline shall be extended to the following TARGET2 operating day <sup>(2)</sup>.

6. The national collection of the data referred to in paragraphs 1 to 5 shall be organised with a view to meeting these deadlines.

<sup>(1)</sup> All references to time in this Guideline refer to CET, which takes account of the change to Central European Summer Time.

<sup>(2)</sup> TARGET2 closing days and operating days are announced on the ECB's website at [www.ecb.europa.eu](http://www.ecb.europa.eu) and on the Eurosystem websites.

*Article 4***Cooperation with competent authorities other than NCBs**

1. Where the sources for part or all of the data described in Article 2 are competent authorities other than NCBs, NCBs shall establish the appropriate modalities of cooperation with these authorities to ensure a permanent structure for transmission of data which fulfils the ECB's standards, in particular on data quality, and any other of its requirements as set out in this Guideline, unless the same result is already achieved by national legislation.

2. For the financial account of the balance of payments, the related income, and the international investment position, the NCBs shall be responsible for ensuring that the standards regarding concepts, methodology and data collection, compilation, analysis and transmission in these areas are maintained and developed.

3. Where competent authorities other than NCBs are the source of statistical information marked as confidential, such information shall be used by the ECB in accordance with Regulation (EC) No 2533/98.

*Article 5***Transmission standard**

The required statistical information shall be made available to the ECB in a form which meets the requirements laid down in Annex IV.

*Article 6***Quality of the statistical information**

1. Without prejudice to the ECB's monitoring tasks as laid down in Annex V, the NCBs shall, in cooperation with other competent authorities as mentioned in Article 4 where relevant, ensure the monitoring and the assessment of the quality of statistical information made available to the ECB. The ECB assesses these data in a similar manner. The assessment shall be carried out in a timely manner. The Executive Board of the ECB shall report yearly to the Governing Council on the quality of the data.

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 and quality of the securities information in the CSDB.

3. Where the data for an item in Tables 1 to 5 of Annex II are of negligible or of insignificant size for euro area and national statistics, or the data for that item cannot be collected at reasonable cost, best estimates based on sound

statistical methodologies shall be permitted provided the analytical value of the statistics is not compromised. In addition, best estimates shall be permitted for the following breakdowns in Tables 1, 2 and 6 of Annex II:

- (a) sub-items of primary income on other investment;
- (b) sub-items of other primary income and of secondary income;
- (c) sub-items of capital transfers in the capital account;
- (d) geographical breakdown of financial derivatives liabilities;
- (e) reinvested earnings credits on investment funds shares without an ISIN code;
- (f) breakdown of cross-border banknote shipments by denomination.

4. The ECB's monitoring of the quality of statistical information may include scrutiny of revisions made to these data: firstly, to include the latest assessment of the statistical information, thereby improving the quality; secondly, to ensure as far as possible consistency between the corresponding balance of payments items for each of the different frequencies.

*Article 7***Simplified amendment procedure**

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

*Article 8***First transmission of data to the ECB**

1. The first transmission of data relating to balance of payments and international investment position statistics, and international reserves template, shall take place in June 2014.
2. The first transmission of data relating to cross-border shipments of euro banknotes shall take place in March 2013.

*Article 9***Repeal**

1. Guideline ECB/2004/15 is repealed from 1 June 2014.
2. References to Guideline ECB/2004/15 shall be construed as references to this Guideline.

*Article 10***Entry into force**

1. This Guideline shall enter into force on 1 March 2012.
2. Without prejudice to Article 8(2), this Guideline shall apply from 1 June 2014.

*Article 11***Addressees**

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 9 December 2011.

*For the Governing Council of the ECB*

*The President of the ECB*

Mario DRAGHI

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## ANNEX I

## 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 II, 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(4) of this Guideline), where unavoidable. Recording on a full accruals or transactions basis is not required. 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 international 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, 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 from the NCB of the new euro area Member States.

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: (a) deposit-taking corporations except the central bank; (b) money market funds; (c) general government; (d) other sectors,
- for portfolio investment assets and other investment: (a) the central bank; (b) deposit-taking corporations except the central bank; (c) money market funds; (d) general government; (e) 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 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.

NCBs (and other competent authorities where appropriate) collect portfolio investment data according to one of the models set out in the table contained in Annex VI.

## 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 international transactions.

These statistics notably contribute to the compilation of the euro area sectoral and financial accounts and to the joint publication of Union/euro area balance of payments in cooperation with the European Commission (Eurostat).

### Requirements

Quarterly balance of payments statistics conform as far as possible to international standards (see Article 2(4) of this Guideline). The required breakdown of quarterly balance of payments statistics is presented in Annex II, Table 2. Harmonised concepts and definitions used in the capital and financial accounts are set out in Annex III.

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 sixth edition of the International Monetary Fund (IMF) Balance of Payments and International Investment Position Manual (hereinafter the 'BPM6') 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 BPM6 where instruments have priority. As in the BPM6 presentation, currency and deposits are distinguished from loans and other investments.

NCBs are required to distinguish between transactions with euro area Member States and all other international transactions. 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.

For direct investment NCBs are required to submit quarterly the following sectoral breakdown: (a) deposit-taking corporations except the central bank; (b) general government; (c) financial corporations other than MFIs; (d) non-financial corporations, households and non-profit institutions serving households. For the 'portfolio investment assets' and 'other investment' items the breakdown of reports according to institutional sectors follows the standard components of the IMF comprising (a) central bank; (b) deposit-taking corporations except the central bank; (c) money market funds; (d) general government; (e) financial corporations other than MFIs; (f) non-financial corporations, households, and non-profit institutions serving households.

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.

In line with the system of national accounts, the BPM6 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 IMF template on International Reserves and Foreign Currency Liquidity as defined in the IMF manual 'International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template'. This information complements the data on reserve assets included in the euro area balance of payments.

### 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 are denominated and settled in a convertible foreign currency (i.e. in currencies other than the euro), plus gold, reserve positions in the IMF and special drawing rights (SDR) holdings. They may include net positions in financial derivatives. As a general rule, reserve assets are compiled on a gross basis without any netting out of reserve-related liabilities. Exceptionally, positions in financial derivatives should be recorded on a net basis. The breakdown of the data required from the NCBs is presented in Annex II, Table 3, Section I.A.



Foreign currency-denominated assets of the Eurosystem which do not meet this definition, i.e. claims on euro area residents and assets held for monetary policy or other purposes that are unrelated to balance of payments or exchange rate policies, are included under the 'other foreign currency assets' item of the international reserves template (Annex II, Table 3, Section I.B).

Euro-denominated claims on non-residents and balances in foreign currency held by governments of euro area Member States are not considered as reserve assets; such amounts are not included in the Eurosystem reserves template and are recorded as 'other investment' within the international investment position 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 II, 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 NCBs must deliver international investment position statistics on a quarterly basis in respect of end-of-period stock levels and revaluations due to exchange rate or other price changes.

The international investment position data conform as far as possible with international standards (see Article 2(4) of this Guideline). 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 II, 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. Second, 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. Third, 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 changes in volume during the period.

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 changes in volume 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 euro area Member States and all other international 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. 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.

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

NCBs (and other competent 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 VI.

#### **4. Monthly revaluations of reserve assets due to exchange rate and other price changes**

##### **Objective**

The monthly revaluations of euro area reserve assets contribute to the assessment of the euro area external vulnerability.

##### **Requirements**

The NCBs must deliver statistics on the revaluations of reserve assets due to exchange rate and other price changes on a monthly basis. These data conform with international standards (see Article 2(4) of this Guideline).

The required breakdown of this report is presented in Annex II, Table 5.

The revaluations of reserve assets show the holding gains or losses, i.e. the changes in the monetary value of reserve assets that accrue as a result of changes in the level and structure of their prices.

#### **5. Monthly cross-border shipments of euro banknotes by denomination**

##### **Objective**

The ESCB needs comprehensive statistics to estimate holdings of euro banknotes by entities outside the euro area. To this end, statistical information on cross-border shipments of euro banknotes between the euro area and countries outside the euro area is of particular relevance. Such statistics are necessary to facilitate decision-making in the area of euro banknote issuance with respect to the production planning of euro banknotes, management of stocks and the coordination of the issuance and transfers of euro banknotes by NCBs and the ECB in accordance with their respective competences. Euro banknote shipment statistics contribute to the assessment of monetary and foreign exchange developments and are needed to assess the role of the euro as an investment currency outside the euro area.

##### **Requirements**

The NCBs must deliver information on the monthly imports and exports of euro banknotes by euro area Member States to/from countries outside the euro area, as specified in Annex II, Table 6. A breakdown by denomination is required on a best estimate basis.

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## ANNEX II

## REQUIRED BREAKDOWNS

Table 1

## Monthly balance of payments

	Credit	Debit	
<b>1. Current account <sup>(1)</sup></b>			
<b>Goods <sup>(2)</sup></b>	Geo 3 <sup>(3)</sup>	Geo 3	
<b>Services</b>	Geo 3	Geo 3	
<b>Primary income</b>			
Compensation of employees	Geo 3	Geo 3	
Investment income			
Direct investment			
Equity	Geo 3	Geo 3	
Of which: reinvested earnings by resident sector (Sec 1) <sup>(4)</sup>	Geo 2	Geo 2	
Debt instruments	Geo 3	Geo 3	
Portfolio investment			
Equity and investment fund shares	Geo 3	Geo 1	
Debt securities	Geo 3	Geo 1	
Other investment	Geo 3	Geo 3	
Of which: interest	Geo 2	Geo 2	
Reserve assets	Geo 3	Geo 3	
Of which: interest	Geo 2	Geo 2	
Other primary income	Geo 3	Geo 3	
<b>Secondary income</b>	Geo 3	Geo 3	
<b>2. Capital account</b>	Geo 3	Geo 3	
	Net acquisition of financial assets	Net incurrence of liabilities	Net
<b>3. Financial account</b>			
<b>Direct investment</b>			
Equity by resident sector (Sec 1)	Geo 2	Geo 2	
Debt instruments by resident sector (Sec 1)	Geo 2	Geo 2	
<b>Portfolio investment</b>			
Equity and investment fund shares			
By resident sector (Sec 1)	Geo 2	Geo 1	
By counterpart issuer sector (Sec 1)	Geo 2		
Debt securities			
Short-term			
By resident sector (Sec 1)	Geo 2	Geo 1	
By counterpart issuer sector (Sec 1)	Geo 2		

	Net acquisition of financial assets	Net incurrence of liabilities	Net
Long-term			
By resident sector (Sec 1)	Geo 2	Geo 1	
By counterpart issuer sector (Sec 1)	Geo 2		
<b>Financial derivatives (other than reserves) and employee stock options</b>			Geo 2
<b>Other investment</b>			
By resident sector (Sec 1)	Geo 2	Geo 2	
Of which: currency and deposits	Geo 2	Geo 2	
<b>Reserve assets</b>			
Monetary gold			
Gold bullion	Geo 1		
Unallocated gold accounts	Geo 1		
Special drawing rights (SDRs)	Geo 1		
Reserve position in the International Monetary Fund (IMF)	Geo 1		
Other reserve assets			
Currency and deposits			
Claims on monetary authorities, the IMF and the Bank for International Settlements (BIS)	Geo 1		
Claims on other entities (banks)	Geo 1		
Securities			
Debt securities			
Short-term	Geo 1		
Long-term	Geo 1		
Equity and investment fund shares	Geo 1		
Financial derivatives (net)	Geo 1		
Other claims	Geo 1		

(<sup>1</sup>) Concepts and definitions of selected items are specified in Annex III.

(<sup>2</sup>) Includes branding — quasitrade adjustment.

(<sup>3</sup>) The details of the required geographical breakdowns are specified in Table 7.

(<sup>4</sup>) The details of the required institutional sector breakdowns are specified in Table 8.

Table 2  
Quarterly balance of payments

	Credit	Debit
<b>1. Current account (<sup>1</sup>)</b>		
<b>Goods</b>	Geo 4 ( <sup>2</sup> )	Geo 4
General merchandise on a balance of payments (BOP) basis	Geo 3	Geo 3
Net exports of goods under merchanting	Geo 3	
Goods acquired under merchanting (negative credit)	Geo 3	
Goods sold under merchanting	Geo 3	
Non-monetary gold	Geo 3	Geo 3
Branding — quasi-transit trade adjustment	Geo 4	Geo 4

	Credit	Debit
<b>Services</b>	Geo 4	Geo 4
Manufacturing services on physical inputs owned by others	Geo 4	Geo 4
Maintenance and repair services not included elsewhere (n.i.e.)	Geo 4	Geo 4
Transport	Geo 4	Geo 4
Travel	Geo 4	Geo 4
Construction	Geo 4	Geo 4
Insurance and pension services	Geo 4	Geo 4
Financial services	Geo 4	Geo 4
Explicitly charged and other financial services	Geo 3	Geo 3
Financial intermediation services indirectly measured (FISIM)	Geo 3	Geo 3
Charges for the use of intellectual property n.i.e.	Geo 4	Geo 4
Telecommunications, computer, and information services	Geo 4	Geo 4
Other business services	Geo 4	Geo 4
Research and development services	Geo 3	Geo 3
Professional and management consulting services	Geo 3	Geo 3
Technical, trade-related, and other business services	Geo 3	Geo 3
Personal, cultural and recreational services	Geo 4	Geo 4
Government goods and services n.i.e.	Geo 4	Geo 4
<b>Primary income</b>		
Compensation of employees	Geo 4	Geo 4
Investment income		
Direct investment		
Equity	Geo 4	Geo 4
Dividends and withdrawals from income of quasi-corporations		
<i>In direct investment enterprises</i>	Geo 3	Geo 3
<i>In direct investor (reverse investment)</i>	Geo 3	Geo 3
<i>Between fellow enterprises</i>	Geo 3	Geo 3
By resident sector (Sec 2) <sup>(3)</sup>	Geo 2	Geo 2
Reinvested earnings	Geo 4	Geo 4
By resident sector (Sec 2)	Geo 2	Geo 2
Debt instruments	Geo 4	Geo 4
<i>In direct investment enterprises</i>	Geo 3	Geo 3
<i>In direct investor (reverse investment)</i>	Geo 3	Geo 3
<i>Between fellow enterprises</i>	Geo 3	Geo 3
Of which: interest		
By resident sector (Sec 2)	Geo 2	Geo 2

	Credit	Debit
Portfolio investment		
Equity and investment fund shares	Geo 4	Geo 1
Equity securities		
Dividends		
By resident sector (Sec 2)	Geo 3	Geo 1
By counterpart issuer sector (Sec 2)	Geo 2	
Investment fund shares		
Dividends		
By resident sector (Sec 2)	Geo 3	Geo 1
By counterpart issuer sector (Sec 2)	Geo 2	
Reinvested earnings		
By resident sector (Sec 2)	Geo 3	Geo 1
By counterpart issuer sector (Sec 2)	Geo 2	
Debt securities		
Short-term	Geo 4	Geo 1
Interest		
By resident sector (Sec 2)	Geo 3	Geo 1
By counterpart issuer sector (Sec 2)	Geo 2	
Long-term	Geo 4	Geo 1
Interest		
By resident sector (Sec 2)	Geo 3	Geo 1
By counterpart issuer sector (Sec 2)	Geo 2	
Other investment	Geo 4	Geo 4
Withdrawals from income of quasi-corporations	Geo 3	Geo 3
Interest	Geo 3	Geo 3
By resident sector (Sec 2)	Geo 2	Geo 2
Of which: interest on SDRs		Geo 1
Of which: interest before FISIM	Geo 3	Geo 3
By resident sector (Sec 2)	Geo 2	Geo 2
Investment income attributable to policyholders in insurance, pension schemes, and standardised guarantee schemes	Geo 3	Geo 3
By resident sector (Sec 2)	Geo 2	Geo 2
Reserve assets	Geo 3	
Of which: interest	Geo 3	
Other primary income	Geo 4	Geo 4
General government	Geo 3	Geo 3
Taxes on production and on imports	Union institutions	Union institutions
Taxes on products	Union institutions	Union institutions
Other taxes on production	Union institutions	Union institutions



	Credit	Debit
Subsidies	Union institutions	Union institutions
Subsidies on products	Union institutions	Union institutions
Other subsidies on production	Union institutions	Union institutions
Rents	Geo 3	Geo 3
Other sectors	Geo 3	Geo 3
Taxes on production and on imports	Union institutions	Union institutions
Taxes on products	Union institutions	Union institutions
Other taxes on production	Union institutions	Union institutions
Subsidies	Union institutions	Union institutions
Subsidies on products	Union institutions	Union institutions
Other subsidies on production	Union institutions	Union institutions
Rents	Geo 3	Geo 3
<b>Secondary income</b>	Geo 4	Geo 4
General government	Geo 3	Geo 3
Current taxes on income, wealth, etc.	Geo 3	Geo 3
Social contributions	Geo 3	Geo 3
Social benefits	Geo 3	Geo 3
Current international cooperation	Geo 3	Geo 3
<i>Of which: vis-à-vis the Union institutions (excluding the ECB)</i>	Union institutions	Union institutions
Miscellaneous current transfers	Geo 3	Geo 3
Value added tax and gross national income-based Union own resources	Union institutions	Union institutions
Other sectors	Geo 3	Geo 3
Current taxes on income, wealth, etc.	Geo 3	Geo 3
Social contributions	Geo 3	Geo 3
Social benefits	Geo 3	Geo 3
Net non-life insurance premiums	Geo 3	Geo 3
Non-life insurance claims	Geo 3	Geo 3
Miscellaneous current transfers	Geo 3	Geo 3
<i>Of which: personal transfers (between resident and non-resident households)</i>	Geo 3	Geo 3
<i>Of which: workers' remittances</i>	Geo 4	Geo 4
Adjustment for change in pension entitlements	Geo 3	Geo 3
<b>2. Capital account</b>	Geo 4	Geo 4
Gross acquisitions/disposals of non-produced non-financial assets	Geo 3	Geo 3
Capital transfers	Geo 3	Geo 3

		Credit	Debit
General government		Geo 3	Geo 3
Capital taxes		Geo 3	Geo 3
Investment grants		Geo 3	Geo 3
Other capital transfers		Geo 3	Geo 3
<i>Of which: debt forgiveness</i>		Geo 3	Geo 3
Other sectors		Geo 3	Geo 3
Capital taxes		Geo 3	Geo 3
Investment grants		Geo 3	Geo 3
Other capital transfers		Geo 3	Geo 3
<i>Of which: debt forgiveness</i>		Geo 3	Geo 3
	Net acquisition of financial assets	Net incurrence of liabilities	Net
<b>3. Financial account</b>	Geo 1	Geo 1	
<b>Direct investment</b>	Geo 4	Geo 4	
Equity	Geo 4	Geo 4	
Equity other than reinvestment of earnings			
<i>In direct investment enterprises</i>	Geo 3	Geo 3	
<i>In direct investor (reverse investment)</i>	Geo 3	Geo 3	
<i>Between fellow enterprises</i>	Geo 3	Geo 3	
By resident sector (Sec 2)	Geo 2	Geo 2	
<i>Listed</i>	Geo 2	Geo 2	
<i>Unlisted</i>	Geo 2	Geo 2	
<i>Other (e.g. real estate)</i>	Geo 2	Geo 2	
Reinvestment of earnings	Geo 4	Geo 4	
By resident sector (Sec 2)	Geo 2	Geo 2	
Debt instruments	Geo 4	Geo 4	
<i>In direct investment enterprises</i>	Geo 3	Geo 3	
<i>In direct investor (reverse investment)</i>	Geo 3	Geo 3	
<i>Between fellow enterprises</i>	Geo 3	Geo 3	
By resident sector (Sec 2)	Geo 2	Geo 2	
<b>Portfolio investment</b>	Geo 4	Geo 1	
Equity and investment fund shares	Geo 4	Geo 1	
Equity securities			
By resident sector (Sec 2)	Geo 3	Geo 1	
Listed	Geo 2	Geo 1	
Unlisted	Geo 2	Geo 1	

	Net acquisition of financial assets	Net incurrence of liabilities	Net
By counterpart issuer sector (Sec 2)			
Listed	Geo 2		
Unlisted	Geo 2		
Investment fund shares			
By resident sector (Sec 2)	Geo 3	Geo 1	
<i>Of which:</i> reinvestment of earnings	Geo 3	Geo 1	
By counterpart issuer sector (Sec 2)	Geo 2		
<i>Of which:</i> reinvestment of earnings	Geo 2		
Debt securities			
Short-term	Geo 4	Geo 1	
By resident sector (Sec 2)	Geo 3	Geo 1	
By counterpart issuer sector (Sec 2)	Geo 2		
Long-term	Geo 4	Geo 1	
By resident sector (Sec 2)	Geo 3	Geo 1	
By counterpart issuer sector (Sec 2)	Geo 2		
<b>Financial derivatives (other than reserves) and employee stock options</b>			
By resident sector (Sec 2)			Geo 3
<b>Other investment</b>	Geo 4	Geo 4	
By resident sector (Sec 1)	Geo 4	Geo 4	
Other equity	Geo 3	Geo 3	
Currency and deposits			
By resident sector (Sec 2)			
Short-term	Geo 3	Geo 3	
Long-term	Geo 3	Geo 3	
Loans			
By resident sector (Sec 2)			
Short-term	Geo 3, IMF	Geo 3, IMF	
Long-term	Geo 3, IMF	Geo 3, IMF	
Insurance, pension schemes, and standardised guarantee schemes			
By resident sector (Sec 2)	Geo 3	Geo 3	

	Net acquisition of financial assets	Net incurrence of liabilities	Net
Trade credits and advances			
By resident sector (Sec 2)			
Short-term	Geo 3	Geo 3	
Long-term	Geo 3	Geo 3	
Other accounts receivable/payable			
By resident sector (Sec 2)			
Short-term	Geo 3	Geo 3	
Long-term	Geo 3	Geo 3	
SDRs		Geo 1	
<b>Reserve assets</b>	Geo 3		
<b>4. Balancing items</b>			
Balance on goods and services			Geo 4
Current account balance			Geo 1
Net lending (+)/net borrowing (-) (balance from current and capital account)			Geo 1
Net lending (+)/net borrowing (-) (from financial account)			Geo 1
Net errors and omissions			Geo 1

<sup>(1)</sup> Concepts and definitions of selected items are specified in Annex III.

<sup>(2)</sup> The details of the required geographical breakdowns are specified in Table 7.

<sup>(3)</sup> The details of the required institutional sector breakdowns are specified in Table 8.

Table 3

### Monthly international reserves template

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

	All maturities
<b>A. Reserve assets <sup>(1)</sup></b>	
Monetary gold (including gold deposits and gold swaps)	
Of which: monetary gold under swap for cash collateral	Geo 0
Gold bullion	Geo 1 <sup>(2)</sup>
Memo: volume in millions of fine troy ounces	Geo 1
Unallocated gold accounts	Geo 1
Memo: volume in millions of fine troy ounces	Geo 1
SDRs	Geo 1
Reserve position in the IMF	Geo 1
Other reserve assets	
Currency and deposits	
Claims on other non-euro area central banks, the IMF and the BIS	Geo 1

	All maturities
Claims on entities (banks)	
Headquartered in Member States whose currency is the euro	Geo 1
Headquartered outside Member States whose currency is the euro	Geo 1
Securities	
<i>Of which:</i> securities under repo for cash collateral	Geo 0
<i>Of which:</i> issuer headquartered in Member States whose currency is the euro	Geo 1
Debt securities	
Short-term	Geo 1
Long-term	Geo 1
Equity and investment fund shares	Geo 1
Financial derivatives (net)	Geo 1
Other claims	
Loans to non-banks	Geo 1
Other	Geo 1
<b>B. Other foreign currency assets (not included in reserve assets)</b>	
Securities	Geo 0
Deposits	
<i>headquartered in Member States whose currency is the euro</i>	Geo 0
<i>headquartered outside Member States whose currency is the euro</i>	Geo 0
Loans	Geo 0
Financial derivatives (net)	Geo 0
Gold	Geo 0
Other	Geo 0

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

	Residual maturity		
	Up to 1 month	More than 1 month and up to 3 months	More than 3 months and up to 1 year
Foreign currency loans, securities and deposits	Geo 0	Geo 0	Geo 0
Outflows (–)	Geo 0	Geo 0	Geo 0
Principal	Geo 0	Geo 0	Geo 0
Interest	Geo 0	Geo 0	Geo 0
Inflows (–)	Geo 0	Geo 0	Geo 0
Principal	Geo 0	Geo 0	Geo 0
Interest	Geo 0	Geo 0	Geo 0

	Residual maturity		
	Up to 1 month	More than 1 month and up to 3 months	More than 3 months and up to 1 year
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)	Geo 0	Geo 0	Geo 0
Short positions (-)	Geo 0	Geo 0	Geo 0
Long positions (+)	Geo 0	Geo 0	Geo 0
Other	Geo 0	Geo 0	Geo 0
Outflows related to repos (-)	Geo 0	Geo 0	Geo 0
Inflows related to reverse repos (+)	Geo 0	Geo 0	Geo 0
Trade credits (-)	Geo 0	Geo 0	Geo 0
Trade credits (+)	Geo 0	Geo 0	Geo 0
Other accounts payable (-)	Geo 0	Geo 0	Geo 0
Other accounts receivable (+)	Geo 0	Geo 0	Geo 0
<b>III. Contingent short-term net drains on foreign currency assets</b>			
Contingent liabilities in foreign currency	Geo 0	Geo 0	Geo 0
Collateral guarantees on debt falling due within 1 year	Geo 0	Geo 0	Geo 0
Other contingent liabilities	Geo 0	Geo 0	Geo 0
Foreign currency securities issued with embedded options (puttable bonds)	Geo 0	Geo 0	Geo 0
Undrawn, unconditional credit lines provided by:	Geo 0	Geo 0	Geo 0
Other national monetary authorities, BIS, IMF, and other international organisations	Geo 0	Geo 0	Geo 0
Other national monetary authorities (+)	Geo 0	Geo 0	Geo 0
BIS (+)	Geo 0	Geo 0	Geo 0
IMF (+)	Geo 0	Geo 0	Geo 0
Other international organisations (+)	Geo 0	Geo 0	Geo 0
With banks and other financial institutions headquartered in the reporting country (+)	Geo 0	Geo 0	Geo 0
With banks and other financial institutions headquartered outside the reporting country (+)	Geo 0	Geo 0	Geo 0
Undrawn, unconditional credit lines provided to:	Geo 0	Geo 0	Geo 0
Other national monetary authorities, BIS, IMF, and other international organisations	Geo 0	Geo 0	Geo 0
Other national monetary authorities (-)	Geo 0	Geo 0	Geo 0
BIS (-)	Geo 0	Geo 0	Geo 0
IMF (-)	Geo 0	Geo 0	Geo 0
Other international organisations (-)	Geo 0	Geo 0	Geo 0
With banks and other financial institutions headquartered in the reporting country (-)	Geo 0	Geo 0	Geo 0



	Residual maturity		
	Up to 1 month	More than 1 month and up to 3 months	More than 3 months and up to 1 year
With banks and other financial institutions headquartered outside the reporting country (-)	Geo 0	Geo 0	Geo 0
Aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency	Geo 0	Geo 0	Geo 0
Short positions	Geo 0	Geo 0	Geo 0
Bought puts	Geo 0	Geo 0	Geo 0
Written calls	Geo 0	Geo 0	Geo 0
Long positions	Geo 0	Geo 0	Geo 0
Bought calls	Geo 0	Geo 0	Geo 0
Written puts	Geo 0	Geo 0	Geo 0
PRO MEMORIA: In-the-money options	Geo 0	Geo 0	Geo 0
At current exchange rates	Geo 0	Geo 0	Geo 0
Short position	Geo 0	Geo 0	Geo 0
Long position	Geo 0	Geo 0	Geo 0
+ 5 % (depreciation of 5 %)	Geo 0	Geo 0	Geo 0
Short position	Geo 0	Geo 0	Geo 0
Long position	Geo 0	Geo 0	Geo 0
- 5 % (appreciation of 5 %)	Geo 0	Geo 0	Geo 0
Short position	Geo 0	Geo 0	Geo 0
Long position	Geo 0	Geo 0	Geo 0
+ 10 % (depreciation of 10 %)	Geo 0	Geo 0	Geo 0
Short position	Geo 0	Geo 0	Geo 0
Long position	Geo 0	Geo 0	Geo 0
- 10 % (appreciation of 10 %)	Geo 0	Geo 0	Geo 0
Short position	Geo 0	Geo 0	Geo 0
Long position	Geo 0	Geo 0	Geo 0
Other	Geo 0	Geo 0	Geo 0
Short position	Geo 0	Geo 0	Geo 0
Long position	Geo 0	Geo 0	Geo 0

## IV. Memo items

	Residual maturity		
	Up to 1 year	More than 1 year	All maturities
Short-term domestic currency debt indexed to the exchange rate (nominal value)	Geo 0		
Financial instruments denominated in foreign currency and settled by other means (e.g., in domestic currency) (nominal value)			Geo 0
Financial derivatives (forwards, futures and options contracts)			Geo 0

	Residual maturity		
	Up to 1 year	More than 1 year	All maturities
Short positions			Geo 0
Long positions			Geo 0
Other instruments			Geo 0
Pledged assets			Geo 0
Included in reserve assets			Geo 0
Included in other foreign currency assets			Geo 0
Securities lent and on repo (market value)			Geo 0
Lent or repoed and included in section I (-)			Geo 0
Lent or repoed but not included in section I (-)			Geo 0
Borrowed or acquired and included in section I (+)			Geo 0
Borrowed or acquired but not included in section I (+)			Geo 0
Financial derivatives assets (net, marked to market)			Geo 0
Forwards			Geo 0
Futures			Geo 0
Swaps			Geo 0
Options			Geo 0
Other			Geo 0
Financial derivatives (forward, futures, or options contracts) that have a residual maturity greater than 1 year (nominal value)		Geo 0	
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)		Geo 0	
Short positions (-)		Geo 0	
Long positions (+)		Geo 0	
Aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency		Geo 0	
Short positions (-)		Geo 0	
Bought puts		Geo 0	
Written calls		Geo 0	
Long positions (+)		Geo 0	
Bought calls		Geo 0	
Written puts		Geo 0	
Currency composition of reserves assets (by groups of currencies)			Geo 1
Currencies in SDR basket			Geo 1
Currencies not in SDR basket			Geo 1

(<sup>1</sup>) Concepts as specified Annex III to this Guideline.

(<sup>2</sup>) The details of the required geographical breakdowns are specified in Table 7.

Table 4  
Quarterly international investment position

	Assets			Liabilities		
	Positions	Revaluations due to exchange rate changes	Revaluations due to other price changes	Positions	Revaluations due to exchange rate changes	Revaluations due to other price changes
<b>Financial account <sup>(1)</sup></b>	Geo 1 <sup>(2)</sup>			Geo 1		
<b>Direct investment</b>	Geo 4			Geo 4		
Equity	Geo 4	Geo 2	Geo 2	Geo 4	Geo 2	Geo 2
<i>In direct investment enterprises</i>	Geo 2			Geo 2		
<i>In direct investor (reverse investment)</i>	Geo 2			Geo 2		
<i>Between fellow enterprises</i>	Geo 2			Geo 2		
By resident sector (Sec 2) <sup>(3)</sup>	Geo 2			Geo 2		
<i>Listed</i>	Geo 2			Geo 2		
<i>Unlisted</i>	Geo 2			Geo 2		
<i>Other (e.g. real estate)</i>	Geo 2			Geo 2		
Debt instruments	Geo 4	Geo 2	Geo 2	Geo 4	Geo 2	Geo 2
<i>In direct investment enterprises</i>	Geo 2			Geo 2		
<i>In direct investor (reverse investment)</i>	Geo 2			Geo 2		
<i>Between fellow enterprises</i>	Geo 2			Geo 2		
By resident sector (Sec 2)	Geo 2			Geo 2		
<b>Portfolio investment</b>	Geo 4			Geo 1		
Equity and investment fund shares	Geo 4			Geo 1		
Equity securities						
By resident sector (Sec 2)	Geo 3			Geo 1		
<i>Listed</i>	Geo 2	Geo 2	Geo 2	Geo 1	Geo 1	Geo 1
<i>Unlisted</i>	Geo 2	Geo 2	Geo 2	Geo 1	Geo 1	Geo 1
By counterpart issuer sector (Sec 2)						
<i>Listed</i>	Geo 2	Geo 2	Geo 2			
<i>Unlisted</i>	Geo 2	Geo 2	Geo 2			
Investment fund shares						
By resident sector (Sec 2)	Geo 2	Geo 2	Geo 2	Geo 1	Geo 1	Geo 1
By counterpart issuer sector (Sec 2)	Geo 2	Geo 2	Geo 2			
Debt securities						
Short-term	Geo 4			Geo 1		
By resident sector (Sec 2)	Geo 3	Geo 2	Geo 2	Geo 1	Geo 1	Geo 1
By counterpart issuer sector (Sec 2)	Geo 2	Geo 2	Geo 2			
By currency:						
Euro	Geo 2			Geo 1		
US dollar	Geo 2			Geo 1		
Other currencies	Geo 2			Geo 1		

	Assets			Liabilities		
	Positions	Revaluations due to exchange rate changes	Revaluations due to other price changes	Positions	Revaluations due to exchange rate changes	Revaluations due to other price changes
Long-term	Geo 4			Geo 1		
By resident sector (Sec 2)	Geo 3	Geo 2	Geo 2	Geo 1	Geo 1	Geo 1
With redemption due in 1 year or less				Geo 1		
With redemption due in more than 1 year				Geo 1		
By counterpart issuer sector (Sec 2)	Geo 2	Geo 2	Geo 2			
With redemption due in 1 year or less	Geo 2					
With redemption due in more than 1 year	Geo 2					
By currency:						
Euro	Geo 2			Geo 1		
US dollar	Geo 2			Geo 1		
Other currencies	Geo 2			Geo 1		
<b>Financial derivatives (other than reserves) and employee stock options</b>	Geo 4			Geo 4		
By resident sector (Sec 2)	Geo 2		Geo 2	Geo 2		Geo 2
<b>Other investment</b>	Geo 4			Geo 4		
By resident sector (Sec 1)	Geo 4			Geo 4		
By resident sector (Sec 2)		Geo 2	Geo 2		Geo 2	Geo 2
Other equity	Geo 2	Geo 2	Geo 2	Geo 2	Geo 2	Geo 2
Currency and deposits	Geo 4	Geo 2		Geo 4	Geo 2	
By resident sector (Sec 2)						
Short-term	Geo 3			Geo 3		
Long-term	Geo 3			Geo 3		
Loans	Geo 4	Geo 2		Geo 4	Geo 2	
By resident sector (Sec 2)						
Short-term	Geo 3, IMF			Geo 3, IMF		
Long-term	Geo 3, IMF			Geo 3, IMF		
Insurance, pension schemes, and standardised guarantee schemes		Geo 2	Geo 2		Geo 2	Geo 2
By resident sector (Sec 2)	Geo 3			Geo 3		
Trade credits and advances	Geo 4	Geo 2		Geo 4	Geo 2	
By resident sector (Sec 2)						
Short-term	Geo 3			Geo 3		
Long-term	Geo 3			Geo 3		
Other accounts receivable/payable		Geo 2			Geo 2	
By resident sector (Sec 2)						
Short-term	Geo 3			Geo 3		
Long-term	Geo 3			Geo 3		
SDRs				Geo 1	Geo 1	

(1) Concepts and definitions of selected items are specified in Annex III.

(2) The details of the required geographical breakdowns are specified in Table 7.

(3) The details of the required institutional sector breakdowns are specified in Table 8.

Table 5

**Monthly revaluations of reserve assets**

	Revaluations due to exchange rate changes	Revaluations due to other price changes
<b>Reserve assets <sup>(1)</sup></b>		
Monetary gold		
Gold bullion		Geo 1 <sup>(2)</sup>
Unallocated gold accounts		Geo 1
SDRs	Geo 1	
Reserve position in the IMF	Geo 1	
Other reserve assets		
Currency and deposits	Geo 1	
Securities		
Debt securities		
Short-term	Geo 1	Geo 1
Long-term	Geo 1	Geo 1
Equity and investment fund shares	Geo 1	Geo 1
Financial derivatives (net)		Geo 1
Other claims	Geo 1	Geo 1

<sup>(1)</sup> Concepts and definitions of selected items are specified in Annex III.

<sup>(2)</sup> The details of the required geographical breakdowns are specified in Table 7.

Table 6

**Monthly cross-border shipments of euro banknotes**

Exports (total)	Extra-euro area
By denomination:	
5 euro	Extra-euro area
10 euro	Extra-euro area
20 euro	Extra-euro area
50 euro	Extra-euro area
100 euro	Extra-euro area
200 euro	Extra-euro area
500 euro	Extra-euro area
Imports (total)	Extra-euro area
By denomination:	
5 euro	Extra-euro area
10 euro	Extra-euro area
20 euro	Extra-euro area
50 euro	Extra-euro area
100 euro	Extra-euro area
200 euro	Extra-euro area
500 euro	Extra-euro area

Table 7

**Geographical breakdowns**

Geo 0	Geo 1	Geo 2	Geo 3	Geo 4
Domestic + rest of the world	Rest of the world	Rest of the world Intra-euro area Extra-euro area	Rest of the world Intra-euro area Extra-euro area Intra-Union Extra-Union	Rest of the world Intra-euro area Extra-euro area Intra-Union Extra-Union Union Member States outside the euro area <sup>(1)</sup> Brazil Canada China Hong Kong India Japan Russian Federation Switzerland United States Union institutions (excluding the ECB) European Investment Bank Offshore financial centres International organisations (excluding Union institutions) IMF

<sup>(1)</sup> Individual breakdown by country is required.

Table 8

**Sector breakdowns**

Sec 1	Sec 2
Central bank	Central bank
Other MFIs	Other MFIs
Deposit-taking corporations except the central bank	Deposit-taking corporations except the central bank
Money market funds	Money market funds
General government	General government
Other sectors	Other sectors
	Financial corporations other than MFIs
	Non-financial corporations, households, and non-profit institutions serving households



## ANNEX III

**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, international investment position statistics and the international reserves template. Current international standards, such as the sixth edition of the International Monetary Fund (IMF) Balance of Payments and International Investment Position Manual (hereinafter 'the BPM6'), and the IMF's Guidelines for the Data Template on International Reserves and Foreign Currency Liquidity, as well as the European Commission's proposal for a new regulation of the European Parliament and of the Council on the European system of national and regional accounts in the European Union (ESA 2010) <sup>(1)</sup> are the reference for these concepts and definitions.

In the case of the euro area, the economic territory comprises: (i) the economic territory of the Member States whose currency is the euro; and (ii) the European Central Bank (ECB) that is regarded as a resident unit of the euro area.

The rest of the world (RoW) comprises all third countries and international organisations, including those physically located within the euro area. Apart from the ECB, the Union institutions are considered to be resident outside the euro area. Consequently, all transactions of euro area Member States vis-à-vis Union institutions except the ECB are recorded and classified as non-euro area transactions in the euro area balance of payments and international investment position statistics.

In the cases set out below, residence is determined as follows:

- (a) When undertaking international transactions in land and/or buildings (e.g. holiday homes), property owners are treated as if they have transferred their ownership to a notional institutional unit that is actually resident in the country where the property is located. The notional unit is treated as being owned and controlled by the non-resident owner.
- (b) In the absence of any significant physical dimension to a legal entity, e.g. investment funds (as distinct from their managers), securitisation vehicles, and some special purpose entities, its residence is determined by the economic territory under whose laws the entity is incorporated. If the entity is not incorporated, it is considered to be resident in the country whose legal system governs the creation and continued existence of the entity.

**1. Concepts and definitions of selected items****A. Current account**

The current account shows flows of goods, services, primary and secondary income between residents and non-residents.

**1. GOODS**

This component covers moveable goods for which a change of ownership occurs between residents and non-residents.

**1.1. General merchandise on a balance of payments basis**

General merchandise on a balance of payments (BOP) basis covers goods for which a change of economic ownership occurs between a resident and a non-resident and that are not included in other specific categories, such as goods under merchanting (see 1.2) and non-monetary gold (see 1.3), or as part of a service. General merchandise should be measured at market value on a free on board (FOB) basis. In the countries' contribution to the compilation of Union aggregates, imports and exports of goods in quasi-transit trade have to be included and, for intra-Union trade, the partner country should be defined according to the consignment principle.

**1.2. Net exports of goods under merchanting**

Merchanting is defined as the purchase of goods by a resident (of the compiling economy) from a non-resident, combined with the subsequent resale of the same goods to another non-resident without the goods being present in the compiling economy. Net exports of goods under merchanting represent the difference between sales over purchases of goods for merchanting. This item includes merchants' margins, holding gains and losses, and changes in inventories of goods under merchanting.

**1.2.1. GOODS ACQUIRED UNDER MERCHANTING**

The goods acquired under merchanting are shown as a negative export/credit of the economy of the merchant.

<sup>(1)</sup> COM(2010) 774 final.

### 1.2.2. GOODS SOLD UNDER MERCHANTING

The sale of goods is shown under **goods sold under merchanting** as a positive export/credit of the economy of the merchant.

### 1.3. Non-monetary gold

Non-monetary gold covers all gold other than monetary gold. Monetary gold is owned by monetary authorities and held as a reserve asset (see 6.5.1). Non-monetary gold can be in the form of bullion (i.e. coins, ingots, or bars with a purity of at least 995 parts per 1 000, including such gold held in allocated gold accounts), gold powder, and gold in other unwrought or semi-manufactured forms.

### 1.4. Branding — quasi-transit trade adjustment

Quasi-transit trade is a term used to define goods imported into a Member State, cleared through customs for free circulation within the Union (and submitted to import duties) by an entity that is not considered as a resident institutional unit, and are then dispatched to another Member State.

Branding must be recorded by the Member States affected by the 'quasi-transit trade' to report the gap between the value of general merchandise declared when the goods are initially imported from a third country and their value when dispatched to another Member State. The geographical breakdown should be compiled on the basis of the country of residence of the parent enterprise controlling the company that manages the customs procedure related to these goods in the reporting economy.

## 2. SERVICES

Services are the result of a production activity that changes the conditions of the consuming units, or facilitates the exchange of products or financial assets. Services are not generally separate items over which ownership rights can be established and cannot generally be separated from their production.

### 2.1. Manufacturing services on physical inputs owned by others

Manufacturing services on physical inputs owned by others covers processing, assembly, labelling, packing, and so forth, undertaken by enterprises that do not own the goods concerned. The manufacturing is undertaken by an entity that receives a fee from the owner. Since the ownership of the goods does not change, no general merchandise transaction is recorded between the processor and the owner. The value of fees charged for manufacturing on physical inputs owned by others is not necessarily the same as the difference between the value of goods sent for processing and the value of goods after processing. Excluded are the assembly of prefabricated construction (included in construction) and labelling and packaging incidental to transport (included in transport).

### 2.2. Maintenance and repair services not included elsewhere

Maintenance and repair services not included elsewhere cover maintenance and repair work by residents on goods that are owned by non-residents (and vice versa). The repairs may be performed at the site of the repairer or elsewhere. The value of maintenance and repairs includes any parts or materials supplied by the repairer and included in the charges. Parts and materials charged separately should be included in general merchandise. Repairs and maintenance on ships, aircraft and other transport equipment are included in this item. Cleaning of transport equipment is excluded as it is included in transport services. Construction maintenance and repairs are excluded as they are included under construction. Maintenance and repairs of computers are excluded as they are included under telecommunication, computer and information services.

### 2.3. Transport

Transport is the process of carriage of people and objects from one location to another, as well as related supporting and auxiliary services. Transport also includes postal and courier services. Transport services are recorded in balance of payments when provided by residents of one economy for the benefit of those of another.

### 2.4. Travel

Travel credits cover goods and services for own use, or to give away, acquired from an economy by non-residents during visits to that economy. Travel debits cover goods and services for own use, or to give away, acquired from other economies by residents during visits to these other economies. Travel includes local transport (i.e. transport within the economy being visited and provided by a resident of that economy), but excludes international transport (which is included in transport). Also excluded are goods purchased by a traveller for resale in the traveller's own economy or in any other economy.

## 2.5. Construction

Construction covers the creation, renovation, repair or extension of fixed assets in the form of buildings, land improvements of an engineering nature and other engineering constructions (including roads, bridges, dams, etc.). It includes related installation and assembly work, site preparation and general construction, specialised services such as painting, plumbing and demolition, and management of construction projects. The construction contracts covered in international trade in services are generally of a short-term nature. A large-scale construction project contracted by a non-resident enterprise that takes a year or more to be completed will usually give rise to a resident branch.

## 2.6. Insurance and pension services

It comprises direct insurance, reinsurance, auxiliary insurance services, pension and standardised guarantee services. These services are estimated or valued by the charges included in total premiums rather than by the total value of the premiums.

## 2.7. Financial services

Financial services cover intermediary and auxiliary services, except insurance and pension fund services, usually provided by banks and other financial corporations.

### 2.7.1. EXPLICITLY CHARGED AND OTHER FINANCIAL SERVICES

Services are charged for by explicit charges in the case of many financial services and require no special calculation. They include fees for deposit-taking and lending, fees for one-off guarantees, early or late repayment fees or penalties, account charges, fees related to letters of credit, credit card services, commissions and charges related to financial leasing, factoring, underwriting, and clearing of payments. Also included are financial advisory services, custody of financial assets or bullion, financial asset management, monitoring services, liquidity provision services, risk assumption services (other than insurance), merger and acquisition services, credit rating services, stock exchange services and trust services. Dealers in financial instruments may charge, in full or part, for their services by having a spread between their buying and selling prices. Margins on buying and selling transactions are included in explicitly charged and other financial services.

### 2.7.2. FINANCIAL INTERMEDIATION SERVICES INDIRECTLY MEASURED (FISIM)

Actual interest can be considered as including both an income element and a charge for a service. Lenders and deposit-takers operate by providing rates of interest to their depositors that are lower than the rates that they charge to their borrowers. The resulting interest margins are used by the financial corporations to defray their expenses and to provide an operating surplus. By convention, these indirect charges in respect of interest apply only to loans and deposits, and only when those loans and deposits are provided by, or deposited with, financial corporations.

## 2.8. Charges for the use of intellectual property not included elsewhere

Charges for the use of intellectual property not included elsewhere include:

- (a) charges for the use of proprietary rights (such as patents, trademarks, copyrights, industrial processes and designs including trade secrets and franchises). These rights can arise from research and development, as well as from marketing; and
- (b) charges for licences to reproduce or distribute intellectual property embodied in produced originals or prototypes (such as copyrights on books and manuscripts, computer software, cinematographic works, and sound recordings) and related rights (such as for live performances and television, cable, or satellite broadcast).

## 2.9. Telecommunication, computer and information services

Telecommunications services encompass the transmission of sound, images or other information by telephone, telex, telegram, radio and television cable and broadcasting, satellite, electronic mail, facsimile services etc., including business network services, teleconferencing and support services. They do not include the value of the information transported. Also included are mobile telecommunication services, Internet backbone services and online access services, including provision of access to the Internet. Excluded are installation services for telephone network equipment as they are included in construction.

Computer services consist of hardware and/or software-related services, and data-processing services. Also included are hardware and software consultancy and implementation services; maintenance and repair of computers and peripheral equipment; disaster recovery services, provision of advice and assistance on matters related to the management of

computer resources; analysis, design and programming of systems ready to use (including web page development and design), and technical consultancy related to software; licences to use non-customised software; development, production, supply and documentation of customised software, including operating systems made to order for specific users; systems maintenance and other support services, such as training provided as part of consultancy; data-processing services, such as data entry, tabulation and processing on a time-sharing basis; web page hosting services (i.e. the provision of server space on the Internet to host clients' web pages); and computer facilities management. Excluded are charges for licences to reproduce and/or distribute software which are included in charges for the use of intellectual property n.i.e. Leasing of computers without an operator is included in technical, trade-related and other business services.

Information services comprise news agency services, database services (database conception, data storage and the dissemination of data and databases, including directories and mailing lists), both online and through magnetic, optical or printed media; and web search portals (search engine services that find Internet addresses for clients who input keyword queries). Also included are direct, non-bulk subscriptions to newspapers and periodicals, whether by mail, electronic transmission or other means; other online content provision services; and library and archive services. Bulk newspapers and periodicals are included under general merchandise.

## 2.10. Other business services

This includes: research and development services, professional and management consulting services, technical, trade-related, and other business services.

### 2.10.1. RESEARCH AND DEVELOPMENT SERVICES

Research and development services consist of services that are associated with basic research, applied research, and experimental development of new products and processes. In principle, such activities in the physical sciences, social sciences, and humanities are covered within this category, including the development of operating systems that represent technological advances. Also included is commercial research related to electronics, pharmaceuticals and biotechnology.

### 2.10.2. PROFESSIONAL AND MANAGEMENT CONSULTING SERVICES

Professional and management consulting services include: (a) legal services, accounting, management consulting, managerial services and public relations services; and (b) advertising, market research, and public opinion polling services.

### 2.10.3. TECHNICAL, TRADE-RELATED, AND OTHER BUSINESS SERVICES

These comprise: (a) architectural, engineering, scientific and other technical services; (b) waste treatment and de-pollution, agricultural and mining services; (c) operating leasing services; (d) trade-related services; and (e) other business services n.i.e.

## 2.11. Personal, cultural and recreational services

These include audiovisual and related services, and other personal, cultural and recreational services.

Audiovisual and related services are services and associated fees related to the production of motion pictures (on film or videotape), radio and television programmes (live or on tape) and musical recordings. Included are rentals of audiovisual and related products, and access to encrypted television channels (such as cable or satellite services); mass-produced audiovisual products purchased or sold for perpetual use that are delivered electronically (downloaded); fees received by performing artists (actors, musicians, dancers), authors, composers, etc. Excluded are charges or licences to reproduce and/or distribute audiovisual products as these are included in charges for the use of intellectual property n.i.e.

Other personal, cultural and recreational services are: (a) education services; (b) health services; (c) heritage and recreational services; and (d) other personal services.

## 2.12. Government goods and services not included elsewhere

This is a residual category covering government transactions (including those of international organisations) in goods and services that it is not possible to classify under other items. Included are all transactions (in both goods and services) by enclaves such as embassies, consulates, military bases and international organisations with residents of economies in which the enclaves are located. Excluded are transactions of the enclaves with residents of the home economies.

### 3. PRIMARY INCOME

Primary income represents the return that accrues to institutional units for their contribution to the production process, or for the provision of financial assets or from renting natural resources to other institutional units. It comprises compensation of employees, investment income and other primary income.

#### 3.1. Compensation of employees

Compensation of employees is recorded when the employer (the producing unit) and the employee are resident in different economies. For the economy where the producing units are resident, compensation of employees is the total remuneration (including contributions paid by employers to social security schemes or to private insurance or pension funds), in cash or in kind, payable by resident enterprises to non-resident employees in return for work done by the latter during the accounting period. For the economy where the individuals are resident, compensation is the total remuneration, in cash or in kind, receivable by them from non-resident enterprises in return for work done during the accounting period. It is important to establish whether an employer-employee relationship exists; if not, the payment constitutes a purchase of services.

#### 3.2. Investment income

Investment income is derived from a resident's ownership of an external financial asset (credit) and symmetrically, income derived from a non-resident's ownership of a domestic financial asset (debit). Investment income includes income on equity (dividends, withdrawals from income of quasi-corporations, reinvested earnings) and on debt (interest), and investment income attributable to policyholders in insurance, pension schemes, and standardised guarantee schemes.

In balance of payments, investment income is also classified according to the function of the underlying investment, as direct investment, portfolio investment, other investment or reserve assets, and further detailed according to the type of investment. For the definitions of investment by function, see the financial account.

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 investments due to market price developments. Net flows associated with interest rate derivatives are recorded solely under financial derivatives in the financial account.

##### 3.2.1. INTEREST

Interest is a form of investment income that is receivable by the owners of certain kinds of financial assets, namely deposits, debt securities, loans and other accounts receivable, for putting the financial assets at the disposal of another institutional unit. Income on special drawing rights (SDR) holdings and SDR allocations is also included in interest.

The primary income account records 'pure interest' by eliminating the FISIM component from 'actual interest'. Interest income is recorded on an accrual basis.

##### 3.2.2. DISTRIBUTED INCOME OF CORPORATIONS

###### 3.2.2.1. DIVIDENDS

Dividends are the distributed earnings allocated to the owners of equity shares for placing funds at the disposal of corporations. Dividends are recorded at the moment the shares go ex-dividend.

###### 3.2.2.2. WITHDRAWALS FROM INCOME OF QUASI-CORPORATIONS

Withdrawals from income of quasi-corporations (unincorporated enterprises that behave as if they were corporations, e.g. branches, notional resident units for land and other natural resources owned by non-residents, joint ventures, trusts, etc.) are the amounts that owners of quasi-corporations withdraw for their own use from the profits earned by the quasi-corporations that belong to them. Withdrawals from the income of quasi-corporations are recorded as occurring when they actually took place.

###### 3.2.3. REINVESTED EARNINGS ON FOREIGN DIRECT INVESTMENT

Reinvested earnings represent the direct investors' proportion, in terms of equity held, of the earnings that foreign subsidiaries, associates and branches do not distribute as dividends. They are defined as the direct investor's share of the total consolidated profits earned by the direct investment enterprise in the 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. Reinvested earnings are to be recorded in the period in which they are earned.

### 3.2.4. INCOME OF INVESTMENT FUND SHARES

Investment income attributable to collective investment fund shareholders, including mutual funds and unit trusts, is composed of two separate items:

#### 3.2.4.1. *DIVIDENDS (SEE 3.2.2.1), AND*

#### 3.2.4.2. *REINVESTED EARNINGS*

Earnings from investment funds can be viewed as being passed on to their shareholders (or unit holders) as they are earned in the form of investment income on their equity. Investment funds earn income by investing the money received from shareholders. Shareholders' income from investment funds is defined as the investment income earned on the fund's investment portfolio after deducting operating expenses. The net earnings of investment funds after deducting the operating expenses belong to shareholders. Where only a part of the net earnings is distributed to shareholders as dividends, the retained earnings should be treated as if they were distributed to the shareholders and then deemed reinvested.

### 3.2.5. INVESTMENT INCOME ATTRIBUTABLE TO POLICYHOLDERS IN INSURANCE, PENSION SCHEMES AND STANDARDISED GUARANTEE SCHEMES

Investment income attributable to insurance policy holders corresponds to the total primary incomes received from the investment of insurance technical reserves. The reserves are those for which the insurance corporation recognises a corresponding liability to the policyholders.

Pension entitlements arise from either defined contribution schemes or defined benefit schemes.

## 3.3. Other primary income

Classified according to the institutional sector of the compiling economy (general government or other sectors) and include the following components: taxes on production and imports, subsidies, and rent.

### 3.3.1. TAXES ON PRODUCTION AND IMPORTS

Include the following components:

#### 3.3.1.1. *TAXES ON PRODUCTS*

Taxes on products are payable per unit of some good or service produced or traded cross-border. Examples include VAT, import duties, excise duties and consumption taxes.

#### 3.3.1.2. *OTHER TAXES ON PRODUCTION*

Other taxes on production consist of all taxes that enterprises incur as a result of engaging in production, and include taxes paid for business and professional licences.

### 3.3.2. SUBSIDIES

Include the following components:

#### 3.3.2.1. *SUBSIDIES ON PRODUCTS*

Subsidies on products are payable per unit of a good or service produced.

#### 3.3.2.2. *OTHER SUBSIDIES ON PRODUCTION*

Other subsidies on production consist of subsidies, except subsidies on products that resident producer units may receive as a consequence of engaging in production.

### 3.3.3. RENT

Rent covers income receivable for putting natural resources at the disposal of a non-resident institutional unit. Examples of rent include amounts payable for the use of land extracting mineral deposits and other subsoil assets, and for fishing, forestry, and grazing rights. The regular payments made by the lessees of natural resources, such as subsoil assets, are often described as royalties, but they are classified as rents.

## 4. SECONDARY INCOME

The secondary income account shows current transfers between residents and non-residents. A transfer is an entry that corresponds to the provision of a good, service, financial asset or other non-produced asset by an institutional unit to another institutional unit where there is no corresponding return of an item of economic value. Current transfers consist of all transfers that are not capital transfers. Current transfers are classified according to the institutional sector making or receiving the transfer in the compiling economy (general government or other sectors).

General government current transfers comprise current taxes on income, wealth, etc., social contributions, social benefits, current international cooperation, miscellaneous current transfers, VAT and GNI-based Union own resources.

Other sectors current transfers comprise current taxes on income, wealth, etc., social contributions, social benefits, miscellaneous current transfers, net non-life insurance premiums, non-life insurance claims and adjustments for the changes in pension entitlements. Miscellaneous current transfers include personal transfer between resident and non-resident households (of which workers' remittances).

#### 4.1. Current taxes on income, wealth, etc.

Current taxes on income, wealth, etc. in the international accounts consist mainly of taxes levied on the income earned by non-residents from the provision of their labour or financial assets. Taxes on capital gains arising from assets of non-residents are also included. Taxes on income and capital gains from financial assets are generally payable by 'other sectors' (individuals, corporations and non-profit institutions) and receivable by 'general government'.

#### 4.2. Social contributions

Social contributions are the actual or imputed contributions made by households to social insurance schemes to make provision for social benefits to be paid.

#### 4.3. Social benefits

Social benefits include benefits payable under social security and pension schemes. They include pensions and non-pension benefits from events or circumstances such as sickness, unemployment, housing and education, and may be in cash or in kind.

#### 4.4. Net non-life insurance premiums

Non-life insurance premiums consist of both the gross premiums payable by policyholders to obtain insurance during the accounting period (premiums earned) and the premium supplements payable out of the investment income attributable to insurance policyholders, after deducting the service charges of insurance enterprises arranging the insurance. The service charges constitute purchases of services by the policyholders and are recorded as insurance services. Net premiums on standardised guarantees are included under this item.

#### 4.5. Non-life insurance claims

Non-life insurance claims are the amounts payable in settlement of claims that become due during the current accounting period. Claims become due at the moment when the eventuality occurs that gives rise to a valid claim. Claims payable under standardised guarantees are recorded under this item.

#### 4.6. Current international cooperation

Current international cooperation consists of current transfers in cash or in kind between the governments of different countries or between governments and international organisations. Part of current international cooperation is vis-à-vis the Union institutions.

#### 4.7. Miscellaneous current transfers

Miscellaneous current transfers, in cash or in kind, include current transfers to non-profit institutions serving households, current transfers between households, other miscellaneous current transfers including fines and penalties, part of the payments for lottery tickets and gambling, payments of compensation and others.

##### 4.7.1. PERSONAL TRANSFERS BETWEEN RESIDENT AND NON-RESIDENT HOUSEHOLDS

Personal transfers between resident and non-resident households consist of all current transfers in cash or in kind made or received by resident households to or from non-resident households. Personal transfers include 'of which' workers' remittances.

##### 4.7.1.1. WORKERS' REMITTANCES

Workers' remittances consist of personal transfers made by migrants resident and employed in new economies to non-resident households. Persons who work for and stay in new economies for less than a year are considered non-residents and their remuneration is recorded under compensation of employees.



#### 4.8. VAT and GNI-based Union own resources

The VAT and GNI-based third and fourth Union own resources are current transfers paid by the general government of each Member State to the Union institutions.

#### 4.9. Adjustment for change in pension entitlements

The adjustment for the change in pension entitlements is necessary to reconcile the treatment of pensions as current transfers with the treatment of pension entitlements as financial assets. After the adjustment, the current account balance is the same as it would have been if social contributions and pension receipts were not recorded as current transfers.

### B. Capital account

The capital account covers capital transfers and the acquisition/disposal of non-produced non-financial assets. Capital transfers consist of: (a) transfers of ownership of fixed assets; (b) transfers of funds linked to, or conditional on the acquisition or disposal of fixed assets; and (c) 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 on 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.

#### 5.1. Gross acquisitions and disposals of non-produced non-financial assets

Non-produced, non-financial assets consist of: (a) natural resources; (b) contracts, leases and licences; and (c) marketing assets (brand names, trademarks) and goodwill. Acquisitions and disposals of non-produced, non-financial assets are recorded separately on a gross basis, rather than netted. Only the purchase/sale of such assets, but not their use, is to be recorded in this item of the capital account.

#### 5.2. Capital transfers

Capital transfers consist of: (i) transfers of ownership of fixed assets; (ii) transfers of funds linked to, or conditional on, 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.

Capital transfers are classified according to the institutional sector making or receiving the transfer in the compiling economy (general government or other sectors). Capital transfers include: capital taxes, investment grants and other capital transfers.

##### 5.2.1. CAPITAL TAXES

Capital taxes consist of taxes levied at irregular and infrequent intervals on the values of the assets or net worth owned by institutional units, or on the values of assets transferred between institutional units. These include inheritance taxes and taxes on gifts between persons levied on the capital of the beneficiaries.

##### 5.2.2. INVESTMENT GRANTS

Investment grants consist of capital transfers, in cash or in kind, made to finance all or part, of the costs of acquiring fixed assets. The recipients are obliged to use investment grants received in cash for purposes of gross fixed capital formation, and the grants are often tied to specific investment projects, such as large construction projects.

##### 5.2.3. OTHER CAPITAL TRANSFERS

These include major non-recurrent payments in compensation for extensive damages or serious injuries not covered by insurance policies, large gifts, legacies and donations, including those to non-profit institutions. This category includes debt forgiveness.

###### 5.2.3.1. DEBT FORGIVENESS

Debt forgiveness is the voluntary cancellation of all, or part, of a debt obligation within a contractual agreement between a creditor and a debtor.



### *C. Financial account and international investment position*

In general, the financial account records transactions that involve financial assets and liabilities that have taken place between residents and non-residents. The financial account shows transactions in net terms: net acquisitions of financial assets correspond to acquisitions of assets less reductions in assets.

The international investment position (IIP) shows, at the end of each quarter, the value of financial assets of residents of an economy that are claims on non-residents, and the liabilities of residents of an economy, to non-residents, plus gold bullion held as reserve assets. The difference between the assets and liabilities is the net position in the IIP, and represents either a net claim on or a net liability to the rest of the world.

The value of the IIP at the end of a period results from positions at the end of the previous period, transactions in the current period, and other changes that arise from reasons other than transactions between residents and non-residents, that may be attributed to other changes in volume and revaluations due to changes in exchange rates or prices.

According to the functional subdivision, cross-border financial transactions and positions are classified as direct investment, portfolio investment, financial derivatives (other than reserves) and employee stock options, other investment, and reserve assets. Cross-border financial transactions and positions are further classified by type of instrument and institutional sector.

Market prices are the basis for the valuation of transactions and positions. Nominal valuation is used for positions in non-negotiable instruments, namely loans, deposits and other accounts receivable/payable. However, any transactions in these instruments are valued at market prices. To account for the inconsistency between the market valuation of transactions and nominal valuation of positions, the seller records revaluations due to other price changes during the period in which the sale occurs, equal to the difference between the nominal and the transaction value, whilst the buyer records an opposite amount as revaluations due to other price changes. A similar recording occurs for transactions and positions in direct investment equity where the positions reflect own funds at book value (see next section).

The financial account of the balance of payments and the IIP includes offsetting entries for accrued income on the instruments classified in the respective functional categories.

### **6.1. Direct investment**

Direct investment is associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy. Following international standards (BPM6), the direct or indirect ownership of 10 % or more of the voting power of an enterprise resident in one economy by an investor resident in another economy is evidence of such a relationship. Based on this criterion, a direct investment relationship can exist between a number of related enterprises, regardless of whether the linkage involves a single 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 the related entities are recorded as direct investment transactions/positions.

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 that are recorded under 'investment income' (see 3.2.3).

Direct investment equity and debt are further disaggregated according to the type of relationship between entities and according to the direction of the investment. Three types of direct investment relationships can be distinguished:

- (a) Direct investors' investment in direct investment enterprises. This category includes investment flows (and stocks) from the direct investor to its direct investment enterprises (regardless of whether it is directly or indirectly controlled or influenced).
- (b) Reverse investment. This type of relationship covers investment flows (and stocks) from the direct investment enterprises to the direct investor.
- (c) Between fellow enterprises. This covers flows (and stocks) between enterprises that do not control or influence each other, but that are both under the control or influence of the same direct investor.

With regard to the valuation of direct investment positions, the equity stocks listed in stock exchanges are valued at market prices. 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).

For equity shares of unlisted companies, the transactions recorded in the financial account may differ from the own funds at book value recorded in the IIP. Such differences are recorded as revaluations due to other price changes.

It is recommended as a best practice that all Member States should start compiling foreign direct investment equity stocks and reinvested earnings on the basis of the results of foreign direct investment surveys to be collected at least annually <sup>(1)</sup>.

## 6.2. Portfolio investment

Portfolio investment includes transactions and positions involving debt or equity securities, other than those included in direct investment or reserve assets. Portfolio investment includes equity securities, investment fund shares and debt securities, unless they are categorised either as direct investment or as reserve assets. Transactions as repurchase agreements and securities lending are excluded from portfolio investment. Portfolio investment transactions and positions are valued at market prices. In case of portfolio investment in unlisted securities, however, differences in the valuation of transactions and positions may occur as in the case of direct investment in unlisted shares. Also in this case, such differences should be recorded as revaluations due to other price changes.

A common approach for the collection of data on portfolio investment is defined in Annex VI.

### 6.2.1. EQUITY SECURITIES

Equity consists of all instruments representing claims on the residual value of a corporation or quasi-corporation, after the claims of all creditors have been met. In contrast to debt, equity does not generally provide the owner with a right to a predetermined amount or an amount determined according to a fixed formula. Equity securities consist of listed shares and unlisted shares.

Listed shares are equity securities listed on a recognised stock exchange or any other form of secondary market. Unlisted shares are equity securities not listed on an exchange.

### 6.2.2. INVESTMENT FUND SHARES

Investment fund shares are issued by investment funds. They are known as 'units' if the fund is a trust. Investment funds are collective investment undertakings through which investors pool funds for investment in financial and/or non-financial assets. Investment fund shares have a specialised role in financial intermediation as a kind of collective investment in other assets, so they are identified separately from other equity shares. Additionally, the treatment of their income differs because reinvested earnings have to be imputed.

### 6.2.3. DEBT SECURITIES

Debt securities are negotiable instruments serving as evidence of a debt. They include bills, bonds, notes, negotiable certificates of deposit, commercial paper, debentures, asset-backed securities, money market instruments, and similar instruments normally traded in the financial markets. Transactions and positions in debt securities are divided by original maturity into short and long-term.

<sup>(1)</sup> The following unacceptable 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 BOP flows to compile stocks.

#### 6.2.3.1. SHORT-TERM DEBT SECURITIES

Short-term debt securities are payable on demand or issued with an initial maturity of 1 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 depends on the interest rate and the time remaining to maturity.

#### 6.2.3.2. LONG-TERM DEBT SECURITIES

Long-term debt securities are issued with an initial maturity of more than 1 year or with no stated maturity (other than on demand, which is included in short-term). They generally give the holder (a) the unconditional right to a fixed monetary income or contractually-determined variable monetary income (payment of interest being independent from the earnings of the debtor), and (b) the unconditional right to a fixed sum in repayment of principal on a specified date or dates.

The recording of transactions in balance of payments takes place when the 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 the case of securities issued at discount, the interest accumulated since the issue is included. Inclusion of interest accrued is required for both the financial account of the balance of payments and for the IIP; these recordings need to have offsetting entries in their respective income accounts.

### 6.3. Financial derivatives (other than reserves) and employee stock options

A financial derivative contract is a financial instrument that is linked to another specific financial instrument or indicator or commodity and through which specific financial risks (such as interest rate risk, foreign exchange risk, equity and commodity price risks, credit risk, and so on) can be traded in their own right in financial markets. This category is identified separately from other categories because it relates to risk transfer, rather than supply of funds or other resources. Unlike other functional categories, no primary income accrues on financial derivatives. Net flows associated with interest rate derivatives are recorded as financial derivatives, not as investment income. Transactions and positions in financial derivatives are treated separately from the values of any underlying items to which they are linked. In the case of options, the full premium (i.e. the purchase/sale price of the options and the implied service charge) is recorded. Repayable margin payments consist of cash or other collateral deposited to protect a counterpart against default risk. They are classified as deposits under other investment (if the debtor's liabilities are included in broad money) or in other accounts receivable/payable. Non-repayable margin payments (also known as variation margin) reduce the financial liability created through a derivative; therefore they are classified as transactions in financial derivatives.

The valuation of financial derivatives should be performed on a marked-to-market basis. Changes in the prices of derivatives are recorded as holding gains or losses (revaluations due to price changes). The recording of transactions in financial derivatives takes place when the 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 IIP 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. For practical reasons, embedded derivatives are not distinguished from the underlying instrument to which they are linked.

Employee stock options are options to buy the equity of a company offered to employees of the company as a form of remuneration. If a stock option granted to employees can be traded on financial markets without restriction, it is classified as a financial derivative.

### 6.4. Other investment

Other investment is a residual category that includes positions and transactions other than those included in direct investment, portfolio investment, financial derivatives and employee stock options or reserve assets. To the extent that the following classes of financial assets and liabilities are not included under direct investment or reserve assets, other investment includes: (a) other equity; (b) currency and deposits; (c) loans (including use of IMF credit and loans from the IMF); (d) insurance, pension and standardised guarantee schemes; (e) trade credit and advances; (f) other accounts receivable/payable; and (g) SDR allocations (SDR holdings are included in reserve assets).

For loans, deposits and other accounts receivable/payable sold at a discount, the transaction values recorded in the financial account may differ from the nominal values recorded in the IIP. Such differences are recorded as revaluations due to other price changes.

#### 6.4.1. OTHER EQUITY

Other equity includes equity not in the form of securities, therefore it is not included in portfolio investment. Participation in the capital of some international organisations is not in the form of securities and thus is classified as other equity.

#### 6.4.2. CURRENCY AND DEPOSITS

Currency and deposits include currency in circulation and deposits. Deposits are standardised, non-negotiable contracts generally offered by deposit-taking institutions, allowing the placement and the later withdrawal of a variable amount of money by the creditor. Deposits usually involve a guarantee by the debtor to return the principal amount to the investor.

The distinction between 'loans' and 'currency and deposits' depends on the nature of the borrower. This implies that, on the assets side, money granted by the resident money-holding sector to non-resident banks is to be classified as 'deposits' and money granted by the resident money-holding sector to non-resident non-banks (i.e. institutional units other than banks) is to be classified as 'loans'. On the liabilities side, money taken by resident non-banks, i.e. non-monetary financial institutions (MFIs) is always to be classified as 'loans'. Finally, this distinction implies that all transactions involving resident MFIs and non-resident banks are to be classified as 'deposits'.

#### 6.4.3. LOANS

Loans are financial assets that are (a) created when a creditor lends funds directly to a debtor, and (b) evidenced by documents that are not negotiable. This category includes all loans, including mortgages, financial leases and repo-type operations. All repo-type operations, i.e. repurchase agreements, sell/buy-back operations and securities lending (with exchange of cash as collateral), are treated as collateralised loans, not as outright purchases/sales of securities, and are recorded under 'other investment', within the 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 more accurately reflect the economic rationale behind these financial instruments.

#### 6.4.4. INSURANCE, PENSION SCHEMES, AND STANDARDISED GUARANTEE SCHEMES

This includes the following: (a) non-life insurance technical reserve; (b) life insurance and annuity entitlements; (c) pension entitlements, claims of pension funds on pension managers, and entitlements to non-pension funds; and (d) provisions for calls under standardised guarantees.

#### 6.4.5. TRADE CREDIT AND ADVANCES

Trade credit and advances are financial claims arising from the direct extension of credit by the suppliers of goods and services to their customers, and advances for work that is in progress or is yet to be undertaken, in the form of prepayment by customers for goods and services not yet provided. Trade credit and advances arise when payment for goods or services is not made at the same time as the change in ownership of a good or provision of a service.

#### 6.4.6. OTHER ACCOUNTS RECEIVABLE/PAYABLE

This category consists of accounts receivable or payable other than those included in trade credit and advances or other instruments. It comprises financial assets and liabilities created as counterparts to transactions where there is a timing difference between these transactions and the corresponding payments. It includes liabilities for taxes, purchase and sale of securities, securities lending fees, gold loan fees, wages and salaries, dividends, and social contributions that have accrued but have not yet been paid.

#### 6.4.7. SDR ALLOCATIONS

The allocation of SDRs to IMF members is shown as a liability incurred by the recipient under SDRs in other investment, with a corresponding entry under SDRs in reserve assets.

### 6.5. Reserve assets

Reserve assets are those external assets that are readily available to, and controlled by, monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to manage the currency exchange rate, and for other related purposes (such as maintaining confidence in the currency and the economy, or serving as a basis for foreign borrowing). Reserve assets must be foreign currency assets, claims vis-à-vis non-residents and assets that actually exist. Potential assets are excluded. Underlying the concept of reserve assets are the notions of 'control' and 'availability for use' by the monetary authorities.

The reserve assets of the euro area consist of the Eurosystem's reserve assets, i.e. the reserve assets of the ECB and the reserve assets held by the national central banks (NCBs) of the euro area.

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

This definition expressly excludes foreign currency claims on residents of the euro area, and claims denominated in euro, 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 ministries of finance are not included in the definition of reserve assets for the euro area in accordance with the institutional arrangements in the Treaty on the Functioning of the European Union.

Reserve assets of the ECB are pooled in accordance with Article 30 of the Statute of the European System of Central Banks 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 Eurosystem'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 sub-category 'financial derivatives', which are recorded on a net basis.

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

The view that other foreign currency liquidity not included in the reserve assets item of the balance of payments and international investment position statistics might also be an important indicator of a country's ability to meet its foreign exchange obligations has become more widespread and has been adopted in the IMF's Special Data Dissemination Standard. To calculate foreign currency liquidity, 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.

#### 6.5.1. MONETARY GOLD

Monetary gold is gold to which the monetary authorities (or others who are subject to the effective control of the monetary authorities) have title and is held as reserve assets. It includes gold bullion and unallocated gold accounts with non-residents that give title to claim the delivery of gold.

Holdings of monetary gold should remain unchanged in all reversible gold transactions (gold swaps, repos, loans and deposits).

6.5.1.1. **Gold bullion** takes the form of coins, ingots, or bars with a purity of at least 995 parts per 1 000, including such gold bullion held in allocated gold accounts.

6.5.1.2. **Unallocated gold accounts** represent a claim against the account operator to deliver gold. For these accounts, the account provider holds title to a reserve base of physical allocated gold and issues claims to account holders denominated in gold. Unallocated gold accounts not classified as monetary gold are included as currency and deposits in other investment.

#### 6.5.2. SDRS

SDRs are international reserve assets created by the IMF and allocated to members to supplement existing official reserves. SDRs are held only by the monetary authorities of IMF members and by a limited number of international financial institutions that are authorised holders.

#### 6.5.3. RESERVE POSITION IN THE IMF

This is the sum of (a) the 'reserve tranche' that is, the foreign currency, including SDR, amounts that a member country may draw from the IMF at short notice; and (b) any indebtedness of the IMF under a loan agreement in the General Resources Account that is readily available to the member country.

#### 6.5.4. OTHER RESERVE ASSETS

These comprise currency and deposits, securities, financial derivatives and other claims. Deposits refer to those available on demand. Securities include liquid and marketable equity and debt securities issued by non-residents, including investment funds shares or units. Financial derivatives are recorded in reserve assets only if the derivatives pertaining to the management of the reserve assets are integral to the valuation of such assets. Other claims include loans to non-resident non-banks, long-term loans to an IMF Trust account and other financial assets not included previously but that meet the reserve assets definition.

### 2. Monthly balance of payments

The compilation of monthly data for several current account and capital account items is particularly challenging in collection systems that primarily rely on surveys and direct reporting. In particular, for the items services, compensation of employees, reinvested earnings <sup>(1)</sup>, other primary income, secondary income and capital account items, all or most of the data usually used for the compilation of the quarterly balance of payments, including information from administrative data sources, may not be available at a monthly frequency or may be incomplete.

Conversely, monthly data for the item goods are available from foreign trade statistics, e.g. in the form of flash estimates. Nonetheless, also for goods, monthly data may not always be available in time or flash estimates may be incomplete.

Taking into account the costs of data compilation and the burden on respondents, it is a common and well established practice to use time series models or indirect estimation methods to enhance the data collected monthly for those current account and capital account items.

### 3. Classification by institutional sector

The sectoral breakdown of euro area aggregates comprises central banks, other MFIs — deposit-taking corporations except the central banks and money market funds — general government, and other sectors — financial corporations other than MFIs and non-financial corporations, households and non-profit institutions serving households. These institutional sectors are consistent with the definitions in the ESA 2010. The 'central banks' sector of the euro area statistics consists of the Eurosystem.

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<sup>(1)</sup> When reinvested earnings are calculated on the basis of annual surveys, the underlying data may not be available either on quarterly frequency, in which case an estimate must be produced.

## ANNEX IV

**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 on the telecommunications network 'ESCB-Net' for the electronic transmission of the statistical information required by the European Central Bank (ECB). The exchanges of data within the ESCB must be based on the Statistical Data and Metadata eXchange 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.
- Accounting identities and sign convention of the data: the validation rules must be implemented by the NCBs before the data are transmitted to the ECB.

Where revisions are made to only a subset of series keys, the validation rules are applied to the whole report.

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## ANNEX V

**MONITORING OF STATISTICAL COMPILATION METHODS**

The European Central Bank (ECB) monitors the concepts and definitions and compilation methods applied by the euro area Member States. The ECB's publication 'European Union balance of payments/international investment position statistical methods' (hereinafter 'the BOP book') informs on the practices and developments in balance of payments and international investment position statistics in Member States.

The BOP book contains detailed descriptions of data compilation methods and of the concepts and definitions applied, as well as information on departures from the agreed methodologies for balance of payments and international investment position statistics.

The BOP book is updated regularly in close cooperation with the Member States.

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## ANNEX VI

**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.

The availability and quality of a centralised securities database (hereinafter the 'CSDB') is considered essential for the collection systems to be operational.

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.

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)

## ANNEX VII

**REPEALED GUIDELINE WITH LIST OF ITS SUCCESSIVE AMENDMENTS**

Guideline ECB/2004/15 (OJ L 354, 30.11.2004, p. 34)

Guideline ECB/2007/3 (OJ L 159, 20.6.2007, p. 48)

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