



OPINION OF THE EUROPEAN CENTRAL BANK
of 24 August 2012
on reporting requirements for cross-border service transactions
(CON/2012/67)

Introduction and legal basis

On 1 August 2012, the European Central Bank (ECB) received a request from the Oesterreichische Nationalbank (OeNB) for an opinion on a balance of payments reporting regulation of the OeNB which governs the reporting of cross-border service transactions (hereinafter the 'draft regulation').

The ECB's competence to deliver an opinion is based on Article 127(4) and Article 282 (5) of the Treaty on the Functioning of the European Union as well as the third and fourth indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions¹, as the draft regulation relates to the OeNB and the collection of balance of payments statistics. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

1. Purpose of the draft regulation

1.1 The draft regulation will replace the current balance of payments regulation (ZABIL 1/2009²) of the OeNB which governs the reporting of cross-border service transactions. The draft regulation also implements Article 6 of the Law on exchange controls 2004, under which the OeNB is responsible for compiling the Austrian balance of payments, the international investment position statistics, the direct investment statistics and all statistics regarding cross-border transactions and positions in the context of the abovementioned statistics based on EU regulations. The draft regulation is necessary owing to amendments under Regulation (EU) No 555/2012 amending Regulation (EC) No 184/2005 of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investments, as regards the update of data requirements and definitions³. Although not explicitly mentioned in the OeNB request accompanying the draft regulation, the ECB understands that amendments are also required on the basis of standards set out in Guideline ECB/2011/23 of 9

¹ OJ L 189, 3.7.1998, p. 42.

² *Amtsblatt zur Wiener Zeitung* No 242, 10.12.2008, p. 32.

³ OJ L 166, 27.6.2012, p. 22.

December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics⁴.

- 1.2 Due to enhanced OeNB access to the VAT Information Exchange System, the draft regulation will also raise the thresholds for the reporting of transactions on all types of cross-border business activity pertaining to services, by reporting agents in the non-financial corporate sector to a uniform level of EUR 500 000.
- 1.3 Additionally, some minor technical amendments are made in the draft regulation. References and quotes shall reflect changes in the legal framework, reporting channels shall be adapted to reflect widespread IT use, reporting obligations shall be redefined, the conceptual reporting framework shall be harmonized and the reporting requirements applying to credit institutions and insurance companies shall be specified. The draft regulation shall enter into force on 1 January 2013.

2. General observation

In accordance with Article 14.3 of the Statute of the European System of Central Banks and the European Central Bank (hereinafter the 'Statute of the ESCB'), national central banks must act in accordance with the guidelines of the ECB. The ECB generally welcomes the draft regulation, which will ensure consistency with the reporting requirements under Guideline ECB/2011/23 following the basic principles of the ECB Statistics Quality Framework⁵. The main purpose of euro area balance of payments and international investment position statistics is to support the ECB's monetary policy and other Eurosystem tasks. Moreover, as stated in the Eurosystem's mission statement⁶, accountability, transparency and good governance are important values supporting the integrity of the statistical functions defined by Article 5 of the Statute of the ESCB.

3. Specific observations

- 3.1 The ECB welcomes the OeNB's enhanced access to existing administrative information which has made necessary the removal of specific⁷ thresholds on cross-border service transactions in the draft regulation. The ECB notes that while these changes imply a more streamlined collection procedure, simplified guidelines and a reduced response burden for data compilers, it should be ensured that sufficiently precise data for the production of euro area cross-border statistics is maintained⁸.
- 3.2 The ECB suggests the inclusion of the term 'Activities of Holding Companies' as sub-division 64.2 in the table providing the list of relevant 'Economic Activities' in Section 1.6, as this type of activity is referred to in Sections 2 and 3 of the draft regulation.

⁴ OJ L 65, 3.3.2012, p. 1.

⁵ Available on the ECB's website at www.ecb.europa.eu.

⁶ Available on the ECB's website at www.ecb.europa.eu.

⁷ Thresholds were formerly differentiated by type of sector and whether they pertained to imports or exports.

⁸ See paragraph 7(i) of Opinion CON/2005/23. All ECB opinions are available on the ECB's website at www.ecb.europa.eu.

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- 3.3 As data on cross-border services will continue to be collected on a quarterly and/or annual basis, the following ECB stance still applies: the OeNB remains responsible for providing the ECB with aggregated data for the euro area monthly balance of payments statistics. This data must meet the quality standards set out in Guideline ECB/2011/23⁹.
- 3.4 In the Appendix to the draft regulation, the ECB suggests that the four sub-items¹⁰ listed under the heading '7. Financial Services' are clarified further, so that a direct connection can be made with the definitions for 'Financial Services' in Section 2.7 of Annex II to Regulation (EU) No 555/2012 and with the relevant statistical indicators on 'Financial Services', as required in Table 2 of Annex II to Guideline ECB/2011/23.

This opinion will be published on the ECB's website.

Done at Frankfurt am Main, 24 August 2012.

[signed]

The President of the ECB

Mario DRAGHI

⁹ See paragraph 7(ii) of Opinion CON/2005/23 on a previous version of the draft regulation on the reporting of cross-border services (ZABIL 1/2005). Opinion CON/2005/23 refers to Guideline ECB/2004/15, which has subsequently been replaced by Guideline ECB/2011/23.

¹⁰ The four sub-headings are: 7.1: Fees for securities lending and gold lending; 7.2: Gross transaction volume from securities sales to non-resident counterparties; 7.3: Gross transaction volume from securities purchases from non-resident counterparties; and 7.4: Other financial services.