



OPINION OF THE EUROPEAN CENTRAL BANK

of 25 March 2013

on balance of payments reporting

(CON/2013/22)

Introduction and legal basis

On 20 February 2013, the European Central Bank (ECB) received a request from the Oesterreichische Nationalbank (OeNB) for an opinion on a draft regulation of the OeNB governing balance of payments reporting (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 Since the beginning of 2006, two OeNB balance of payments reporting regulations have been in effect: ZABIL 1/2005², as amended by ZABIL 1/2009, governed the collection of statistical data required for compiling current accounts, in particular data on cross-border services. Due to international standards as well as European Union and ECB requirements, the necessary adaptations to this regulation were implemented by the adoption of the balance of payments regulation (ZABIL 1/2012), which entered into force on 1 January 2013³.
- 1.2 The second reporting regulation, ZABIL 1/2004, as amended by ZABIL 2/2009⁴, governs the collection of statistical data for financial accounts, in particular data on a security-by-security basis, direct investments, cross-border loans and deposits of non-banks. The draft regulation shall replace ZABIL 1/2004, as amended. The replacement of this regulation is necessary due to new international standards, namely the sixth edition of the International Monetary Fund's Balance of Payments and International Investment Position Manual, and new Union legal requirements based thereon. The Union legal requirements include in particular Guideline ECB/2011/23 of

¹ OJ L 189, 3.7.1998, p. 42.

² See Opinion CON/2005/23.

³ See Opinion CON/2012/67.

⁴ See Opinion CON/2004/26.

9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics⁵ and Commission Regulation (EU) No 555/2012 of 22 June 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 investment, as regards the update of data requirements and definitions⁶. The draft regulation also implements Article 6 of the Exchange Control Act 2004, under which the OeNB is responsible for compiling the Austrian balance of payments, international investment position statistics, direct investment statistics and all statistics regarding cross-border transactions and positions in the context of the abovementioned statistics, based on Union regulations.

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 Framework⁷. 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 statement⁸, 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 *Electronic reporting*

The ECB welcomes the OeNB’s emphasis on the greater use of electronic reporting as the main channel for data transmission, as this could assist in the provision of more timely and accurate reporting.

3.2 *Reporting thresholds*

The ECB accepts that, for the purpose of reducing the collection burden on reporting agents, an increase in the reporting thresholds, as specified below, is envisaged.

- (a) For data on end-month stocks of cross-border loans, trade credit and deposits and for all investment categories, the threshold is raised to EUR 10 million (formerly EUR 3 million and EUR 5 million, respectively).

⁵ OJ L 65, 3.3.2012, p. 1.

⁶ OJ L 166, 27.6.2012, p. 22.

⁷ Available on the ECB’s website at www.ecb.europa.eu.

⁸ Available on the ECB’s website at www.ecb.europa.eu.

- (b) For data on direct investment transactions, the threshold is raised to EUR 500 000 (formerly EUR 100 000) per transaction; additionally, the reporting deadline is brought forward by five days.
- (c) For data on quarterly stocks of claims and liabilities under cross-border financial derivatives, the threshold is raised to EUR 5 million (formerly EUR 1 million).

Furthermore, the ECB understands that intermediary measures, such as estimates and recourse to secondary sources, may become necessary to fill the gaps arising from the increased thresholds. Nevertheless this would still result in freeing up resources which can be used to improve the quality of data reported by statistically significant reporting agents.

3.3 *Direct investment transactions*

For data on direct investment transactions, the ECB welcomes the introduction of additional data collection categories and changes to the reporting period, as set out below:

- (a) The inclusion of two new indicators, namely to differentiate between ‘purchase of shares’ and ‘sales of shares’ could enable improved data analysis, particularly for Foreign Direct Investment (FDI) purposes.
- (b) The mandatory disclosure of the tax ID or commercial register number will facilitate faster and unambiguous identification of foreign (i.e. non-resident) direct investment enterprises/direct investors, which are located in the EEA and Switzerland. This is particularly important from the perspective of the joint ECB/Eurostat project on the FDI Network, which aims to harmonise and improve statistics on FDI. Moreover, the ECB invites the OeNB to closely monitor the developments in the Global Legal Entity Identifier (LEI) Initiative⁹.
- (c) The change of the report submission deadline to five days earlier, i.e. the 15th calendar day of the month following the reporting period, could ensure more timely availability of data for the OeNB’s and ECB’s monthly data analysis production rounds.

3.4 *Portfolio investment transactions*

With respect to data on portfolio investment transactions, the ECB welcomes the introduction of new data collection categories, as outlined below:

- (a) Extension of the existing reports on securities by custodians in the context of breakdowns of customer accounts by report category, i.e. by adding (i) the country of residence of the account holder, (ii) changes in the definitions of the reporting categories, and (iii) a new category of non-resident public entities. In addition, the following will be collected: (i) new mandatory items for stating the market value, (ii) a value field for short positions, and (iii) a field for the nominal currency of banks’ and customers’ stocks. However, the reporting of data on securities prices will be discontinued.

⁹ Financial Stability Board reports on the LEI:
http://www.financialstabilityboard.org/list/fsb_publications/tid_156/index.htm

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- (b) New annual account holder reports by custodian banks will be included in the reporting framework.

The collection of additional information, as above, could support compliance with the updated European System of Accounts (ESA 2010) as well as with any potential future requirements for extended institutional sector breakdowns in the balance of payments reporting framework. Furthermore, the additional variables could enable better facilities for data analysis and quality checking.

3.5 Other investment transactions

With respect to data on other investment transactions, the ECB welcomes the introduction of a separate category for participations of less than 10 % in other enterprises, which could assist in the compilation of the new ‘Other Equity’ item in the other investments account.

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

Done at Frankfurt am Main, 25 March 2013.

[signed]

The Vice-President of the ECB

Vítor CONSTÂNCIO