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⁽¹⁾ Text with EEA relevance

I

(Acts whose publication is obligatory)

REGULATION (EC) No 183/2005 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 12 January 2005
laying down requirements for feed hygiene
(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 37(2) and Article 152(4)(b) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

After consulting the Committee of the Regions,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ⁽²⁾,

Whereas:

- (1) Livestock production plays a very important part in the agricultural sector of the Community. Satisfactory results of this activity depend to a large extent on the use of safe and good quality feed.
- (2) The pursuit of a high level of protection of human and animal health is one of the fundamental objectives of food law, as laid down in Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety ⁽³⁾. That Regulation also lays down other common principles and definitions for national and Community food law, including the aim of achieving free movement of feed within the Community.

(3) Council Directive 95/69/EC ⁽⁴⁾ established the conditions and arrangements applicable to certain categories of establishments and intermediaries in the animal feed sector, to enable them to exercise their activities. Experience has shown that these conditions and arrangements constitute a sound basis for ensuring feed safety. That Directive also established conditions for the approval of establishments producing certain substances listed in Council Directive 82/471/EEC of 30 June 1982 concerning certain products used in animal nutrition ⁽⁵⁾.

(4) Commission Directive 98/51/EC of 9 July 1998 laying down certain measures for implementing Council Directive 95/69/EC laying down the conditions and arrangements for approving and registering certain establishments and intermediaries operating in the animal feed sector ⁽⁶⁾, established certain measures that included arrangements for imports from third countries.

(5) Experience has also shown that it is necessary to ensure that all feed businesses, including aquaculture, operate in conformity with harmonised safety requirements and that it is necessary to conduct a general review in order to take into account the need to ensure a higher level of protection of human and animal health, and of the environment.

(6) The principal objective of the new hygiene rules set out in this Regulation is to ensure a high level of consumer protection with regard to food and feed safety, taking particular account of the following principles:

- (a) that primary responsibility for feed safety rests with the feed business operator;

⁽¹⁾ OJ C 32, 5.2.2004, p. 97.

⁽²⁾ Opinion of the European Parliament of 31 March 2004 (not yet published in the Official Journal) and Council Decision of 21 December 2004.

⁽³⁾ OJ L 31, 1.2.2002, p. 1. Regulation as amended by Regulation (EC) No 1642/2003 (OJ L 245, 29.9.2003, p. 4).

⁽⁴⁾ OJ L 332, 30.12.1995, p. 15. Directive as last amended by Regulation (EC) No 806/2003 (OJ L 122, 16.5.2003, p. 1).

⁽⁵⁾ OJ L 213, 21.7.1982, p. 8. Directive as last amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

⁽⁶⁾ OJ L 208, 24.7.1998, p. 43.

- (b) the need to ensure feed safety throughout the food chain, starting with primary production of feed, up to and including, the feeding of food-producing animals;
- (c) the general implementation of procedures based on the principles of hazard analysis and critical control points (HACCP), which, together with the application of good hygiene practice, should reinforce feed business operators' responsibility;
- (d) that guides to good practice are a valuable instrument to help feed business operators at all levels of the feed chain comply with feed hygiene rules and with the application of HACCP principles;
- (e) the establishment of microbiological criteria based on scientific risk criteria;
- (f) the need to ensure that imported feed attains a standard that is at least equivalent to that of feed produced in the Community.
- (7) In order to ensure the complete application of the registration and approval system to all the feed business operators and, consequently, to guarantee full traceability, it is appropriate to ensure that they only source and use feed from establishments which are registered and/or approved in accordance with this Regulation.
- (8) An integrated approach is necessary to ensure feed safety from, and including, primary production of feed up to, and including, its placing on the market or export. The primary production of feed includes products which only undergo simple physical treatment such as cleaning, packaging, storage, natural drying or ensiling.
- (9) In accordance with the principles of proportionality and subsidiarity, Community rules should not apply to certain cases of private domestic production of feed and feeding of certain animals, nor to the direct supply of small quantities of primary production of feed at local level, nor to the retailing of pet food.
- (10) Feed hazards present at the level of primary production of feed should be identified and adequately controlled, to ensure that the objectives of this Regulation are met. The fundamental principles of this Regulation should therefore apply to farms which manufacture feed solely for the requirements of their own production, as well as to farms which place feed on the market. It should be taken into consideration
- that the risk is less if feed is produced and used for feeding animals only used for domestic consumption, or for animals which are not used for food production. The trade of small quantities of feed products at local level and the retailing of pet food shall have particular treatment in the framework of this Regulation.
- (11) The application of HACCP principles to primary production of feed is the medium-term objective of European hygiene legislation. But guides to good practice should already be encouraging the use of appropriate hygiene requirements.
- (12) Feed safety depends on a number of factors. Legislation should lay down minimum hygiene requirements. Official controls should be in place to check feed business operators' compliance. In addition, feed business operators should take measures or adopt procedures to achieve a high level of feed safety.
- (13) HACCP principles can help feed business operators attain a higher standard of feed safety. HACCP principles should not be regarded as a method of self-regulation and do not replace official controls.
- (14) The implementation of the HACCP principles requires the full cooperation and commitment of feed businesses' employees.
- (15) HACCP principles in feed production should take into account the principles contained in the Codex Alimentarius, but should allow sufficient flexibility in all situations. In certain feed business, it is not possible to identify critical control points and, in some cases, good practices can replace the monitoring of critical control points. Similarly, the requirement to establish 'critical limits', as set out in the Codex Alimentarius, does not require a numerical limit to be fixed in every case. The requirement to retain documents as set out in the same Code needs to be flexible to avoid undue burdens for very small businesses. It should be ensured that operations carried out by a feed business at the level of primary production of feed, including associated operations, as well as the mixing of feed with complementary feedingstuffs for the exclusive requirements of its own holding, are not obliged to follow the HACCP principles.

- (16) Flexibility is also necessary to accommodate the needs of feed businesses situated in regions suffering from special geographical constraints or related to structural requirements. But such flexibility should not compromise feed hygiene objectives. Provision should be made for discussion within the Standing Committee on the Food Chain and Animal Health, where appropriate.
- (17) A system of registration and approval by the competent authority of the Member State of all feed businesses is appropriate to ensure traceability from manufacturer to final user and to facilitate the implementation of effective official controls. The existing systems for collection of data concerning feed businesses may be used by the competent authority of the Member States to start up and implement the system provided for in this Regulation.
- (18) It is appropriate that an approval system for feed businesses be maintained for activities which can present a higher risk in the manufacture of feed. Provision should be made for procedures to extend the current scope of the approval system provided for in Directive 95/69/EC.
- (19) In order to be approved or registered, feed businesses should meet several conditions relevant to their operations, concerning facilities, equipment, personnel, production, quality control, storage and documentation, in order to ensure both feed safety and product traceability. Provision should be made for these conditions to be varied, to ensure that they are appropriate to the various types of feed business. Member States should be allowed to grant conditional approval of establishments, if it appears from the on-site visit that the establishment meets all the infrastructure and equipment requirements. However, it is also appropriate to set a maximum length of time for such conditional approval.
- (20) Provision should be made for temporarily suspending, amending or revoking the registration or approval, where establishments change or cease their activities or no longer fulfil the conditions applicable to their activity.
- (21) The traceability of feed and feed ingredients throughout the feed chain is an essential element in ensuring feed safety. Regulation (EC) No 178/2002 contains rules to ensure the traceability of feed and feed ingredients and provides a procedure for the adoption of implementing rules applicable to specific sectors.
- (22) Successive feed crises have shown that failures at any stage in the feed chain can have important economic consequences. The characteristics of feed production and the complexity of the feed distribution chain mean that it is difficult to withdraw feed from the market. The costs of rectifying the economic damage along the feed and food chain is often borne by public funds. The remedying of this economic consequence at a low cost to society could be improved if the operator whose activity causes economic damage in the feed sector is held financially responsible. However, establishing a general mandatory system of financial liability and financial guarantees, for example through insurance, which applies to all feed business operators may not be feasible or appropriate. The Commission should therefore consider this issue in greater depth, taking into account provisions in existing legislation with regard to liability in other spheres, as well as existing systems and practices amongst the Member States. To this end, the Commission should present a report, accompanied where appropriate by legislative proposals.
- (23) Feed imported into the Community must satisfy the general requirements laid down in Regulation (EC) No 178/2002 and the import conditions laid down in Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules ⁽¹⁾. In order to avoid trade disruptions it is appropriate that, pending the completion of the implementing measures, imports continue to be authorised under the conditions laid down in Directive 98/51/EC.
- (24) Community products exported to third countries have to satisfy the general requirements laid down in Regulation (EC) No 178/2002.
- (25) It is appropriate to broaden the scope of the rapid alert system for food and feed laid down by Regulation (EC) No 178/2002 to include risks to animal health or the environment from feed used for animals not kept for food production.
- (26) Community legislation on feed hygiene has to be underpinned by scientific advice. To this end, the European Food Safety Authority should be consulted whenever necessary.
- (27) To take account of technical and scientific progress, there should be close and effective cooperation between the Commission and the Member States within the Standing Committee on the Food Chain and Animal Health.

⁽¹⁾ OJ L 165, 30.4.2004, p. 1 (Corrigendum: OJ L 191, 28.5.2004, p. 1).

- (28) This Regulation takes account of international obligations laid down in the WTO Sanitary and Phytosanitary Agreement and the international food safety standards contained in the Codex Alimentarius.
- (29) The Member States should lay down rules on penalties applicable to infringements of the provisions of this Regulation and ensure that they are implemented. Those penalties have to be effective, proportionate and dissuasive.
- (30) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission ⁽¹⁾.
- (31) It is appropriate to provide for a deferred date of application of the Regulation, in order to allow the feed businesses affected by it time to adapt.
- (32) For the above reasons, Directives 95/69/EC and 98/51/EC should be repealed,

HAVE ADOPTED THIS REGULATION:

CHAPTER I

SUBJECT MATTER, SCOPE AND DEFINITIONS

Article 1

Subject matter

This Regulation lays down:

- (a) general rules on feed hygiene;
- (b) conditions and arrangements ensuring traceability of feed;
- (c) conditions and arrangements for registration and approval of establishments.

Article 2

Scope

1. This Regulation shall apply to:
 - (a) the activities of feed business operators at all stages, from and including primary production of feed, up to and including, the placing of feed on the market;

- (b) the feeding of food-producing animals;
 - (c) imports and exports of feed from and to third countries.
2. This Regulation shall not apply to:
 - (a) the private domestic production of feed:
 - (i) for food-producing animals kept for private domestic consumption;
 - and
 - (ii) for animals not kept for food production;
 - (b) the feeding of food-producing animals kept for private domestic consumption or for the activities mentioned in Article 1(2)(c) of Regulation (EC) No 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs ⁽²⁾;
 - (c) the feeding of animals not kept for food production;
 - (d) the direct supply of small quantities of primary production of feed at local level by the producer to local farms for use on those farms;
 - (e) the retailing of pet food.

Article 3

Definitions

For the purposes of this Regulation, the definitions in Regulation (EC) No 178/2002 shall apply, subject to the following specific definitions:

- (a) 'feed hygiene' means the measures and conditions necessary to control hazards and to ensure fitness for animal consumption of a feed, taking into account its intended use;

⁽¹⁾ OJ L 184, 17.7.1999, p. 23.

⁽²⁾ OJ L 139, 30.4.2004, p. 1. (Corrigendum: OJ L 226, 25.6.2004, p. 3).

- (b) 'feed business operator' means the natural or legal person responsible for ensuring that the requirements of the present Regulation are met within the feed business under their control;
- (c) 'feed additives' means substances or micro-organisms authorised under Regulation (EC) No 1831/2003 of the European Parliament and of the Council of 22 September 2003 on additives for use in animal nutrition ⁽¹⁾;
- (d) 'establishment' means any unit of a feed business;
- (e) 'competent authority' means the authority of a Member State or of a third country designated to carry out official controls;
- (f) 'primary production of feed' means the production of agricultural products, including in particular growing, harvesting, milking, rearing of animals (prior to their slaughter) or fishing resulting exclusively in products which do not undergo any other operation following their harvest, collection or capture, apart from simple physical treatment.

CHAPTER II

OBLIGATIONS

Article 4

General obligations

1. Feed business operators shall ensure that all stages of production, processing and distribution under their control are carried out in accordance with Community legislation, national law compatible therewith, and good practice. They shall ensure in particular that they satisfy the relevant hygiene requirements laid down in this Regulation.
2. When feeding food-producing animals, farmers shall take measures and adopt procedures to keep the risk of biological, chemical and physical contamination of feed, animals and animal products as low as reasonably achievable.

⁽¹⁾ OJ L 268, 18.10.2003, p. 29.

Article 5

Specific obligations

1. For operations at the level of primary production of feed and the following associated operations:
 - (a) transport, storage and handling of primary products at the place of production;
 - (b) transport operations to deliver primary products from the place of production to an establishment;
 - (c) mixing of feed for the exclusive requirements of their own holdings without using additives or premixtures of additives with the exception of silage additives,

feed business operators shall comply with the provisions in Annex I, where relevant for the operations carried out.

2. For operations other than those referred to in paragraph 1, including mixing of feed for the exclusive requirements of their own holdings when using additives or premixtures of additives with the exception of silage additives, feed business operators shall comply with the provisions in Annex II, where relevant for the operations carried out.

3. Feed business operators shall:

- (a) comply with specific microbiological criteria;
- (b) take measures or adopt procedures necessary to meet specific targets.

The criteria and targets referred to in points (a) and (b) shall be adopted in accordance with the procedure referred to in Article 31(2).

4. Feed business operators may use the guides provided for in Chapter III to help them comply with their obligations under this Regulation.

5. Farmers shall comply with the provisions set out in Annex III when feeding food-producing animals.

6. Feed business operators and farmers shall only source and use feed from establishments which are registered and/or approved in accordance with this Regulation.

Article 6

Hazard analysis and critical control points (HACCP) system

1. Feed business operators carrying out operations other than those referred to in Article 5(1) shall put in place, implement and maintain, a permanent written procedure or procedures based on the HACCP principles.

2. The principles referred to in paragraph 1 are the following:

- (a) identify any hazards that must be prevented, eliminated or reduced to acceptable levels;
- (b) identify the critical control points at the step or steps at which control is essential to prevent or eliminate a hazard or reduce it to acceptable levels;
- (c) establish critical limits at critical control points which separate acceptability from unacceptability, for the prevention, elimination or reduction of identified hazards;
- (d) establish and implement effective monitoring procedures at critical control points;
- (e) establish corrective action when monitoring indicates that a critical control point is not under control;
- (f) establish procedures to verify that the measures outlined in points (a) to (e) are complete and working effectively. Verification procedures shall be carried out regularly;
- (g) establish documents and records commensurate with the nature and size of the feed businesses to demonstrate the effective application of the measures set out in points (a) to (f).

3. When any modification is made in a product, process or any stage of production, processing, storage and distribution, feed business operators shall review their procedure and make the necessary changes.

4. As part of the system of procedures referred to in paragraph 1, feed business operators may use guides to good practice in conjunction with guides on the application of HACCP, developed in accordance with Article 20.

5. Measures to facilitate the implementation of this Article, including for small businesses, may be adopted in accordance with the procedure referred to in Article 31(2).

Article 7

Documents concerning the HACCP system

1. Feed business operators shall:

- (a) provide the competent authority with evidence of their compliance with Article 6 in the form requested by the competent authority;
- (b) ensure that any documents describing the procedures developed in accordance with Article 6 are up-to-date at all times;

2. The competent authority shall take into account the nature and size of the feed business when fixing requirements as to the form referred to in paragraph 1(a).

3. Detailed arrangements for the implementation of this Article may be adopted in accordance with the procedure referred to in Article 31(2). Such arrangements may facilitate certain feed business operators' implementation of HACCP principles developed in accordance with Chapter III, with a view to complying with the requirements of Article 6(1).

Article 8

Financial guarantees

1. To prepare for an effective system of financial guarantees for feed business operators, the Commission shall submit to the European Parliament and to the Council by 8 February 2006 a report on financial guarantees in the feed sector. In addition to examining the existing national legal provisions, systems and practices relating to liability in the feed sector and related sectors, the report shall be accompanied, where appropriate, by legislative proposals for such a feasible and practicable guarantee system at Community level. Those guarantees should provide cover for the total costs for which operators could be held liable as a direct consequence of the withdrawal from the market, treatment and/or destruction of any feed, animals and food produced therefrom.

2. Feed business operators shall be liable for any infringements of the relevant legislation on feed safety and operators within the meaning of Article 5(2) shall submit proof that they are covered by the financial guarantees required by the Community legislative measures referred to in paragraph 1.

Article 9

Official controls, notification and registration

1. Feed business operators shall cooperate with the competent authorities, in accordance with the relevant Community legislation and national law compatible therewith.

2. Feed business operators shall:

(a) notify the appropriate competent authority of any establishments under their control, active in any of the stages of production, processing, storage, transport or distribution of feed, in the form required by the competent authority with a view to registration;

(b) provide the competent authority with up-to-date information on any establishments under their control as referred to in point (a), including notifying the competent authority of any significant change in activities and any closure of an existing establishment.

3. The competent authority shall maintain a register or registers of establishments.

Article 10

Approval of feed business establishments

Feed business operators shall ensure that establishments under their control and covered by this Regulation are approved by the competent authority, where:

(1) such establishments carry out one of the following activities:

(a) manufacturing and/or placing on the market of feed additives covered by Regulation (EC) No 1831/2003 or products covered by Directive 82/471/EEC and referred to in Chapter 1 of Annex IV to this Regulation;

(b) manufacturing and/or placing on the market of premixtures prepared using feed additives referred to in Chapter 2 of Annex IV to this Regulation;

(c) manufacturing for placing on the market, or producing for the exclusive requirements of their holdings, compound feedingstuffs using feed additives or premixtures containing feed additives and referred to in Chapter 3 of Annex IV to this Regulation;

(2) approval is required under the national law of the Member State where the establishment is located;

or

(3) approval is required by a Regulation adopted in accordance with the procedure referred to in Article 31(2).

Article 11

Requirements

Feed business operators shall not operate without:

(a) registration as provided for in Article 9;

or

(b) approval, when required in accordance with Article 10.

Article 12

Information on national rules on approval

Any Member State requiring the approval under Article 10(2) of certain establishments located on its territory shall inform the Commission and the other Member States of the relevant national rules.

Article 13

Approval of establishments

1. The competent authority shall approve establishments only where an on-site visit, prior to start-up of any activity, has demonstrated that they meet the relevant requirements of this Regulation.

2. The competent authority may grant conditional approval if it appears, from the on-site visit, that the establishment meets all the infrastructure and equipment requirements. It shall grant full approval only if it appears, from a new on-site visit carried out within three months of granting conditional approval, that the establishment meets the other requirements referred to in paragraph 1. If clear progress has been made, but the establishment still does not meet all of these requirements, the competent authority may prolong conditional approval. However, conditional approval shall not exceed a total of six months.

Article 14

Suspension of registration or approval

The competent authority shall temporarily suspend the registration or the approval of an establishment for one, more or all of its activities, where it is shown that the establishment no longer fulfils the conditions applicable to those activities.

Such suspension shall last until the establishment again meets those conditions. Where such conditions are not met within one year, Article 15 shall apply.

Article 15

Revocation of registration or approval

The competent authority shall revoke the registration or the approval of an establishment, for one or more of its activities, where:

- (a) the establishment ceases one or more of its activities;
- (b) it is shown that the establishment has not fulfilled the conditions applicable to its activities, for a period of one year;
- (c) it identifies serious deficiencies or has had to stop production at an establishment repeatedly and the feed business operator is still not able to provide adequate guarantees regarding future production.

Article 16

Amendments to registration or approval of an establishment

Upon request, the competent authority shall amend the registration or approval of an establishment, where it has demonstrated its capacity to develop activities which are additional to those for which it was first registered or approved, or which replace them.

Article 17

Exemption from on-site visits

1. Member States are exempted from the obligation to carry out on-site visits, as provided for in Article 13, of feed businesses which act solely as traders, without holding the products on their premises.
2. Such feed businesses shall submit to the competent authority a declaration, in a form decided upon by the competent authority, to the effect that the feeds placed on the market by them comply with the conditions of this Regulation.

Article 18

Transitional measures

1. Establishments and intermediaries approved and/or registered in accordance with Directive 95/69/EC may continue their activities, on condition that they submit, by 1 January 2006, a notification to this effect to the relevant competent authority in whose area their facilities are located.
2. Establishments and intermediaries requiring neither registration nor approval in accordance with Directive 95/69/EC, but requiring registration in accordance with this Regulation may continue their activities, on condition that they submit, by 1 January 2006, an application for registration to the relevant competent authority in whose area their facilities are located.
3. By 1 January 2008 the applicant must declare, in a form decided upon by the competent authority, that the conditions laid down in this Regulation are being met.
4. The competent authorities shall take account of the systems already existing for the collection of data and request the notifier or the applicant to provide only additional information which guarantees compliance with the conditions of this Regulation. In particular, the competent authorities may consider as an application under paragraph 2 a notification pursuant to Article 6 of Regulation (EC) No 852/2004.

Article 19

List of registered and approved establishments

1. For each activity, the competent authority shall record in a national list or lists the establishments it has registered in accordance with Article 9.

2. Establishments approved by the competent authority in accordance with Article 13 shall be recorded in a national list, under an individual identifying number.

3. Member States shall keep updated the records of establishments in the lists referred to in paragraphs 1 and 2 in accordance with the decisions referred to in Articles 14, 15 and 16 to suspend, revoke or amend registration or approval.

4. The list referred to in paragraph 2 must be drawn up in accordance with the model set out in Annex V, Chapter I.

5. The identifying number referred to in paragraph 2 shall be in the form set out in Annex V, Chapter II.

6. The Commission shall compile and make available to the public the part of the Member States' lists which includes the establishments referred to in paragraph 2 for the first time in November 2007, and thereafter each year, by 30 November at the latest. The compiled list shall take into account the amendments made during the year.

7. The Member States shall make available to the public the lists of establishments referred to in paragraph 1.

CHAPTER III

GUIDES TO GOOD PRACTICE

Article 20

Development, dissemination and use of guides

1. The Commission shall encourage the development of Community guides to good practice in the feed sector and for the application of HACCP principles in accordance with Article 22.

Where necessary, Member States shall encourage the development of national guides in accordance with Article 21.

2. The dissemination and use of both national and Community guides shall be encouraged by the competent authorities.

3. Nevertheless, feed business operators may use these guides voluntarily.

Article 21

National guides

1. When national guides to good practice are developed, they shall be developed and disseminated by feed business sectors:

(a) in consultation with representatives of parties whose interests may be substantially affected, such as competent authorities and user groups;

(b) having regard to relevant codes of practice of the Codex Alimentarius;

and

(c) when they concern primary production of feed, having regard to the requirements set out in Annex I.

2. Member States shall assess national guides to ensure that:

(a) they have been developed in accordance with paragraph 1;

(b) their contents are practicable for the sectors to which they refer;

and

(c) they are suitable as guides for compliance with Articles 4, 5 and 6, in the sectors and/or for the feeds concerned.

3. Member States shall transmit national guides to the Commission.

4. The Commission shall set up and run a registration system for such guides and make it available to the Member States.

Article 22

Community guides

1. Before Community guides to good practice for hygiene or for the application of the HACCP principles are developed, the Commission shall consult the Committee referred to in Article 31(1). The objective of this consultation shall be to consider the case for such guides, their scope and subject matter.

2. Where Community guides are prepared, the Commission shall ensure that they are developed and disseminated:

- (a) by or in consultation with appropriate representatives of European feed business sectors and other interested parties, such as consumer groups;
- (b) in collaboration with parties whose interests may be substantially affected, including competent authorities.

3. Community guides shall be developed and disseminated taking into account:

- (a) relevant codes of practice of the Codex Alimentarius,
- and
- (b) when they concern primary production of feed, the requirements set out in Annex I.

4. The Committee referred to in Article 31(1) shall assess draft Community guides to ensure that:

- (a) they have been developed in accordance with paragraphs 2 and 3;
 - (b) their contents are practicable throughout the Community for the sectors to which they refer;
- and
- (c) they are suitable as guides for compliance with Articles 4, 5 and 6, in the sectors and/or for the feeds concerned.

5. The Commission shall invite the Committee referred to in Article 31(1) periodically to review any Community guides prepared in accordance with this Article, in cooperation with the entities mentioned in paragraph 2 of this Article. The aim of this review shall be to ensure that the guides remain practicable and to take account of technological and scientific developments.

6. The titles and references of Community guides prepared in accordance with this Article shall be published in the C series of the *Official Journal of the European Union*.

CHAPTER IV

IMPORTS AND EXPORTS

Article 23

Imports

1. Feed business operators importing feed from third countries shall ensure that importation takes place only in accordance with the following conditions:

- (a) the third country of dispatch appears on a list, drawn up in accordance with Article 48 of Regulation (EC) No 882/2004, of third countries from which imports of feed are permitted;
- (b) the establishment of dispatch appears on a list, drawn up and kept updated by the third country in accordance with Article 48 of Regulation (EC) No 882/2004, of establishments from which imports of feed are permitted;
- (c) the feed was produced by the establishment of dispatch or by another establishment appearing on the list referred to in point (b) or in the Community;

and

- (d) the feed satisfies:
 - (i) the requirements laid down in this Regulation, and in any other Community legislation laying down rules for feed;

or

 - (ii) those conditions recognised by the Community to be at least equivalent thereto;

or

 - (iii) where a specific agreement between the Community and the exporting country exists, the requirements contained therein.

2. A model import certificate may be adopted in accordance with the procedure referred to in Article 31(2).

Article 24

Interim measures

By way of derogation from Article 33 and pending the drawing up of the lists provided for in Article 23(1)(a) and (b), imports shall continue to be authorised under the conditions laid down in Article 6 of Directive 98/51/EC.

Article 25

Exports

Feed, including feed for animals not kept for food production, which is produced in the Community for placing on the market in third countries, must satisfy the provisions of Article 12 of Regulation (EC) No 178/2002.

CHAPTER V

FINAL PROVISIONS

Article 26

Implementing measures

Implementing measures may be laid down in accordance with the procedure referred to in Article 31(2).

Article 27

Amendments to Annexes I, II, and III

Annexes I, II and III may be amended in accordance with the procedure referred to in Article 31(2), to take account of:

- (a) the development of codes of good practice;
 - (b) the experience gained from the implementation of HACCP-based systems pursuant to Article 6;
 - (c) technological developments;
 - (d) scientific advice, particularly new risk assessments;
 - (e) the setting of feed safety targets;
- and
- (f) the development of requirements relating to specific operations.

Article 28

Derogations from Annexes I, II and III

Derogations from Annexes I, II and III may be granted in accordance with the procedure referred to in Article 31(2) for particular reasons, provided that such derogations do not affect the achievement of the objectives of this Regulation.

Article 29

Rapid Alert System

Should a specific feed, including feed for animals not kept for food production, present a serious risk to human or animal health or to the environment, Article 50 of Regulation (EC) No 178/2002 shall apply *mutatis mutandis*.

Article 30

Penalties

The Member States shall lay down the rules on penalties applicable to infringements of this Regulation and shall take the measures necessary to ensure that they are implemented. The penalties provided for must be effective, proportionate and dissuasive. The Member States shall notify those provisions to the Commission by 8 February 2007, and shall notify it without delay of any subsequent amendment affecting them.

Article 31

Committee Procedure

1. The Commission shall be assisted by the Standing Committee on the Food Chain and Animal Health set up by Regulation (EC) No 178/2002 (hereinafter referred to as the Committee).

2. Where reference is made to this paragraph, Articles 5 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 5(6) of Decision 1999/468/EC shall be set at three months.

3. The Committee shall adopt its rules of procedure.

Article 32

Consultation of the European Food Safety Authority

The Commission shall consult the European Food Authority on any matter, falling within the scope of this Regulation, that could have a significant impact on public health and, in particular, before proposing criteria or targets in accordance with Article 5(3).

*Article 33***Repeal**

The following Directives are repealed, without prejudice to the obligations of the Member States concerning the deadlines for transposition, with effect from 1 January 2006:

- (a) Council Directive 95/69/EC;
- (b) Commission Directive 98/51/EC.

*Article 34***Entry into force**

This Regulation shall enter into force on the date of its publication in the *Official Journal of the European Union*.

It shall apply as from 1 January 2006.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 12 January 2005.

For the European Parliament
The President
J. P. BORRELL FONTELLES

For the Council
The President
N. SCHMIT

ANNEX I

PRIMARY PRODUCTION

PART A

Requirements for feed businesses at the level of primary production of feed referred to in Article 5(1)**I. Hygiene provisions**

1. Feed business operators responsible for primary production of feed shall ensure that operations are managed and carried out in such a way as to prevent, eliminate or minimise hazards with the potential to compromise feed safety.
2. Feed business operators shall ensure, as far as possible, that primary products produced, prepared, cleaned, packed, stored and transported under their responsibility are protected against contamination and spoilage.
3. Feed business operators shall meet the obligations set out in points 1 and 2 by complying with appropriate Community and national legislative provisions relating to the control of hazards, including:
 - (i) measures to control hazardous contamination such as that arising from the air, soil, water, fertilisers, plant protection products, biocides, veterinary medicinal products and handling and disposal of waste,

and
 - (ii) measures relating to plant health, animal health and the environment that have implications for feed safety, including programmes for the monitoring and control of zoonoses and zoonotic agents.
4. Where appropriate, feed business operators shall take adequate measures, in particular:
 - (a) to keep clean and, where necessary after cleaning, to disinfect in an appropriate manner, facilities, equipment, containers, crates and vehicles used for producing, preparing, grading, packing, storing and transporting feed;
 - (b) to ensure, where necessary, hygienic production, transport and storage conditions for, and the cleanliness of, feed;
 - (c) to use clean water whenever necessary to prevent hazardous contamination;
 - (d) to prevent, as far as possible, animals and pests from causing hazardous contamination;
 - (e) to store and handle wastes and hazardous substances, separately and securely, so as to prevent hazardous contamination;
 - (f) to ensure that packaging materials are not a source of hazardous contamination of feed;
 - (g) to take account of the results of any relevant analyses carried out on samples taken from primary products or other samples relevant to feed safety.

II. Record-keeping

1. Feed business operators shall keep records relating to measures put in place to control hazards, in an appropriate manner and for an appropriate period, commensurate with the nature and size of the feed business. Feed business operators must make relevant information contained in these records available to the competent authority.
2. Feed business operators must, in particular, keep records on:
 - (a) any use of plant protection products and biocides;

- (b) use of genetically modified seeds;
 - (c) any occurrence of pests or diseases that may affect the safety of primary products;
 - (d) the results of any analyses carried out on samples taken from primary products or other samples taken for diagnostic purposes that have importance for feed safety;
 - (e) the source and quantity of each input of feed and the destination and quantity for each output of feed.
3. Other persons, such as veterinarians, agronomists and farm technicians, may assist the feed business operators with the keeping of records relevant to the activities they carry out on the farm.

PART B

Recommendations for guides to good practice

1. Where national and Community guides referred to in Chapter III of this Regulation are drawn up, they shall contain guidance on good practices for the control of hazards in primary production of feed.
 2. Guides to good practices shall include appropriate information on hazards arising in primary production of feed and actions to control hazards, including relevant measures set out in Community and national legislation or in Community and national programmes, such as:
 - (a) the control of contamination such as mycotoxins, heavy metals, radioactive material;
 - (b) the use of water, organic waste and fertilisers;
 - (c) the correct and appropriate use of plant protection products and biocides and their traceability;
 - (d) the correct and appropriate use of veterinary medicinal products and feed additives and their traceability;
 - (e) the preparation, storage and traceability of feed materials;
 - (f) the proper disposal of dead animals, waste and litter;
 - (g) protective measures to prevent the introduction of contagious diseases transmissible to animals through feed and any obligation to notify the competent authority thereof;
 - (h) procedures, practices and methods to ensure that feed is produced, prepared, packed, stored and transported under appropriate hygienic conditions, including effective cleaning and pest-control;
 - (i) details relating to record-keeping.
-

ANNEX II

**REQUIREMENTS FOR FEED BUSINESSES OTHER THAN AT THE LEVEL OF
PRIMARY PRODUCTION OF FEED REFERRED TO IN ARTICLE 5(1)**

FACILITIES AND EQUIPMENT

1. Feed processing and storage facilities, equipment, containers, crates, vehicles and their immediate surroundings shall be kept clean, and effective pest control programmes shall be implemented.
2. The lay-out, design, construction and size of the facilities and equipment shall:
 - (a) permit adequate cleaning and/or disinfection;
 - (b) be such as to minimise the risk of error and to avoid contamination, cross-contamination and any adverse effects generally on the safety and quality of the products. Machinery coming into contact with feed shall be dried following any wet cleaning process.
3. Facilities and equipment to be used for mixing and/or manufacturing operations shall undergo appropriate and regular checks, in accordance with written procedures pre-established by the manufacturer for the products.
 - (a) All scales and metering devices used in the manufacture of feeds shall be appropriate for the range of weights or volumes to be measured and shall be tested for accuracy regularly.
 - (b) All mixers used in the manufacture of feeds shall be appropriate for the range of weights or volumes being mixed, and shall be capable of manufacturing suitable homogeneous mixtures and homogeneous dilutions. Operators shall demonstrate the effectiveness of mixers with regard to homogeneity.
4. Facilities must have adequate natural and/or artificial lighting.
5. Drainage facilities must be adequate for the purpose intended; they must be designed and constructed to avoid the risk of contamination of feedingstuffs.
6. Water used in feed manufacture shall be of suitable quality for animals; the conduits for water shall be of an inert nature.
7. Sewage, waste and rainwater shall be disposed of in a manner which ensures that equipment and the safety and quality of feed is not affected. Spoilage and dust shall be controlled to prevent pest invasion.
8. Windows and other openings must, where necessary, be proofed against pests. Doors must be close-fitting and proofed against pests when closed.
9. Where necessary, ceilings and overhead fixtures must be designed, constructed and finished to prevent the accumulation of dirt and to reduce condensation, the growth of undesirable moulds and the shedding of particles that can affect the safety and quality of feed.

PERSONNEL

Feed businesses must have sufficient staff possessing the skills and qualifications necessary for the manufacture of the products concerned. An organisation chart setting out the qualifications (e.g. diplomas, professional experience) and responsibilities of the supervisory staff must be drawn up and made available to the competent authorities responsible for inspection. All the staff must be informed clearly in writing of their duties, responsibilities and powers, especially when any change is made, in such a way as to obtain the desired product quality.

PRODUCTION

1. A qualified person responsible for production must be designated.
2. Feed business operators must ensure that the different stages of production are carried out according to pre-established written procedures and instructions aimed at defining, checking and mastering the critical points in the manufacturing process.
3. Technical or organisational measures must be taken to avoid or minimise, as necessary, any cross-contamination and errors. There must be sufficient and appropriate means of carrying out checks in the course of manufacture.
4. The presence of prohibited feed undesirable substances and other contaminants in relation to human or animal health shall be monitored, and appropriate control strategies to minimise the risk shall be put in place.
5. Waste and materials not suitable as feed should be isolated and identified. Any such materials containing hazardous levels of veterinary drugs, contaminants or other hazards shall be disposed of in an appropriate way and not used as feed.
6. Feed business operators shall take adequate measures to ensure effective tracing of the products.

QUALITY CONTROL

1. Where appropriate, a qualified person responsible for quality control must be designated.
2. Feed businesses must, as part of a quality control system, have access to a laboratory with adequate staff and equipment.
3. A quality control plan must be drawn up in writing and implemented, to include, in particular, checks on the critical points in the manufacturing process, sampling procedures and frequencies, methods of analysis and their frequency, compliance with the specifications – and the destination in the event of non-compliance – from processed materials to final products.
4. Documentation relating to the raw materials used in final products must be kept by the manufacturer in order to ensure traceability. Such documentation must be available to the competent authorities for a period appropriate for the use to which the products are placed on the market. In addition, samples of ingredients and of each batch of products manufactured and placed on the market or of each specific portion of production (in the case of continuous production) must be taken in sufficient quantity using a procedure pre-established by the manufacturer and be retained, in order to ensure traceability (on a regular basis in the case of manufacture solely for the manufacturer's own needs). The samples must be sealed and labelled for easy identification; they must be stored under conditions which prevent any abnormal change in the composition of the sample or any adulteration. They must be kept at the disposal of the competent authorities for a period appropriate to the use for which the feed is placed on the market. In the case of feedingstuffs for animals not kept for food production, the manufacturer of the feedingstuff must only keep samples of the finished product.

STORAGE AND TRANSPORT

1. Processed feeds shall be separated from unprocessed feed materials and additives, in order to avoid any cross-contamination of the processed feed; proper packaging materials shall be used.
2. Feeds shall be stored and transported in suitable containers. They shall be stored in places designed, adapted and maintained in order to ensure good storage conditions, to which only persons authorised by the feed business operators have access.

3. Feeds shall be stored and transported in such a way as to be easily identifiable, in order to avoid any confusion or cross-contamination and to prevent deterioration.
4. Containers and equipment used for the transport, storage, conveying, handling and weighing of feed shall be kept clean. Cleaning programmes shall be introduced, and traces of detergents and disinfectants shall be minimised.
5. Any spoilage shall be minimised and kept under control to reduce pest invasion.
6. Where appropriate, temperatures shall be kept as low as possible to avoid condensation and spoilage.

RECORD-KEEPING

1. All feed business operators, including those who act solely as traders without ever holding the product in their facilities, shall keep in a register relevant data, comprising details of purchase, production and sales for effective tracing from receipt to delivery, including export to the final destination.
2. Feed business operators, except those who act solely as dealers without ever holding the product in their facilities, shall keep in a register:
 - (a) Documentation relating to the manufacturing process and controls.

Feed businesses must have a system of documentation designed to define and ensure mastery of the critical points in the manufacturing process and to establish and implement a quality control plan. They must keep the results of the relevant controls. This set of documents must be kept so that it is possible to trace the manufacturing history of each batch of products put into circulation and to establish responsibility, if complaints arise.

- (b) Documentation relating to traceability, in particular:

- (i) for feed additives:

- the nature and quantity of the additives produced, the respective dates of manufacture and, where appropriate, the number of the batch or of the specific portion of production, in the case of continuous manufacture,
- the name and address of the establishment to which the additives were delivered, the nature and quantity of the additives delivered and, where appropriate, the number of the batch or of the specific portion of production, in the case of continuous manufacture;

- (ii) for products covered by Directive 82/471/EEC:

- the nature of the products and the quantity produced, the respective dates of manufacture and, where appropriate, the number of the batch or of the specific portion of production, in the case of continuous manufacture,
- the name and address of the establishments or users (establishments or farmers) to whom these products have been delivered, together with details of the nature and quantity of the products delivered and, where appropriate, the number of the batch or of the specific portion of production, in the case of continuous manufacture;

- (iii) for premixtures:

- the name and address of the manufacturers or suppliers of additives, the nature and quantity of the additives used and, where appropriate, the number of the batch or of the specific portion of production, in the case of continuous manufacture,

- the date of manufacture of the premixture and the batch number where appropriate,
 - the name and address of the establishment to which the premixture is delivered, the delivery date, the nature and quantity of the premixture delivered, and the batch number where appropriate.
- (iv) for compound feedingstuffs/feed materials:
- the name and address of additive/premixture manufacturers or suppliers, the nature and quantity of the premixture used, with the batch number where appropriate,
 - the name and address of the suppliers of the feed materials and complementary feeds and the delivery date,
 - the type, quantity and formulation of the compound feed,
 - the nature and quantity of feed materials or compound feedingstuffs manufactured, together with the date of manufacture, and the name and address of the buyer (e.g. farmer, other feed business operators).

COMPLAINTS AND PRODUCT RECALL

1. Feed business operators shall implement a system for registering and processing complaints.
 2. They shall put in place, where this proves necessary, a system for the prompt recall of products in the distribution network. They shall define by means of written procedures the destination of any recalled products, and before such products are put back into circulation they must undergo a quality-control reassessment.
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ANNEX III

GOOD ANIMAL FEEDING PRACTICE

PASTURE GRAZING

The grazing of pastures and croplands shall be managed in a way that minimises the contamination of foods of animal origin by physical, biological or chemical hazards.

Where appropriate, an adequate rest period shall be observed before allowing livestock to graze on pasture, crops and crop residues and between grazing rotations to minimise biological cross-contamination from manure, where such a potential problem exists, and to ensure that the withholding periods for agricultural chemical applications are observed.

REQUIREMENTS FOR STABLE AND FEEDING EQUIPMENT

The animal production unit shall be designed so that it can be adequately cleaned. The animal production unit and feeding equipment shall be cleaned thoroughly and regularly to prevent any build-up of hazards. Chemicals used for cleaning and sanitising shall be used according to instructions and stored away from feed and feeding areas.

A pest control system shall be put in place to control the access of pests to the animal production unit with a view to minimising the possibility of contamination of feed and bedding materials or animal units.

Buildings and feeding equipment shall be kept clean. Systems shall be put in place to regularly remove manure, waste material and other possible sources of contamination of feed.

Feed and bedding material used in the animal production unit shall be frequently changed and not allowed to become mouldy.

FEEDING

1. Storage

Feed shall be stored separately from chemicals and other products prohibited for animal feed. Storage areas and containers shall be kept clean and dry and appropriate pest-control measures implemented where necessary. Storage areas and containers shall be cleaned regularly to avoid unnecessary cross-contamination.

Seed shall be stored properly and in such a way that it is not accessible to animals.

Medicated feed and non-medicated feed intended for different categories or species of animals shall be stored such as to reduce the risk of feeding to non-target animals.

2. Distribution

The on-farm feed distribution system shall ensure that the right feed is sent to the right destination. During distribution and feeding, feed shall be handled in such a way as to ensure that contamination does not occur from contaminated storage areas and equipment. Non-medicated feeds shall be handled separately from medicated feeds to prevent contamination.

On-farm feed transport vehicles and feeding equipment shall be cleaned periodically, in particular when used to deliver and distribute medicated feed.

FEED AND WATER

Water for drinking or for aquaculture shall be of appropriate quality for the animals being produced. Where there is cause for concern about contamination of animals or animal products from the water, measures shall be taken to evaluate and minimise the hazards.

Feeding and watering equipment must be designed, constructed and placed in such a way that contamination of feed and water is minimised. Watering systems shall be cleaned and maintained regularly, where possible.

PERSONNEL

The person responsible for the feeding and handling of animals shall possess the requisite ability, knowledge and competence.

ANNEX IV

CHAPTER 1

Additives authorised pursuant to Regulation (EC) No 1831/2003:

- Nutritional additives: all additives in the group,
- Zootechnical additives: all additives in the group,
 - Technological additives: additives covered by Annex I(1)(b) ('antioxidants') of Regulation (EC) No 1831/2003: only those with a fixed maximum content,
- Sensory additives: additives covered by Annex I(2)(a) ('colorants') of Regulation (EC) No 1831/2003: carotenoids and xanthophylls.

Products covered by Directive 82/471/EEC:

- Proteins obtained from micro-organisms belonging to the group of bacteria, yeasts, algae, lower fungi: all products in the group (except for subgroup 1.2.1)
- Co-products of the manufacture of amino acids by fermentation: all products in the group

CHAPTER 2

Additives authorised under Regulation (EC) No 1831/2003:

- Zootechnical additives: additives covered by Annex I(4)(d) ('other zootechnical additives') of Regulation (EC) No 1831/2003
 - Antibiotics: all additives,
 - Coccidiostats and histomonostats: all additives,
 - Growth promoters: all additives;
- Nutritional additives:
 - additives covered by Annex I(3)(a) (Vitamins, provitamins and chemically well defined substances having a similar effect) of Regulation (EC) No 1831/2003: A and D,
 - additives covered by Annex I(3)(b) ('compounds of trace elements') of Regulation (EC) No 1831/2003: Cu and Se.

CHAPTER 3

Additives authorised under Regulation (EC) No 1831/2003:

Zootechnical additives: additives covered by Annex I(4)(d) ('other zootechnical additives') of Regulation (EC) No 1831/2003

- Antibiotics: all additives
 - Coccidiostats and histomonostats: all additives,
 - Growth promoters: all additives.
-

ANNEX V

CHAPTER I

List of approved feed businesses

1	2	3	4	5
Identifying number	Activity	Name or business name ⁽¹⁾	Address ⁽²⁾	Remarks

⁽¹⁾ Name or business name of the feed businesses.

⁽²⁾ Address of the feed businesses.

CHAPTER II

The identifying number must have the following structure:

1. the character 'α' if the feed business is approved;
2. the ISO code of the Member State or of the third country where the feed business is located;
3. the national reference number, to a maximum of eight alphanumerical characters.

REGULATION (EC) No 184/2005 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 12 January 2005

on Community statistics concerning balance of payments, international trade in services and foreign direct investment

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 285(1) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Central Bank, delivered in accordance with Article 105(4) of the Treaty ⁽¹⁾,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ⁽²⁾,

Whereas:

- (1) The Treaty requires the Commission to submit reports to the Council in order to enable the Council to monitor economic developments in each of the Member States and in the Community as well as the consistency of economic policies with certain broad guidelines.
- (2) According to the Treaty, the Commission must submit proposals to the Council for implementing the common commercial policy and the Council must authorise the Commission to open the necessary negotiations.
- (3) The implementation and the review of trade agreements, including the General Agreement on Trade in Services (GATS) ⁽³⁾ and the Agreement on Trade-Related aspects of Intellectual Property Rights (TRIPs) ⁽⁴⁾, as well as the current and future negotiations on further agreements, call for the relevant statistical information to be made available.

- (4) Council Regulation (EC) No 2223/96 of 25 June 1996 on the European System of national and regional accounts in the Community ⁽⁵⁾ (ESA 95) contains the reference framework of common standards, definitions, classifications, and accounting rules for drawing up the accounts of the Member States for the statistical requirements of the Community, in order to obtain comparable results between Member States.

- (5) The Action Plan on EMU Statistical Requirements presented to the Council in September 2000 and the 3rd, 4th and 5th Progress Reports, also supported by the Council, provide for quarterly European accounts by the institutional sector within 90 days. The timely provision of quarterly balance-of-payments figures is a prerequisite for the compilation of these quarterly European accounts.

- (6) Council Regulation (EC, Euratom) No 58/97 of 20 December 1996 on Structural Business Statistics ⁽⁶⁾, established a common framework for the collection, compilation, transmission and evaluation of Community statistics on the structure, activity, competitiveness and performance of businesses in the Community and sets out the characteristics which should be collected in this area.

- (7) Regulation (EC) No 2560/2001 of the European Parliament and of the Council of 19 December 2001 on cross-border payments in euro ⁽⁷⁾, had a direct impact on the collection of statistics; an increase in the threshold provided for in that Regulation would have a significant impact on the reporting burden of undertakings and on the quality of balance of payments statistics of Member States, especially in the Member States that have collection systems based on settlements.

⁽¹⁾ OJ C 296, 6.12.2003, p. 5.

⁽²⁾ Opinion of the European Parliament of 30 March 2004 (not yet published in the Official Journal) and Council Decision of 13 December 2004.

⁽³⁾ OJ L 336, 23.12.1994, p. 191.

⁽⁴⁾ OJ L 336, 23.12.1994, p. 214.

⁽⁵⁾ OJ L 310, 30.11.1996, p. 1. Regulation as last amended by Regulation (EC) No 1267/2003 of the European Parliament and of the Council (OJ L 180, 18.7.2003, p. 1).

⁽⁶⁾ OJ L 14, 17.1.1997, p. 1. Regulation as last amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

⁽⁷⁾ OJ L 344, 28.12.2001, p. 13.

- (8) Collectively, the Balance of Payments Manual of the International Monetary Fund, the Guideline of the European Central Bank (ECB) of 2 May 2003 on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserves template ⁽¹⁾, the Manual on statistics of international trade in services of the United Nations, and the OECD Benchmark Definition of Foreign Direct Investment, define the general rules for compiling statistics on balance of payments, international trade in services, and foreign direct investment.
- (9) In the field of balance of payments statistics, the ECB and the Commission coordinate work on compilation issues as appropriate. This Regulation defines in particular the statistical information that the Commission needs from the Member States in order to produce Community statistics on balance of payments, international trade in services and foreign direct investment. For the purposes of producing and disseminating those Community statistics, the Commission and the Member States consult with each other on matters concerning the quality of the data supplied and its dissemination.
- (10) Council Regulation (Euratom, EEC) No 1588/90 of 11 June 1990 on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities ⁽²⁾, provides that national rules on statistical confidentiality may not be invoked to prevent the transmission of confidential statistical data to the Community authority (Eurostat) where an act of Community law governing a Community statistic provides for the transmission of such data.
- (11) Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank ⁽³⁾, lays down a confidentiality regime that applies to confidential statistical information transmitted to the ECB.
- (12) The production of specific Community statistics is governed by the rules set out in Council Regulation (EC) No 322/97 of 17 February 1997 on Community statistics ⁽⁴⁾.
- (13) There is a clear need to produce Community statistics on balance of payments, international trade in services and foreign direct investment which follow common statistical quality standards.
- (14) Since the objective of this Regulation, namely the creation of common statistical quality standards for the production of comparable statistics on balance of payments, international trade in services and foreign direct investment, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (15) In order to guarantee the fulfilment of the obligations laid down in this Regulation, the national institutions responsible for the collection of data within the Member States may need to gain access to administrative data sources such as business registers held by other public institutions and to other databases containing information on cross-border transactions and positions, wherever such data are necessary for the production of Community statistics.
- (16) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission ⁽⁵⁾,

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation establishes a common framework for the systematic production of Community statistics on balance of payments, international trade in services and foreign direct investment.

⁽¹⁾ OJ L 131, 28.5.2003, p. 20.

⁽²⁾ OJ L 151, 15.6.1990, p. 1. Regulation as last amended by Regulation (EC) No 1882/2003.

⁽³⁾ OJ L 318, 27.11.1998, p. 8.

⁽⁴⁾ OJ L 52, 22.2.1997, p. 1. Regulation as amended by Regulation (EC) No 1882/2003.

⁽⁵⁾ OJ L 184, 17.7.1999, p. 23.

*Article 2***Submission of data**

1. Member States shall submit to the Commission (Eurostat) data on balance of payments, international trade in services and foreign direct investment as referred to in Annex I. The data shall be as defined in Annex II.

2. Member States shall submit the data to the Commission (Eurostat) in accordance with the deadlines shown in Annex I.

*Article 3***Data sources**

1. Member States shall collect the information required pursuant to this Regulation using all the sources they consider relevant and appropriate. These may include administrative data sources such as business registers.

2. Natural and legal persons required to supply information shall, when responding, comply with the time limits and definitions set by the national institutions responsible for the collection of data within the Member States in accordance with this Regulation.

3. Where the required data cannot be collected at a reasonable cost, best estimates may be transmitted (zero values included).

*Article 4***Quality criteria and reports**

1. Member States shall take all reasonable measures they consider necessary to ensure the quality of the data transmitted according to common quality standards.

2. Member States shall supply the Commission with a report on the quality of the data transmitted (hereinafter referred to as 'quality report').

3. The common quality standards, as well as the content and periodicity of the quality reports, shall be specified in accordance with the procedure referred to in Article 11(2), taking into account the implications as regards the cost of collecting and compiling the data as well as important changes concerning data collection.

The quality of the data transmitted shall be assessed, on the basis of the quality reports, by the Commission with the assistance of the Balance of Payments Committee referred to in Article 11. This assessment by the Commission shall be sent to the European Parliament for information.

4. Member States shall communicate to the Commission major methodological or other changes that would influence the data transmitted, not later than three months after any such change becomes applicable. The Commission shall notify the European Parliament and the other Member States of any such communication.

*Article 5***Data flows**

The statistics to be produced shall be grouped for transmission to the Commission (Eurostat) according to the following data flows:

- (a) balance of payments euro indicators;
- (b) balance of payments quarterly statistics;
- (c) international trade in services;
- (d) foreign direct investment (FDI) flows;
- (e) FDI positions.

The data flows shall be as further specified in Annex I.

*Article 6***Reference period and periodicity**

Member States shall compile the data flows according to the relevant first reference period and the periodicity as specified in Annex I.

*Article 7***Transmission of data**

Member States shall transmit to the Commission (Eurostat) the data required by this Regulation following a format and a procedure defined by the Commission, in accordance with the procedure referred to in Article 11(2).

*Article 8***Transmission and exchange of confidential data**

1. Notwithstanding the rules laid down in Article 5(4) of Regulation (Euratom, EEC) No 1588/90, the transmission of confidential data between Eurostat and the ECB may take place to the extent this transmission is necessary to ensure coherence between the balance of payments figures of the European Union and those of the economic territory of the Member States which have adopted the single currency.

2. Paragraph 1 shall apply on condition that the ECB takes due account of the principles defined in Article 10 of Regulation (EC) No 322/97 and complies with the conditions laid down in Article 14 of the same Regulation.

3. The exchange of confidential data, as defined by Article 13 of Regulation (EC) No 322/97, shall be allowed between Member States where the exchange is necessary to safeguard the quality of the balance of payment figures of the European Union.

Member States receiving confidential data from other Member States shall treat that information confidentially.

*Article 9***Dissemination**

The Commission (Eurostat) shall disseminate the Community statistics produced pursuant to this Regulation, with a periodicity similar to that specified in Annex I.

*Article 10***Adaptation to economic and technical changes**

The measures necessary to take account of economic and technical changes shall be laid down in accordance with the procedure referred to in Article 11(2).

Such measures shall concern:

- (a) the updating of the definitions (Annex II);
- (b) the updating of data requirements, including submission deadlines as well as revisions, extensions and eliminations of data flows (Annex I).

*Article 11***Committee procedure**

1. The Commission shall be assisted by a Balance of Payments Committee, hereinafter the 'Committee'.

2. Where reference is made to this paragraph, Articles 5 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 5(6) of Decision 1999/468/EC shall be set at three months.

3. The Committee shall adopt its Rules of Procedure.

4. The ECB may attend the meetings of the Committee as an observer.

*Article 12***Report on implementation**

By 28 February 2010, the Commission shall submit a report to the European Parliament and the Council on the implementation of this Regulation.

In particular, the report shall:

- (a) record the quality of the statistics produced;
- (b) assess the benefits accruing to the Community, the Member States and the providers and users of statistical information of the statistics produced in relation to the costs;

- (c) identify areas for potential improvement and amendments considered necessary in the light of the results obtained;
- (d) review the operation of the Committee and recommend whether the scope of implementing measures should be redefined.

Article 13

Entry into force

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 12 January 2005.

For the European Parliament
The President
J. P. BORRELL FONTELLES

For the Council
The President
N. SCHMIT

ANNEX I

DATA FLOWS

referred to in Article 5

1. Balance of payments euro indicators

BOP EUR Euro Indicators	Deadline: t ⁽¹⁾ + 2 months Periodicity: Quarter First reference period: First quarter of 2006		
	Credit	Debit	Net
Current Account	Extra-EU	Extra-EU	Extra-EU
Services	Extra-EU	Extra-EU	Extra-EU

(¹) t = reference period (year or quarter).

2. Balance of payments quarterly statistics

BOP Q Quarterly Data	Deadline: t + 3 months Periodicity: Quarter First reference period: First quarter of 2006		
	Credit	Debit	Net
I. Current Account	Level 1	Level 1	Level 1
<i>Goods</i>	Level 1	Level 1	Level 1
<i>Services</i>	Level 1	Level 1	Level 1
Transportation	Level 1	Level 1	Level 1
Travel	Level 1	Level 1	Level 1
Communications services	Level 1	Level 1	Level 1
Construction services	Level 1	Level 1	Level 1
Insurance services	Level 1	Level 1	Level 1
Financial services	Level 1	Level 1	Level 1
Computer and information services	Level 1	Level 1	Level 1
Royalties and licence fees	Level 1	Level 1	Level 1
Other business services	Level 1	Level 1	Level 1
Personal, cultural and recreational services	Level 1	Level 1	Level 1
Government services, not included elsewhere.	Level 1	Level 1	Level 1
<i>Income</i>	Level 1	Level 1	Level 1
Compensation of employees	Level 1	Level 1	Level 1
Investment Income			
— Direct Investment	Level 1	Level 1	Level 1
— Portfolio Investment	Extra-EU		World
— Other Investment	Extra-EU	Extra-EU	Extra-EU
<i>Current transfers</i>	Level 1	Level 1	Level 1
General Government	Extra-EU	Extra-EU	Extra-EU

BOP Q Quarterly Data	Deadline: t + 3 months Periodicity: Quarter First reference period: First quarter of 2006		
	Credit	Debit	Net
Other sectors	Extra-EU	Extra-EU	Extra-EU
II. Capital Account	Extra-EU	Extra-EU	Extra-EU
	Net assets	Net liabilities	Net
III. Financial Account			
<i>Direct Investment</i>			Level 1
Abroad			Level 1
— Equity capital			Level 1
— Reinvested earnings			Level 1
— Other capital			Level 1
In the reporting economy			Level 1
— Equity capital			Level 1
— Reinvested earnings			Level 1
— Other capital			Level 1
<i>Portfolio Investment</i>	Extra-EU	World	
<i>Financial derivatives</i>			World
<i>Other Investment</i>	Extra-EU	Extra-EU	Extra-EU

3. International trade in services

BOP ITS International Trade in Services	Deadline: t + 9 months Periodicity: Year First reference period: 2006		
	Credit	Debit	Net
Total Services	Level 3	Level 3	Level 3
Transportation	Level 2	Level 2	Level 2
Sea transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Air transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Other transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
<i>Extended classification of other transport</i>			
Space transport	Level 2	Level 2	Level 2

BOP ITS International Trade in Services	Deadline: t + 9 months Periodicity: Year First reference period: 2006		
	Credit	Debit	Net
Rail transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Road transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Inland waterway transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Pipeline transport and electricity transmission	Level 2	Level 2	Level 2
Other supporting and auxiliary transport services	Level 2	Level 2	Level 2
Travel	Level 2	Level 2	Level 2
Business travel	Level 2	Level 2	Level 2
— Expenditure by seasonal and border workers	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Personal travel	Level 2	Level 2	Level 2
— Health-related expenditure	Level 2	Level 2	Level 2
— Education-related expenditure	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Communications services	Level 2	Level 2	Level 2
Postal and courier services	Level 2	Level 2	Level 2
Telecommunications services	Level 2	Level 2	Level 2
Construction services	Level 2	Level 2	Level 2
Construction abroad	Level 2	Level 2	Level 2
Construction in the compiling economy	Level 2	Level 2	Level 2
Insurance services	Level 2	Level 2	Level 2
Life insurance and pension funding	Level 2	Level 2	Level 2
Freight insurance	Level 2	Level 2	Level 2
Other direct insurance	Level 2	Level 2	Level 2
Reinsurance	Level 2	Level 2	Level 2
Auxiliary services	Level 2	Level 2	Level 2

BOP ITS International Trade in Services	Deadline: t + 9 months Periodicity: Year First reference period: 2006		
	Credit	Debit	Net
Financial services	Level 2	Level 2	Level 2
Computer and information services	Level 2	Level 2	Level 2
Computer services	Level 2	Level 2	Level 2
Information services	Level 2	Level 2	Level 2
— News agency services	Level 2	Level 2	Level 2
— Other information provision services	Level 2	Level 2	Level 2
Royalties and licence fees	Level 2	Level 2	Level 2
Franchises and similar rights	Level 2	Level 2	Level 2
Other royalties and license fees	Level 2	Level 2	Level 2
Other business services	Level 2	Level 2	Level 2
Merchanting and other trade-related services	Level 2	Level 2	Level 2
— Merchanting	Level 2	Level 2	Level 2
— Other trade-related services	Level 2	Level 2	Level 2
Operational leasing services	Level 2	Level 2	Level 2
Miscellaneous business, professional and technical services	Level 2	Level 2	Level 2
— Legal, accounting, management consulting and public relations	Level 2	Level 2	Level 2
— Legal services	Level 2	Level 2	Level 2
— Accounting, auditing, bookkeeping and tax consulting services	Level 2	Level 2	Level 2
— Business and management consulting and public relations services	Level 2	Level 2	Level 2
— Advertising, market research, and public opinion polling	Level 2	Level 2	Level 2
— Research and development	Level 2	Level 2	Level 2
— Architectural, engineering and other technical services	Level 2	Level 2	Level 2
— Agricultural, mining and on-site processing services	Level 2	Level 2	Level 2
— Waste treatment and depollution	Level 2	Level 2	Level 2
— Agricultural, mining and other on-site processing services	Level 2	Level 2	Level 2
— Other business services	Level 2	Level 2	Level 2
— Services between related enterprises, not included elsewhere.	Level 2	Level 2	Level 2
Personal, cultural and recreational services	Level 2	Level 2	Level 2
Audiovisual and related services	Level 2	Level 2	Level 2

BOP ITS International Trade in Services	Deadline: t + 9 months Periodicity: Year First reference period: 2006		
	Credit	Debit	Net
Other personal, cultural and recreational services	Level 2	Level 2	Level 2
— Education services	Level 2	Level 2	Level 2
— Health services	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Government services (not included elsewhere)	Level 2	Level 2	Level 2
Embassies and consulates	Level 2	Level 2	Level 2
Military units and agencies	Level 2	Level 2	Level 2
Other government services	Level 2	Level 2	Level 2
Memorandum items			
Audiovisual transactions	Level 1	Level 1	Level 1
Postal services	Level 1	Level 1	Level 1
Courier services	Level 1	Level 1	Level 1

4. Foreign Direct Investment (FDI) flows

BOP FDI Direct Investment Flows (*)		Deadline: t + 9 months Periodicity: Year First reference period: 2006		
A	Geographical breakdown Item	Data type	Geographical breakdown	Activity breakdown
	<i>Direct investment abroad</i>			
510	Equity capital	Net	Level 2	Not required
525	Reinvested earnings	Net	Level 2	Not required
530	Other capital	Net	Level 2	Not required
505	Direct investment abroad: Total	Net	Level 3	Not required
	<i>Direct investment in the reporting economy</i>			
560	Equity capital	Net	Level 2	Not required
575	Reinvested earnings	Net	Level 2	Not required
580	Other capital	Net	Level 2	Not required
555	Direct investment in the reporting economy: Total	Net	Level 3	Not required
	<i>Direct investment income</i>			
332	Dividends	Credit, debit, net	Level 2	Not required
333	Reinvested earning and undistributed branch profits	Credit, debit, net	Level 2	Not required
334	Income on debt	Credit, debit, net	Level 2	Not required
330	Direct investment income: Total	Credit, debit, net	Level 3	Not required

(*) Only the geographical breakdown.

BOP FDI Direct Investment Flows		Deadline: t + 21 months Periodicity: Year First reference period: 2006		
A	Geographical breakdown			
	Item	Data type	Geographical breakdown	Activity breakdown
	<i>Direct investment abroad</i>			
510	Equity capital	Net	Level 2	Not required
525	Reinvested earnings	Net	Level 2	Not required
530	Other capital	Net	Level 2	Not required
505	Direct investment abroad: Total	Net	Level 3	Not required
	<i>Direct investment in the reporting economy</i>			
560	Equity capital	Net	Level 2	Not required
575	Reinvested earnings	Net	Level 2	Not required
580	Other capital	Net	Level 2	Not required
555	Direct investment in the reporting economy: Total	Net	Level 3	Not required
	<i>Direct investment income</i>			
332	Dividends	Credit, debit, net	Level 2	Not required
333	Reinvested earning and undistributed branch profits	Credit, debit, net	Level 2	Not required
334	Income on debt	Credit, debit, net	Level 2	Not required
330	Direct investment income: Total	Credit, debit, net	Level 3	Not required
B	Activity breakdown			
	Item	Data type	Geographical breakdown	Activity breakdown
505	<i>Direct investment income: Total</i>	Net	Level 1	Level 2
		Net	Level 2	Level 1
555	<i>Direct investment in the reporting economy: Total</i>	Net	Level 1	Level 2
		Net	Level 2	Level 1
330	<i>Direct investment income: Total</i>	Credit, debit, net	Level 1	Level 2
		Credit, debit, net	Level 2	Level 1

5. Foreign Direct Investment (FDI) positions

BOP POS Direct Investment Positions (*) (1)		Deadline: t + 9 months Periodicity: Year First reference period: 2006		
A	Geographical breakdown			
	Item	Data type	Geographical breakdown	Activity breakdown
	<i>Direct investment assets</i>			
506	Equity capital and reinvested earnings	Net Positions	Level 1	Not required
530	Other capital	Net Positions	Level 1	Not required
505	Direct investment abroad: Total assets, net	Net Positions	Level 2	Not required
	<i>Direct investment liabilities</i>			
556	Equity capital and reinvested earnings	Net Positions	Level 1	Not required
580	Other capital	Net Positions	Level 1	Not required
555	Direct investment in the reporting economy: Total liabilities, net	Net Positions	Level 2	Not required

(*) Only the geographical breakdown.

(1) FDI positions as at 31.12.2005 will be transmitted in September 2007 pursuant to existing gentlemen's agreements.

BOP POS Direct Investment Positions (1)		Deadline: t + 21 months Periodicity: Year First reference period: 2006		
A	Geographical breakdown			
	Item	Data type	Geographical breakdown	Activity breakdown
	<i>Direct investment assets</i>			
506	Equity capital and reinvested earnings	Net Positions	Level 2	Not required
530	Other capital	Net Positions	Level 2	Not required
505	Direct investment abroad: Total assets, net	Net Positions	Level 3	Not required
	<i>Direct investment liabilities</i>			
556	Equity capital and reinvested earnings	Net Positions	Level 2	Not required
580	Other capital	Net Positions	Level 2	Not required
555	Direct investment in the reporting economy: Total liabilities, net	Net Positions	Level 3	Not required
B	Activity breakdown			
	Item	Data type	Geographical breakdown	Activity breakdown
505	Direct investment abroad: Total assets, net	Net Positions	Level 1 Level 2	Level 2 Level 1
555	Direct investment in the reporting economy: Total liabilities, net	Net Positions	Level 1 Level 2	Level 2 Level 1

(1) The revised data on FDI positions as at 31.12.2005 will be transmitted in September 2008 pursuant to this Regulation.

6. Geographical breakdown levels

Level 1		Level 2	
A1	World (all entities)	A1	World (all entities)
D3	EU-25 (Intra-EU-25)	D3	EU-25 (Intra-EU-25)
U4	Extra-euro-zone	U4	Extra-euro-zone
4A	European Union institutions	4A	European Union institutions
D5	Extra-EU-25	D5	Extra-EU-25
		IS	Iceland
		LI	Liechtenstein
		NO	Norway
CH	Switzerland	CH	Switzerland
		BG	Bulgaria
		HR	Croatia
		RO	Romania
		RU	Russian Federation
		TR	Turkey
		EG	Egypt
		MA	Morocco
		NG	Nigeria
		ZA	South Africa
CA	Canada	CA	Canada
US	United States of America	US	United States of America
		MX	Mexico
		AR	Argentina
		BR	Brazil
		CL	Chile
		UY	Uruguay
		VE	Venezuela
		IL	Israel
		CN	China
		HK	Hong Kong
		IN	India
		ID	Indonesia
JP	Japan	JP	Japan
		KR	South Korea
		MY	Malaysia
		PH	Philippines
		SG	Singapore
		TW	Taiwan
		TH	Thailand
		AU	Australia
		NZ	New Zealand
Z8	Extra- EU-25 non-allocated	Z8	Extra- EU-25 non-allocated
C4	Offshore financial centres ⁽¹⁾	C4	Offshore financial centres

⁽¹⁾ Only for FDI.

Level 3

7Z	International Organisations excluding European Union Institutions	CK	Cook Islands	GS	South Georgia and the South Sandwich Islands
AD	Andorra	CL	Chile	GT	Guatemala
AE	United Arab Emirates	CM	Cameroon	GU	Guam
AF	Afghanistan	CN	China	GW	Guinea-Bissau
AG	Antigua and Barbuda	CO	Colombia	GY	Guyana
AI	Anguilla	CR	Costa Rica	HK	Hong Kong
AL	Albania	CS	Serbia and Montenegro	HM	Heard Island and McDonald Islands
AM	Armenia	CU	Cuba	HN	Honduras
AN	Netherlands Antilles	CV	Cape Verde	HR	Croatia
AO	Angola	CX	Christmas Island	HT	Haiti
AQ	Antarctica	CY	Cyprus	HU	Hungary
AR	Argentina	CZ	Czech Republic	ID	Indonesia
AS	American Samoa	DE	Germany	IE	Ireland
AT	Austria	DJ	Djibouti	IL	Israel
AU	Australia	DK	Denmark	IM	Isle of Man (No official ISO 3166-1 country code, exceptionally reserved code elements)
AW	Aruba	DM	Dominica	IN	India
AZ	Azerbaijan	DO	Dominican Republic	IO	British Indian Ocean Territory
BA	Bosnia and Herzegovina	DZ	Algeria	IQ	Iraq
BB	Barbados	EC	Ecuador	IR	Iran, Islamic Republic of
BD	Bangladesh	EE	Estonia	IS	Iceland
BE	Belgium	EG	Egypt	IT	Italy
BF	Burkina Faso	ER	Eritrea	JE	Jersey (No official ISO 3166-1 country code, exceptionally reserved code elements)
BG	Bulgaria	ES	Spain	JM	Jamaica
BH	Bahrain	ET	Ethiopia	JO	Jordan
BI	Burundi	FI	Finland	JP	Japan
BJ	Benin	FJ	Fiji	KE	Kenya
BM	Bermuda	FK	Falkland Islands (Malvinas)	KG	Kyrgyzstan
BN	Brunei Darussalam	FM	Micronesia, Federated States of	KH	Cambodia (Kampuchea)
BO	Bolivia	FO	Faeroe Islands	KI	Kiribati
BR	Brazil	FR	France	KM	Comoros
BS	Bahamas	GA	Gabon	KN	St Kitts and Nevis
BT	Bhutan	GB	United Kingdom	KP	Korea, Democratic People's Republic of (North Korea)
BV	Bouvet Island	GD	Grenada	KR	Korea, Republic of (South Korea)
BW	Botswana	GE	Georgia	KW	Kuwait
BY	Belarus	GG	Guernsey (No official ISO 3166-1 country code, exceptionally reserved code elements)	KY	Cayman Islands
BZ	Belize	GH	Ghana	KZ	Kazakhstan
CA	Canada	GI	Gibraltar		
CC	Cocos (Keeling) Islands	GL	Greenland		
CD	Congo, the Democratic Republic of the	GM	Gambia		
CF	Central African Republic	GN	Guinea		
CG	Congo	GQ	Equatorial Guinea		
CH	Switzerland	GR	Greece		
CI	Côte d'Ivoire				

Level 3

LA	Lao People's Democratic Republic	NO	Norway	SY	Syrian Arab Republic
LB	Lebanon	NP	Nepal	SZ	Swaziland
LC	Saint Lucia	NR	Nauru	TC	Turks and Caicos Islands
LI	Liechtenstein	NU	Niue	TD	Chad
LK	Sri Lanka	NZ	New Zealand	TG	Togo
LR	Liberia	OM	Oman	TH	Thailand
LS	Lesotho	PA	Panama	TJ	Tajikistan
LT	Lithuania	PE	Peru	TK	Tokelau
LU	Luxembourg	PF	French Polynesia	TL	Timor Leste
LV	Latvia	PG	Papua New Guinea	TM	Turkmenistan
LY	Libyan Arab Jamahiriya	PH	Philippines	TN	Tunisia
MA	Morocco	PK	Pakistan	TO	Tonga
MD	Moldova, Republic of	PL	Poland	TR	Turkey
MG	Madagascar	PN	Pitcairn	TT	Trinidad and Tobago
MH	Marshall Islands	PR	Puerto Rico	TV	Tuvalu
MK ⁽¹⁾	Macedonia, the Former Yugoslav Republic of	PS	Palestinian Territory, Occupied	TW	Taiwan, Province of China
ML	Mali	PT	Portugal	TZ	Tanzania, United Republic of
MM	Myanmar	PW	Palau	UA	Ukraine
MN	Mongolia	PY	Paraguay	UG	Uganda
MO	Macao	QA	Qatar	UM	United States Minor Outlying Islands
MP	Northern Mariana Islands	RO	Romania	US	United States
MQ	Martinique	RU	Russian Federation	UY	Uruguay
MR	Mauritania	RW	Rwanda	UZ	Uzbekistan
MS	Montserrat	SA	Saudi Arabia	VA	Holy See (Vatican City State)
MT	Malta	SB	Solomon Islands	VC	St Vincent and the Grenadines
MU	Mauritius	SC	Seychelles	VE	Venezuela
MV	Maldives	SD	Sudan	VG	Virgin Islands, British
MW	Malawi	SE	Sweden	VI	Virgin Islands, US
MX	Mexico	SG	Singapore	VN	Vietnam
MY	Malaysia	SH	St Helena	VU	Vanuatu
MZ	Mozambique	SI	Slovenia	WF	Wallis and Futuna
NA	Namibia	SK	Slovakia	WS	Samoa
NC	New Caledonia	SL	Sierra Leone	YE	Yemen
NE	Niger	SM	San Marino	YT	Mayotte
NF	Norfolk Island	SN	Senegal	ZA	South Africa
NG	Nigeria	SO	Somalia	ZM	Zambia
NI	Nicaragua	SR	Suriname	ZW	Zimbabwe
NL	Netherlands	ST	Sao Tome and Principe		
		SV	El Salvador		

⁽¹⁾ Provisional code that does not affect the definitive denomination of the country to be attributed after the conclusion of the negotiations currently taking place in the United Nations.

7. Activity breakdown levels

Level 1	Level 2	NACE rev. 1
	AGRICULTURE AND FISHING	Section A and B
MINING & QUARRYING	MINING AND QUARRYING	Section C
	Of which:	
	Extraction of petroleum and gas	Div 11
MANUFACTURING	MANUFACTURING	Section D
	Food products	Subsection DA
	Textiles and wearing apparel	Subsection DB
	Wood, publishing and printing	Subsections DD and DE
	TOTAL textiles and wood activities	
	Refined petroleum products and other treatments	Div 23
	Manufacture of chemicals and chemical products	Div 24
	Rubber and plastic products	Div 25
Petroleum, chemical, rubber, plastic products	TOTAL petroleum, chemical, rubber, plastic products	
	Metal products	Subsection DJ
	Mechanical products	Div 29
	TOTAL metal and mechanical products	
	Office machinery and computers	Div 30
	Radio, TV, communication equipment	Div 32
Office machinery, computers, RTV, communication equipment	TOTAL machines, computers, RTV, communication equipment.	
	Motor vehicles	Div 34
	Other transport equipment	Div 35
Vehicles, other transport equipment	TOTAL vehicles and other transport equipment	
	Manufacturing n.i.e.	
ELECTRICITY, GAS & WATER	ELECTRICITY, GAS AND WATER	Section E
CONSTRUCTION	CONSTRUCTION	Section F
TOTAL SERVICES	TOTAL SERVICES	
TRADE AND REPAIRS	TRADE AND REPAIRS	Section G
	Sale, maintenance and repair of motor vehicles and motor cycles; retail sale of automotive fuel	Div 50
	Wholesale trade and commission trade, except of motor vehicles and motor cycles	Div 51
	Retail trade, except of motor vehicles and motor cycles; repair of personal and household goods	Div 52

Level 1	Level 2	NACE rev. 1
HOTELS & RESTAURANTS	HOTELS AND RESTAURANTS	Section H
TRANSPORT, STORAGE AND COMMUNICATIONS	TRANSPORT, STORAGE AND COMMUNICATIONS	Section I
	Transport and storage	Div 60, 61, 62, 63
	Land transport; transport via pipelines	Div 60
	Water transport	Div 61
	Air transport	Div 62
	Supporting and auxiliary transport activities; activities of travel agencies	Div 63
	Post and telecommunications	Div 64
	Post and courier activities	Group 641
	Telecommunications	Group 642
FINANCIAL INTERMEDIATION	FINANCIAL INTERMEDIATION	Section J
	Financial intermediation, except insurance and pension funding	Div 65
	Insurance and pension funding, except compulsory social security	Div 66
	Activities auxiliary to financial intermediation	Div 67
	REAL ESTATE ACTIVITIES	Section K, Div 70
	RENTING OF MACHINERY AND EQUIPMENT WITHOUT bPERATOR AND OF PERSONAL AND HOUSEHOLD GOODS	Section K, Div 71
COMPUTER & RELATED ACTIVITIES	COMPUTER AND RELATED ACTIVITIES	Section K, Div 72
RESEARCH & DEVELOPMENT	RESEARCH AND DEVELOPMENT	Section K, Div 73
OTHER BUSINESS ACTIVITIES	OTHER BUSINESS ACTIVITIES	Section K, Div 74
	Legal accounting, market research, consultancy	Group 741
	Legal activities	Class 7411
	Accounting, bookkeeping and audit; tax consultancy	Class 7412
	Market research and public opinion polling	Class 7413
	Business and management consultancy activities	Class 7414, 7415
	Architectural, engineering and other technical activities	Group 742
	Advertising	Group 744
	Business activities not elsewhere classified.	Group 743, 745, 746, 747, 748

Level 1	Level 2	
		NACE rev. 1
RECREATIONAL, CULTURAL, SPORTING ACTIVITIES	EDUCATION	Section M
	HEALTH AND SOCIAL WORK	Section N
	SEWAGE AND REFUSE DISPOSAL	Section O, Div 90
	ACTIVITIES OF MEMBERSHIP ORGANISATIONS NOT ELSEWHERE CLASSIFIED.	Section O, Div 91
	RECREATIONAL, CULTURAL, SPORTING ACTIVITIES	Section O, Div 92
	Motion picture, radio, television, other entertainment activities	Group 921, 922, 923
	News agency activities	Group 924
	Library, archives, museums, other cultural activities	Group 925
	Sporting and other recreational activities	Group 926, 927
	OTHER SERVICE ACTIVITIES	Section O, Div 93
Not allocated		

ANNEX II

DEFINITIONS

referred to in Article 10

GOODS (CODE 100)

The goods component of the Balance of Payments Current Account covers moveable goods for which change of ownership (between residents and non-residents) occurs. These goods should be measured at market value on an f.o.b. basis. Exceptions to the change of ownership rule (transactions in these items are recorded in goods) include: goods on financial lease, goods transferred between a parent enterprise and a branch, and some goods for processing. Intra-EU Trade in Goods: the partner country should be defined according to the consignment principle. It includes: general merchandise, goods for processing, repairs on goods, goods procured in ports by carriers and non-monetary gold.

SERVICES (CODE 200)

Transportation (code 205)

Covers all transportation services that are provided by residents of one economy for those of another and that involve the carriage of passengers, the movement of goods (freight), rentals (charters) of carriers with crew, and related supporting and auxiliary services.

Sea transport (code 206)

Covers all transportation services by sea. The following breakdown is required: Passenger Sea Transport (code 207); Freight Sea Transport (code 208), and Other Sea Transport (code 209).

Air transport (code 210)

Covers all transportation services provided by air. The following breakdown is required: Passenger Air Transport (code 211); Freight Air Transport (code 212), and Other Air Transport (code 213).

Other transport (code 214)

Covers all transportation services not provided by sea or air. The following breakdown is required: Passenger on Other Transport (code 215); Freight on Other Transport (code 216), and Other on Other Transport (code 217).

An extended classification for Other Transport (code 214) is required as follows:

Space transport (code 218)

Includes satellite launches undertaken by commercial enterprises for the owners of the satellites (such as telecommunication enterprises) and other operations performed by operators of space equipment, such as transport of goods and people for scientific experiments. Also included, is space passenger transport and the payments made by an economy in order to have its residents included on the space vehicles of another economy.

Rail transport (code 219)

Covers transport by train. A further subdivision between Passenger Rail Transport (code 220), Freight Rail Transport (code 221) and Other rail transport (code 222) is required.

Road transport (code 223)

Covers transport by lorries, trucks, buses and coaches. A further subdivision between Passenger Road Transport (code 224), Freight Road Transport (code 225) and Other Road Transport (code 226) is required.

Inland Waterway Transport (code 227)

Relates to international transportation on rivers, canals and lakes. Included are waterways that are internal to one country and those that are shared among two or more countries. A further subdivision between Passenger Inland Waterway Transport (code 228), Freight Inland Waterway Transport (code 229) and Other Inland Waterway Transport (code 230) is required.

Pipeline Transport and Electricity Transmission (code 231)

Covers international transport of goods in pipelines. Also included are charges for the transmission of electricity when this is separate from the production and distribution process. The provision of electricity itself is excluded, as is the provision of petroleum and related products, water and other goods supplied through pipelines. Also excluded are distribution services of electricity, water, gas and other petroleum products (included in Other Business Services (code 284)).

Other Supporting and Auxiliary Transport Services (code 232)

Other supporting and auxiliary transport services covers all other transportation services that cannot be allocated to any of the components of transportation services described above.

Travel (code 236)

Travel covers primarily the goods and services acquired from an economy by travellers during visits of less than one year to that economy. The goods and services are purchased by, or on behalf of, the traveller or provided, without a quid pro quo (that is, are provided as a gift), for the traveller to use or give away. Excluded are transportation of travellers within the economies that they are visiting, where such transportation is provided by carriers not resident in the particular economy being visited, as well as the international carriage of travellers, both of which are covered in passenger services under transportation. Also excluded are goods purchased by a traveller for resale in the traveller's own economy or in any other economy. Travel is divided in two subcomponents: Business Travel (code 237) and Personal Travel (code 240).

Business Travel (code 237)

Business travel covers the acquisition of goods and services by business travellers. Also includes the acquisition of goods and services for personal use by seasonal, border and other workers who are not resident in the economy in which they are employed and whose employer is resident in that economy. Business travel is further divided into Expenditure by seasonal and border workers (code 238) and Other Business Travel (code 239).

Expenditure by seasonal and border workers (code 238)

Includes the acquisition of goods and services for personal use by seasonal, border and other workers who are not resident in the economy in which they are employed and whose employer is resident in that economy.

Other Business Travel (code 239)

Covers all Business Travel (code 237) not included in Expenditure by seasonal and border workers (code 238).

Personal Travel (code 240)

Personal travel covers goods and services acquired by travellers going abroad for purposes other than business, such as holidays, participation in recreational and cultural activities, visits with friends and relations, pilgrimage, and education- and health-related purposes. Personal travel (code 240) is divided in three subcomponents: Health-related Expenditure (code 241), Education-related Expenditure (code 242) and Other Personal Travel (code 243).

Health-related Expenditure (code 241)

It is defined as the total expenditure by those travelling for medical reasons.

Education-related expenditure (code 242)

It is defined as the total expenditure by students.

Other Personal Travel (code 243)

Covers all Personal Travel (code 240) not included in Health-related Expenditure (code 241) or Education-related Expenditure (code 242).

Other services (code 981)

All Services (code 200) not included in Transportation (code 205) or Travel (code 236).

Communication services (code 245)

Comprises Postal and Courier Services (code 246) and Telecommunication Services (code 247).

Postal and Courier Services (code 246)

Comprises Postal Services (code 958) and Courier Services (code 959).

Postal Services (code 958)

Includes *poste restante* services, telegram services and post office counter services, such as sales of stamps, money orders etc. Postal services are often, but not exclusively, supplied by national postal administrations. Postal services are subject to international agreements, and the flows between operators of different economies should be recorded on a gross basis.

Courier Services (code 959)

Courier services focuses on express and door-to-door delivery. Couriers may use self-owned, privately shared or public transportation to supply these services. Included are express delivery services, which might include, for example, on-demand pick-up or time-definite delivery.

Telecommunications Services (code 247)

Encompasses 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. It does not include the value of the information transported. Also included are cellular telephone services, Internet backbone services and online access services, including provision of access to the Internet.

Construction Services (code 249)

Comprises Construction Abroad (code 250) and Construction in the Compiling Economy (code 251).

Construction Abroad (code 250)

Comprises the construction services provided to non-residents by enterprises resident in the compiling economy (credit) and the goods and services purchased in the host economy by these enterprises (debit).

Construction in the Compiling Economy (code 251)

Comprises construction services provided to residents of the compiling economy by non-resident construction enterprises (debit) and the goods and services purchased in the compiling economy by these non-resident enterprises (credit).

Insurance Services (code 253)

Covers the provision of various types of insurance to non-residents by resident insurance enterprises, and vice versa. These services are estimated or valued by the service charges included in total premiums rather than by the total value of the premiums. It comprises Life insurance and pension funding (code 254), Freight insurance (code 255), Other direct insurance (code 256), Reinsurance (code 257) and Auxiliary services (code 258)

Life Insurance and Pension Funding (code 254)

Holders of life insurance policies, both with profit and without profit, make regular payments to an insurer (there may be just a single payment), in return for which the insurer guarantees to pay the policy holder an agreed minimum sum or an annuity, at a given date or at the death of the policy holder, if this occurs earlier. Term life insurance, where benefits are provided in the case of death but in no other circumstances, is a form of direct insurance, and is excluded here and included in Other direct insurance (code 256).

Pension funds are separate funds established for the purpose of providing income on retirement for specific groups of employees. They are organised and directed by private or public employers or jointly by employers and their employees. They are funded by contributions from the employer and/or the employees and by the investment income earned on fund assets, and they also engage in financial transactions on their own account. They do not include social security schemes organised for large sections of the community that are imposed, controlled or financed by general government. Pension fund management services are included. In the case of pension funds, 'premiums' are generally described as 'contributions', while 'claims' are generally described as 'benefits'

Freight Insurance (code 255)

Freight insurance services relate to insurance provided on goods that are in the process of being exported or imported, on a basis that is consistent with the measurement of goods f.o.b. and freight transportation.

Other Direct Insurance (code 256)

Other direct insurance covers all other forms of casualty insurance. Included are term life insurance; accident and health insurance (unless these are provided as part of government social security schemes); marine, aviation and other transport insurance, fire and other property damage, pecuniary loss insurance, general liability insurance and other insurance, such as travel insurance and insurance related to loans and credit cards.

Reinsurance (code 257)

Reinsurance is the process of subcontracting parts of the insurance risk, often to specialised operators, in return for a proportionate share of the premium income. Reinsurance transactions may relate to packages that mix several types of risks.

Auxiliary Services (code 258)

Comprises transactions that are closely related to insurance and pension fund operations. Included are agents' commissions, insurance brokering and agency services, insurance and pension consultancy services, evaluation and adjustment services, actuarial services, salvage administration services, and regulatory and monitoring services on indemnities and recovery services.

Financial Services (code 260)

Financial services covers financial intermediation and auxiliary services, except those of life insurance enterprises and pension funds (which are included in life insurance and pension funding) and other insurance services that are conducted between residents and non-residents. Such services may be provided by banks, stock exchanges, factoring enterprises, credit card enterprises and other enterprises. Included are services provided in connection with transactions in financial instruments, as well as other services related to financial activity, such as advisory, custody and asset management services.

Computer and Information Services (code 262)

Comprises Computer Services (code 263) and Information Services (code 264).

Computer Services (code 263)

Consists of hardware and software-related services and data-processing services. 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; development, production, supply and documentation of customised software, including operating systems made on 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.

Information Services (code 264)

Comprises News Agency Services (code 889) and Other information provision services (code 890).

News Agency Services (code 889)

News agency services include the provision of news, photographs, and feature articles to the media.

Other information provision services (code 890)

Includes 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.

Royalties and licence fees (code 266)

Comprises Franchises and similar rights (code 891) and Other royalties and licence fees (code 892).

Franchises and similar rights (code 891)

Comprises international payments and receipts of franchising fees and the royalties paid for the use of registered trademarks.

Other royalties and licence fees (code 892)

Includes international payments and receipts for the authorised use of intangible, non-produced, non-financial assets and proprietary rights (such as patents, copyrights and industrial processes and designs) and the use, through licensing agreements, of produced originals or prototypes (such as manuscripts, computer programs, and cinematographic works and sound recordings).

Other business services (code 268)

Comprises Merchanting and other trade-related services (code 269), Operational leasing services (code 272) and Miscellaneous business, professional, and technical services (code 273).

Merchanting and other trade-related services (code 269)

Comprise Merchanting (code 270) and Other trade-related services (code 271)

Merchanting (code 270)

Merchanting is defined as the purchase of a good by a resident of the compiling economy from a non-resident and the subsequent resale of the good to another non-resident; during the process, the good does not enter or leave the compiling economy.

Other trade-related services (code 271)

Covers commissions on goods and service transactions between (a) resident merchants, commodity brokers, dealers, and commission agents and (b) non-residents.

Operational leasing services (code 272)

Covers resident/non-resident leasing (rental) and charters, without operators, of ships, aircraft and transportation equipment, such as railway cars, containers and rigs, without crew.

Miscellaneous business, professional, and technical services (code 273)

Comprises Legal, accounting, management consulting, and public relations (code 274), Advertising, market research and public opinion polling (code 278), Research and development (code 279), Architectural, engineering and other technical services (code 280), Agricultural, mining, and on-site processing services (code 281), Other business services (code 284) and Services between related enterprises, n.i.e. (code 285).

Legal, accounting, management consulting, and public relations (code 274)

Comprises Legal services (code 275), Accounting, auditing, bookkeeping and tax consultancy services (code 276) and Business and management consulting and public relations services (code 277).

Legal services (code 275)

Covers legal advisory and representation services in any legal, judicial and statutory procedures, drafting services of legal documentation and instruments, certification consultancy; and escrow and settlement services.

Accounting, auditing, bookkeeping and tax consultancy services (code 276)

Covers the recording of commercial transactions for businesses and others, examination services of accounting records and financial statements, business tax planning and consulting; and preparation of tax documents.

Business and management consulting and public relations services (code 277)

Covers advisory, guidance and operational assistance services provided to businesses for business policy and strategy and the overall planning, structuring and control of an organisation. Included are management auditing, market management, human resources, production management and project management consulting; and advisory, guidance and operational services related to improving the image of the clients and their relations with the institutions and the general public.

Advertising, market research and public opinion polling (code 278)

Services transacted between residents and non-residents. Covers the design, creation and marketing of advertisements by advertising agencies, media placement, including the purchase and sale of advertising space, exhibition services provided by trade fairs, the promotion of products abroad, market research, telemarketing and public opinion polling on various issues.

Research and development (code 279)

Covers those services that are transacted between residents and non-residents and associated with basic research, applied research and experimental development of new products and processes.

Architectural, engineering and other technical services (code 280)

Covers transactions between residents and non-residents related to architectural design of urban and other development projects; planning and project design and supervision of dams, bridges, airports, turnkey projects etc.; surveying, cartography, product testing and certification; and technical inspection services.

Agricultural, mining and on-site processing services (code 281)

Comprises Waste treatment and depollution (code 282) and Agricultural, mining, and other on-site processing services (code 283).

Waste treatment and depollution (code 282)

Includes the treatment of radioactive and other waste, stripping of contaminated soil, cleaning up of pollution including oil spills, restoration of mining sites; and decontamination and sanitation services. Also included are all other services that relate to the cleaning or restoring of the environment.

Agricultural, mining, and other on-site processing services (code 283)

Comprises:

- (a) agricultural services that are incidental to agriculture, such as the provision of agricultural machinery with crew, harvesting, treatment of crops, pest control, animal boarding, animal care, and breeding services. Services in hunting, trapping, forestry and logging, and fishing are also included here;
- (b) mining services provided at oil and gas fields, including drilling, derrick building, repair and dismantling services, and oil and gas well casing cementing. Services incidental to mineral prospecting and exploration, as well as mining engineering and geological surveying, are also included here;
- (c) other on-site processing services, which covers on-site processing of or work on goods that have been imported without change of ownership, processed but not re-exported to the country from which the goods were consigned (but are instead either sold in the processing economy or sold to a third economy) or vice versa.

Other business services (code 284)

Covers services transactions between residents and non-residents, such as the placement of personnel, security and investigative services, translation and interpretation, photographic services, building cleaning, real estate services to businesses and any other business services that cannot be classified to any of the aforementioned business services.

Services between related enterprises, n.i.e. (code 285)

It is a residual category. It covers payments between related enterprises for services that cannot be specifically classified to any other component. It includes payments from branches, subsidiaries and associates to their parent enterprise or other related enterprises that represent contributions to the general management costs of the branches, subsidiaries and associates (for planning, organising and controlling) and also reimbursements of expenses settled directly by parent enterprises. Also included are transactions between parent enterprises and their branches, subsidiaries and associates to cover overhead expenses.

Personal, cultural and recreational services (code 287)

Comprises Audiovisual and related services (code 288) and Other personal, cultural and recreational services (code 289).

Audiovisual and related services (code 288)

Comprises 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 receipts or payments for rentals; fees received by resident actors, producers etc. for productions abroad (or by non-residents for work carried out in the compiling economy); fees for distribution rights sold to the media for a limited number of showings in specified areas and access to encrypted television channels (such as cable services). Fees to actors, directors and producers involved with theatrical and musical productions, sporting events, circuses and other similar events and fees for distribution rights (for television, radio, and film) for these activities are included.

Other personal, cultural and recreational services (code 289)

Comprises Education services (code 895), Health services (code 896) and Other or Other personal, cultural and recreational services not included elsewhere (code 897).

Education services (code 895)

Comprises services supplied between residents and non-residents relating to education, such as correspondence courses and education via television or the Internet, as well as by teachers etc. who supply services directly in host economies.

Health services (code 896)

Comprises services provided by doctors, nurses and paramedical and similar personnel, as well as laboratory and similar services, whether rendered remotely or on-site. Excluded is all expenditure by travellers on education and health (included in travel).

Other on Other personal, cultural and recreational services (code 897)

It is a residual category covering Other personal, cultural and recreational services (code 289) not included in Education services (code 895) and Health services (code 896).

Government services, n.i.e. (code 291)

It is a residual category covering government transactions (including those of international organisations) not contained in the other components of the Extended Balance of Payments Services classification (EBOPS). Included are all transactions (in both goods and services) by embassies, consulates, military units and defence agencies with residents of economies in which the embassies, consulates, military units and defence agencies are located and all transactions with other economies. Excluded are transactions with residents of the home economies represented by the embassies, consulates, military units and defence agencies, and transactions in the commissaries and post exchanges of these embassies and consulates.

A breakdown of this item into services transacted by Embassies and consulates (code 292), Services transacted by Military units and agencies (code 293) and Other government services (code 294) is required.

INCOME (CODE 300)

Income covers two types of transactions between residents and non-residents: (i) those involving compensation of employees, which is paid to non-resident workers (e.g. border, seasonal and other short-term workers), and (ii) those involving investment income receipts and payments on external financial assets and liabilities.

Compensation of employees (code 310)

Compensation of employees comprises wages, salaries, and other benefits, in cash or in kind, earned by individuals, in economies other than those in which they are resident, for work performed for (and paid for by) residents of those economies. Included are contributions paid by employers, on behalf of employees, to social security schemes or to private insurance or pension funds (whether funded or unfunded) to secure benefits for employees.

Investment Income (code 320)

Investment income is income derived from ownership of external financial assets and payable by residents of one economy to residents of another economy. Investment income includes interest, dividends, remittances of branch profits, and direct investors' shares of the retained earnings of direct investment enterprises. Investment income should be classified by direct, portfolio and other investment components.

Direct investment income (code 330)

Direct investment income, namely income on equity and income on debt, covers income accruing to a direct investor resident in one economy from ownership of direct investment capital in an enterprise in another economy. Income on direct investment is presented on a net basis for both direct investment abroad and in the reporting economy (i.e. receipts of income on equity and income on debt less payments on income on equity and income on debt for each). Income on equity is subdivided into (i) distributed income (dividends and distributed branch profits), and (ii) reinvested earnings and undistributed branch profits. Income on debt consists of interest payable, on intercompany debt, to/from direct investors from/to associated enterprises abroad. Income on non-participating preference shares is treated as interest income, rather than dividend income, and is included in income on debt.

Dividends and distributed branch profits (code 332)

Dividends, including stock dividends, are the distribution of earnings allocated to shares and other forms of participation in the equity of incorporated private enterprises, cooperatives, and public corporations. Distributed income may be in the form of dividends on common or preferred shares owned by direct investors in associated enterprises abroad, or vice versa.

Reinvested earnings and undistributed branch profits (code 333)

Reinvested earnings comprise direct investors' shares - in proportion to equity held, of (i) earnings that foreign subsidiaries and associated enterprises do not distribute as dividends and (ii) earnings that branches and other unincorporated enterprises do not remit to direct investors. (If that part of earnings is not identified, all branch earnings are considered, by convention, to be distributed).

Income on debt (code 334)

Income on debt consists of interest payable, on intercompany debt, to/from direct investors from/to associated enterprises abroad. Income on nonparticipating preference shares is treated as interest income, rather than dividend income, and is included in income on debt.

Equity capital and reinvested earnings abroad (code 506)

Equity capital comprises equity in branches, all shares (whether voting or non-voting) in subsidiaries and associates (except nonparticipating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Reinvested earnings consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor.

Equity capital and reinvested earnings in the reporting economy (code 556)

Equity capital comprises equity in branches, all shares (whether voting or non-voting) in subsidiaries and associates (except nonparticipating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Reinvested earnings consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor.

Portfolio investment income (code 339)

Portfolio investment income comprises income transactions between residents and non-residents and is derived from holdings of shares, bonds, notes, and money market instruments. This category is subdivided into income on equity (dividends) and income on debt (interest).

Other investment income (code 370)

Other investment income covers interest receipts and payments on all other resident claims (assets) on and liabilities to non-residents, respectively. This category also includes, in principle, imputed income to households from net equity in life insurance reserves and in pension funds. Interest on assets comprises interest on long- and short-term loans, on deposits, on other commercial and financial claims, and on an economy's creditor position in the IMF. Interest on liabilities covers interest on loans, on deposits, and on other claims and interest related to the use of IMF credit and loans from the IMF. Also included is interest paid to the IMF on the Fund's SDR holdings in the General Resources Account.

Current transfers (code 379)

Current transfers are offset items to unilateral transactions in which one economic entity provides a real resource or a financial item to another entity without receiving any real resource or financial item in exchange. These resources are consumed immediately or shortly after the transfer is made. Current transfers are all transfers that are not capital. Current transfers are classified according to the sector of the compiling economy into general government and other sectors.

General government transfers (code 380)

General government transfers comprise current international cooperation and cover current transfers, in cash or in kind, between governments of different economies or between governments and international organisations.

Other sectors (code 390)

Current transfers between other sectors of an economy and non-residents comprise those occurring between individuals, between non-governmental institutions or organisations (or between the two groups), or between non-resident governmental institutions and individuals or non-governmental institutions.

Capital account (code 994)

The capital account covers all transactions that involve the receipt or payment of capital transfers and acquisition/disposal of non-produced, non-financial assets.

Financial account (code 995)

The financial account covers all transactions associated with changes of ownership in the foreign financial assets and liabilities of an economy. Such changes include the creation and liquidation of claims on, or by the rest of the world. All components are classified according to type of investment or by functional subdivision (direct investment, portfolio investment, financial derivatives, other investment, reserve assets).

DIRECT INVESTMENT (CODE 500)

Foreign direct investment is the category of international investment that reflects the objective of a resident entity in one economy (direct investor) obtaining a lasting interest in an enterprise resident in an economy other than that of the investor (direct investment enterprise). 'Lasting interest' implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence by the investor on the management of the direct investment enterprise. Direct investment comprises the initial transaction between the two entities, that is, the transaction that establishes the direct investment relationship, and all subsequent transactions between them and among affiliated enterprises, both incorporated and unincorporated.

Direct Investment abroad (code 505)

Direct investment is classified primarily on a directional basis, resident direct investment abroad and non-resident investment in the reporting economy.

Equity capital (code 510)

Equity capital comprises equity in branches, all shares (whether voting or non-voting) in subsidiaries and associates (except nonparticipating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Equity capital also covers the acquisition by a direct investment enterprise of shares in its direct investor.

Reinvested earnings (code 525)

Reinvested earnings consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor. These reinvested earnings are recorded as income with an offsetting capital transaction.

Other direct investment capital (code 530)

Other direct investment capital (or intercompany debt transactions) covers the borrowing and lending of funds - including debt securities, suppliers' credits and nonparticipating preferred shares (which are treated as debt securities), between direct investors and subsidiaries, branches, and associates. Debt claims on the direct investor by the direct investment enterprise are also recorded as direct investment capital.

Direct investment in the reporting economy (code 555)

Direct investment is classified primarily on a directional basis, resident direct investment abroad and non-resident investment in the reporting economy.

Equity capital (code 560)

Equity capital comprises equity in branches, all shares (whether voting or nonvoting) in subsidiaries and associates (except non-participating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Equity capital also covers the acquisition by a direct investment enterprise of shares in its direct investor.

Reinvested earnings (code 575)

Reinvested earnings consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor. These reinvested earnings are recorded as income with an offsetting capital transaction.

Other direct investment capital (code 580)

Other direct investment capital (or intercompany debt transactions) covers the borrowing and lending of funds, including debt securities, suppliers' credits and non-participating preferred shares (which are treated as debt securities), between direct investors and subsidiaries, branches, and associates. Debt claims on the direct investor by the direct investment enterprise are also recorded as direct investment capital.

PORTFOLIO INVESTMENT (CODE 600)

Portfolio investment covers transactions in equity and debt securities. Debt securities are subdivided into bonds and notes, money market instruments, and financial derivatives when the derivatives generate financial claims and liabilities. Unless they are categorised either as direct investment or as reserve assets.

Financial derivatives (code 910)

A financial derivatives 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 risks, etc.) can, in their own right, be traded in financial markets.

OTHER INVESTMENT (CODE 700)

The other investment item is defined as a residual category that includes all financial transactions not covered in direct investment, portfolio investment, financial derivatives or reserve assets accounts.
