

# EUROPEAN CENTRAL BANK

## GUIDELINE OF THE EUROPEAN CENTRAL BANK

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**

(ECB/2003/7)

(2003/381/EC)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular to Article 5.1, Article 12.1 and Article 14.3 thereof,

collection of statistical information by the European Central Bank <sup>(1)</sup> requires the Member States to organise themselves in the field of statistics and to fully cooperate with the ESCB in order to ensure the fulfilment of the obligations arising out of Article 5 of the Statute.

Whereas:

- (1) To fulfil its tasks, the European System of Central Banks (ESCB) requires comprehensive and reliable balance of payments and international investment position statistics, and the international reserves template, showing the main items affecting monetary conditions and exchange markets in the euro area.
- (2) Article 5.1, first sentence, of the Statute requires the European Central Bank (ECB), assisted by the national central banks (NCBs), to collect either from the competent authorities other than NCBs or directly from economic agents the statistical information necessary in order for it to undertake the tasks of the ESCB. Article 5.1, second sentence, provides that for these purposes it shall cooperate with the Community institutions or bodies and with the competent authorities of the Member States or third countries and with international organisations. Article 5.2 stipulates that the NCBs shall carry out, to the extent possible, the tasks described in Article 5.1.
- (3) Information necessary to meet the ECB's requirements in the field of balance of payments and international investment position statistics may be collected and/or compiled by competent authorities other than NCBs. Therefore, some of the tasks to be undertaken under this Guideline require cooperation between the ECB or the NCBs and such competent authorities, in line with Article 5.1 of the Statute. Article 4 of Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the

- (4) Part of the necessary statistical information relates to the financial account of the balance of payments, the related income and the international investment position for which the Eurosystem has prime responsibility. In order to be able to fulfil their obligation to assist the ECB in this area, the NCBs should be equipped with the necessary statistical expertise, in particular as regards concepts, methodology and data collection, compilation, analysis and transmission. In Ireland the Central Statistics Office (CSO) collects and compiles the relevant statistical information. In order to meet the statistical requirements of the ECB, the Central Bank of Ireland and the CSO have to cooperate with each other as laid down in Recommendation ECB/2003/8 on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserves template <sup>(2)</sup>. In Italy, the Ufficio Italiano dei Cambi is responsible, jointly with the Banca d'Italia, for collecting and compiling the relevant statistical information.
- (5) Since the adoption of Guideline ECB/2000/4 of 11 May 2000 on the statistical reporting requirements of the European Central Bank in the field of balance of payments statistics, the international reserves template and international investment position statistics <sup>(3)</sup>, the exchange of statistical information within the ESCB has developed significantly. It is therefore necessary to replace Guideline ECB/2000/4 with the present Guideline.

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

<sup>(2)</sup> OJ C 126, 28.5.2003.

<sup>(3)</sup> OJ L 168, 23.6.2001, p. 25.

- (6) As mentioned in Regulation (EC) No 2533/98, in the early years of the single currency area cost-effectiveness may require the ECB's statistical reporting requirements to be satisfied through transitional procedures due to existing constraints on the collection systems. This implies in particular that, in the case of the portfolio investment income account, and the portfolio investment account of the balance of payments and of the international investment position, data on cross-border transactions or positions of the euro area may be compiled using all transactions or positions between euro area residents and residents of other countries. Moreover, given the inherent difficulties in the correct identification of cross-border portfolio investment flows and stocks and related income flows, common approaches for the collection of this information across the euro area have been developed and will be implemented in the coming years. Portfolio investment collection systems should conform to a common standard as laid down in Annex VI by 1 January 2005.
- (7) Reporting of data on transactions and positions in the assets and/or liabilities of euro area residents vis-à-vis residents of other euro area Member States is necessary to fulfil the ECB's statistical requirements in the area of portfolio investment (and related income). The data are used to compile the euro area aggregated transactions and positions in portfolio investment liabilities and debits in portfolio investment income. This is in accordance with national requirements or established practices.
- (8) The Centralised Securities Database (CSDB), which will in the future be used for many different statistical (compilation and production) and non-statistical (economic, financial stability or operation analyses) purposes, will be made available to NCBs. The data content will be made available to competent authorities other than NCBs, subject to any legal constraints. This will, notably, assist their production of the required data for the compilation of the euro area transactions and positions statistics concerning portfolio investment. In particular, it should be possible to accurately record the sectoral breakdown of transactions and positions in portfolio investment liabilities in the euro area balance of payments and international investment position when the CSDB system is operational.
- (9) The quality assessment framework for the euro area balance of payments and international investment position statistics and the international reserves template should be defined, as far as possible, in line with the 'Data Quality Assessment Framework' developed by the International Monetary Fund (IMF). The NCBs, in cooperation with competent authorities other than NCBs, where appropriate, should assess the quality of the data which they contribute. Criteria for assessing the data quality include timeliness, accuracy, plausibility, internal and external consistency and reliability (for the time being limited to 'stability', that is, the necessary revisions have a limited impact).
- (10) The transmission from the NCBs to the ECB of confidential statistical information takes place to the extent and in the detail necessary for the exercise of the tasks of the ESCB. Where competent authorities other than NCBs are the sources of statistical information marked as confidential, the use of such information by the ECB should be limited to the exercise of ESCB-related statistical tasks.
- (11) It is necessary to set up a procedure to carry out technical amendments to the annexes to this Guideline in an effective manner, provided that such amendments neither change the underlying conceptual framework nor affect the reporting burden of reporting agents in Member States. Account will be taken of the views of the Statistics Committee of the ESCB when following this procedure. NCBs may propose such technical amendments to the annexes to this Guideline through the Statistics Committee.
- (12) In accordance with Article 12.1 and Article 14.3 of the Statute, ECB guidelines form an integral part of Community law,

HAS ADOPTED THIS GUIDELINE:

#### Article 1

#### Definitions

For the purposes of this Guideline:

- 'participating Member State' shall mean a Member State which has adopted the single currency in accordance with the Treaty,
- the term 'resident' shall have the same meaning as defined in Article 1 of Regulation (EC) No 2533/98,
- 'euro area' shall mean the economic territory of the participating Member States, and the ECB. Territories belonging to, or countries associated with, euro area Member States are given in Annex III, Table 5,
- 'Eurosystème' shall mean the NCBs of the participating Member States and the ECB,
- 'cross-border transaction' shall mean any transaction that creates or redeems, in full or in part, claims or debts, or any transaction that implies the transfer of a right over an object between residents of the euro area and non-euro area residents.

'Cross-border positions' shall mean the stock of financial claims on and financial liabilities to non-euro area residents. Cross-border positions shall also encompass (i) land, other tangible non-produced assets and other immovable assets physically located outside the euro area and owned by euro area residents and/or located inside the euro area and owned by non-euro area residents; and (ii) monetary gold and special drawing rights (SDRs) owned by euro area residents.

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

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

#### Article 2

##### Statistical obligations of the NCBs

1. The NCBs shall make available to the ECB data on the cross-border transactions, stocks of reserve assets, other foreign currency assets, reserve-related liabilities and cross-border positions necessary to enable the ECB to compile the aggregated balance of payments and international investment position statistics and the international reserves template of the euro area.
2. The data shall be accompanied by readily available information on single major events and on reasons for revisions, when the magnitude of the change to the data caused by such single major events and by revisions is significant, or upon request by the ECB.
3. The required data shall be made available to the ECB as laid down in Annexes I, II and III, which conform to current international standards, notably the fifth edition of the IMF Balance of Payments Manual. The required data on transactions and positions concerning portfolio investment liabilities broken

down by sector of the euro area resident issuer as laid down in Annex I, Sections 1.1, 1.2 and 3 and Annex II, Tables 1, 2 and 4 shall be made available as from 1 July 2005; if the CSDB system is not operational by 31 March 2004, the deadline shall be 15 months from the date on which the Statistics Committee informs the Governing Council that it is operational.

4. The required data on the balance of payments shall be made available on a monthly and quarterly basis. The required data on the international reserves template shall be made available as at the end of the month to which the data relate. The required data on the international investment position shall be made available as at the end of the year to which the data relate.

5. As from 1 January 2005 portfolio investment collection systems shall conform to a model that is considered at least 'acceptable' according to the table set out in Annex VI. If NCBs are unable to meet this deadline they shall establish, by the end of June 2003, in liaison with the ECB, a timetable to comply with the common standard.

#### Article 3

##### Timeliness

1. Data for the monthly balance of payments of the euro area shall be made available to the ECB by the close of business on the 30th working day following the end of the month to which the data relate.
2. The quarterly detailed breakdown for the balance of payments of the euro area shall be made available to the ECB within three months of the end of the quarter to which the data relate.
3. The data on the international reserves template shall be made available to the ECB within three weeks of the end of the month to which the data relate.
4. The data on the international investment position shall be made available to the ECB within nine months of the end of the year to which the data relate.
5. Revisions concerning the balance of payments and the international investment position of the euro area shall be made available to the ECB according to the time schedule laid down in Annex IV.
6. The national collection of these data shall be organised with a view to meeting these deadlines.

#### Article 4

##### Cooperation with competent authorities other than NCBs

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

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

3. Where competent authorities other than NCBs are the source of statistical information marked as confidential, such information shall be used by the ECB exclusively for the exercise of ESCB-related statistical tasks, unless the reporting agent or the other legal or natural person, entity or branch which provided the information, assuming that it can be identified, has explicitly given its consent to the use of such information for other purposes.

#### Article 5

### Transmission standard

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

#### Article 6

### Quality of the statistical information

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

2. The ECB's monitoring of the quality of statistical information may include scrutiny of revisions made to these data: first, to include the latest assessment of the statistical information,

thereby improving the quality; secondly, to ensure as far as possible consistency between the corresponding balance of payments items for each of the different frequencies.

#### Article 7

### Simplified amendment procedure

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

#### Article 8

### Repeal

Guideline ECB/2000/4 is hereby repealed.

#### Article 9

### Final provisions

1. This Guideline is addressed to the NCBs of participating Member States.
2. This Guideline shall enter into force on 1 June 2003.
3. This Guideline shall be published in the *Official Journal of the European Union*.

Done at Frankfurt am Main, 2 May 2003.

On behalf of the Governing Council of the ECB

Willem F. DUISENBERG

## ANNEX I

## STATISTICAL REQUIREMENTS OF THE EUROPEAN CENTRAL BANK

1. **Balance of payments statistics**

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

1.1. *Monthly balance of payments statistics***Objective**

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

**Requirements**

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

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

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

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

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

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

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

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

With a view to compiling a sectoral breakdown of the balance of payments, thereby allowing the construction of a monetary presentation, NCBs will be required to provide, from the date laid down in Article 2(5) of this Guideline, data on net transactions in portfolio investment securities issued by euro area residents broken down by the institutional sector to which the issuer belongs. In addition, portfolio investment liabilities will include a breakdown by institutional sector of the domestic issuer.

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

## 1.2. Quarterly balance of payments statistics

### Objective

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

### Requirements

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

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

In the financial account, the ECB applies a simplified version of the requirements of the fifth edition of the International Monetary Fund (IMF) Balance of Payments Manual (BPM5) for the 'other investment' item. This simplification includes the removal of a distinction between loans and deposits on each side of the balance sheet and the removal of the maturity breakdown. There is also a change in the presentation of the breakdown (i.e. sector as first priority). This sectoral breakdown is compatible but not identical with the breakdown of the BPM5 where instruments have priority.

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

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

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

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

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

## 2. International reserves template

### Objective

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

## Requirements

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

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

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

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

### 3. International investment position statistics

#### Objective

The objective of the international investment position is an annual statement of the external assets and liabilities of the euro area as a whole, for monetary policy and exchange market analysis. This statistical information may also assist in the compilation of balance of payments flows.

#### Requirements

The ECB requires international investment position statistics in respect of end-of-calendar-year stock levels.

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

The ECB may require on a quarterly basis items of particular significance for the conduct of monetary policy, specifically those items within the 'other investment' account which are currently provided to the BIS for its statistics on international banking.

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

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

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

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

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

For the ECB's compiling of a sectoral breakdown of the euro area net liabilities in portfolio investment, the requirements imposed on NCBs regarding international investment position data are the same as for balance of payments flows, subject to the provisions of Article 2(5) of this Guideline.

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

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## ANNEX II

## REQUIRED BREAKDOWNS

Table 1

## Monthly items for the balance of payments of the euro area

|                                     | Credit                                     | Debit                   | Net      |
|-------------------------------------|--|-------------------------|----------|
| <b>I. Current account</b>           |  |                         |          |
| <i>Goods</i>                        | extra                                      | extra                   | extra    |
| <i>Services</i>                     | extra                                      | extra                   | extra    |
| <i>Income</i>                       |  |                         |          |
| Compensation of employees           | extra                                      | extra                   | extra    |
| Investment income                   |  |                         |          |
| — direct investment                 | extra                                      | extra                   | extra    |
| — portfolio investment              | extra                                      |                         | national |
| — other investment                  | extra                                      | extra                   | extra    |
| Current transfers                   | extra                                      | extra                   | extra    |
| <b>II. Capital account</b>          | extra                                      | extra                   | extra    |
|                                     | Net assets                                 | Net liabilities         | Net      |
| <b>III. Financial account</b>       |  |                         |          |
| <i>Direct investment</i>            |  |                         | extra    |
| Abroad                              |  |                         | extra    |
| — Equity                            |  |                         | extra    |
| (i) MFIs (excluding central banks)  |  |                         | extra    |
| (ii) Non-MFIs                       |  |                         | extra    |
| — Reinvested earnings               |  |                         | extra    |
| (i) MFIs (excluding central banks)  |  |                         | extra    |
| (ii) Non-MFIs                       |  |                         | extra    |
| — Other capital                     |  |                         | extra    |
| (i) MFIs (excluding central banks)  |  |                         | extra    |
| (ii) Non-MFIs                       |  |                         | extra    |
| In the reporting economy            |  |                         | extra    |
| — Equity                            |  |                         | extra    |
| (i) MFIs (excluding central banks)  |  |                         | extra    |
| (ii) Non-MFIs                       |  |                         | extra    |
| — Reinvested earnings               |  |                         | extra    |
| (i) MFIs (excluding central banks)  |  |                         | extra    |
| (ii) Non-MFIs                       |  |                         | extra    |
| — Other capital                     |  |                         | extra    |
| (i) MFIs (excluding central banks)  |  |                         | extra    |
| (ii) Non-MFIs                       |  |                         | extra    |
| <i>Portfolio investment</i>         | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |          |
| Equity securities                   | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |          |
| (i) Monetary authorities            | extra <sup>(1)</sup> /intra <sup>(3)</sup> | —                       |          |
| (ii) MFIs (excluding central banks) | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| (iii) Non-MFIs                      | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |

|                                     | Net assets                                 | Net liabilities         | Net      |
|-------------------------------------|--|-------------------------|----------|
| Debt securities                     | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |          |
| — Bonds and notes                   | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |          |
| (i) Monetary authorities            | extra <sup>(1)</sup> /intra <sup>(3)</sup> | —                       |          |
| (ii) MFIs (excluding central banks) | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| (iii) Non-MFIs                      | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| — Money market instruments          | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |          |
| (i) Monetary authorities            | extra <sup>(1)</sup> /intra <sup>(3)</sup> | —                       |          |
| (ii) MFIs (excluding central banks) | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| (iii) Non-MFIs                      | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| <i>Financial derivatives</i>        |  |                         | national |
| <i>Other investment</i>             | extra                                      | extra                   | extra    |
| Monetary authorities                | extra                                      | extra                   |          |
| General government                  | extra                                      | extra                   |          |
| MFIs (excluding central banks)      | extra                                      | extra                   |          |
| — Long-term                         | extra                                      | extra                   |          |
| — Short-term                        | extra                                      | extra                   |          |
| Other sectors                       | extra                                      | extra                   |          |
| <i>Reserve assets</i>               | extra                                      |                         |          |

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

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

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

<sup>(1)</sup> Breakdown by euro area resident holders.

<sup>(2)</sup> Breakdown by domestic resident issuers.

<sup>(3)</sup> Breakdown by euro area resident issuers.

Table 2

## Quarterly balance of payments of the euro area

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

|                                      | Net assets                                 | Net liabilities         | Net      |
|--------------------------------------|--|-------------------------|----------|
| — Other capital                      |  |                         | extra    |
| (i) MFIs (excluding central banks)   |  |                         | extra    |
| (ii) Non-MFIs                        |  |                         | extra    |
| <i>Portfolio investment</i>          | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |          |
| Equity securities                    | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |          |
| (i) Monetary authorities             | extra <sup>(1)</sup> /intra <sup>(3)</sup> | —                       |          |
| (ii) General government              | extra <sup>(1)</sup> /intra <sup>(3)</sup> | —                       |          |
| (iii) MFIs (excluding central banks) | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| (iv) Other sectors                   | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| Debt securities                      | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |          |
| — Bonds and notes                    | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |          |
| (i) Monetary authorities             | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| (ii) General government              | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| (iii) MFIs (excluding central banks) | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| (iv) Other sectors                   | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| — Money market instruments           | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |          |
| (i) Monetary authorities             | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| (ii) General government              | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| (iii) MFIs (excluding central banks) | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| (iv) Other sectors                   | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |          |
| <i>Financial derivatives</i>         |  |                         | national |
| (i) Monetary authorities             |  |                         | national |
| (ii) General government              |  |                         | national |
| (iii) MFIs (excluding central banks) |  |                         | national |
| (iv) Other sectors                   |  |                         | national |
| <i>Other investment</i>              | extra                                      | extra                   | extra    |
| (i) Monetary authorities             | extra                                      | extra                   |          |
| — Loans/currency and deposits        | extra                                      | extra                   |          |
| — Other assets/liabilities           | extra                                      | extra                   |          |
| (ii) General government              | extra                                      | extra                   |          |
| — Trade credits                      | extra                                      | extra                   |          |
| — Loans/currency and deposits        | extra                                      | extra                   |          |
| — Other assets/liabilities           | extra                                      | extra                   |          |
| (iii) MFIs (excluding central banks) | extra                                      | extra                   |          |
| — Loans/currency and deposits        | extra                                      | extra                   |          |
| — Other assets/liabilities           | extra                                      | extra                   |          |
| (iv) Other sectors                   | extra                                      | extra                   |          |
| — Trade credits                      | extra                                      | extra                   |          |
| — Loans/currency and deposits        | extra                                      | extra                   |          |
| — Other assets/liabilities           | extra                                      | extra                   |          |

|   | Net assets | Net liabilities | Net |
|---|------------|-----------------|-----|
| Reserve assets  | extra      |                 |     |
| Monetary gold   | extra      |                 |     |
| Special drawing rights                                    | extra      |                 |     |
| Reserve position in the International Monetary Fund (IMF) | extra      |                 |     |
| Foreign exchange  | extra      |                 |     |
| — Currency and deposits                                   | extra      |                 |     |
| — With monetary authorities                               | extra      |                 |     |
| — With MFIs (excluding central banks)                     | extra      |                 |     |
| — Securities  | extra      |                 |     |
| — Equities  | extra      |                 |     |
| — Bonds and notes   | extra      |                 |     |
| — Money market instruments                                | extra      |                 |     |
| — Financial derivatives                                   | extra      |                 |     |
| Other claims  | extra      |                 |     |

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

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

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

(<sup>1</sup>) Breakdown by euro area resident holders.

(<sup>2</sup>) Breakdown by domestic resident issuers.

(<sup>3</sup>) Breakdown by euro area resident issuers.

Table 3

**Monthly international reserves of the Eurosystem; reserve-related liabilities of the euro area****I. Official reserve assets and other foreign currency assets (approximate market value)***A. Official reserve assets*

1. Foreign currency reserves (in convertible foreign currencies)
  - (a) Securities, of which:
    - issuer headquartered in the euro area
  - (b) total currency and deposits with
    - (i) other national central banks, Bank of International Settlements (BIS) and IMF
    - (ii) banks headquartered in the euro area and located abroad
    - (iii) banks headquartered and located outside the euro area
2. IMF reserve position
3. SDRs
4. gold (including gold deposits and gold swaps)
5. other reserve assets
  - (a) financial derivatives
  - (b) loans to non-bank non-residents
  - (c) other

*B. Other foreign currency assets*

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

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

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

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

|  | Total | Maturity breakdown<br>(residual maturity, where applicable) |                                      |                                     |
|--|-------|---|--------------------------------------|-------------------------------------|
|  |       | Up to 1 month   | More than 1 month and up to 3 months | More than 3 months and up to 1 year |
| 1. Contingent liabilities in foreign currency  |       |   |                                      |                                     |
| (a) Collateral guarantees on debt falling due within 1 year  |       |   |                                      |                                     |
| (b) Other contingent liabilities   |       |   |                                      |                                     |
| 2. Foreign currency securities issued with embedded options (puttable bonds)                           |       |   |                                      |                                     |
| 3.1. Undrawn, unconditional credit lines provided by:  |       |   |                                      |                                     |
| (a) other national monetary authorities, BIS, IMF and other international organisations                |       |   |                                      |                                     |
| — other national monetary authorities (+)  |       |   |                                      |                                     |
| — BIS (+)  |       |   |                                      |                                     |
| — IMF (+)  |       |   |                                      |                                     |
| (b) banks and other financial institutions headquartered in the reporting country (+)                  |       |   |                                      |                                     |
| (c) banks and other financial institutions headquartered outside the reporting country (+)             |       |   |                                      |                                     |
| 3.2. Undrawn, unconditional credit lines provided to:  |       |   |                                      |                                     |
| (a) other national monetary authorities, BIS, IMF and other international organisations                |       |   |                                      |                                     |
| — other national monetary authorities (-)  |       |   |                                      |                                     |
| — BIS (-)  |       |   |                                      |                                     |
| — IMF (-)  |       |   |                                      |                                     |
| (b) banks and other financial institutions headquartered in the reporting country (-)                  |       |   |                                      |                                     |
| (c) banks and other financial institutions headquartered outside the reporting country (-)             |       |   |                                      |                                     |
| 4. Aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency |       |   |                                      |                                     |
| (a) Short positions  |       |   |                                      |                                     |
| (i) Bought puts  |       |   |                                      |                                     |
| (ii) Written calls   |       |   |                                      |                                     |
| b) Long positions  |       |   |                                      |                                     |
| (i) Bought calls   |       |   |                                      |                                     |
| (ii) Written puts  |       |   |                                      |                                     |
| <i>Pro memoria:</i> In-the-money options   |       |   |                                      |                                     |
| (1) At current exchange rates  |       |   |                                      |                                     |
| (a) Short position   |       |   |                                      |                                     |
| (b) Long position  |       |   |                                      |                                     |
| (2) + 5 % (depreciation of 5 %)  |       |   |                                      |                                     |
| (a) Short position   |       |   |                                      |                                     |
| (b) Long position  |       |   |                                      |                                     |
| (3) - 5 % (appreciation of 5 %)  |       |   |                                      |                                     |
| (a) Short position   |       |   |                                      |                                     |
| (b) Long position  |       |   |                                      |                                     |

|                                   | Total | Maturity breakdown<br>(residual maturity, where applicable) |                                      |                                     |
|-----------------------------------|-------|---|--------------------------------------|-------------------------------------|
|                                   |       | Up to 1 month   | More than 1 month and up to 3 months | More than 3 months and up to 1 year |
| (4) + 10 % (depreciation of 10 %) |       |   |                                      |                                     |
| (a) Short position                |       |   |                                      |                                     |
| (b) Long position                 |       |   |                                      |                                     |
| (5) - 10 % (appreciation of 10 %) |       |   |                                      |                                     |
| (a) Short position                |       |   |                                      |                                     |
| (b) Long position                 |       |   |                                      |                                     |
| (6) Other (specify)               |       |   |                                      |                                     |
| (a) Short position                |       |   |                                      |                                     |
| (b) Long position                 |       |   |                                      |                                     |

#### IV. Memo items

1. To be reported with standard periodicity and timeliness:
  - (a) short-term domestic currency debt indexed to foreign exchange rates
  - (b) financial instruments denominated in foreign currency and settled by other means (e.g. in domestic currency)
    - non-deliverable forwards
      - (i) short positions
      - (ii) long positions
    - other instruments
  - (c) pledged assets
    - included in reserve assets
    - included in other foreign currency assets
  - (d) securities lent and on repo
    - lent or repoed and included in Section I
    - lent or repoed but not included in Section I
    - borrowed or acquired and included in Section I
    - borrowed or acquired but not included in Section I
  - (e) financial derivative assets (net, marked to market)
    - forwards
    - futures
    - swaps
    - options
    - other
  - (f) derivatives (forward, futures or options contracts) that have a residual maturity greater than one year, which are subject to margin calls
    - aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)
      - (i) short positions
      - (ii) long positions
    - aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency
      - (i) short positions
        - bought puts
        - written calls
      - (ii) long positions
        - bought calls
        - written puts
2. To be disclosed less frequently (e.g. once a year):
  - (a) currency composition of reserves (by groups of currencies)
    - currencies in SDR basket
    - currencies not included in SDR basket



Table 4

## Annual international investment position of the euro area

|                                      | Assets                                     | Liabilities             | Net   |
|--------------------------------------|--|-------------------------|-------|
| <b>I. Direct investment</b>          |  |                         | extra |
| <i>Abroad</i>                        | extra                                      |                         |       |
| — Equity and reinvested earnings     | extra                                      |                         |       |
| (i) MFIs (excluding central banks)   | extra                                      |                         |       |
| (ii) Non-MFIs                        | extra                                      |                         |       |
| — Other capital                      | extra                                      |                         |       |
| (i) MFIs (excluding central banks)   | extra                                      |                         |       |
| (ii) Non-MFIs                        | extra                                      |                         |       |
| <i>In the reporting economy</i>      |  | extra                   |       |
| — Equity and reinvested earnings     |  | extra                   |       |
| (i) MFIs (excluding central banks)   |  | extra                   |       |
| (ii) Non-MFIs                        |  | extra                   |       |
| — Other capital                      |  | extra                   |       |
| (i) MFIs (excluding central banks)   |  | extra                   |       |
| (ii) Non-MFIs                        |  | extra                   |       |
| <b>II. Portfolio investment</b>      |  |                         |       |
| <i>Equity securities</i>             | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |       |
| (i) Monetary authorities             | extra <sup>(1)</sup> /intra <sup>(3)</sup> | —                       |       |
| (ii) General government              | extra <sup>(1)</sup> /intra <sup>(3)</sup> | —                       |       |
| (iii) MFIs (excluding central banks) | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |       |
| (iv) Other sectors                   | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |       |
| <i>Debt securities</i>               | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |       |
| — Bonds and notes                    | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |       |
| (i) Monetary authorities             | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |       |
| (ii) General government              | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |       |
| (iii) MFIs (excluding central banks) | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |       |
| (iv) Other sectors                   | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |       |
| — Money market instruments           | extra <sup>(1)</sup> /intra <sup>(1)</sup> | national <sup>(2)</sup> |       |
| (i) Monetary authorities             | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |       |
| (ii) General government              | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |       |
| (iii) MFIs (excluding central banks) | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |       |
| (iv) Other sectors                   | extra <sup>(1)</sup> /intra <sup>(3)</sup> | national <sup>(2)</sup> |       |
| <b>III. Financial derivatives</b>    | extra                                      | extra                   | extra |
| (i) Monetary authorities             | extra                                      | extra                   | extra |
| (ii) General government              | extra                                      | extra                   | extra |
| (iii) MFIs (excluding central banks) | extra                                      | extra                   | extra |
| (iv) Other sectors                   | extra                                      | extra                   | extra |
| <b>IV. Other investment</b>          | extra                                      | extra                   | extra |
| (i) Monetary authorities             | extra                                      | extra                   |       |
| — loans/currency and deposits        | extra                                      | extra                   |       |
| — other assets/liabilities           | extra                                      | extra                   |       |

|                                       | Assets | Liabilities | Net |
|---------------------------------------|--------|-------------|-----|
| (ii) General government               | extra  | extra       |     |
| — trade credits                       | extra  | extra       |     |
| — loans/currency and deposits         | extra  | extra       |     |
| — other assets/liabilities            | extra  | extra       |     |
| (iii) MFIs (excluding central banks)  | extra  | extra       |     |
| — loans/currency and deposits         | extra  | extra       |     |
| — other assets/liabilities            | extra  | extra       |     |
| (iv) Other sectors                    | extra  | extra       |     |
| — trade credits                       | extra  | extra       |     |
| — loans/currency and deposits         | extra  | extra       |     |
| — other assets/liabilities            | extra  | extra       |     |
| <b>V. Reserve assets</b>              | extra  |             |     |
| <i>Monetary gold</i>                  | extra  |             |     |
| <i>Special drawing rights</i>         | extra  |             |     |
| <i>Reserve position in the IMF</i>    | extra  |             |     |
| <i>Foreign exchange</i>               | extra  |             |     |
| — Currency and deposits               | extra  |             |     |
| — with monetary authorities           | extra  |             |     |
| — with MFIs (excluding central banks) | extra  |             |     |
| — Securities                          | extra  |             |     |
| — equities                            | extra  |             |     |
| — bonds and notes                     | extra  |             |     |
| — money market instruments            | extra  |             |     |
| — Financial derivatives               | extra  |             |     |
| <i>Other claims</i>                   | extra  |             |     |

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

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

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

(<sup>1</sup>) Breakdown by euro area resident holders.

(<sup>2</sup>) Breakdown by domestic resident issuers.

(<sup>3</sup>) Breakdown by euro area resident issuers.

## ANNEX III

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

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

**1. Concepts and definitions of selected items****1.1. Investment income (see also BoP Book Section 3.4)**

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

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

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

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

**1.2. Capital account (see also BoP Book Section 3.6)**

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

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

### 1.3. Direct investment (see also BoP Book Section 3.7)

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

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

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

With regard to the valuation of direct investment stocks, the internationally recommended approach is to use market prices. However, owing to practical difficulties, compilers are currently using book values based on the volume of own funds of the companies involved. The criteria for the valuation of direct investment stocks in the euro area international investment position are the stock exchange price for listed companies, whereas non-listed companies are valued on the basis of their own funds (i.e. book values) using a common definition comprising the following accounting items:

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

### 1.4. Portfolio investment (see also BoP Book Section 3.8)

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

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

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

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

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

The report by the Task Force on Portfolio Investment Data Collection Systems was published by the ECB in June 2002. In-depth investigation was carried out on the need for and potential benefit of steps towards harmonisation of portfolio investment collection systems. Some findings are included to identify adequate ('ideal', 'good' or 'acceptable') and conversely inadequate ('not acceptable') data collection models, and to assess their merits (in particular of security-by-security reporting) and costs in qualitative terms. Participating Member States have agreed to adopt an adequate data collection system as from 1 January 2005, with one of them having made a reservation (regarding the schedule for the collection of stock data).

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

#### 1.5. *Financial derivatives (see also BoP Book Section 3.9)*

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

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

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

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

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

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

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

#### 1.6. *Other investment (see also BoP Book Section 3.10)*

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

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

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

Loans/currency and deposits comprise transactions/holdings in the following financial instruments: loans, i.e. financial assets created through the direct lending of funds by a creditor (lender) to a debtor (borrower) through an arrangement in which the lender either receives no security or receives a non-negotiable document or instrument, repo-type operations, currency and deposits. This includes, *inter alia*, loans to finance trade, other loans and advances (including mortgages) and financial leases.

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

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

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

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

Compared with BPM5 standard components, presentation of the 'other investment' category of the euro area balance of payments is simplified by omitting the distinction between loans and deposits on each side of the balance sheet and the omission of the maturity breakdown for quarterly balance of payments statistics. There is also a change in the presentation of the breakdown (i.e. sector as first priority). This sectoral breakdown is compatible but not identical with the breakdown of the BPM5 where instruments have priority. For the monthly balance of payments data, a distinction between short-term and long-term flows in the MFI sector is required.

#### 1.7. Reserve assets (see also BoP Book Section 3.11)

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

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

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

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

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

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

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

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

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

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

Table 5

### Territories belonging to, or countries associated with, euro area Member States

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#### Territories forming part of the euro area:

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

#### Territories associated with euro area Member States to be included in the rest of the world (RoW):

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

## 2. Implementation methods for geographical allocation

Difficulties in the compilation of geographically broken down balance of payments and international investment position statistics are resolved by means of a step-by-step approach. This approach involves three steps towards meeting data requirements, which are progressively more demanding. The items 'portfolio investment', 'income on portfolio investment' and 'financial derivatives' are particularly important.

### 2.1. General approach (to be applied for all accounts of the balance of payments and international investment position — with the exceptions listed below)

#### Step 1:

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

Implemented since 1999 for international investment positions.

#### Step 2:

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

Data requirements at the NCB level: separate identification of transactions/positions between euro area and non-euro area residents.

Implemented since January 1999 for balance of payments.

Implemented since end-September 2002 for international investment position.

Step 3:

Compilation method at the euro area level and data requirements at the NCB level: similar to Step 2 with the addition of a geographical breakdown (see Table 6) within non-euro area transactions/positions. Step 3 is only necessary for quarterly balance of payments and international investment position statistics.

Data requirements at the NCB level: separate identification of transactions/positions between euro area residents and residents of countries in the agreed list of counterpart countries/regions contained in Table 6.

Deadline for implementation for quarterly balance of payments: end-June 2004 — data referring to first quarter of 2003.

Deadline for implementation for international investment position: end-September 2004 — data referring to end-2002 and end-2003.

## 2.2. *Portfolio investment account*

Step 1:

Compilation method at the euro area level: addition of national total net portfolio investment transactions/positions.

Implemented since 1999 for international investment position.

Step 2:

Compilation method at the euro area level: addition of net transactions/positions in securities issued by non-euro area residents for portfolio investment assets. Consolidation of net transactions/positions in total national liabilities and transactions/positions in securities issued and purchased by euro area residents for portfolio investment liabilities.

Data requirements at the NCB level: transactions/positions in portfolio investment assets broken down into transactions/positions in euro area securities issued by euro area residents and other securities. To achieve this it is necessary to identify the issuer (debtor) of the security in order to establish whether the issuer is a euro area resident or a non-resident. For transactions/positions in portfolio investment liabilities, only national total net figures are required.

Portfolio investment positions within the international investment position shall be compiled purely from stock data related to end-of-year holdings of equity and short and long-term debt securities issued by non-euro area residents, taking advantage of the fact that the data requirements established by the ECB are fully consistent with participation in the IMF's Coordinated Portfolio Investment Survey.

Implemented since January 1999 for portfolio investment transactions.

Implemented since end-September 2002 for portfolio investment stocks.

Step 3:

Compilation method at the euro area level and data requirements at the NCB level: similar to Step 2 with the addition of a geographical breakdown (see Table 6) within non-euro area transactions/positions on the asset side. No geographical breakdown into non-euro area transactions/positions is required for the liabilities side. Step 3 is only necessary for quarterly statistics on transactions and annual statistics on positions.

Data requirements at the NCB level: separate identification of assets in portfolio investment transactions/positions between euro area residents and residents of countries in the agreed list of counterpart countries/regions contained in Table 6.

Deadline for implementation for quarterly portfolio investment transactions: end-June 2004 — data referring to first quarter of 2003.

Deadline for implementation for portfolio investment positions (asset side only): end-September 2004 — data referring to end 2002 and end-2003.



### 2.3. *Portfolio investment income account*

#### Step 1:

Compilation method at the euro area level: addition of national total net investment income transactions.

#### Step 2:

Compilation method at the euro area level: addition of income credit transactions derived from portfolio investment assets issued by non-residents. Consolidation of income debit transactions derived from total national net liabilities and credit transactions derived from securities issued by euro area residents.

Data requirements at the NCB level: credit transactions in portfolio investment income broken down into transactions derived from securities issued by euro area residents and from securities issued by residents of other countries. To achieve this it is necessary to identify the issuer (debtor) of the security in order to establish whether the issuer is a euro area resident or a non-resident. For debit transactions derived from portfolio investment liabilities, only national total figures are required.

Implemented since January 2000.

#### Step 3:

Compilation method at the euro area level and data requirements at the NCB level: similar to Step 2 with the addition of a geographical breakdown within non-euro area credit transactions. No geographical breakdown into non-euro area income transactions is required for the debit side. Step 3 is only necessary for quarterly balance of payments statistics.

Data requirements at the NCB level: separate identification of credits in portfolio investment income transactions between euro area residents and residents of countries in the agreed list of counterpart countries/regions of Table 6.

Deadline for implementation for quarterly portfolio investment income transactions: end-June 2004 — data referring to first quarter of 2003.

### 2.4. *Financial derivatives account*

#### *Transactions*

#### Step 1:

The requirements for transactions in financial derivatives with non-euro area counterparts only comprise a net presentation of this item.

Compilation method at the euro area level: addition of national total net transactions in financial derivatives.

#### *Positions*

#### Step 1:

Compilation method at the euro area level: addition of national total net positions in financial derivatives.

Implemented since 1999.

#### Step 2:

Compilation method at the euro area level: separate addition of net positions in financial derivatives with non-residents on the asset and liabilities side.

Data requirements at the NCB level: separate identification of positions between euro area residents and positions with non-euro area residents as defined by the location of the market where relevant, or the actual counterpart for over-the-counter financial derivatives.

Implemented end-September 2002.

Step 3:

A geographical breakdown within non-euro area positions in financial derivatives is not required.

Table 6

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

---

|  |
|--|
| — Denmark  |
| — Sweden   |
| — United Kingdom   |
| — European Union institutions  |
| — 'Acceding countries' (i.e. Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) <sup>(1)</sup> |
| — Switzerland  |
| — Canada   |
| — United States of America   |
| — Japan  |
| — Offshore centres <sup>(2)</sup>  |
| — International organisations <sup>(2)</sup> <sup>(3)</sup>  |
| — Rest of the world (i.e. countries and organisations outside the euro area not mentioned in the list) <sup>(4)</sup>                              |

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**3. Classification by institutional sector in the euro area aggregates (See also BoP Book Section 3.1.6)**

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

*Monetary authorities*

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

*General government*

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

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

*MFIs excluding monetary authorities*

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

- (i) credit institutions as defined by Community law, i.e. undertakings whose business is to receive deposits or other repayable funds from the public (including the proceeds arising from the sales of bank bonds to the public) and to grant credit for their own account; and

<sup>(1)</sup> The countries are listed in the brackets only to show the composition of this specific group, no breakdown by these countries is required.

<sup>(2)</sup> Only for selected items of the balance of payments financial account, the related income accounts and the international investment position. See Table 7.

<sup>(3)</sup> Outside the European Union. See Table 8. The organisations are listed only to show the composition of this specific group, no breakdown by these organisations is required.

<sup>(4)</sup> Calculated as residual (the amounts between the total of each balance of payments/international investment position heading and the amounts corresponding to the above-listed counterparts).

- (ii) all other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs, and, for their own account (at least in economic terms), to grant credits and/or to make investments in securities.

*Other sectors*

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

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

*Non-MFIs*

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

Table 7

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

| ISO codes | Eurostat + OECD<br>Offshore financial centres |
|-----------|---|
| AD        | Andorra                                       |
| AG        | Antigua and Barbuda                           |
| AI        | Anguilla                                      |
| AN        | Netherlands Antilles                          |
| BB        | Barbados                                      |
| BH        | Bahrain                                       |
| BM        | Bermuda                                       |
| BS        | Bahamas                                       |
| BZ        | Belize  |
| CK        | Cook Islands                                  |
| DM        | Dominica                                      |
| GD        | Grenada                                       |
| GG        | Guernsey                                      |
| GI        | Gibraltar                                     |
| HK        | Hong Kong                                     |
| IM        | Isle of Man                                   |
| JE        | Jersey  |
| JM        | Jamaica                                       |
| KN        | Saint Kitts and Nevis                         |
| KY        | Cayman Islands                                |
| LB        | Lebanon                                       |
| LC        | Saint Lucia                                   |
| LI        | Liechtenstein                                 |
| LR        | Liberia                                       |
| MH        | Marshall Islands                              |
| MS        | Montserrat                                    |
| MV        | Maldives                                      |
| NR        | Nauru   |
| NU        | Niue  |

| ISO codes | Eurostat + OECD<br>Offshore financial centres |
|-----------|---|
| PA        | Panama  |
| PH        | Philippines                                   |
| SG        | Singapore                                     |
| TC        | Turks and Caicos Islands                      |
| VC        | Saint Vincent and the Grenadines              |
| VG        | Virgin Islands, British                       |
| VI        | Virgin Islands, US                            |
| VU        | Vanuatu                                       |
| WS        | Samoa   |

Table 8

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

**1. European Union institutions**

1.1. *Major European Union institutions, organs and organisms (excluding the ECB)*

EIB (European Investment Bank)

EC (European Commission)

EDF (European Development Fund)

EIF (European Investment Fund)

1.2. *Other European Union institutions, organs and organisms covered by the general budget*

European Parliament

Council of the European Union

Court of Justice

Court of Auditors

Economic and Social Committee

Committee of the Regions

**2. International organisations**

2.1. *International monetary organisations*

IMF (International Monetary Fund)

BIS (Bank for International Settlements)

2.2. *International non-monetary organisations*

2.2.1. *Major United Nations organisations*

WTO (World Trade Organisation)

IBRD (International Bank for Reconstruction and Development)

IDA (International Development Association)

<sup>(1)</sup> Based on the European Commission (Eurostat) BoP vade-mecum.

#### 2.2.2. Other United Nations organisations

UNESCO (United Nations Educational, Scientific and Cultural Organisation)  
FAO (Food and Agriculture Organisation)  
WHO (World Health Organisation)  
IFAD (International Fund for Agricultural Development)  
IFC (International Finance Corporation)  
MIGA (Multilateral Investment Guarantee Agency)  
UNICEF (United Nations Children's Fund)  
UNHCR (United Nations High Commissioner for Refugees)  
UNRWA (United Nations Relief and Works Agency for Palestine)  
IAEA (International Atomic Energy Agency)  
ILO (International Labour Organisation)  
ITU (International Telecommunication Union)

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

OECD (Organisation for Economic Cooperation and Development)  
IADB (Inter-American Development Bank)  
AfDB (African Development Bank)  
AsDB (Asian Development Bank)  
EBRD (European Bank for Reconstruction and Development)  
IIC (Inter-American Investment Corporation)  
NIB (Nordic Investment Bank)  
IBEC (International Bank for Economic Cooperation)  
IIB (International Investment Bank)  
CDB (Caribbean Development Bank)  
AMF (Arab Monetary Fund)  
BADEA (Banque arabe pour le développement économique en Afrique)  
CASDB (Central African States Development Bank)  
African Development Fund  
Asian Development Fund  
Fonds spécial unifié de développement  
CABEI (Central American Bank for Economic Integration)  
ADC (Andean Development Corporation)

#### 2.2.4. Other international organisations

NATO (North Atlantic Treaty Organisation)  
Council of Europe  
ICRC (International Committee of the Red Cross)  
ESA (European Space Agency)  
EPO (European Patent Office)

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EUROCONTROL (European Organisation for the Safety of Air Navigation)

EUTELSAT (European Telecommunications Satellite Organisation)

INTELSAT (International Telecommunications Satellite Organisation)

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

EUMETSAT (European Organisation for the Exploitation of Meteorological Satellites)

ESO (European Southern Observatory)

ECMWF (European Centre for Medium-Range Weather Forecasts)

EMBL (European Molecular Biology Laboratory)

CERN (European Organisation for Nuclear Research)

IOM (International Organisation for Migration)

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## ANNEX IV

## TRANSMISSION OF DATA TO THE EUROPEAN CENTRAL BANK

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

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

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

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

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

Revisions for monthly and quarterly balance of payments data relating to full years shall be made available by the NCBs to the ECB with the submission of international investment position data for the year to which the data relate.

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## ANNEX V

**MONITORING OF STATISTICAL COMPILATION METHODS**

The European Central Bank (ECB) monitors the compilation methods used for the reporting of the balance of payments and international investment position statistics, as well as the concepts and definitions applied on a regular basis by the participating Member States. The monitoring will be carried out in connection with the updating of the ECB's publication *European Union balance of payments/international investment position statistical methods* (the BoP Book), and using the six-monthly review procedure. Besides the monitoring purpose, both documents aim at informing the euro area balance of payments compilers about developments in other euro area Member States.

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

The BoP Book is updated on an annual basis in close cooperation with the Member States.

The six-monthly review is carried out to complement this updating.

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## ANNEX VI

## DATA COLLECTION IN THE AREA OF PORTFOLIO INVESTMENT

Given the inherent difficulties in the correct identification of portfolio investment flows and stocks, it was considered necessary to define common approaches for the collection of this information across the euro area <sup>(1)</sup>.

Portfolio investment collection systems conform to a model classified at least as 'acceptable' in the following table:

|   |                |
|---|----------------|
| (1) Monthly flows [s-b-s] + monthly stocks [s-b-s]  | Ideal          |
| (2a) Monthly flows [s-b-s] + quarterly stocks [s-b-s]   | Good           |
| (2b) Monthly flows [s-b-s] + annual stocks [s-b-s]  | Acceptable     |
| (3) Quarterly stocks [s-b-s] + monthly flows [agg.]   |                |
| (4) Monthly stocks [agg.] + monthly flows [agg.]  |                |
| (5) Monthly stocks [s-b-s] + derived monthly flows [s-b-s]                                      |                |
| (6) Annual stocks [s-b-s] + monthly flows [agg.]  |                |
| (7) Quarterly stocks [agg.] + monthly flows [agg.]  | Not acceptable |
| (8) Derived annual stocks [s-b-s] + monthly flows [s-b-s]                                       |                |
| (9) Quarterly stocks [s-b-s] + derived quarterly flows [s-b-s] + estimated monthly flows [agg.] |                |
| (10) Annual stocks [s-b-s] + quarterly flows [agg.] + estimated monthly flows [agg.]            |                |
| (11) Quarterly stocks [agg.] + quarterly flows [agg.] + estimated monthly flows [agg.]          |                |
| (12) Derived annual stocks [agg.] + monthly flows [agg.]  |                |

## Notes:

- 's-b-s' = security-by-security data collection.  
 'agg.' = data collection on an aggregated basis.  
 'derived stocks' = cumulation of flows.  
 'derived flows' = as difference of stocks (adjusted for exchange rate and price changes).  
 'estimated flows' = split by months estimated from quarterly flows.

<sup>(1)</sup> See also the ECB report *Task Force on Portfolio Investment Collection Systems, final report*, June 2002 published on its website: <http://www.ecb.int>.