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Provision of BOP/IIP Data from 1999 Onwards
Summary of Responses to the Questionnaire

Prepared by the Financial Flows and Stocks Task Force
European Central Bank



EUROPEAN CENTRAL BANK

BOP Financial Flows and Stocks Task Force

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For information to the Statistics Committee

INTRODUCTION

1. A questionnaire monitoring the availability of data from 1999 onwards and some selected conceptual issues was sent to the members of the Balance of Payments Financial Flows and Stocks Task Force (BOP FFS TF) in June 1998. The availability part of the questionnaire covered monthly key items and quarterly/annual balance of payments (BOP) data according to the Step 2 of the step-by-step implementation approach and annual international investment position (IIP) data according to the Step 1. As the composition of the euro area is known, the euro area Member States should now be in position to move towards providing the breakdowns stipulated in the Implementation Package. The non-euro area Member States were not required to fill in the questionnaire but were nevertheless encouraged to do so.
2. This note reviews the responses to the questionnaire. Part 1 examines the expected availability of the data and Part 2 summarises the methods and criteria that the Member States will when making the split into EMU/non-EMU counterparts. In addition, the stage reached in the implementation of the accruals principle, coverage of the direct investment data and the collection of non-mandatory country-by-country data are also discussed briefly in Part 2. Tables with detailed country-by-country information are provided in the Annex.

PART 1 DATA AVAILABILITY

3. The general position is that there should be no particular problems with regard to the *availability* of data which will be reported to the European Central Bank (ECB) from January

1999 onwards. Almost all the key items are available (either as actual data or as estimates). Moreover, all the euro area Member States have reported that they will be in a position to meet the deadline for the provision of BOP and IIP data¹.

4. Special mention needs to be made of Ireland, which is not currently in a position to assess when it will be possible to provide data in a format that is fully consistent with the IMF Balance of Payments Manual (5th edition) (BPM5). In Ireland, attention is now being focused on the *Implementation Package* requirement for a distinction to be made between intra and extra-MU flows, beginning with monthly BOP estimates for January 1999. The development of monthly estimates on this basis will depend largely on a comparable geographical breakdown being made available by the CSO through the official quarterly BOP system. The CSO is addressing this latter issue as part of its restructuring of the BOP system. Progress is slower than originally anticipated, largely because of difficulties in the processing of returns from the new survey system.
5. With regard to the distinction between the availability of actual data and the availability of estimates, there seem to be different interpretations among the respondent countries. The different interpretations of the questionnaire make it difficult to reach conclusions that could be derived from the answers as far as the quality of available data is concerned.
6. As some countries have pointed out, there are many cases in which assessing the quality of the reported items is extremely difficult since they can include elements of estimation and actual data. The distinction between estimated and real figures can be unclear, for example, in the case of items for which:
 - only a sub-item is fully estimated (such as reinvested earnings in Direct Investment);
 - coverage of the reporting population is not complete (sample surveys, missing answers);
 - there is a need to reallocate the flows in different (sub-)items (cost of transportation for goods); or
 - valuation adjustments are estimated.

In this context, following a more general approach, attention should be paid to determining causes which can explain any difference (bias) between the reported figures and the real underlying transaction which it is the intention to collect. With regard to estimates, clarification on the country practices is envisaged during 1999 within the framework of the BOP book.

¹ In some countries timeliness for IIP data will only be met by using accumulated flows. Please, refer to Six-Monthly Review tables for details.

7. The quality of the data is a topic on which further work is needed in the near future. It might be helpful to undertake more detailed investigations with a view to assessing and possibly quantifying the impact on the euro area aggregates of the various problems that Member States face in compiling their BOP (coverage, collection of data, measurement, allocation, etc.).
8. The table 1 in the Annex summarises the availability of the monthly data together with the main methodological deviations which are expected for the data to be reported from 1999 onwards. The listed deviations are based on the answers to this questionnaire and also on the monitoring of the implementation.

Monthly key items

9. Problems in the availability of monthly data have been reported in Financial Derivatives, for which the split between assets and liabilities will not be available from Belgium, Germany, Spain and the Netherlands. However, it must be pointed out that this requirement is not compulsory but optional.

Quarterly and annual BOP data

10. Problems in the availability of quarterly/annual data have been reported in the following items:
 - In Portfolio Investment Income on Debts, France will not be in a position to distinguish between interest on bonds and notes and interest on money market instruments and the Netherlands will not be in a position to provide any data on interest on money market instruments.
 - In Financial Derivatives, the split into assets and liabilities and the sectoral breakdown will not be available for Belgium, Germany, Spain, France and the Netherlands. However, all countries will be in a position to supply the total net flow for financial derivatives.
 - In Other Investment, France will not be in a position to supply the instrument breakdown (distinction between trade credits, loans/currency and deposits and other) except for trade credit transactions for other sectors. Portugal will not be able to provide the trade credits for General Government.
 - In Reserve Assets, the breakdown for foreign exchange will not be available for the Netherlands.

IIP items

11. Problems in the availability of IIP data have been reported in the following items:
 - In Financial Derivatives, Germany, Spain and the Netherlands will not be in a position to provide any data. France will not be able to provide the sectoral breakdown (except for Monetary Financial Institutions).
 - In Other Investment, France will not be in a position to report the instrument breakdown (distinction between trade credits, loans/currency and deposits and other) except for trade credit transactions for other sectors. Portugal will not be able to provide the trade credits position for General Government.

PART 2 CONCEPTUAL ISSUES

2.1 THE SPLIT INTO EMU/NON-EMU COUNTERPARTIES

12. From the beginning of 1999 the EMU BOP will be compiled according to Step 2 of the agreed step-by-step implementation approach. The most important change compared to Step 1 is that the Member States will have to be able to make a split into transactions with euro area residents and transactions with non-euro area residents. In the case of the Portfolio Investment Account the split will be made on the basis of the residency of the issuer of the securities. Several methods and criteria are available to make the required splits and different methods may be applied for different BOP items. The practice chosen usually depends on the underlying data collection system.
13. According to the questionnaire of June 1998, *all the euro area Member States will be in a position to make the required split from the beginning of 1999 onwards*. The remainder of Part 2.1 of this document reviews the methods used for making the split for individual BOP items. The comments are mostly based on methods applied for the quarterly data. For most countries and BOP items the method applied is the same for monthly and quarterly data; Ireland is an exception as its monthly data will be based on estimations for most BOP items. In the comments and the summary tables in the Annex some BOP items are handled together in order to make the presentation shorter.

CURRENT ACCOUNT

Trade

14. The geographical breakdown of exports and imports is usually based on the country of consignment. All Member States will rely on foreign trade statistics and part of the INTRASTAT data that concerns trade between euro area and non-participating EU countries. It should be noted that INTRASTAT data with country detail is not likely to be available within deadline for provision of Monthly Key Items. Therefore, it is expected that countries will have to estimate the monthly trade figures with non-participating EU Member States.

Investment Income

(Annex Table 2.1)

15. Most euro area Member States will make the split into MUMS/non-MUMS in the Investment Income item according to either the residency of the actual counterparty or to that of the first known counterparty or a combination of these two methods. Belgium will estimate the split for investment income on the basis of the country breakdown of the latest available IIP and Portugal will use the same method in case of portfolio investment income.
16. The geographical allocation of the income in Portfolio Investment Liabilities is generally a very difficult question. The residency of the actual holder of securities is extremely difficult to identify and therefore investment income paid on domestic securities has to be allocated according to the residency of the first known counterparty, the country of settlement or estimation. Because of this fundamental problem the figures on the euro area portfolio investment income flows on the liabilities side should be analysed with caution. For allocation of the portfolio investment income flows on the liabilities side, most euro area Member States will probably use the method based on the residency of the first known counterparty. Austria will apply the country of settlement criteria. To be able to assess the quality of the relationship between the euro area portfolio investment liabilities flows and stocks and corresponding entries in the investment income, more information would be needed on the reliability of the first known counterpart criterion. The Member States using this criterion are encouraged to investigate how close the first known counterpart criterion is to the actual counterpart criterion.

Services and Current Transfers

(Annex Table 2.2)

17. In most euro area Member States the MUMS/non-MUMS split in services and in current transfers will be based on the residency of the first known counterpart or the residency of the

actual counterpart. In general it can be expected that in case of services and current transfers these two methods would produce rather similar outcome as the first known counterpart usually is the actual counterpart. Finland will estimate all preliminary services and current transfers data with time series methods based on historical data and economic indicators. Austria will use a currency to country allocation in the "travel" item. Italy has a survey data collection system for part of the services.

CAPITAL ACCOUNT

(Annex Table 2.3)

18. In case of Capital Account five countries will apply the residency of the actual counterpart criteria, four countries will use the first known counterpart criteria and one will use a combination of these two methods. Finland will estimate the preliminary data by using historical data and economic indicators.

FINANCIAL ACCOUNT

Portfolio Investment assets and Direct Investment abroad

(Annex Table 2.4)

19. In the case of Portfolio Investment assets and Direct Investment abroad, the Member States will have to be able to make a distinction between securities issued by euro area residents and non-euro area residents. According to the questionnaire, almost all countries are in a position to identify the residency of the issuer of securities correctly. Three countries will use a method combining the ISIN codes with a securities database. In the Netherlands the reporting agents may use either ISIN codes or an expanded set of codes in which a distinction is made between securities issued by residents of the euro area and securities issued by non-euro area residents. Spain will make the split according to the plain ISIN code (country of issuance) but plans to make use of the centralised securities database in the future as soon as it is available. Five countries will rely on the information given by reporting institutions. These countries are encouraged to make an effort to ensure that the respondents will use harmonised criteria when making the necessary split.

Other Investment and Direct Investment in the reporting economy

(Annex Table 2.5)

20. Half of the countries will make the MUMS/non-MUMS split in Other Investment on the basis of the residency of the actual counterpart and the other half will use the first known counterpart criteria. For Direct Investment in the reporting economy the split will be based on residency of the actual counterpart in almost all countries.

21. The country split for Reserve Assets will be made according to the residency of the issuer in almost all countries. In the Netherlands the residency of the first known counterpart will be used and in Belgium the geographical breakdown refers to the currency denomination of the securities. It should be also noted that the reserve assets issue is still under discussion within the ECB.

MAIN CONCLUSIONS

22. The quality of the EMU BOP data in Step 2 of implementation will depend very much on how the distinction between MUMS/non-MUMS counterparts and EMU assets/EMU liabilities is made in the Member States. Use of different criteria in the Member States increases the risk of intra-distortions in the aggregation of the EMU BOP. In principle, the split should be based on the residency of the actual counterpart (the residency of the issuer in the case of securities). In general, the methods used in the euro area Member States are fairly well harmonised. In most cases the split between EMU and non-EMU counterparts will be based on either the actual counterpart or the first known counterpart. Nevertheless, the first known counterpart criterion does not always result in the transactions being allocated correctly. More detailed information would be useful on the use of this criteria since, in practice, there are probably various different ways of applying the method. According to the questionnaire, possible distortions caused by the use of the first known counterpart criterion may occur most frequently in the case of Current Account items and in Other Investment.
23. According to the questionnaire, the method of making the required split will be particularly well harmonised in the case of Direct Investment, Portfolio Investment assets and Reserves Assets. The residency of the direct investment counterpart is fairly straightforward to identify in both the investment in the reporting economy and in the investment abroad. In the outward portfolio investment the residence of the issuer of securities also seems to be fairly easily identifiable. The quality of the EMU BOP data on these items should therefore not be hampered too much by the distortions which arise from the use of differing methodology in the Member States.

2.2 OTHER ISSUES

ACCRUALS

(Annex Table 2.7)

24. Investment income flows in the quarterly and annual EMU BOP should be recorded on an accruals basis.² According to the responses to the questionnaire, the implementation of the accruals principle has generally made fairly good progress. In the case of income on bonds and notes, which is probably the most critical item with regard to the accruals based recording, nine of the euro area Member States will apply the accruals principle when the difference between recording on a cash basis and on an accruals basis is considered to be significant. Italy will implement the accruals principle during 1999.
25. For the income on money market instruments the stage of implementation of the accruals principle is almost the same as for bonds and notes. However, for income in Direct Investment and for the applicable part of the equity income in Portfolio Investment, many countries have not yet implemented the accruals principle. The main reason, however, is that the countries consider the amounts of accruals to be insignificant compared to cash basis recording.
26. Recording based on accruals principle is not required for the monthly EMU BOP data. However, almost all of the Member States will also apply the accruals principle, at least partially, to monthly income flows. In most cases part of the income flows on bonds and notes (e.g. income on government bonds) will be recorded on an accruals basis.
27. The method for deriving the accruals is usually based on the latest available stock data and average market interest rates. The countries that collect security-by-security data are in a position to use more detailed information for the calculation. Other countries will, in most cases, use a method based on weighted interest rates and stock data. The countries that have a survey data collection system require the respondents to report data directly on an accruals basis.

² In the case of income on equity the accruals principle refers to income derived from investment in collective investment institutions. Dividends should be recorded when payable (cash basis) as recommended in the IMF Manual (5th edition). For details, see the final report of Sub-Group 1 on "Recording Income on an Accruals Basis" (November 1997).

28. The Direct Investment Account in the EMU BOP will show only the total figures for investments in the reporting economy and investments abroad. No further breakdown into equity capital, other capital and reinvested earnings is required. However, all these items should be included in both the monthly and the quarterly/annual data.
29. The collection of equity capital data is not a problem for any Member State. However, data on other capital will be recorded only partially in four countries. The most common deviation is that inter-company trade credits or short-term loans are not included. The situation regarding the inclusion of reinvested earnings will be fairly good in Step 2 of implementation. Only two of the euro area Member States are not in a position to include reinvested earnings for the monthly data. For the quarterly/annual BOP, reinvested earnings will be included in the totals by all but one Member State. Figures will be based on estimates in most countries.

COLLECTION OF COUNTRY-BY-COUNTRY DATA

(Annex Table 2.9)

30. As is generally well known, in Step 2 of implementation Member States will only be required to make a split into transactions with euro area counterparts and transactions with non-euro area counterparts. No geographical details will be required. However, in order to be able to make the required split, many countries do collect the data on a country-by-country basis.
31. According to the questionnaire, all countries, with the exception of Finland, will collect most data with geographical details for the Current Account as well as for the Financial Account. In Finland the survey respondents report the data to the Bank of Finland directly with the split into EMU/non-EMU counterparts and no further country details are therefore available.
32. Collection of country-by-country data is encouraged especially because it provides a better means of assessing the quality of the EMU BOP statistics. In addition, in the likely event of a future increase in the number of the euro area countries, country-by-country data will enable the calculation of the backward series for the new composition of the euro area.

PROVISION OF MONTHLY KEY ITEMS FROM JANUARY 1999 ONWARDS (STEP 2) ANNEX TABLES
 AVAILABILITY AND MAIN METHODOLOGICAL DEVIATIONS

Table 1		BE	DE	ES	FR	IE ^(*)	IT	NL	AT	PT	FI	MUMs/non-MUMs split
I Current account	credits											
	debits											
	net											
A. goods	credits			(E)	(E)			(E)				
	debits			(E)	(E)			(E)				
	net			(E)	(E)			(E)				
B. services	credits				(E)						(E)	
	debits				(E)						(E)	
	net				(E)						(E)	
C. income	credits	(E)			(E)							(1)
	debits	(E)			(E)							(1)
	net	(E)			(E)							(1)
D. current transfers	credits				(E)						(E)	
	debits				(E)						(E)	
	net				(E)						(E)	
II Capital account	credits	(2)	(2)	(2)	(E) (2)		(2)	(2)			(E) (2)	
	debits	(2)	(2)	(2)	(E) (2)		(2)	(2)			(E) (2)	
	net	(2)	(2)	(2)	(E) (2)		(2)	(2)			(E) (2)	
III Financial account	net											
1) direct investment	net											
abroad	net, intra-EMU issuer	(3) (4) (5)	(5)	(4) (5)	(3)		(5)					
	net, extra-EMU issuer	(3) (4) (5)	(5)	(4) (5)	(3)		(5)					
in the reporting area (memorandum item)	net, world counterpart	(3) (4) (5)	(5)	(4) (5)	(3)		(5)					
	net, intra-EMU counterpart	(3) (4) (5)	(5)	(4) (5)	(3)		(5)					
2) portfolio investment	assets, intra-EMU issuer											
	assets, extra-EMU issuer											
	liabilities											
	net											
2.1 equity securities	assets, intra-EMU issuer											
	assets, extra-EMU issuer											
	liabilities											
2.2 debt securities	assets, intra-EMU issuer											
	assets, extra-EMU issuer											
	liabilities											
2.2.1 bonds and notes	assets, intra-EMU issuer											
	assets, extra-EMU issuer											
	liabilities											
2.2.2 money market instruments	assets, intra-EMU issuer											
	assets, extra-EMU issuer											
	liabilities											
2.2.3 financial derivatives	assets											
	liabilities											
	net	(E)										
3) other investment	assets	(6)		(6)				(6)	(6)			(1)
	liabilities	(6)		(6)				(6)	(6)			(1)
	net	(6)		(6)				(6)	(6)			(1)
3.1 monetary authorities	assets											(1)
	liabilities											(1)
3.2 general government	assets		(7)									(1)
	liabilities		(7)									(1)
3.3 MFIs (excluding central banks)	assets											(1)
	liabilities											(1)
long-term	assets											(1)
	liabilities											(1)
short-term	assets											(1)
	liabilities											(1)
3.4 other sectors	assets		(7)									(1)
	liabilities		(7)									(1)
4) reserve assets	net											
IV Errors and omissions	net											

(*) No answer on the availability. Monthly data are estimated from the quarterly data

Available/(E) Estimate
 Not available
 Methodological deviations:

- (1) different methods/criteria applied in the MUMs/non-MUMs split
- (2) partial coverage
- (3) directional principle not applied
- (4) reinvested earnings are not included or in OI

- (5) inter-company loans not included
- (6) trade credits problematic
- (7) sectoral allocation problems

MUMS/NON-MUMS SPLIT IN STEP 2

Table 2.1 INVESTMENT INCOME

(updated 16.9.1998)

MONTHLY KEY ITEMS (from January 1999 onwards)

	Country of settlement	Residency of the first known counterparty	Residency of the actual counterparty	Estimation	Other	Remarks
AUSTRIA	x ¹⁾		x			¹⁾ Debit entries for Portfolio Investment (liabilities)
BLEU				x		Estimation based on the latest IIP data
FINLAND			x			
FRANCE			x			
GERMANY		x ¹⁾	x			¹⁾ In case of domestic securities (liabilities)
IRELAND				x		Estimation based on Quarterly BOP data
ITALY		x				
NETHERLANDS		x	x			
PORTUGAL		x		x		Estimation based on the latest IIP data
SPAIN		x				
DENMARK						
GREECE						
SWEDEN	x		x ¹⁾	x		¹⁾ The most common
UK				x		Estimation based on Quarterly BOP data

QUARTERLY AND ANNUAL BOP (from Q1 1999 onwards)

	Country of settlement	Residency of the first known counterparty	Residency of the actual counterparty	Estimation	Other	Remarks
AUSTRIA	x ¹⁾		x			¹⁾ Debit entries for Portfolio Investment (liabilities)
BLEU				x		Estimation based on the latest IIP data
FINLAND			x			
FRANCE			x			
GERMANY		x ¹⁾	x			¹⁾ In case of domestic securities (liabilities)
IRELAND			x			
ITALY		x ¹⁾			x ²⁾	¹⁾ for PI and OI, ²⁾ Survey for DI income
NETHERLANDS		x	x			
PORTUGAL		x ¹⁾		x ²⁾		¹⁾ for DI and OI, ²⁾ For PI: According to the geographical breakdown of the PI stocks
SPAIN		x				
DENMARK						
GREECE						
SWEDEN	x		x ¹⁾	x		¹⁾ The most common
UK						

Table 2.2 SERVICES and CURRENT TRANSFERS

MONTHLY KEY ITEMS (from January 1999 onwards)

	Country of settlement	Residency of the first known counterparty	Residency of the actual counterparty	Estimation	Other	Remarks
AUSTRIA			x	x ¹⁾		¹⁾ Travel: currency to country allocation, Merchanting: breakdown based on reported credit figures
BLEU		x				
FINLAND				x		Time series methods based on historical data and indicators
FRANCE			x			
GERMANY			x			
IRELAND				x		Estimation based on Quarterly BOP data
ITALY		x ¹⁾			x ²⁾	¹⁾ Services and Current transfers, ²⁾ Services: survey
NETHERLANDS		x ¹⁾	x ²⁾			¹⁾ Services, ²⁾ Current transfers
PORTUGAL		x				
SPAIN		x				
DENMARK						
GREECE						
SWEDEN	x		x			
UK				x		Estimation based on Quarterly BOP data

QUARTERLY AND ANNUAL BOP (from Q1 1999 onwards)

	Country of settlement	Residency of the first known counterparty	Residency of the actual counterparty	Estimation	Other	Remarks
AUSTRIA			x	x ¹⁾		¹⁾ Travel: currency to country allocation
BLEU		x				
FINLAND			x ¹⁾	x ²⁾		¹⁾ Annual data, ²⁾ Quarterly data based on time series methods based on historical data and indicators
FRANCE			x			
GERMANY			x			
IRELAND			x			
ITALY		x ¹⁾			x ²⁾	¹⁾ Services and Current transfers, ²⁾ Services: survey
NETHERLANDS		x ¹⁾	x ²⁾			¹⁾ Services, ²⁾ Current transfers
PORTUGAL		x				
SPAIN		x				
DENMARK						
GREECE						
SWEDEN	x		x			
UK						

Table 2.3 CAPITAL ACCOUNT

MONTHLY KEY ITEMS (from January 1999 onwards)

	Country of settlement	Residency of the first known counterparty	Residency of the actual counterparty	Estimation	Other	Remarks
AUSTRIA			x			
BLEU		x	x			
FINLAND				x		Time series methods based on historical data and indicators
FRANCE			x			
GERMANY			x			
IRELAND				x		Estimation based on Quarterly BOP data
ITALY		x	x			
NETHERLANDS			x			
PORTUGAL		x				
SPAIN		x				
DENMARK						
GREECE						
SWEDEN	x		x			
UK						

QUARTERLY AND ANNUAL BOP (from Q1 1999 onwards)

	Country of settlement	Residency of the first known counterparty	Residency of the actual counterparty	Estimation	Other	Remarks
AUSTRIA			x			
BLEU		x				
FINLAND			x ⁽¹⁾	x ⁽²⁾		¹⁾ Annual data, ²⁾ Quarterly data based on time series methods based on historical data and indicators
FRANCE			x			
GERMANY			x			
IRELAND			x			
ITALY		x	x			
NETHERLANDS			x			
PORTUGAL		x				
SPAIN		x				
DENMARK						
GREECE						
SWEDEN	x		x			
UK						

Table 2.4 PORTFOLIO INVESTMENT ASSETS and DIRECT INVESTMENT ABROAD

MONTHLY KEY ITEMS (from January 1999 onwards)

	Country of settlement	Residency of the first known counterparty	ISIN code (country of issuance)	Residency of the issuer (actual counterparty)	Estimation	Other	Remarks
AUSTRIA				x			PI: ISIN code combined with a securities database, DI: separate FDI-database
BLEU				x			Information is given by reporting institutions
FINLAND				x			Information is given by reporting institutions
FRANCE				x			ISIN code combined with a securities database
GERMANY				x			Information is given by reporting institutions (often supported by the national numbering agency's services)
IRELAND					x		Estimation based on Quarterly BOP data
ITALY		x ¹⁾		x			ISIN code combined with a securities database, ¹⁾ Part of the DI abroad
NETHERLANDS				x			Either ISIN-code or expanded set of other codes is used by the respondents
PORTUGAL				x			Information is given by reporting institutions
SPAIN			x				The centralised securities database will be used in future
DENMARK							
GREECE							
SWEDEN				x			Information is given by reporting institutions
UK					x		Estimation based on Quarterly BOP data

QUARTERLY AND ANNUAL BOP (from Q1 1999 onwards)

	Country of settlement	Residency of the first known counterparty	ISIN code (country of issuance)	Residency of the issuer (actual counterparty)	Estimation	Other	Remarks
AUSTRIA				x			PI: ISIN code combined with a securities database, DI: separate FDI-database
BLEU				x			Information is given by reporting institutions
FINLAND				x			Information is given by reporting institutions
FRANCE				x			ISIN code combined with a securities database
GERMANY				x			Information is given by reporting institution (often supported by the national numbering agency's services)
IRELAND				x			Information is given by reporting institutions
ITALY				x			ISIN code combined with a securities database
NETHERLANDS				x			Either ISIN-code or expanded set of other codes is used by the respondents
PORTUGAL				x			Information is given by reporting institutions
SPAIN			x				The centralised securities database will be used in future
DENMARK							
GREECE							
SWEDEN				x			Information is given by reporting institutions
UK				x ¹⁾			¹⁾ DI abroad

**Table 2.5 OTHER INVESTMENT and
DIRECT INVESTMENT IN THE REPORTING ECONOMY**

MONTHLY KEY ITEMS (from January 1999 onwards)

	Country of settlement	Residency of the first known counterparty	Residency of the actual counterparty	Estimation	Other	Remarks
AUSTRIA			x			
BLEU		x				
FINLAND			x			
FRANCE			x			
GERMANY			x			
IRELAND				x		Estimation based on Quarterly BOP data
ITALY		x				
NETHERLANDS		x ¹⁾	x ²⁾			¹⁾ Other Investment, ²⁾ Direct Investment in the reporting economy
PORTUGAL		x ¹⁾	x ²⁾			¹⁾ Other Investment, ²⁾ Direct Investment in the reporting economy
SPAIN		x				
DENMARK						
GREECE						
SWEDEN	x ¹⁾		x			¹⁾ Part of Other Investment
UK				x		Estimation based on Quarterly BOP data

QUARTERLY AND ANNUAL BOP (from Q1 1999 onwards)

	Country of settlement	Residency of the first known counterparty	Residency of the actual counterparty	Estimation	Other	Remarks
AUSTRIA			x			
BLEU		x				
FINLAND			x			
FRANCE			x			
GERMANY			x			
IRELAND			x			
ITALY		x				
NETHERLANDS		x ¹⁾	x ²⁾			¹⁾ Other Investment, ²⁾ Direct Investment in the reporting economy
PORTUGAL		x ¹⁾	x ²⁾			¹⁾ Other Investment, ²⁾ Direct Investment in the reporting economy
SPAIN		x				
DENMARK						
GREECE						
SWEDEN	x ¹⁾		x			¹⁾ Part of Other Investment
UK		x ¹⁾	x ²⁾			¹⁾ Other Investment, ²⁾ Direct Investment in the reporting economy

Table 2.6 RESERVE ASSETS

MONTHLY KEY ITEMS (from January 1999 onwards)

	Country of settlement	Residency of the first known counterparty	ISIN code (country of issuance)	Residency of the issuer	Estimation	Other	Remarks
AUSTRIA				x			ISIN code combined with a securities database
BLEU				x			
FINLAND				x			
FRANCE				x			ISIN code combined with a securities database
GERMANY				x			
IRELAND				x			
ITALY				x			
NETHERLANDS		x					
PORTUGAL				x			
SPAIN				x			The residency of the issuer is known by the Forex-dept.
DENMARK							
GREECE							
SWEDEN				x			
UK							

QUARTERLY AND ANNUAL BOP (from Q1 1999 onwards)

	Country of settlement	Residency of the first known counterparty	ISIN code (country of issuance)	Residency of the issuer	Estimation	Other	Remarks
AUSTRIA				x			ISIN code combined with a securities database
BLEU						x	geo-breakdown refers to the currency of the securities
FINLAND				x			
FRANCE				x			ISIN code combined with a securities database
GERMANY				x			
IRELAND				x			
ITALY				x			
NETHERLANDS							no data??
PORTUGAL				x			
SPAIN				x			The residency of the issuer is known by the Forex-dept.
DENMARK							
GREECE							
SWEDEN				x			
UK							

Table 2.7 INVESTMENT INCOME: CASH / ACCRUALS BASIS

(updated 16.9.1998)

QUARTERLY / ANNUAL BOP

	Direct investment		Portfolio investment			Remarks
	Income on equity*	Income on debt	Income on equity*	Income on Bonds and notes	Income on Money market instruments	
AUSTRIA	A	A	C	A	A	
BLEU	A	A	A	A	A	
FINLAND	A	A	C	A	A	The amount of accruals is considered to be insignificant in case of PI income on equity
FRANCE	C	C	C	A	C	Accruals principle will be implemented fully during 1999
GERMANY	C	C	A ^{1)/C²⁾}	A ^{1)/C²⁾}	A ^{1)/C²⁾}	¹⁾ For credits ²⁾ for debits. The amount of accruals is considered to be insignificant where the answer is C
IRELAND	A	A	A	A	A	
ITALY	C	C	C	C	C	Accruals principle will be implemented during 1999
NETHERLANDS	C	C	C	A	n.a.	The amount of accruals is considered to be insignificant where the answer is C
PORTUGAL	A/C	C	A	A	A ^{1)/C²⁾}	¹⁾ For credits ²⁾ for debits. The amount of accruals is considered to be insignificant where the answer is C
SPAIN	C	C	C	A ^{1)/C}	C	¹⁾ For General government debits. The amount of accruals is considered to be insignificant where the answer is C
DENMARK						
GREECE						
SWEDEN	C	A	C	A ^{1)/C²⁾}	A ¹⁾	¹⁾ For debits ²⁾ for credits.
UK						The issue is currently under discussion

A = Accruals Basis, C = Cash Basis, n.a. = not available

* In case of income on equity the accruals principle refers to income derived from investments in collective investment institutions. Dividends should be recorded when payable (cash basis) as recommended in the BMP5.

MONTHLY KEY ITEMS (from January 1999 onwards)

	Cash basis	Accruals basis	Other	Remarks
AUSTRIA	x	x ⁽¹⁾		(1) for reinvested earnings
BLEU		x		estimates based on the IIP (yearly estimate/12)
FINLAND		x		
FRANCE		x		for interest on bonds and notes from 1999 onwards
GERMANY	x	x ⁽¹⁾		¹⁾ the accruals basis is used when figures have to be estimated
IRELAND			x	interpolation of trends based on Q-BOP (itself according to accruals)
ITALY	x			
NETHERLANDS		x		for interest on bonds and notes
PORTUGAL		x		for portfolio investment income (both debits and credits)
SPAIN	x	x ⁽¹⁾		¹⁾ for portfolio investment income: liabilities-General Government
DENMARK				
GREECE				
SWEDEN	x	x ⁽¹⁾		¹⁾ for loans (ass. and liab.) and interest bearing securities (liab. side)
UK				The issue is currently under discussion

Table 2.8 COVERAGE OF DIRECT INVESTMENT - STEP 2

(updated 16.9.1998)

Monthly Key Items							
	DI abroad*			DI in the reporting economy*			Comments:
	Equity capital**	Other capital**	Reinvested earnings	Equity capital***	Other capital***	Reinvested earnings	
Austria	Y	P	E	Y	P	E	
BLEU	Y	P	N	Y	P	N	
Finland	Y	Y	E	Y	Y	E	
France	Y	P	E	Y	P	E	
Germany	Y	P	E	Y	P	E	Directional principle will only partly be realised
Ireland							
Italy	Y	Y	Y	Y	Y	Y	
Netherlands	Y	Y	E	Y	Y	E	
Portugal	Y	Y	E	Y	Y	E	Monthly estimates available from 1999 onwards
Spain	Y	Y	N	Y	Y	N	
Denmark	Y	Y	N ¹⁾	Y	Y	N ¹⁾	¹⁾ Monthly estimates available during 1998.
Greece							
Sweden	Y	Y	E	Y	Y	E	
UK	E	E	E	E	E	E	Estimates based on quarterly data

Quarterly/Annual BOP							
	DI abroad*			DI in the reporting economy*			Comments:
	Equity capital**	Other capital**	Reinvested earnings	Equity capital***	Other capital***	Reinvested earnings	
Austria	Y	P	E/Y	Y	P	E/Y	
BLEU	Y	P	E	Y	P	E	
Finland	Y	Y	Y	Y	Y	Y	
France	Y	P	E	Y	P	E	
Germany	Y	P	E	Y	P	E	Directional principle will only partly be realised
Ireland							
Italy	Y	Y	Y	Y	Y	Y	
Netherlands	Y	Y	E	Y	Y	E	
Portugal	Y	Y	E	Y	Y	E	Quarterly estimates available from 1999 onwards
Spain	Y	Y	N	Y	Y	N	
Denmark							
Greece							
Sweden	Y	Y	E ¹⁾	Y	Y	E ¹⁾	¹⁾ Annual data available with 9 months lag
UK	Y	Y	Y	Y	Y	Y	

*) Split into sub-items is not required by the Implementation Package. However, these items should be included in totals as stated in the IMF BPMS.

**) Includes: Claims on affiliated enterprises/Liabilities to affiliated enterprises.

***) Includes: Claims on direct investors/Liabilities to direct investors.

Remarks: Y = Included from the beginning of 1999 (not necessarily published or publicly available)
 N = Not included
 P = Data partly included (e.g. inter-company trade credits or short term loans not included)
 E = Estimates

Table 2.9 COLLECTION OF COUNTRY-BY-COUNTRY DATA*

(updated 16.9.1998)

	Current Account			Financial Account			Remarks
	Yes	Partial	No	Yes	Partial	No	
AUSTRIA	x			x			
BLEU	x			x			Some adjustments and estimates made globally imply the suppression of the detailed geo-breakdown
FINLAND		x ¹⁾			x ²⁾		¹⁾ Goods only (Board of Customs data), ²⁾ Annual data for Direct Investment
FRANCE	x			x			
GERMANY	x			x			
IRELAND	x			x			Estimates in case monthly figures
ITALY	x			x			
NETHERLANDS	x				x ¹⁾		¹⁾ Direct Investment only
PORTUGAL	x			x			
SPAIN		x ¹⁾			x ¹⁾		¹⁾ Most data are collected country-by-country. Exceptions: Other Investment/Banks, Income on Other Investment/banks, Reserve assets
DENMARK							
GREECE							
SWEDEN	x			x			Respondents may use simplified breakdown of about 20 countries. Breakdown not available for PI liabilities.
UK							

... * Collection of country-by country data is not required for the compilation of the EMU BOP in Step 2

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