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**SURVEY OF IMPLEMENTATION  
OF  
METHODOLOGICAL STANDARDS  
FOR  
DIRECT INVESTMENT**

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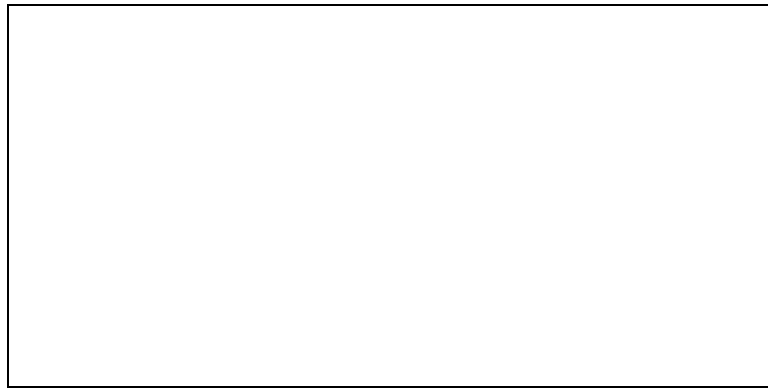
May 1997

**International Monetary Fund  
Statistics Department**

and

**Organisation for Economic Co-operation and Development  
Directorate for Financial, Fiscal and Enterprise Affairs**

*Please correct any errors in this label.*



## **COLLECTION AUTHORITY**

This survey is conducted by the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD) under the auspices of the IMF Committee on Balance of Payments Statistics and the OECD Group of Financial Statisticians.

## **BACKGROUND TO THE SURVEY**

The increasing importance of multinational enterprises, as well as their geographical and sectoral diversity, have stimulated interest in the area of direct investment statistics among policy makers, analysts and statisticians. Both the IMF and OECD have a well known and established interest in foreign direct investment statistics through their collection and dissemination of data and their publication of international methodological standards for the measurement of direct investment.

- a) The Terms of Reference of the IMF Committee on Balance of Payments Statistics specify that the Committee will advise the Fund on methodological and compilation issues in the context of balance of payments. The Committee will investigate ways in which data collection can be better coordinated among countries, with a view, inter alia, to facilitating the exchange of statistics between countries.
- b) The OECD Council renewed in 1995 the instructions addressed to the Committee on International Investment and Multinational Enterprises and to the Group of Financial Statisticians: i) to continue to co-ordinate within OECD the collection of information on international direct investment and multinational enterprises; ii) to collect and publish at regular intervals stock and flow data on inward and outward foreign direct investment and iii) to include notes describing the areas where the methodology used by Member countries differs from the OECD Benchmark Definition.

## **PURPOSES OF COLLECTION**

The purposes of the survey are:

- to discover the extent of implementation by the member countries of the recommendations on direct investment statistics depicted in the fifth edition of the IMF's *Balance of Payments Manual (BPM5)* and the third edition of *OECD Benchmark Definition of Foreign Direct Investment (Benchmark)*;
- to obtain standardized information on data sources and collection methods, and reporting practices from respondents;
- to facilitate the exchange of information between reporting countries.

The Fund and the OECD are to review the survey results and produce a joint report focusing on the comparability and reliability of foreign direct investment (FDI) statistics. The report will be presented to the IMF Committee, to the relevant committees of the OECD, and to balance of payments correspondents in all IMF countries. The OECD Council will also be informed of the results of the survey. The survey data will be used by the Fund and OECD to construct a metadatabase on FDI statistics. The availability of the metadata to compilers and users of FDI statistics would provide a clear understanding of the methodology used in compiling the data and would facilitate analysis of direct investment data, and the exchange of bilateral information.

## INSTRUCTIONS

### Organisation of the survey

- a) The survey form has three parts: the first deals with data availability and sources, the second part focuses on the methods used in compiling the data while the third part includes a final question and provides scope for general comments.
- b) The survey has four annexes:  
 Annex I: Description of the Fully Consolidated System  
 Annex II: Industry classification  
 Annex III: Balance of payments - Standard FDI components  
 Annex IV: List of IMF and OECD Member countries

### How to complete the survey

- a) The format of the survey is multiple choice and most questions require a YES/NO answer. You are requested to **circle the answer** that applies to your statistical agency.
- b) Allowance is made for additional comments. If you feel that some questions fail to reflect the specific features of your methodology, please make use of the comments section at the end of every major sub-group of questions.
- c) Space is provided to enable you to indicate future plans for the implementation of *BPM5* and the *Benchmark*. When including information on future plans, please be as specific as possible; for example provide target dates, mention series, and explain methodologies.
- d) To facilitate your task, some definitions are provided in boxes at the beginning of certain sub-sections, as required.

### Who should complete the survey

This survey should be completed by your country's balance of payments or foreign direct investment compilers. Please consult other statisticians in your country or seek IMF or OECD assistance if you are uncertain as to the purpose or appropriate answer to any question. The names of IMF and OECD contacts for assistance are given on the next page.

Please note that only one copy of the survey form has been dispatched to each country. If parts of the survey are to be completed by other units, departments or institutions, please make sure that all questions have been reviewed before the completed form is returned to IMF or OECD.

**DUE DATE**

Please return the completed form as soon as possible but not later than July 15, 1997.

**WHERE TO RETURN THE SURVEY**

<p><b>IMF Member countries</b> (other than OECD Members) should return the completed form to:</p> <p><b>Mr. René Piché</b> Balance of Payments and External Debt Division I Room IS5-100 Statistics Department International Monetary Fund 700, 19th Street Washington, D.C. 20431 USA</p>	<p><b>OECD Member countries</b> should return the completed form to:</p> <p><b>Ms. Ayse Bertrand</b> Head of Financial Statistics Section Financial Markets Division Directorate for Financial, Fiscal and Enterprise Affairs Organisation for Economic Co-operation and Development 2, rue André-Pascal 75775 Paris, Cedex 16 France</p>
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**METHODOLOGICAL REFERENCE DOCUMENTS**

- a) IMF *Balance of Payments Manual*, 5th edition, 1993 (available in Arabic, Chinese, English, French, Russian, and Spanish).
- b) OECD *Benchmark Definition of Foreign Direct Investment*, 3rd edition, 1996 (available in English and French).

**CONTACTS FOR ASSISTANCE**

For queries or assistance regarding this form, please contact:

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## 1 DATA

### Definitions:

Throughout this survey:

inward will refer to direct investment in the reporting economy; and

outward will refer to direct investment abroad.

### 1.1 Availability, frequency, and revision policy

#### 1.1.1 Availability of data

(1) Do you report the following balance of payments data to the IMF and/or the OECD?

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No	Yes / No
Direct investment financial flows	Yes / No	Yes / No
Direct investment position data	Yes / No	Yes / No

*If the answer to any part of question 1 is NO, answer questions 2 and 3; otherwise, go directly to section 1.1.2 "Frequency of dissemination".*

(2) Please indicate if you have any specific future plans for the collection of data that could be reported to the IMF and/or OECD (*circle when such data could be available*):

	<b>Inward</b>	<b>Outward</b>
Direct investment income	1-2yrs / 2-5yrs / No	1-2yrs / 2-5yrs / No
Direct investment financial flows	1-2yrs / 2-5yrs / No	1-2yrs / 2-5yrs / No
Direct investment position data	1-2yrs / 2-5yrs / No	1-2yrs / 2-5yrs / No

(3) If you do collect information on direct investment but do not report any data to the IMF and/or OECD, please specify why:

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### **IMPORTANT:**

The remainder of **Section 1** on "DATA" and all of **Section 2** on "METHODOLOGY" are designed for countries which:

- collect, compile and disseminate direct investment data and/or;
- have established plans to collect, compile and disseminate direct investment data.

**Countries which are not involved in such activities should go directly to Section 3, "FINAL QUESTION AND COMMENTS".**

### 1.1.2 Frequency of dissemination

Questions under this sub-section are divided in two parts:

1.1.2.1 Direct investment (income and financial) transactions

1.1.2.2 Direct investment position

#### Definitions:

Dissemination: Refers to all the means by which data are made available to the public.

Periodicity: Refers to the frequency of compilation of the data. The specifications for periodicity are, for flow data, in terms of the longest interval to be represented by a single data point or, for stock data, the longest interval between compilations. For example, the specifications of quarterly periodicity for balance of payments (BOP) means that one quarter is the longest interval that may be represented by a single estimate for BOP.

Timeliness: Refers to the speed of dissemination of the data; that is the lapse of time between the end of a reference period (or a reference date) and dissemination of the data.

Most timely data: Refer to the direct investment statistics first disseminated; that is with the shortest lapse of time between the end of the reference period (or the reference date) and dissemination of the data.

Most comprehensive data: Refer to the direct investment statistics disseminated and based on the most comprehensive regularly available data sources. These data may be preliminary and subject to revision.

#### 1.1.2.1 Direct investment transactions

(4) What is the periodicity of your “most timely transactions data”?

*Specify:*        **M**-Monthly; **Q**-Quarterly; **C**-Calendar Year; **F**-Fiscal Year (*specify period*);  
**I**-Irregular; **N**-Never

	<b>Inward</b>	<b>Outward</b>
Income on equity	_____	_____
Income on debt (interest)	_____	_____
Equity capital	_____	_____
Reinvested earnings	_____	_____
Other capital	_____	_____



(5) What is the timeliness of the “most timely transactions data” [that is how many weeks/months (*specify*) after the close of the reference period are your “most timely transactions data” disseminated]?<sup>1</sup>

\_\_\_\_\_

(6) What is the periodicity of your “most comprehensive transactions data”?<sup>2</sup>:

**Specify:** M-Monthly; Q-Quarterly; C-Calendar Year; F-Fiscal Year (*specify period*);  
I-Irregular; N-Never; NA-Not Applicable

	<b>Inward</b>	<b>Outward</b>
Income on equity	_____	_____
Income on debt (interest)	_____	_____
Equity capital	_____	_____
Reinvested earnings	_____	_____
Other capital	_____	_____

(7) What is the timeliness of the “most comprehensive transactions data” [that is how many weeks/months (*specify*) after the close of the reference period are your “most comprehensive transactions data” disseminated]?

\_\_\_\_\_

(8) A- Additional comments on periodicity and timeliness for transactions data:

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B- Please indicate your specific future plans, if any:

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### 1.1.2.2 Direct investment position

<sup>1</sup> If you disseminate new data only once a year, but the periodicity of the data is quarterly, the timeliness of the data refers to the lapse of time between the end of the first of the four newly disseminated quarters and the time of dissemination. For example, if at the end of March 1997 you disseminated four quarters of data related to 1996, the timeliness is 12 months; that is the lapse of time between the first quarter of 1996 and end-March 1997.

<sup>2</sup> If your country compiles and disseminates data always based on the same sources and coverage, the answer to this question is “NA”. This question does not refer to the “data revision policy” which is included in sub-section 1.1.3.

(9) What is the periodicity of your “most timely position data”?

**Specify:** M-Monthly; Q-Quarterly; C-Calendar Year; F-Fiscal Year (*specify period*);  
I-Irregular; N-Never

	<b>Inward</b>	<b>Outward</b>
Equity capital	_____	_____
Reinvested earnings	_____	_____
Other capital	_____	_____

(10) What is the timeliness of the “most timely position data” [that is how many weeks/months (*specify*) after the close of the reference date are your “most timely position data” disseminated]?<sup>3</sup>

\_\_\_\_\_

(11) What is the periodicity of your “most comprehensive position data”?<sup>4</sup>

*Specify:* M-Monthly; Q-Quarterly; C-Calendar Year; F-Fiscal Year (*specify period*);  
I-Irregular; N-Never, NA-Not Applicable

	<b>Inward</b>	<b>Outward</b>
Equity capital	_____	_____
Reinvested earnings	_____	_____
Other capital	_____	_____

(12) What is the timeliness of the “most comprehensive position data” [that is how many weeks/months (*specify*) after the close of the reference date are your “most comprehensive position data” disseminated]?

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(13) A- Additional comments on periodicity and timeliness for position data:

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B- Please indicate your specific future plans, if any:

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<sup>3</sup> See footnote 1

<sup>4</sup> See footnote 2

**1.1.3 Data revision policy**

Questions under this sub-section are divided in two parts:

1.1.3.1 Direct investment transactions

1.1.3.2 Direct investment position

**1.1.3.1 Direct investment transactions**

(14) When are transactions data considered “final data” (i.e., not subject to significant further revision)? Indicate the number of months/years (*specify*) after the “most timely transactions data” have first been disseminated.

	<b>Inward</b>	<b>Outward</b>
Months/Years after the first dissemination of the data	_____	_____

(15) Please explain briefly your revision cycle for transactions data:

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**1.1.3.2 Direct investment position**

(16) When are position data considered “final data” (i.e., not subject to significant further revision)? Indicate the number of months/years (*specify*) after the “most timely position data” have first been disseminated.

	<b>Inward</b>	<b>Outward</b>
Months/Years after first dissemination of data	_____	_____

(17) Please explain briefly your revision cycle for position data:

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## 1.2 *Data collection and sources*

### **Definitions:**

International Transactions Reporting System (ITRS): An ITRS measures individual balance of payments cash transactions (passing through the domestic banks and foreign bank accounts of enterprises) and noncash transactions and stock positions. Statistics are compiled from forms submitted to domestic banks and from forms submitted by enterprises to the compiler.

The perpetual inventory method: The process of deriving stocks from transaction data is known as the perpetual inventory method. Via this method, for which a stock estimate for some base point in time is required, the compiler may calculate the value of a stock at the end of a period as being equal to the value of the stock at the beginning of the period plus the impact of transactions and non-transaction changes in the value of the stock during the period.

Data collection on:

Aggregate basis: Information collected through surveys on total transactions made by respondents.

Individual transactions basis: Information collected for each transaction made by respondents.

### 1.2.1 **Direct investment transactions**

#### 1.2.1.1 **Data collection methods**

(18) Are your reporting requirements for transactions data primarily:

	<b>Inward</b>	<b>Outward</b>
Compulsory <sup>5</sup>	Yes / No	Yes / No
Voluntary	Yes / No	Yes / No

(19) Are transactions data mostly collected on:

	<b>Inward</b>	<b>Outward</b>
Individual transactions basis	Yes / No	Yes / No
Aggregate basis	Yes / No	Yes / No

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<sup>5</sup> Reporting requirements are compulsory when a legislation creates a legal obligation (and usually an appropriate penalty for noncompliance) for reporters to provide the information.

**1.2.1.2 Data sources**

What are your main sources for transactions data?

*Rank each of the sources* of information you use as 1, 2, 3, ... or NA.

According to this rule: **1**= the most important source; **2**= the second most important source; **3**= tertiary source; etc.; and **NA**= not a data source.

When two or more data sources are considered as important, they should have the same ranking (for example, bilateral sources and press reports could both be ranked as “3”).

(20) Data sources for inward direct investment transactions:

	<b>“most timely data”</b>	<b>“most comprehensive data”</b>
Enterprise surveys on resident enterprise/investor	_____	_____
An international transactions reporting system (ITRS)	_____	_____
Published sources (such as company accounts)	_____	_____
Exchange control authorities or investment approval authorities	_____	_____
Bilateral sources <sup>6</sup>	_____	_____
Press reports	_____	_____
Other ( <i>please specify below</i> )	_____	_____

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(21) **A-** Additional comments on data sources used for inward direct investment transactions:

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**B-** Please indicate your specific future plans, if any:

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(22) Data sources for outward direct investment transactions:

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<sup>6</sup> Bilateral sources involve using direct investment statistics that are compiled by other countries (or by international organizations).

	“most timely data”	“most comprehensive data”
Enterprise surveys on resident enterprise/investor	_____	_____
An ITRS	_____	_____
Published sources (such as company accounts)	_____	_____
Exchange control authorities or investment approval authorities	_____	_____
Bilateral sources	_____	_____
Press reports	_____	_____
Other ( <i>please specify below</i> )	_____	_____

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(23) A- Additional comments on data sources used for outward direct investment transactions:

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B- Please indicate your specific future plans, if any:

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**1.2.1.3 Coverage of the “most timely data”**

(24) What proportion of direct investment income activity as measured by the “most comprehensive data” is captured by the “most timely data”? Please answer in approximate percentage terms; if you wish, you may specify a range, e.g., “40-60”.  
 (Answer “NA” if you do not have data dissemination based on two different sources or coverage)

<b>Inward</b>	<b>Outward</b>
_____ %	_____ %

(25) Do you adjust the “most timely income data” to approximate the level of “most comprehensive income data”?

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

(26) A- Additional comments on the coverage adjustment to transactions data:

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B- Please indicate your specific future plans, if any:

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**1.2.2 Direct investment position**

**1.2.2.1 Data collection methods**

(27) Are your reporting requirements for position data primarily:

	<b>Inward</b>	<b>Outward</b>
Compulsory	Yes / No	Yes / No
Voluntary	Yes / No	Yes / No

(28) Do you use a perpetual inventory method:

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

*If YES to any part of question 28, do you account for the following non-transaction changes:*

	<b>Inward</b>	<b>Outward</b>
Price changes	Yes / No	Yes / No
Exchange rate changes	Yes / No	Yes / No
Other	Yes / No	Yes / No

(29) A- Can you please briefly describe those adjustments:

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B- Please indicate your specific future plans, if any:

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**1.2.2.2 Data sources**

What are your main sources for position data?

*Rank each of the sources* of information you use as 1, 2, 3, ... or NA.

According to this rule: **1**= the most important source; **2**= the second most important source; **3** = tertiary source; etc.; and **NA** = not a data source.

When two or more data sources are considered as important, they should have the same ranking (for example, bilateral sources and press reports could both be ranked as "3").

(30) Data sources for inward direct investment position:

	<b>"most timely data"</b>	<b>"most comprehensive data"</b>
Enterprise surveys on resident enterprise/investor	_____	_____
An ITRS	_____	_____
Published sources (such as company accounts)	_____	_____
Exchange control authorities or investment approval authorities	_____	_____
Bilateral sources	_____	_____
Press reports	_____	_____
Other ( <i>please specify below</i> )	_____	_____

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(31) **A-** Additional comments on data sources used for inward direct investment position data:

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**B-** Please indicate your specific future plans, if any:

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(32) Data sources for outward direct investment position:

**“most timely data”**      **“most comprehensive data”**

Enterprise surveys on resident enterprise/investor	_____	_____
An ITRS	_____	_____
Published sources (such as company accounts)	_____	_____
Exchange control authorities or investment approval authorities	_____	_____
Bilateral sources	_____	_____
Press reports	_____	_____
Other ( <i>please specify below</i> )	_____	_____

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(33)    **A-** Additional comments on data sources used for outward direct investment position data:

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**B-** Please indicate your specific future plans, if any:

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### 1.2.3 Business Register

Many countries maintain, for compilation purposes, a business register of enterprises or establishments involved in foreign direct investment.

(34) Do you maintain such a business register? **Inward** **Outward**  
Yes / No Yes / No

*If YES to any part of question 34, answer questions 35 and 36:*

(35) Do you update the register from the following sources?	<b>Inward</b>	<b>Outward</b>
i) The international trade system's list of exporters/importers	Yes / No	Yes / No
ii) The ITRS's list of transactors	Yes / No	Yes / No
iii) Other statistical collection forms	Yes / No	Yes / No
iv) Regional branches / office of the compiling agency	Yes / No	Yes / No
v) Register maintained by		
Government licensing and regulatory authorities	Yes / No	Yes / No
The tax authorities	Yes / No	Yes / No
Corporate affairs and stock exchange authorities	Yes / No	Yes / No
Industry associations	Yes / No	Yes / No
Other department(s) within the statistical agency	Yes / No	Yes / No
vi) The financial press	Yes / No	Yes / No
vii) Nonresident sources	Yes / No	Yes / No
viii) Other ( <i>please specify below</i> )	Yes / No	Yes / No

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(36) How frequently is the business register updated?  
Ongoing / Quarterly / Biannually / Annually / Irregularly

### 1.3 *Geographical and industrial allocation*

#### 1.3.1 Geographical attribution

(37) Do you compile direct investment statistics by country for:

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No	Yes / No
Direct investment financial flows	Yes / No	Yes / No
Direct investment position data	Yes / No	Yes / No

*If YES to any part of question 37, please indicate if a country breakdown is available for:*

	<b>Inward</b>	<b>Outward</b>
The “most timely data”	Yes / No	Yes / No
The “most comprehensive data” <sup>7</sup>	Yes / No / NA	Yes / No / NA

(38) Do you compile direct investment statistics by regions or economic zones for:

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No	Yes / No
Direct investment financial flows	Yes / No	Yes / No
Direct investment position data	Yes / No	Yes / No

*If YES to any part of question 38, please indicate for which of the following economic zones you compile direct investment data:*

	<b>Inward</b>	<b>Outward</b>
EU-15	_____	_____
EFTA	_____	_____
OECD	_____	_____
NAFTA	_____	_____
CIS countries	_____	_____
ASEAN countries	_____	_____
OPEC countries	_____	_____
Other ( <i>specify other economic zones</i> ):		

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<sup>7</sup> If your country compiles data always based on the same sources and coverage, the answer to this question is “NA”.

(39) Do you allocate direct investment transactions data to the:

	<b>Inward</b>	<b>Outward</b>
i) Country of the direct investment enterprise or direct investor, even if the amounts paid or received are to or from another country	Yes / No	Yes / No
ii) Country to which the funds are paid to or received from, even if this is not the country of the direct investment enterprise or the direct investor	Yes / No	Yes / No

(40) A- Additional comments on geographical attribution of transactions data:

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B- Please indicate your specific future plans, if any:

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(41) For direct investment position data, do you compile information on:

	<b>Inward</b>	<b>Outward</b>
i) An immediate country basis (the country of direct ownership)	Yes / No	Yes / No
i) An ultimate country basis (the ultimate host or controlling country)	Yes / No	Yes / No

(42) A- Additional comments on geographical attribution of position data:

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B- Please indicate your specific future plans, if any:

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(43) Do you use bilateral information in the compilation of your direct investment data, even as a cross check?

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

(44) Additional comments on country breakdown:

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### 1.3.2 Industrial analysis

(45) Does your country produce direct investment statistics by “industrial activity” for:

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No	Yes / No
Direct investment financial flows	Yes / No	Yes / No
Direct investment position data	Yes / No	Yes / No

*If YES to any part of question 45; answer A and B:*

A- Is the “industrial breakdown” based on:

	<b>Inward</b>	<b>Outward</b>
The industry of the resident enterprise/investor	Yes / No	Yes / No
The industry of the foreign direct investment investor/enterprise	Yes / No	Yes / No

B- Indicate if the “industrial breakdown” is available for:

	<b>Inward</b>	<b>Outward</b>
The “most timely data”	Yes / No	Yes / No
The “most comprehensive data” <sup>8</sup>	Yes / No / NA	Yes / No / NA

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<sup>8</sup> If your country compiles data always based on the same sources and coverage, the answer to this question is “NA”.

(46) If you produce direct investment statistics by industrial activity, can you produce figures which broadly correspond to the nine major divisions in the “United Nations International Standard Industrial Classification of All Economic Activity” (ISIC)<sup>9</sup> for (please specify below):

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No	Yes / No
Direct investment financial flows	Yes / No	Yes / No
Direct investment position data	Yes / No	Yes / No

If NO to any part of question 46, please briefly explain your industrial classification:

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(47) Can you produce figures for more detailed sectoral breakdown than the nine major divisions in the “United Nations International Standard Industrial Classification of All Economic Activity” (see Annex II for the classification used by OECD/EUROSTAT)

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

If YES to any part of question 47, please specify:

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(48) Can you produce figures by industrial sector AND by economic zone for:

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No	Yes / No
Direct investment financial flows	Yes / No	Yes / No
Direct investment position data	Yes / No	Yes / No

If YES to any part of question 48, please indicate which of the following economic zones:

	<b>Inward</b>	<b>Outward</b>
EU-15	_____	_____
EFTA	_____	_____
OECD	_____	_____
NAFTA	_____	_____
CIS countries	_____	_____
ASEAN countries	_____	_____
OPEC countries	_____	_____
Other (specify other economic zones):		

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(49) Can you produce figures by industrial sector AND by partner country for:

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<sup>9</sup> “United Nations International Standard Industrial Classification of All Economic Activity” refers to the industrial classification as defined by the third revision of ISIC. See Annex II for more details. If you use another classification, please explain using the space provided.

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No	Yes / No
Direct investment financial flows	Yes / No	Yes / No
Direct investment position data	Yes / No	Yes / No

*If YES to any part of question 49, please indicate the 5 highest ranking countries for the latest year for which data are available:*

**Inward**

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**Outward**

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## 2 METHODOLOGY

### 2.1 *Direct investment enterprise and direct investor*

#### **Definitions:**

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

Foreign direct investor: is an individual, an incorporated or unincorporated public or private enterprise, a government, a group of related individuals, or a group of related incorporated and/or unincorporated enterprises which has a direct investment enterprise -- that is, a subsidiary, associate or branch -- operating in a country other than the country or countries of residence of the foreign direct investor or investors.

Direct investment enterprise: is an incorporated or unincorporated enterprise in which a foreign investor owns 10 per cent or more of the ordinary shares or voting power of an incorporated enterprise or the equivalent of an unincorporated enterprise. The numerical guideline of ownership of 10 per cent of ordinary shares or voting stock determines the existence of a direct investment relationship. An effective voice in the management, as evidenced by an ownership of at least 10 per cent, implies that the direct investor is able to influence or participate in the management of an enterprise; it does not require absolute control by the foreign investor.

Indirectly owned direct investment enterprises: Direct investment enterprises also include certain enterprises indirectly owned by the direct investor. This is dealt with in the section on indirectly owned direct investment enterprises (section 2.1.3).

#### 2.1.1 Definition of direct investment enterprise

(50) Do you, as the basic principle, apply the above definition to identify a direct investment enterprise which is a resident of your economy (inward direct investment)?

(*Special cases will be treated in other questions*)

Yes / No

*If YES to question 50, answer questions 51 and 52:*

(51) Do you include enterprises in which the investor owns 10% or more of the ordinary shares or voting power but does not have an effective voice in management:

Yes / No

(52) Do you include enterprises in which the investor owns less than 10% of the ordinary shares or voting power but has an effective voice in management such as:



Representation on the Board of Directors	Yes / No
Participation in policy making	Yes / No
Material inter-company transactions	Yes / No
Interchange of managerial personnel	Yes / No
Provision of technical information	Yes / No
Other ( <i>Please specify below</i> ):	Yes / No

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**(53)** Do you use a percentage of ownership different from the 10% rule for inward direct investment enterprise (*please specify*)?

Yes / No

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**(54)** Do you use a value threshold or some other criterion to identify an inward direct investment enterprise (*please specify*)?

Yes / No

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**(55)** Do you have differing treatments of incorporated and unincorporated enterprises when defining an inward direct investment enterprise?

Yes / No

**(56)** If YES, *please specify*:

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(57) A- Additional comments on your definition of an inward direct investment enterprise:

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B- Please indicate your specific future plans, if any:

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**2.1.2 Definition of direct investor**

(58) Do you, as the basic principle, apply the definition of a direct investor mentioned under section 2.1 to identify a direct investor which is a resident of your economy (outward direct investment)?

(Special cases will be treated in other questions) Yes / No

If YES to question 58, answer questions 59 and 60:

(59) Do you include investors which own 10% or more of the ordinary shares or voting power of a non-resident enterprise but do not have an effective voice in management:

Yes / No

(60) Do you include investors which own less than 10% of the ordinary shares or voting power of a non-resident enterprise but have an effective voice in management such as:

- Representation on the Board of Directors Yes / No
- Participation in policy making Yes / No
- Material inter-company transactions Yes / No
- Interchange of managerial personnel Yes / No
- Provision of technical information Yes / No
- Other (Please specify below): Yes / No

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**(61)** Do you use a percentage of ownership different from the 10% rule for outward direct investment (please specify)?

Yes / No

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**(62)** Do you use a value threshold or some other criterion to identify an outward direct investor (please specify)?

Yes / No

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**(63)** Do you have differing treatments of incorporated and unincorporated enterprises when defining an outward direct investor?

Yes / No

**(64)** If YES, please specify:

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**(65)** A- Additional comments on your definition of an outward direct investor:

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**B-** Please indicate your specific future plans, if any:

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**2.1.3 Indirectly owned direct investment enterprises**

**Definition:**

Direct investment enterprises are defined to comprise those entities that are:

- subsidiaries (a nonresident investor owns more than 50 percent);
- associates (a nonresident investor owns between 10 and 50 percent) and;
- branches (unincorporated enterprises wholly or jointly owned by a nonresident investor); either directly or indirectly owned by the direct investor. As a result, once the 10 percent “across-the border” direct investment link is achieved with an enterprise, certain other enterprises related “down the line” to the first enterprise will also be regarded as direct investment enterprises. The *OECD Benchmark Definition* and the *BOP Compilation Guide* describe the scope of enterprises, both directly and indirectly owned, that should be included in the definition. This is called the “Fully Consolidated System” and is described in Annex I of this survey.

Direct investment relationships: Direct investment enterprises which are considered to be in a direct investment relationship with a direct investor are also considered to be in direct investment relationships with each other.

(66) Does your definition of direct investment enterprises follow the recommended rules for the identification of enterprises to be included in the “Fully Consolidated System”?

<b>Inward</b>	<b>Outward</b>
Fully / Partially / No	Fully / Partially / No

(67) **A-** Additional comments on your application of the “Fully Consolidated System”:

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**B-** Please indicate your specific future plans, if any:

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(68) Do you endeavor to include in your earnings data the relevant share of earnings of all indirectly owned direct investment enterprises?

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

(69) A- Additional comments on earnings of indirectly owned direct investment enterprises:

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B- Please indicate your specific future plans, if any:

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(70) Once you have identified a group of related enterprises, do you classify all equity and other capital transactions between resident enterprises of the group and non-resident enterprises of the same group as direct investment transactions, without consideration of the percentage of equity held by these enterprises in each other?

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

(71) A- Additional comments on transactions of related enterprises:

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B- Please indicate your specific future plans, if any:

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(72) Do you endeavor to include in your direct investment position data the relevant share of all indirectly owned direct investment enterprises?

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

(73) **A-** Additional comments on position data for indirectly owned direct investment enterprises:

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**B-** Please indicate your specific future plans, if any:

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Reporting direct investment relationship

(74) Are companies in your country required by law to:

a) Produce consolidated accounts covering their subsidiary and associates companies, both foreign and domestic?

Yes / No

b) Identify all transactions with the parent company?

Yes / No

## 2.2 *Components of direct investment income*

### 2.2.1 Direct investment earnings

**Definitions:**

There are two main ways of measuring earnings as explained in the International Accounting Standard No.8, “Unusual and Prior Period Items and Changes in Accounting Policy”:

Current operating performance concept where earnings of an enterprise are its income from normal operations and before allowing for non-recurring items and capital gains and losses.

All-inclusive concept where income is after allowing for all items (including capital gains and losses) causing any increase or decrease in the shareholders’ or investors’ interests during the period, other than dividends and any other transactions between the enterprise and its shareholders or investors.

(75) According to your knowledge, are earnings generally calculated using the current operating performance concept:

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

(76) Do your earnings make allowance for (that is, do you deduct the following from earnings):

	<b>Inward</b>	<b>Outward</b>
Provisions for depreciation of capital	Yes / No	Yes / No
Provisions for host-country income and corporation taxes	Yes / No	Yes / No

(77) Do your earnings data include:

Realized capital gains	Yes / No	Yes / No
Realized capital losses	Yes / No	Yes / No
Unrealized capital gains	Yes / No	Yes / No
Unrealized capital losses	Yes / No	Yes / No
Write-offs	Yes / No	Yes / No
Exchange rate gains or losses	Yes / No	Yes / No

(78) Are net losses recorded as negative income: Yes / No Yes / No

(79) A- Additional comments on current methods used to measure earnings:

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**B-** Please indicate your specific future plans, if any:

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**2.2.2 Dividends and distributed branch profits**

**Definition:**  
Dividends are the distribution of earnings allocated to shares and other forms of participation in the equity of incorporated private enterprises, cooperatives, and public corporations.

**(80)** Do you compile dividends and distributed branch profits data?

	<b>Inward</b>	<b>Outward</b>
For incorporated enterprises	Yes / No	Yes / No
For unincorporated enterprises	Yes / No	Yes / No

*If YES to any part of question 80, answer questions 81 to 84; otherwise, go directly to 85:*

**(81)** Are dividends and distributed branch profits recorded (*indicate one of the following*):

	<b>Inward</b>	<b>Outward</b>
For incorporated enterprises:		
i) As of the date they are payable?	_____	_____
ii) On the date they are paid?	_____	_____
iii) Other recording methodology ( <i>please specify below</i> ):	_____	_____
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For unincorporated enterprises:		
i) As of the date they are payable?	_____	_____
ii) On the date they are paid?	_____	_____
iii) Other recording methodology ( <i>please specify below</i> ):	_____	_____
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**(82)** Are dividends and distributed branch profits recorded gross of any withholding tax:  
 For incorporated enterprises Yes / No Yes / No  
 For unincorporated enterprises Yes / No Yes / No

**(83)** Which exchange rate is generally used to convert foreign currency into the unit of account?  
 (Rank multiple responses using: **1** for the most frequent, **2** for the second most frequent, etc.,  
 and **NA** for not applicable) :

	<b>Inward</b>	<b>Outward</b>
Exchange rate prevailing on the day of transaction	_____	_____
Average exchange rate in the period when dividends and distributed branch profits are recorded	_____	_____
Other ( <i>please specify below</i> )	_____	_____

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**(84)** A- Additional comments on the time of recording or exchange rate:

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**B-** Please indicate your specific future plans, if any:

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**(85)** A- Additional comments on other procedures related to the measurement of dividends and distributed branch profits:

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**B-** Please indicate your specific future plans, if any:

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### 2.2.3 Reinvested earnings and undistributed branch profits

**Definition:**

Reinvested earnings and undistributed branch profits comprise direct investors' shares - in proportion to equity held - of: earnings that foreign subsidiaries and associated enterprises do not distribute as dividends and; earnings that branches and other unincorporated enterprises do not remit to direct investors.

	<b>Inward</b>	<b>Outward</b>
<b>(86)</b> Do you compile reinvested earnings and undistributed branch profits data?		
For incorporated enterprises	Yes / No	Yes / No
For unincorporated enterprises	Yes / No	Yes / No

*If Yes to any part of question 86, answer questions 87 and 88 otherwise, go directly to 89:*

<b>(87)</b> Are reinvested earnings and undistributed branch profits recorded in the periods in which they are earned?		
For incorporated enterprises	Yes / No	Yes / No
For unincorporated enterprises	Yes / No	Yes / No

*If NO to question 87; please specify the period in which they are recorded:*

**(88)** Which exchange rate is generally used to convert foreign currency into the unit of account? (Rank multiple responses using: **1** for the most frequent, **2** for the second most frequent, etc., and **NA** for not applicable) :

	<b>Inward</b>	<b>Outward</b>
Exchange rate prevailing at the end of the period for which the data are recorded	_____	_____
Average exchange rate in the period when reinvested earnings and undistributed branch profits are recorded	_____	_____
Other (please specify below)	_____	_____

**(89)** A- Additional comments on the measurement of reinvested earnings and undistributed branch profits:

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**B-** Please indicate your specific future plans, if any:

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#### 2.2.4 Income on debt (interest)

**Definition:**

Income on debt consists of interest payable - on intercompany debt - to/from direct investors from/to associated enterprises abroad. It covers interest on the borrowing and lending of funds - including debt securities and suppliers' credits- between direct investors and direct investment enterprises.

Bonds and money market instruments include bonds, debentures, commercial paper, promissory notes, certificates of deposit, and other tradeable nonequity securities other than financial derivatives.

Financial derivatives include all tradeable financial derivatives or secondary market instruments such as options, futures, and forward contracts. Interest income on financial derivatives is associated with interest rate swaps or forward rate agreements.

(90) Do you compile interest income data on direct investment debt?

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

*If Yes to any part of question 90, please answer questions 91 to 93; otherwise, go directly to question 94:*

(91) Does interest income on direct investment debt include interest on (*answer "NA" if such transactions never occur*):

	<b>Inward</b>	<b>Outward</b>
Bonds and money market instruments	Yes / No / NA	Yes / No / NA
Financial derivatives	Yes / No / NA	Yes / No / NA
Long-term loans	Yes / No / NA	Yes / No / NA
Short-term loans	Yes / No / NA	Yes / No / NA
Trade credits	Yes / No / NA	Yes / No / NA
Deposits, loans and other claims and liabilities related to usual banking transactions between affiliated banks (depository institutions)	Yes / No / NA	Yes / No / NA
Claims and liabilities related to financial intermediation of affiliated financial intermediaries (e.g., security dealers)	Yes / No / NA	Yes / No / NA

(92) Do you record income on debt on (*indicate one of the following*):

	<b>Inward</b>	<b>Outward</b>
i) An accrual basis:	_____	_____
ii) A paid basis:	_____	_____
iii) Other ( <i>please specify below</i> ):	_____	_____

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(93) Which exchange rate is generally used to convert foreign currency into the unit of account?  
 (*Rank multiple responses using: 1 for the most frequent, 2 for the second most frequent, etc., and NA for not applicable*):

	<b>Inward</b>	<b>Outward</b>
Exchange rate prevailing on the day of transaction	_____	_____
Average exchange rate in the period when interest is recorded	_____	_____
Other ( <i>please specify below</i> )	_____	_____

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(94) A- Additional comments on reporting practices for income on debt:

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B- Please indicate your specific future plans, if any:

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## 2.3 *Components of direct investment financial flows*

### 2.3.1 **Equity capital**

(95) Are the following types of equity transactions generally included in your direct investment data? (*answer “NA” if such transactions never occur*):

	<b>Inward</b>	<b>Outward</b>
Transactions on listed voting stocks	Yes / No / NA	Yes / No / NA
Transactions on unlisted voting stocks	Yes / No / NA	Yes / No / NA
Transactions on other non-voting stocks (including participating preference shares)	Yes / No / NA	Yes / No / NA
Reinvested earnings	Yes / No / NA	Yes / No / NA
Non-cash acquisitions of equity (such as through the provision of capital equipment)	Yes / No / NA	Yes / No / NA

### 2.3.2 **Other capital**

(96) Are transactions in the following types of other capital generally included in your direct investment data? (*answer “NA” if such transactions never occur*):

	<b>Inward</b>	<b>Outward</b>
Bonds and money market instruments	Yes / No / NA	Yes / No / NA
Financial derivatives	Yes / No / NA	Yes / No / NA
Long-term loans	Yes / No / NA	Yes / No / NA
Short-term loans	Yes / No / NA	Yes / No / NA
Financial leasing	Yes / No / NA	Yes / No / NA
Trade credits	Yes / No / NA	Yes / No / NA

(97) Are these activities generally included in your direct investment data? (*answer “NA” if such activities never occur*):

	<b>Inward</b>	<b>Outward</b>
Loan <u>guarantees</u> provided by investee/investor	Yes / No / NA	Yes / No / NA
Changes in insurance companies technical reserves	Yes / No / NA	Yes / No / NA

**2.3.3 Transactions between affiliated banks and affiliated financial intermediaries**

**(98)** Are the following transactions between affiliated banks (depository institutions) and between affiliated financial intermediaries (e.g., security dealers) generally included in your direct investment data (*answer "NA" if such transactions never occur*):

<u>For banks:</u>	<b>Inward</b>	<b>Outward</b>
Equity transactions	Yes / No / NA	Yes / No / NA
Transactions associated with permanent debt (loan capital representing a permanent interest)	Yes / No / NA	Yes / No / NA
Deposits, loans, and other claims and liabilities related to usual banking transactions	Yes / No / NA	Yes / No / NA
<u>For financial intermediaries:</u>	<b>Inward</b>	<b>Outward</b>
Equity transactions	Yes / No / NA	Yes / No / NA
Transactions associated with permanent debt (loan capital representing a permanent interest)	Yes / No / NA	Yes / No / NA
Claims and liabilities related to transactions other than those on equity and permanent debt	Yes / No / NA	Yes / No / NA

**(99)** **A-** Additional comments on the components included in direct investment financial flows:

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**B-** Please indicate your specific future plans, if any:

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### 2.3.4 Reverse investment

**Definition:**

Reverse investment relates to circumstances where a direct investment enterprise has acquired a financial claim on its direct investor.

(100) When equity participation by the direct investment enterprise in its direct investor is sufficient to establish a direct investment relationship in its own right, how do you record the following transactions, assuming the direct investment enterprise is a resident of your economy and the direct investor a non-resident?

i- The acquisition of equity by the direct investment enterprise in its direct investor? (*indicate one of the following*):

- a) Direct investment abroad, increase in claims on affiliated enterprise \_\_\_\_\_
- b) Direct investment in reporting economy, increase in claims on direct investor \_\_\_\_\_
- c) Direct investment in reporting economy, decrease in liabilities to direct investor \_\_\_\_\_
- d) Portfolio investment, increase in assets, equity securities \_\_\_\_\_

ii- The provision of a loan by the direct investment enterprise to its direct investor? (*indicate one of the following*):

- a) Direct investment abroad, increase in claims on affiliated enterprise \_\_\_\_\_
- b) Direct investment in reporting economy, increase in claims on direct investor \_\_\_\_\_
- c) Direct investment in reporting economy, decrease in liabilities to direct investor \_\_\_\_\_
- d) Other investment, increase in assets, loans \_\_\_\_\_

(101) When equity participation by the direct investment enterprise in its direct investor is not sufficient to establish a direct investment relationship in its own right, how do you record the following transactions, assuming the direct investment enterprise is a resident of your economy and the direct investor a non-resident?

i- The acquisition of equity by the direct investment enterprise in its direct investor? (*indicate one of the following*):

- a) Direct investment abroad, increase in claims on affiliated enterprise \_\_\_\_\_
- b) Direct investment in reporting economy, increase in claims on direct investor \_\_\_\_\_
- c) Direct investment in reporting economy, decrease in liabilities to direct investor \_\_\_\_\_
- d) Portfolio investment, increase in assets, equity securities \_\_\_\_\_

ii- The provision of a loan by the direct investment enterprise to its direct investor? (*indicate one of the following*):

- a) Direct investment abroad, increase in claims on affiliated enterprise \_\_\_\_\_
- b) Direct investment in reporting economy, increase in claims on direct investor \_\_\_\_\_
- c) Direct investment in reporting economy, decrease in liabilities to direct investor \_\_\_\_\_
- d) Other investment, increase in assets, loans \_\_\_\_\_

(102) A- Additional comments on the treatment of reverse investment:



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**B-** Please indicate your specific future plans, if any:

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**2.3.5 Valuation of transactions**

(103) Which exchange rate is generally used to convert foreign currency into the unit of account?  
(Rank multiple responses using: **1** for the most frequent, **2** for the second most frequent, etc.,  
and **NA** for not applicable):

	<b>Inward</b>	<b>Outward</b>
Exchange rate prevailing on the day of receipt/payment	_____	_____
Average exchange rate for the period in which the transactions are recorded	_____	_____
Other ( <i>please specify</i> )	_____	_____

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(104) **A-** Additional comments on the valuation of transactions:

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**B-** Please indicate your specific future plans, if any:

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## 2.4 *Components of direct investment position data*

### 2.4.1 **Equity capital**

(105) Indicate which of the following items are included in your direct investment position data for equity capital (*answer “NA” if such transactions never occur*):

	<b>Inward</b>	<b>Outward</b>
Listed voting stocks	Yes / No / NA	Yes / No / NA
Unlisted voting stocks	Yes / No / NA	Yes / No / NA
Other non-voting stocks (including participating preference shares)	Yes / No / NA	Yes / No / NA
Reinvested earnings	Yes / No / NA	Yes / No / NA
Non-cash acquisitions of equity (such as through the provision of capital equipment)	Yes / No / NA	Yes / No / NA

### 2.4.2 **Other capital**

(106) Indicate which of the following items are included in your direct investment position data for other capital (*answer “NA” if such transactions never occur*):

	<b>Inward</b>	<b>Outward</b>
Bonds and money market instruments	Yes / No / NA	Yes / No / NA
Financial derivatives	Yes / No / NA	Yes / No / NA
Long-term loans	Yes / No / NA	Yes / No / NA
Short-term loans	Yes / No / NA	Yes / No / NA
Financial leasing	Yes / No / NA	Yes / No / NA
Trade credits	Yes / No / NA	Yes / No / NA
Loan <u>guarantees</u> provided by investee or investor	Yes / No / NA	Yes / No / NA
Insurance companies technical reserves	Yes / No / NA	Yes / No / NA

### 2.4.3 **Position data vis-à-vis affiliated banks and affiliated financial intermediaries**

(107) Are the following position data vis-à-vis affiliated banks (depository institutions) and vis-à-vis affiliated financial intermediaries (e.g., security dealers) generally included in your direct investment data ?(*answer “NA” if such transactions never occur*):

<u>For banks:</u>	<b>Inward</b>	<b>Outward</b>
Equity capital	Yes / No / NA	Yes / No / NA
Position data associated with permanent debt (loan capital representing a permanent interest)	Yes / No / NA	Yes / No / NA
Deposits and other claims and liabilities related to usual banking transactions	Yes / No / NA	Yes / No / NA

<u>For financial intermediaries:</u>	<b>Inward</b>	<b>Outward</b>
Equity capital	Yes / No / NA	Yes / No / NA
Position data associated with permanent debt (loan capital representing a permanent interest)	Yes / No / NA	Yes / No / NA
Deposits and other claims and liabilities related to usual banking transactions	Yes / No / NA	Yes / No / NA

(108) A- Additional comments on the measurement of position data:

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B- Please indicate your specific future plans, if any:

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#### 2.4.4 Valuation of assets

##### Definitions:

Valuation of stocks: *BPM5* and *OECD Benchmark* recommend using market price as the basis for valuation. However, it is recognized that, in practice, book values from the balance sheets of direct investment enterprises (or investors) often are used to determine the value of the stock of direct investment.

Book value: is the value at which an entity records the value of an asset or liability on its balance sheet - whether or not it is regularly revalued to current market value or is recorded on the basis of historical cost or is based on some interim but not current revaluation .

(109) When compiling data on direct investment position, which of the following valuation methods do you generally use?

(Please respond using: **1** for the most frequent, **2** for the second most frequent, etc. and **NA** for not applicable)

Equity capital and reinvested earnings	Inward	Outward
Market value	_____	_____
Book value (please specify valuation method below)	_____	_____
Other (please specify below)	_____	_____

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Other capital	Inward	Outward
Market value	_____	_____
Book value (please specify valuation method below)	_____	_____
Other (please specify below)	_____	_____

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(110) A- Additional comments on the valuation of equity and other capital position data:

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B- Please indicate your specific future plans, if any:

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Conversion to unit of account

(111) Which exchange rate is generally used to convert foreign currency into the unit of account?  
*(Rank multiple responses using: 1 for the most frequent, 2 for the second most frequent, etc., and NA for not applicable):*

	<b>Inward</b>	<b>Outward</b>
Exchange rate on the day to which position data relate	_____	_____
Exchange rate prevailing on the day the stocks were acquired	_____	_____
Other <i>(please specify)</i>	_____	_____

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## 2.5 *Special cases*

### 2.5.1 **Quasi-corporations**

In certain instances, an enterprise will produce goods and services outside of its own economy, but not establish a separate legal corporation in the host economy. If production is maintained for one year or more, a separate set of accounts is maintained for the local activities and income tax is paid to the host country, then *BPM5* recommends that a quasi-corporation be established in the host economy, which is in a direct investment relationship with its parent.

(112) Do you follow the *BPM5* recommendations with regard to the following (*answer "NA" when there are no such activities*):

	<b>Inward</b>	<b>Outward</b>
Mobile equipment such as:		
Ships	Yes / No / NA	Yes / No / NA
Aircraft	Yes / No / NA	Yes / No / NA
Drilling rigs	Yes / No / NA	Yes / No / NA
Other equipment (please specify below)	Yes / No / NA	Yes / No / NA
Construction enterprises:	Yes / No / NA	Yes / No / NA

(113) **A-** Additional comments on data related to quasi-corporations:

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**B-** Please indicate your specific future plans, if any:

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**2.5.2 Land and buildings**

By convention, all land and buildings located within the economy must be regarded as being owned by a resident unit. If the actual owner is nonresident, he is treated as if he has transferred his ownership to a resident notional institutional unit, that is deemed to own the land and buildings. The nonresident has a financial investment in this notional unit, which is therefore a direct investment enterprise.

(114) Do you apply this treatment for land and buildings when the nonresident actual owner is (answer "NA" when there are no such activities):

	<b>Inward</b>	<b>Outward</b>
An enterprise	Yes / No / NA	Yes / No / NA
An individual	Yes / No / NA	Yes / No / NA

(115) A- Additional comments on the treatment of land and buildings:

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B- Please indicate your specific future plans, if any:

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**2.5.3 Offshore enterprises**

In balance of payments accounts, the residency of so called "Offshore enterprises" is attributed to the economies in which they are located without regard to the special treatment they may receive by the local authorities. This applies to enterprises engaged in the assembly of components manufactured elsewhere, in trade and financial operations, and to those located in special zones.

(116) Are offshore enterprises established in your economy?

Yes / No

(117) Are offshore enterprises established abroad by resident enterprises?

Yes / No

(118) Do you generally include information on offshore enterprises in your direct investment data *(please specify any exceptions)*?

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

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(119) **A-** Additional comments on the treatment of offshore enterprises:

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**B-** Please indicate your specific future plans, if any:

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**2.5.4 Special purpose entities**

Special purpose entities (SPE's) are: (1) generally organized or established in economies other than those in which the parent companies are resident and (2) engage primarily in international transactions but in few or no local operations. They are either defined by their structure (e.g., financing subsidiary, holding company, base company, regional headquarters), or their purpose (e.g., sale and regional administration, management of foreign exchange risk, facilitation of financing of investment).

(120) Are SPE's established in your economy?

Yes / No

(121) Are SPE's established abroad by your resident enterprises?

Yes / No



(122) Do you generally include information on SPE's in your direct investment data? *(please specify any exceptions)*

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

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*If YES to any part of question 122:*

(123) *BPM5* and the *OECD Benchmark* specify a special treatment for the recording of the direct investment transactions of particular SPEs; specifically SPEs which have the sole purpose of serving as financial intermediaries. For these SPEs, it is recommended that direct investment recording should be limited to these transactions with affiliated banks or affiliated financial intermediaries which are associated with permanent debt and equity investment (i.e., they exclude usual banking transactions and other claims and liabilities of other financial intermediaries). Do you generally follow that rule?

<b>Inward</b>	<b>Outward</b>
Yes / No	Yes / No

(124) A- Additional comments on the treatment of SPEs:

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B- Please indicate your specific future plans, if any:

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**2.5.5 Natural resources exploration**

(125) Do your direct investment statistics cover these activities *(answer "NA" when there are no such activities)*:

	<b>Inward</b>	<b>Outward</b>
Expenditures related to natural resources exploration	Yes / No / NA	Yes / No / NA

(126) A- Additional comments on the treatment of natural resources exploration:

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B- Please indicate your specific future plans, if any:

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**2.5.6 Exclusions**

(127) A- Please specify if any major industrial sector is excluded from your “most comprehensive data”:

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B- Please indicate your specific future plans, if any:

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### 3 FINAL QUESTION AND COMMENTS

#### 3.1 *Dissemination of survey data*

The survey data will be used by the Fund and the OECD to construct a metadatabase<sup>10</sup> on foreign direct investment. The survey results will also be used to provide feedback to countries on the reported status of the implementation of *BPM5* and *OECD Benchmark* recommendations regarding direct investment. The Fund and OECD would like to make the metadata on your country available to other member countries. The availability of the metadata to compilers and users of direct investment data would allow the recipient countries to get a clear understanding of your country's methodology and facilitate the compilation and analysis of direct investment data, and the exchange of bilateral information.

(128) Therefore, would you agree to the Fund and OECD making available, upon request by a member country or international organization, survey information for your country?<sup>11</sup>

Yes / No

#### 3.2 *Final comments*

(129) If your country is not involved in the collection, compilation or dissemination of direct investment data, but has specific plans for future changes regarding these activities, please describe these plans (*be specific, for example provide target dates, mention series and explain methodologies*):

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<sup>10</sup> A metadatabase is a database that contains information on data such as availability, periodicity, timeliness, and methodologies used in compiling the data.

<sup>11</sup> OECD Member countries responded positively to this question at the meeting of the Group of Financial Statisticians in April 1997.

(130) If this questionnaire has not adequately covered your system of direct investment statistics, or if you have any other comments, please give details:

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**Please verify that the form has been correctly completed.**

**Name of person completing this form:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Department:** \_\_\_\_\_

**Institution:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Telephone number:** \_\_\_\_\_

**Fax number:** \_\_\_\_\_

**E-Mail:** \_\_\_\_\_

**The International Monetary Fund and the Organisation for Economic Co-operation and Development appreciate the time and effort spent in completing this survey.**

**Thank you**

**ANNEX I**  
**DESCRIPTION OF THE FULLY CONSOLIDATED SYSTEM**

*BPM5* and *OECD Benchmark* consider that inward and outward direct investment statistics should, as a matter of principle, cover all directly and indirectly owned subsidiaries, associates, and branches. *BPM5* and *OECD Benchmark* recommend the following definition of these enterprises:

a) *Subsidiary companies*

Company X is a subsidiary of enterprise N if, and only if

i) enterprise N either

1. is a shareholder in or member of X and has the right to appoint or remove a majority of the members of X's administrative, management or supervisory body; or
2. owns more than half of the shareholders' or members' voting power in X; or

ii) company X is a subsidiary of any other company Y which is a subsidiary of N.

b) *Associate companies*

Company R is an associate of enterprise N if N, its subsidiaries and its other associated enterprises own not more than 50 per cent of the shareholders' or members' voting power in R and if N and its subsidiaries have a direct investment interest in R. Thus company R is an associate of N if N and its subsidiaries own between 10 and 50 per cent of the shareholders' voting power in R.

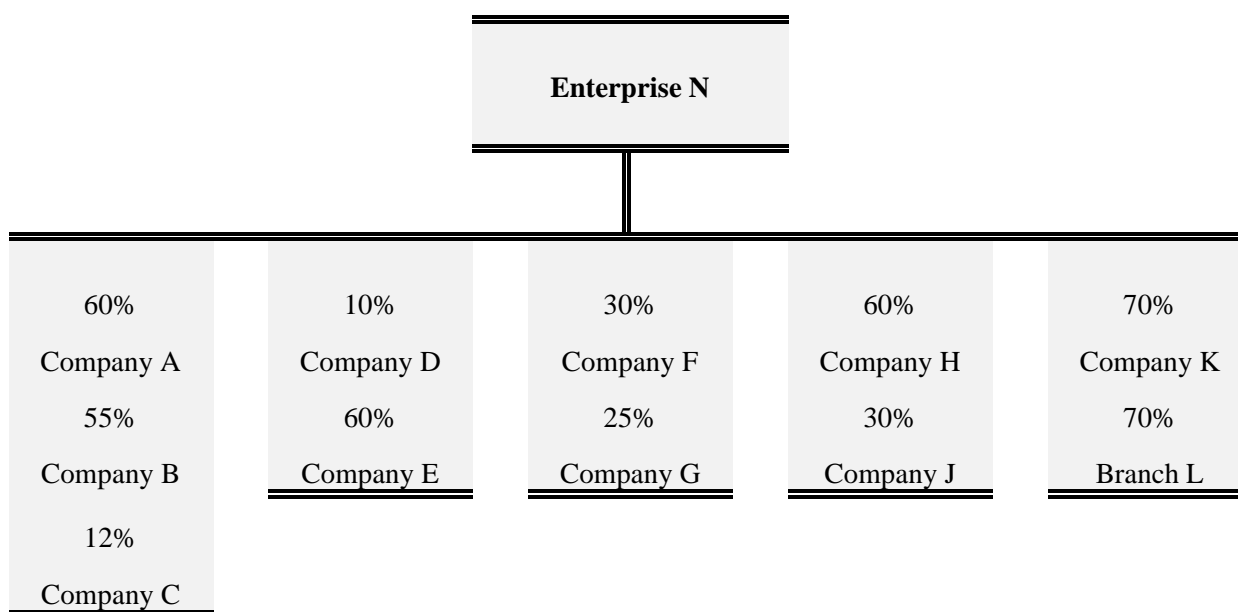
c) *Branches*

A direct investment branch is an unincorporated enterprise in the host country that:

- i) is a permanent establishment or office of a foreign direct investor; or
- ii) is an unincorporated partnership or joint venture between a foreign direct investor and third parties; or
- iii) is land, structures (except those structures owned by foreign government entities), and immovable equipment and objects, in the host country, that are directly owned by a foreign resident. Holiday and second homes owned by non-residents are therefore regarded as part of direct investment, though few, if any, countries actually include such investment in their direct investment statistics; or
- iv) is mobile equipment (such as ships, aircraft, gas and oil drilling rigs) that operates within an economy for at least one year if accounted for separately by the operator and is so recognised by the tax authorities. This is considered to be direct investment in a notional enterprise in the host country.

Statistics based on those definitions should, as a matter of principle, cover all enterprises in which the direct investor has directly or indirectly a direct investment interest. For convenience, this approach is referred to below as the Fully Consolidated System. To illustrate the above definitions, assume enterprise N has the following investments:

**Figure 1**



Under the Fully Consolidated System, Company A is a subsidiary of N. Company B is a subsidiary of A and thus a subsidiary of N even though only 33 per cent of B is indirectly attributable to N. Company C is an associate of B and, through the chain of subsidiaries A and B, of N as well, even though only 4 per cent of C is indirectly attributable to N. Company D is an associate of N, Company E is a subsidiary of D and thus an associate of N even though only 6 per cent of E is indirectly attributable to N. Company F is an associate of N and G is an associate of F, but G is not an associate of N. Company H is a subsidiary of N and Company J is an associate of H and thus an associate of N. Company K is a subsidiary of N and L is a branch of K and thus of N. Thus direct investment statistics based on the Fully Consolidated System would cover A, B, C, D, E, F, H, J, K and L.

**ANNEX II**  
**INDUSTRY CLASSIFICATION**

**ISIC/NACE CODES USED OECD-EUROSTAT QUESTIONNAIRE FOR INDUSTRIAL ACTIVITIES**

	ISIC Rev.3	NACE Rev.1	OECD/
AGRICULTURE AND FISHING	sections A et B	sections A et B	0595
MINING AND QUARRYING	section C	section C	1495
<i>of which:</i> Extraction of petroleum and gas	division 11	division 11	1100
MANUFACTURING	section D	section D	3995
<i>of which:</i> Food Products	divisions 15, 16	subsection DA	1605
Textiles and wearing apparel	divisions 17, 18	subsection DB	1805
Wood, publishing and printing	divisions 20, 21, 22	subsections DD and DE	2205
<b>Total textile and wood activities (*)</b>			2295
Refined petroleum products and other treatments	division 23	division 23	2300
Chemicals and chemical products	division 24	division 24	2400
Rubber and plastic products	division 25	division 25	2500
<b>Total petroleum, chemical, rubber, plastic products (*)</b>			2595
Metal products	divisions 27, 28	subsection DJ	2805
Mechanical products	division 29	division 29	2900
<b>Total metal and mechanical products (*)</b>			2995
Office machinery and computers	division 30	division 30	3000
Radio, TV, communication equipment	division 32	division 32	3200
<b>Total machinery, computer, RTV, communication (*)</b>			3295
Motor vehicles	division 34	division 34	3400
Other transport equipment	division 35	division 35	3500
<b>Total vehicles and other transport equipment (*)</b>			3595
ELECTRICITY, GAS AND WATER	section E	section E	4195
CONSTRUCTION	section F	section F	4500
TRADE AND REPAIRS	section G	section G	5295
HOTELS AND RESTAURANTS	section H	section H	5500
TRANSPORTS, COMMUNICATION	section I	section I	6495
<i>of which:</i> Land transport	division 60	division 60	6000
Sea and coastal water transport	group 61.1	group 61.1	6110
Air transport	division 62	division 62	6200
<b>Total Land, Sea and Air transport (*)</b>			6295
Telecommunications	group 64.2	group 64.2	6420
FINANCIAL INTERMEDIATION	section J	section J	6895
<i>of which:</i> Monetary intermediation	group 65.1	group 65.1	6510
Other financial intermediation	group 65.2	group 65.2	6520
<i>of which:</i> Financial holding companies	part of class 6599	part of class 65.23	6524
Insurance and activities auxiliary to insurance	division 66 & group 67.2	division 66 & group 67.2	6730
<b>Total other fin. intermediation + insurance activities (*)</b>			6795
REAL ESTATE AND BUSINESS ACTIVITIES	section K	section K	7395
Real Estate	division 70	division 70	7000
Computer activities	division 72	division 72	7200
Research and development	division 73	division 73	7300
Other business activities	division 74	division 74	7400
<i>of which:</i> Business and management consultancy	group 74.1	group 74.1	7410
<i>of which:</i> Management holding companies	part of class 7414	class 74.15	7415
Advertising	group 74.3	group 74.4	7440
OTHER SERVICES	sections L, M, N, O, P, Q	sections L, M, N, O, P, Q	9995
UNALLOCATED			9996
SUB-TOTAL			9997
PRIVATE PURCHASES AND SALES OF REAL ESTATE			9998
TOTAL			9999

**ANNEX III**  
**BALANCE OF PAYMENTS - STANDARD FDI COMPONENTS**

<b>Direct investment income</b>	Credit	Debit
Income on equity	(outward)	(inward)
Dividends and distributed branch profits		
Reinvested earnings and undistributed branch profits		
Income on debt (interest)		
<b>Direct investment financial flows</b>	Credit	Debit
<i>Abroad (outward)</i>		
Equity capital		
Claims on affiliated enterprises		
Liabilities to affiliated enterprises		
Reinvested earnings		
Other capital		
Claims on affiliated enterprises		
Liabilities to affiliated enterprises		
<i>In reporting economy (inward)</i>		
Equity capital		
Claims on direct investors		
Liabilities to direct investors		
Reinvested earnings		
Other capital		
Claims on direct investors		
Liabilities to direct investors		

**Direct investment position**Changes in position reflecting

Position at beginning of year	Transactions	Price changes	Exchange rate changes	Other adjustments	Position at end of year
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**Assets**

<i>Direct investment abroad* (outward)</i>
Equity capital and reinvested earnings
Claims on affiliated enterprises
Liabilities to affiliated enterprises
Other capital
Claims on affiliated enterprises
Liabilities to affiliated enterprises

**Liabilities**

<i>Direct investment in reporting economy * (inward)</i>
Equity capital and reinvested earnings
Claims on direct investors
Liabilities to direct investors
Other capital
Claims on direct investors
Liabilities to direct investors

\* Because direct investment is classified primarily on a directional basis - abroad under the heading **Assets** and in the reporting economy under the heading **Liabilities** - breakdowns of claims/liabilities are shown for the components of each, although these sub-items do not strictly conform to the overall headings of **Assets** and **Liabilities**.



**Annex IV**  
**List of IMF and OECD Member countries**

Afghanistan, Islamic State of	Kazakistan	Turkey (IMF & OECD)
Albania	Kenya	Turkmenistan
Algeria	Kiribati	Uganda
Angola	Korea (IMF & OECD)	Ukraine
Antigua and Barbuda	Kuwait	United Arab Emirates
Argentina	Kyrgyz Republic	United Kingdom (IMF & OECD)
Armenia	Lao People's, Dem. Republic	United States (IMF & OECD)
Australia (IMF & OECD)	Latvia	Uruguay
Austria (IMF & OECD)	Lebanon	Uzbekistan
Azerbaijan	Lesotho	Vanuatu
Bahamas, The	Liberia	Venezuela
Bahrain	Libya	Vietnam
Bangladesh	Lithuania	Yemen, Republic of
Barbados	Luxembourg (IMF & OECD)	Zambia
Belarus	Macedonia, former Yugoslav R. of	Zimbabwe
Belgium (IMF & OECD)	Madagascar	
Belize	Malawi	
Benin	Malaysia	
Bhutan	Maldives	
Bolivia	Mali	
Bosnia and Herzegovina	Malta	
Botswana	Marshall Islands	
Brazil	Mauritania	
Brunei Darussalam	Mauritius	
Bulgaria	Mexico (IMF & OECD)	
Burkina Faso	Micronesia, Fed. States of	
Burundi	Moldova	
Cambodia	Mongolia	
Cameroon	Morocco	
Canada (IMF & OECD)	Mozambique	
Cape Verde	Myanmar	
Central African Rep.	Namibia	
Chad	Nepal	
Chile	Netherlands (IMF & OECD)	
China	New Zealand (IMF & OECD)	
Colombia	Nicaragua	
Comoros	Niger	
Congo, Dem Rep. of	Nigeria	
Congo, Republic of	Norway (IMF & OECD)	
Costa Rica	Oman	
Côte d'Ivoire	Pakistan	
Croatia	Palau	
Cyprus	Panama	
Czech Republic (IMF & OECD)	Papua New Guinea	
Denmark (IMF & OECD)	Paraguay	
Djibouti	Peru	
Dominica	Philippines	
Dominican Republic	Poland (IMF & OECD)	
Ecuador	Portugal (IMF & OECD)	
Egypt	Qatar	
El Salvador	Romania	
Equatorial Guinea	Russia	
Eritrea	Rwanda	
Estonia	St. Kitts and Nevis	
Ethiopia	St. Lucia	
Fiji	St. Vincent and the Grenadines	
Finland (IMF & OECD)	Samoa	
France (IMF & OECD)	San Marino	
Gabon	São Tomé and Príncipe	
Gambia, The	Saudi Arabia	
Georgia	Senegal	
Germany (IMF & OECD)	Seychelles	
Ghana	Sierra Leone	
Greece (IMF & OECD)	Singapore	
Grenada	Slovak Republic	
Guatemala	Slovenia	
Guinea	Solomon Islands	
Guinea-Bissau	Somalia	
Guyana	South Africa	
Haiti	Spain (IMF & OECD)	
Honduras	Sri Lanka	
Hungary (IMF & OECD)	Sudan	
Iceland (IMF & OECD)	Suriname	
India	Swaziland	
Indonesia	Sweden (IMF & OECD)	
Iran, Islamic Republic of	Switzerland (IMF & OECD)	
Iraq	Syrian Arab Rep.	
Ireland (IMF & OECD)	Tajikistan	
Israel	Tanzania	
Italy (IMF & OECD)	Thailand	
Jamaica	Togo	
Japan (IMF & OECD)	Tonga	
Jordan	Trinidad and Tobago	
	Tunisia	