IMF Committee on Balance of Payments Statistics

Balance of Payments Technical Expert Group (BOPTEG)

BACKGROUND PAPER BOPTEG ISSUE # 9B

STATISTICAL TREATMENT OF SPECIAL PURPOSE VEHICLES AND RELATED ISSUES

Prepared by Frank Mayerlen, Nicole De Windt and Reimund Mink[1]

European Central Bank

October 2004

---

1 This note has benefited from helpful comments from colleagues in the ECB's Directorate General Statistics, as well as from the Statistics Committee of the ESCB. However, this note should be regarded as reflecting only the views of its authors.

The statistical treatment of ***privatisation, restructuring agencies, securitisation and special purpose vehicles*** *is one of the issues to be considered during the updating process of the SNA93.*[2] *The Task Force on Harmonization of Public Sector Accounting has brought forward this issue, but also the IMF Balance of Payments Committee in the context of the treatment of holding companies, special purpose entities, and trusts. The UN Statistics Department has set up an Electronic Discussion Group on ancillary units.*[3]

This note concentrates on the statistical treatment of **special purpose vehicles (SPVs).** *It deals with their identification as institutional units and their sector classification, and describes the conditions under which SPVs are set up to securitise government assets. These issues are closely linked to the definition of institutional units included in the financial corporation sub-sector* ***other financial intermediaries, except insurance corporations and pension funds (OFIs****) (S.123).*

In this context, ***we recommend****:*

(a) *To define* ***SPVs as institutional units****, under the condition that they decide and operate (legally) independently and maintain a balance sheet of their own, and independently of whether they are set up in the same country as their parent company or not. They are to be sectorised according to their principal economic activity (instead of that of their affiliates) within the OFIs sub-sector (S.123);*

(b) *To clarify the* ***treatment of SPVs securitising government assets*** *with the aim to bring it in line with Eurostat's* ***ESA95 manual on government deficit and debt****;*

(c) *To* ***split*** *the OFI sub-sector into to two groupings:* ***investment funds and other OFIs*** *and to* ***identify separately****: (a) Investment funds (IF); (b) Financial vehicle corporations as holders of securitised assets (SPVs); (c) Financial holding corporations (FHCs); (d) Security and derivative dealers (SDDs); (e) Financial corporations engaged in lending (FLCs); and (f) Remaining OFIs.*

(d) *To classify* ***investment funds issuing monetary liabilities****, as money market funds to the sub-sector* ***other depository corporations*** *(S.122), and not to OFIs (S.123).*

It is recognised that the same issue will be discussed by the Task Force on Harmonisation of Public Sector Accounting (TFHPSA), by a sub-group of the Balance of Payments Committee, and by Eurostat's Task Force on updating SNA. This note may serve as an input into these discussions.

---

2 Issue 25 of the list of items to be reviewed when updating SNA93.

3 The issue is to some extent related to the remaining issues listed under item 25 like a) Ancillary units; b) Institutional units; c) Holding companies, special purpose entities, trusts; d) Treatment of multi-territory enterprises; and e) Recognition of unincorporated branches.

1. Statistical treatment of special purpose vehicles and of related entities in the international statistical standards

The SNA93 and the ESA95 provide not much guidance on the statistical treatment of special purpose vehicles (SPVs).[4] The SNA93 makes only reference to **ancillary corporations**, and also to **special purpose units**. According to its paragraph 4.44, '*ancillary corporations are not treated as separate institutional units because they can be regarded as artificial units created to avoid taxes, to minimise liabilities in the event of bankruptcy, or to secure other technical advantages under the tax or corporation legislation in force in a particular country.'* The ESA95 provides only information on the sector classification of **financial vehicle corporations** created to be holders of securitised assets. Its paragraph 2.55f states that such units should be classified as 'other financial intermediaries, except insurance corporations and pension funds (S.123)', assuming that they are separate institutional units. In this context, a financial intermediary is seen as a unit, which '*does not simply act as an agent for other institutional units but places itself at risk by acquiring financial assets and incurring liabilities on its own account'* (paragraph 2.33).

The Government Finance Statistics Manual (GFSM) and the Monetary and Financial Statistics Manual (MFSM) also refer to **ancillary units** and ancillary corporations. The GFSM distinguishes in paragraph 2.38 two cases in which a unit should be treated as an ancillary unit and its activities are consolidated with the other activities of the government unit that controls it: '*First, if the unit is an internal service organisation that sells its output mainly to other government units, such as a transportation pool, a supply depot, or an munitions factory. Second, in some cases a unit that appears to be a financial corporation is in fact a general government unit. Most typically, a government may establish a central borrowing authority that borrows on the market and then lends only to general government units, generally on commercial terms. Such organisations merely facilitate government borrowing and should be classified as general government units (if it mainly lends to public corporations, then it would be classified as a financial corporation.).'* The MFSM defines in paragraph 71 *'an ancillary corporation as a subsidiary wholly owned by a parent corporation, whose productive activities are ancillary in nature – that is, activities strictly confined to providing services to the parent corporation, or other ancillary corporations owned by the same parent corporation.' 'While domestic ancillaries are treated as integral parts of the parent corporation, rather than as separate institutional units, an ancillary corporation that has its centre of economic interest in a foreign country is treated as a separate, nonresident unit.'*

Special purpose units are described in the SNA93 (chapter XIV on the rest of the world accounts) as *'"offshore" units engaged in manufacturing processes (including assembly of components manufactured elsewhere) and are residents of the economy in which they are located. This statement applies regardless*

4 Both handbooks provide detailed guidance on the treatment of institutional units in the form of legal or social entities. In particular, the SNA93 distinguishes, among others, between corporation, quasi-corporations and ancillary corporations. Corporations and quasi-corporations are recognised as institutional units and are classified to a sector according to their principal economic activity. On the other hand, ancillary units are not recognised as institutional units, but together with their parent company. SNA93 defines ancillary units as being "subsidiary corporations, wholly owned by a parent corporation, whose productive activities are ancillary in nature: that is, are strictly confined to providing services to the parent corporation, or other ancillary corporations owned by the same parent corporation (par.4.40 SNA93)."

of location in special "zones" of exemption from customs or other regulations or concessions, and also applies to non-manufacturing operations (i.e., trading and financial enterprises), including so-called special purpose units.'

Paragraph 79 of the BPM5 (see also paragraph 381) is almost identical to this paragraph. However, the term **special purpose enterprises** is used instead of special purpose units. The paragraph also refers to paragraphs 365 and 372, in which the concept of **special purpose entities (SPEs)** is introduced. Paragraph 365 says that "*it is recommended that so-called special purpose entities (SPEs) be included as direct investment enterprises if the entities meet the criteria stated in previous paragraphs. Whatever the structure (e.g., holding company, base company, regional headquarters) or purpose (e.g., administration, management of foreign exchange risk, facilitation of financing of investments), SPEs are an integral part of the structure of the direct investment network as are, for the most part, SPE transactions with other members of the group. However, for SPEs with a sole purpose of serving in a financial intermediary capacity (as is the case for banks and other financial intermediaries such as security dealers), transactions recorded under direct investment are limited to those associated with permanent debt and equity. For countries employing other treatments of SPEs and countries employing the recommended treatment, the value of SPE transactions as a group should be separately identified in terms of standard components to permit consistent international comparisons.'*

More details on the definition of such units including **SPVs** are found in the MFSM. It indicates in its paragraph 72 that *'various trusts, special purpose vehicles, and other arrangements are treated in the same way as ancillary corporations if these entities merely hold financial assets or liabilities for parent corporations and do not act as financial intermediaries or provide other market-oriented services to units outside the parent corporation. Similarly, financial offices that passively serve as conduits for financial flows are considered ancillary to other functions of the parent corporation and should be treated as part of the parent. In contrast, financial subsidiaries that are owned by corporations and that transact with the public or other units are not ancillaries; these are classified as financial corporations.'* In paragraph 100, which provide examples of units belonging to the financial corporation sub-sector (s.123**) vehicle companies** are also listed. They are described as '*financial entities created to be holders of securitized assets or assets that have been removed from the balance sheets of corporations or government units. They are organised as trusts or special purpose vehicles created solely to hold specific portfolios of assets or liabilities.'* It further elaborates that *'if the vehicle company (repackaging the portfolio and selling investment interests in the portfolio to institutional or other investors) is acting as a financial intermediary and – as long as a full set of accounts is available for the company – it is deemed to be a separate institutional unit. If the vehicle company does not sell a new financial asset representing an interest in the portfolio, the company has not effectively transformed or intermediated the portfolio and thus is not deemed to be a financial intermediary.'*

The ESA95 manual on government deficit and debt (MGDD) refers to SPVs in the context of securitisation operations undertaken by general government.[5] SPVs as securitisation units are described as rather passive. They are seen just as the ultimate beneficial recipients of receipts collected by government units. For example, for bank loan securitisation, the effective management of loans often remains with the originator and is not outsourced by the purchaser to specialised non-financial units. However, the manual states that '*experience shows that in almost all cases units involved in government securitisation can be considered as institutional units*.' It further concludes in section V.2.1 that '*if the SPV meets the condition to be considered as a separate unit actively managing the assets and liabilities, and bearing risk, it should be classified as a corporation. The resident securitisation unit would normally be included in the sub-sector S.123 except in some cases, where non-financial assets are transferred to an existing non-financial corporation for which the securitisation arrangement is a minor part of its whole activity.'* The following table provides an overview of the terms used in the different international statistical standards.

Table 1: Overview of terms for special purpose vehicles used in international statistical standards

	SNA93	ESA95	BPM5	GFSM	MFSM	MGDD
Special purpose vehicle (SPV)					Like ancillary corporation (passive role); institutional unit if active management of portfolio (72)	Institutional unit if active management of portfolio; places itself at risk (ESA95: 2.33, 2.55)
Vehicle company					Like SPV	
Financial vehicle corporation (FVC)		Like SPV				
Special purpose unit	Non-resident institutional unit (XIV)					
Special purpose enterprise			Non-resident institutional unit (79)			
Special purpose entity (SPE)			Non-resident institutional unit (365)			
Ancillary corporation	No institutional unit (4.44)				No institutional unit if resident, but institutional unit if non-resident (71)	
Ancillary unit				No institutional unit, if non-financial, but institutional unit, if financial (2.38)		

The same colour shading indicates broadly similar statistical treatment.

As a conclusion, the recognition of SPVs as institutional units depends on their role in the context of their own activities in financial intermediation. They are treated as institutional units if they carry out an active management of their portfolio and place them themselves at risk. The terms SPV, vehicle company, FVC, special purpose unit, special purpose enterprise, or SPE are often used interchangeably in the standards,

5 Eurostat, ESA95 manual on government deficit and debt, Securitisation operations undertaken by general government (Part V), Luxembourg 2003. See also ESA95, paragraph 2.55f, referring to financial vehicle corporations created to be holders of securitised assets as discussed earlier.

always covering a subgroup of other financial intermediaries (S.123). Their sector classification is seen as straightforward due to the type of activities they do. While special purpose units, special purpose enterprises and SPEs abroad are already described as non-resident institutional units (to be classified within the non-resident sector S.123, which is usually not separately identified in the balance of payments statistics), SPVs, vehicle companies and FVCs are also classified in S.123 assuming that they are institutional units.

2. Proposals

2.1 Definition and sector classification of financial vehicle corporations (FVCs) and financial holding corporations (FHCs)

The different treatment of SPVs, dependent on their residence relative to their parent company (or the companies they control in case of holdings), is conceptually not seen as satisfactory, in particular when statistics are aggregated and consolidated at a multi-country level as regularly done by the ECB. The aim is a consistent treatment of SPVs, easy to implement in operational terms. It is therefore proposed to recognise (and sectorise) consistently SPVs as institutional units under the condition that they are deciding and operating (legally) independently, and that they maintain a balance sheet of their own. This recognition would be independent from the fact whether the SPV is resident in the same economy or area as its parents or not. More strict criteria would apply for SPVs securitising government assets, as explained in section 2.2. below.

The United Nations Statistics Division has established an Electronic Discussion Group (EDG) to explore alternative ways of treating ancillary units to facilitate the compilation of regional accounts. The issues note posted on that forum raises the point to recognise ancillary units as separate establishments to permit the proper compilation of regional accounts. Furthermore, such treatment would show the structural development of moving activities out of the parent company and into an ancillary unit.[6]

Until now, no internationally accepted definition of SPVs has been developed. In any case, it has to cover various types of specialised financial entities. The definitions proposed by the ECB are currently still provisional and are based on its work undertaken to develop sector statistics on other financial intermediaries, except insurance corporations and pension funds as included in S.123 (OFIs). In this context, the European System of Central Banks (ESCB) is considering to positively define five groupings of institutional units belonging to this sub-sector. The institutional units of S.123 not covered by the five groupings are allocated in a remaining grouping as “other”. The five positively defined groupings are investment funds (IFs), financial vehicle corporations created to be the holders of securitised assets (FVCs), financial corporations engaged in lending (FCLs), financial holding corporations (FHCs), and security and derivative dealers (SDDs). Their current working definitions are attached to this note in

6 See “Treatment of ancillary units in the 1993 SNA: a review”, prepared by Viet Vu.

Annex 2. Two of the groupings, **FVCs** and **FHCs** are considered to belong to the broader category of SPEs as identified by the BOPTEG proposal.[7]

IMF Balance of Payments Committee's BOPTEG has identified a broader coverage of corporations belonging to SPEs. In addition to FVCs and FHCs, two further groupings are mentioned: **Conduits** (raising funds on behalf of a parent as described in the MFSM, paragraph 72) and **SPEs** (for other asset management functions, including holding business and family wealth, with or without liabilities). The institutions are not separately identified in the ESCB OFI definitions as some of these are considered as financial auxiliaries (hence excluded form the OFI sector) and other are considered as belonging to the OFI grouping "investment funds" .

Table 2: Link between the ECB proposal for the OFI groupings FVC and FHC and the BOPTEG SPEs

	Securitisation vehicles	Financial Holding corporations	Conduits[8]	Other asset management companies
ECB OFI statistics	FVCs (S.123)	FHCs (S.123)	FVCs (S.123)	Partly in investment funds (S.123), partly in financial auxiliaries (S.124)
BOPTEG proposal	SPEs			

2.2 Treatment of special purpose vehicles to securitise government assets

As outlined in the previous section FVCs (created to be holders of securitised assets) are seen as SPVs and have to be classified in S.123. This complies with the proposed treatment of such units in the ESA95 manual on government deficit and debt.

The manual defines the necessary conditions to be fulfilled to classify units securitising government assets as SPVs.[9] According to this manual, the government assets to be sold to the SPV must exist in the government's balance sheet before the arrangement starts. To be treated as a "true sale" the SPV has to take over the full risks of the assets.

2.3 Further sectoral split of 'other financial intermediaries, except insurance corporations and pension funds'

As mentioned above, six sub-groupings have been specified for S.123 in the context of preparing OFI statistics. Because of their different type of business and of their importance, it is proposed to include investment funds into a new 'sub-sub-sector', reducing the "other" financial intermediaries' sub-sub-

7 Financial corporations are classified as financial auxiliaries (S.124) when they undertake financial activity on behalf of third parties. The FVCs and FHCs undertake primarily activity on their own account and take the risk of their financial activity. They shall therefore be allocated to sector S.123.

8 Several types of conduits are classified as FVCs. However, further investigations on the type of activity undertaken by conduits as identified by the BOPTEG should be made to validate this classification

9 See ESA95 manual on government deficit and debt, section V.2.

sector in size. For the remaining OFIs, the work undertaken by the ESCB on the harmonised OFI statistics could be used as a starting point for listing and defining categories of institutions to be classified in this sub-sector

The OFI sub-categories as considered by the ESCB may be used to derive, in the context of the SNA93 update, a more concise definition of the sub-sector S.123 based on an appropriate grouping of the institutional units belonging to it. This would allow to increase the institutional sub-sectors positively defined and would reduce at the same time the sector of the "remaining" financial intermediaries.

Table 3: Proposal for a split of the sub-sector S.123 into various groups

Sub-sector S.123 (Other financial intermediaries, except insurance corporations and pension funds (OFIs)					
Investment funds	Other financial intermediaries (OFIs)				
IFs	FHCs	FVCs	SDDs	FLCs	Remaining OFIs

2.4 Investment funds issuing monetary liabilities

Borderline cases may exist between the OFI sub-sector and the sub-sector of other depository corporations (S.122). This has gained some relevance in connection with the classification of specific types of investment funds, which are money market funds issuing monetary liabilities. The SNA93 recognises investment corporations as institutional units included in sub-sector S.123 without defining them further.[10] It also mentions that corporations issuing liabilities, which are close substitutes for deposits would have to be classified as "other other" depository corporations in sector S.1222.[11] It could be argued that money market funds would already be covered by this definition.

The ESA95 classifies investment funds as institutional units either as other monetary financial institutions (other MFI, S.122) or as OFI (S.123), depending on the liquidity of the funds they collect from the public.[12] BPM5 does not explicitly mention investment funds as institutional units, but may implicitly include them as "banks" or as "other sectors."[13] The MFSM generally classifies investment pools as units belonging to the OFI sector but recommends classifying them as other depository corporations if their liabilities are so liquid that they are included in broad money.[14]

It is proposed to include in the SNA93 a reference to funds issuing monetary liabilities. The amendment should clarify that investment funds issuing liabilities of a monetary nature (money market funds units) should be classified as other depository corporations (S.122) and not as OFI (S.123). This proposal would affect paragraph 4.94 of the SNA93. Reference should also be made to the definition of investment funds as part of the OFI sub-sector.

10 See SNA93, paragraph 4.95.
11 See SNA93, paragraph 4.94.
12 See ESA95, paragraph 2.51.
13 See BPM5, paragraph 365.
14 See MFSM, paragraph 100.

References

Australian Bureau of Statistics (International and Financial Account Branch), *Special purpose entities*, IMF Committee on Balance of Payments Statistics, BOPTEG, Issue paper 9A, May 2004

De Nederlandsche Bank *Residency of special purpose entities*, IMF Committee on Balance of Payments Statistics, BOPTEG, Issue paper 10, May 2004

Dippelsman, R., *Special purpose entities and holdings companies*, IMF Committee on Balance of Payments Statistics, Balance of Payments Technical Group (BOPTEG), Issue paper 9, IMF Statistics Department, April 2004

Viet Vu, *Treatment of ancillary units in the 1993 SNA: a review*, United Nations Statistics Division, July 2004

Regulation (EC) No 2423/2001 of the European Central Bank of 22 November 2001, concerning the consolidated balance sheet of the monetary financial institutions sector (ECB/2001/13)

Annex XV of the Guideline of the ECB on money and banking statistics (ECB/2003/2, as amended by ECB/2004/1)

Eurostat, *Securitisation operations undertaken by general government*, ESA95 manual on government deficit and debt (Part V), Luxembourg 2003.

Annex 1

1) SNA93

2. Ancillary corporations

4.43.Ancillary corporations are not treated as separate institutional units in the System. When a parent corporation has created a single ancillary corporation, the ancillary corporation should be treated as an integral part of the parent and its accounts consolidated with those of the parent. When a parent corporation has created several ancillary corporations, they should all be combined with the parent corporation to form a single institutional unit.

4.44. Ancillary corporations are not treated as separate institutional units because they can be regarded as artificial units created to avoid taxes, to minimize liabilities in the event of bankruptcy, or to secure other technical advantages under the tax or corporation legislation in force in a particular country.

ANNEX I. Changes from the 1968 System of National Accounts

B. SNA revisions

2. Further specifications of statistical units, revisions in the sectoring and introduction of multiple sub-sectoring

Definitions of institutional units and establishments

Reference: chapter II, paragraphs 2.19. to 2.21. and 2.43. to 2.45.; chapter IV, paragraphs 4.1. to 4.5.; Chapter V, paragraphs 5.21. to 5.24.; chapter VII, paragraphs 7.118. to 7.121.; chapter XV, paragraphs 15.13. to 15.19.

13. The 1993 SNA defines an institutional unit as an economic entity that is capable in its own right of owning assets, incurring liabilities and engaging in economic activities and in transactions with other units. Corporations providing ancillary-type services to a parent corporation are merged with the parent corporation into one single institutional unit. Also included in the corporate sectors as separate institutional units are quasi-corporations - i.e., unincorporated enterprises owned by households, government or non-resident units that behave like corporations and have complete sets of accounts, including information on withdrawals of entrepreneurial income analogous to the payments of dividends in the case of a corporation. In the 1993 SNA, the family of enterprises is not used as a statistical unit. The 1968 SNA did not include explicit definitions for institutional units but made reference to one criterion - availability of complete accounts. It did not make reference to the requirement that information on withdrawals of entrepreneurial income had to be available.

XIV. THE REST OF THE WORLD ACCOUNT (EXTERNAL TRANSACTIONS ACCOUNT)

B. Residence

4. The residence of corporations and quasi-corporations

Attribution of production

14.24. "Offshore" units engaged in manufacturing processes (including assembly of components manufactured elsewhere) are residents of the economy in which they are located. This statement applies regardless of location in special "zones" of exemption from customs or other regulations or concessions, and also applies to non-manufacturing operations (i.e., trading and financial enterprises), including so-called special purpose units.

2) BPM

Special purpose entities (SPEs): 79; 365, 381; 372

Transactions through SPEs: 373

3) MFSM

70, 71, 72, 100

Annex 2

Definitions of institutional units belonging to sub-sector S.123

Investment funds (IF)

"Investment funds shall mean all collective investment undertakings (CIU) investing in financial and non-financial assets to the extent that their sole objective is the investment of capital raised from the public. [15] For the purpose of this definition, CIU shall include those undertakings the units/shares of which are, at the request of the holders, repurchased or redeemed directly or indirectly out of the undertaking's assets and those undertakings, the shares of which are fixed, and the holders entering or leaving the fund have to buy or sell existing shares. CIU within the meaning of this definition shall be constituted either: (i) under the law of contract (as common funds managed by management companies, or (ii) trust law (as unit trusts), or (iii) under a statute (as investment companies), or (iv) according to any other statement with similar effects.

This definition shall exclude pension funds. This definition shall also exclude investment funds issuing highly liquid liabilities of a monetary nature. The latter institutions, known as money market funds, would be classified in the sub-sector 'other depository corporations' (S.122).

Financial vehicle corporations created to be the holders of securitised assets (FVC)

"Financial Vehicle Corporations created to be the holder of securitised assets" (FVC) shall mean an undertaking that predominantly carries out one or more securitisations, the structure of which serves to isolate the FVC and the credit risk of the originator from each other.

FVC within the meaning of this definition shall be constituted either: (i) under the law of contract (as common funds managed by management companies), or (ii) under trust law, or (iii) under a statute (as a public limited company16), or (iv) according to any other arrangement with similar effects.

Within and for the purposes of this definition, securitisation means a financial transaction or scheme involving the transfer of assets or of risks underlying assets to a FVC created to hold securitised assets and to issue securities. In case of transferring government assets, these have to exist in the government's balance sheet before the arrangement starts and the transfer has to cover all risks contained in these assets. In case of a transfer of future receipts or in case when a full risk transfer does not take place, the respective securitisation vehicle would remain classified within the government sector.

Securities issues by FVC shall be open to the public or the securities are sold on the basis of a private placement.

This definition shall exclude depository corporations

Financial holding corporations (FHC)

"Financial holding corporations (FHC) shall mean entities principally engaged in controlling financial corporations or groups of subsidiary financial corporations that are not conducting business of such financial corporations themselves. For the purpose of this definition, an FHC secures control over a corporation by owning more than half of the voting shares, or by controlling more than half of the shareholders' voting power, or by otherwise being able to determine the general corporate policy, or by controlling entities which control financial corporations or groups of subsidiary financial corporations. The criteria applied in order to identify FHC shall be derived from the instruments of incorporation, established statutes or by-laws, contracts, statutory financial reports or any other statement with similar effect of the FHC according to national regulatory provisions."

Security and derivative dealers (SDD)

---

15 Investment funds can be set up as "funds" and as "companies".
16 The term public applies here in the meaning of commercial law, different from the statistical concept of public sector.

“Security and derivative dealers”, classified as OFI, shall consist of all investment firms which provide investment services for third parties by investing in securities on own account as their main business. For the purpose of this definition, investment services are defined as follows:

Trading of new or outstanding financial instruments through the acquisition and sale of those financial instruments for the account and/or risk of the “Security and derivative dealer” for the exclusive purpose of benefiting from the margin between the acquisition and selling price; this also includes market making activities;

These Security and Derivative Dealers shall be constituted according to national regulatory provisions[17].”

Financial corporations engaged in lending (FLC)

“Financial corporations engaged in lending (FCL) shall mean entities specialised in lending. For the purpose of this definition, lending activity comprises financial leasing[18], factoring, mortgage lending, mutual guarantee, consumer lending and other type of lending as defined according to national regulatory provisions. FCL may be constituted under the legal form of a joint-stock company or limited liabilities company subject to a specialised legal national framework. Alternatively, the criteria applied in order to identify FCL shall be derived from the instruments of incorporation, established statutes or by-laws, contracts, statutory financial reports or any other statement with similar effect of the FCL.

This definition shall exclude intermediaries classified as depository corporations.”

---

17 This definition shall exclude depository corporations

18 For statistical purposes, leasing is defined as financial leasing when the leasing period covers all or most of the economic lifetime of the durable good. At the end of the leasing period, the lessee often has the option to buy the good at a nominal price (ESA 95, Annex II).