

This metadata describes the compilation practices, sources and methodology in use in 2001. Please refer to the contact persons below for details of any changes that may have been introduced by the country since that time.

Guatemala:

Direct Investment Compilation Practices, Data Sources and Methodology

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Direct Investment in Guatemala

- **Balance of Payments (“Transactions Data”)**
- **International Investment Position (“Position Data”)**

Direct Investment Abroad

- **Balance of Payments (“Transactions Data”)**
- **International Investment Position (“Position Data”)**

[Glossary of Direct Investment Terms and Definitions](#)

DIRECT INVESTMENT IN GUATEMALA
BALANCE OF PAYMENTS (“TRANSACTIONS DATA”)

A. Compilation Practices and Data Sources

Data Availability: Preliminary quarterly data on (i) direct investment income (income on equity, reinvested earnings, and income on debt [interest]), and (ii) direct investment financial flows (equity capital and other capital), are disseminated with a timeliness of 3 months after the end of the reference period.

Revision Policy: The data are considered to be final 3 months after they are first released.

Data Coverage: No major industrial sectors are excluded from the data.

Data Collection Methods: Data are collected on an aggregate basis, and reporting requirements are compulsory.

Data Sources: The data are compiled primarily from foreign exchange transactions obtained from the exchange control authorities. The reinvested earnings data are estimates based on published sources, such as company accounts. Press reports and bilateral data are used for cross-checking the data. A business register of enterprises involved in direct investment is maintained. This register is updated on an irregular basis using information from (i) registers maintained by government licensing and regulatory authorities, tax authorities, corporate affairs and stock exchange authorities, industry associations, and other departments of the Banco Central de Guatemala, and (ii) the financial press.

Geographic Classification: Not applicable. Data showing breakdowns by country, or breakdowns by region or economic zone, are not compiled at present. However, there are plans to begin to compile data showing breakdowns by region or economic zone in the future.

Industrial Classification: Not applicable. Data showing breakdowns by industrial sectors are not compiled at present.

B. Methodology

Definition of Direct Investment Enterprises in Guatemala: In accordance with the international standards, the basic criterion for defining direct investment enterprises in Guatemala is 10 percent ownership by a nonresident investor, regardless of whether the investor has an effective voice in management. Enterprises in which the nonresident investor owns less than 10 percent but has an effective voice in management are not included. No value threshold is used to identify direct investment enterprises, and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly-Owned Direct Investment Enterprises: The “Fully Consolidated System” (FCS) recommended in the international standards is partially applied. Contrary to the FCS, the direct investment earnings data do not include the relevant share of indirectly-owned direct investment enterprises. However, in accordance with the FCS, the direct investment financial flows data include the equity and other capital transactions between resident enterprises and nonresident enterprises of the same group of related enterprises. Enterprises in Guatemala are not required by law to (i) produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, or (ii) identify all transactions with the parent company.

Measurement of Direct Investment Earnings: Not applicable. The method used to calculate earnings of direct investment enterprises cannot be clearly identified from the present data source.

Treatment of Income on Equity (Dividends and Distributed Branch Profits): The data cover both incorporated enterprises and unincorporated enterprises. Contrary to the international standards, dividends and distributed branch profits are recorded on the date they are paid, rather than on the date they are payable. The method of recording any withholding taxes on dividends and distributed branch profits (gross or net) is not known at present.

Treatment of Reinvested Earnings and Undistributed Branch Profits: The data cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, reinvested earnings and undistributed branch profits are recorded in the period in which they are earned.

Treatment of Income on Debt (Interest): The data cover interest income from: (i) bonds and money market instruments, (ii) long-term loans, (iii) short-term loans, and (iv) trade credits. Contrary to the international standards, the data include interest from: (i) financial derivatives, and (ii) deposits, loans and other claims and liabilities related to usual banking and financial intermediation activities between affiliated banks and between affiliated financial intermediaries. Contrary to the international standards, the data are compiled on paid basis, rather than on an accrual basis.

Treatment of Equity Capital: The data cover only other non-voting stocks (including participating preference shares). The data do not cover: (i) listed voting stocks (shares), (ii) unlisted voting stocks, and (iii) non-cash acquisitions of equity, such as through the provision of capital equipment, primarily because of the undeveloped nature of the stock market in Guatemala and the limited coverage of the present data source. However, there are plans to begin to obtain data on these items in the future. Contrary to the international standards, the data do not include equity transactions between affiliated banks and between affiliated financial intermediaries.

Treatment of Other Capital: The data cover: (i) bonds and money market instruments, (ii) long-term loans, (iii) short-term loans, (iv) trade credits, (v) financial leases, and (vi) financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, and (ii) changes in insurance company technical reserves. Contrary to the international standards, the data include transactions between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. In accordance with the international standards, the data include transactions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries.

Treatment of Reverse Investment: Transactions involving reverse investment are not treated in accordance with the international standards. Assuming that the direct investment enterprise is a resident of Guatemala and the direct investor is a nonresident, (i) when the direct investment enterprise owns at least 10 percent of its nonresident direct investor, and has therefore established a direct investment relationship in its own right, equity and loan transactions are recorded as "Direct Investment in Guatemala: Increase in Claims on Direct Investors", rather than as "Direct Investment Abroad: Increase in Claims on Affiliated Enterprises" in both instances; and (ii) when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, equity transactions are recorded as "Portfolio Investment: Increase in Assets: Equity Securities", and loan transactions are recorded as "Other Investment: Increase in Assets: Loans", rather than as "Direct Investment in Guatemala: Increase in Claims on Direct Investors" in both instances.

Treatment of Quasi-corporations: Not applicable. Quasi-corporations involving the operation in Guatemala by nonresidents of (i) mobile equipment, such as ships, aircraft, and drilling rigs, and (ii) construction enterprises, cannot be identified at present. However, there are plans to begin to obtain these data in the future.

Treatment of Offshore Enterprises: Contrary to the international standards, activities of offshore enterprises established in Guatemala by nonresidents are generally not included in the direct investment data.

Treatment of Special Purpose Entities (SPEs): Not applicable. There are no SPEs established in Guatemala by nonresidents at present.

Treatment of Land and Buildings: Not applicable. Transactions involving the purchases and sales of land and buildings in Guatemala by nonresident enterprises and individuals cannot be identified at present. However, there are plans to begin to obtain these data in the future.

Treatment of Natural Resources Exploration: Contrary to the international standards, the direct investment data do not include expenditure related to natural resources exploration in Guatemala by nonresidents.

Exchange Rate Conversion: Transactions are converted to the unit of account at the exchange rate prevailing on the day of the transaction.

DIRECT INVESTMENT IN GUATEMALA
INTERNATIONAL INVESTMENT POSITION ("POSITION DATA")

Not applicable. Position data on direct investment in Guatemala are not compiled at present. However, there are plans to begin to do so in the future.

GUATEMALA: DIRECT INVESTMENT ABROAD
BALANCE OF PAYMENTS (“TRANSACTIONS DATA”)

A. Compilation Practices and Data Sources

Data Availability: Preliminary quarterly data on direct investment income (income on equity, and income on debt [interest] only) are disseminated with a timeliness of 3 months after the end of the reference period. Data on (i) reinvested earnings, (ii) equity capital, and (iii) other capital, are compiled, but not disseminated.

Revision Policy: The data are considered to be final 3 months after they are first released.

Data Coverage: No major industrial sectors are excluded from the data.

Data Collection Methods: Data are collected on an aggregate basis, and reporting requirements are compulsory.

Data Sources: The data are compiled primarily from foreign exchange transactions obtained from the exchange control authorities. The reinvested earnings data are estimates based on published sources, such as company accounts. Press reports and bilateral data are used for cross-checking the data. A business register of enterprises involved in direct investment is maintained. This register is updated on an irregular basis using information from (i) registers maintained by government licensing and regulatory authorities, tax authorities, corporate affairs and stock exchange authorities, industry associations, and other departments of the Banco Central de Guatemala, and (ii) the financial press.

Geographic Classification: Not applicable. Data showing breakdowns by country, or breakdowns by region or economic zone, are not compiled at present. However, there are plans to begin to compile data showing breakdowns by region or economic zone in the future.

Industrial Classification: Not applicable. Data showing breakdowns by industrial sectors are not compiled at present.

B. Methodology

Definition of Direct Investors Abroad: In accordance with the international standards, the basic criterion for defining direct investors abroad is 10 percent ownership of a nonresident enterprise by a resident investor, regardless of whether the investor has an effective voice in management. Investors which own less than 10 percent of a direct investment enterprise but have an effective voice in management are not included. No value threshold is used to identify direct investors abroad, and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly-Owned Direct Investment Enterprises: The “Fully Consolidated System” (FCS) recommended in the international standards is partially applied. Contrary to the FCS, the direct investment earnings data do not include the relevant share of indirectly-owned direct investment enterprises. However, in accordance with the FCS, the direct investment financial flows data include the equity and other capital transactions between resident enterprises and nonresident enterprises of the same group of related enterprises. Enterprises in Guatemala are not required by law to (i) produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, or (ii) identify all transactions with the parent company.

Measurement of Direct Investment Earnings: Not applicable. The method used to calculate earnings of direct investment enterprises cannot be clearly identified from the present data source.

Treatment of Income on Equity (Dividends and Distributed Branch Profits): The data cover both incorporated enterprises and unincorporated enterprises. Contrary to the international standards, dividends and distributed branch profits are recorded on the date they are paid, rather than on the date they are payable. The method of recording any withholding taxes on dividends and distributed branch profits (gross or net) is not known at present.

Treatment of Reinvested Earnings and Undistributed Branch Profits: Data on reinvested earnings and undistributed branch profits are compiled but not disseminated. The data cover both incorporated enterprises

and unincorporated enterprises. In accordance with the international standards, reinvested earnings and undistributed branch profits are recorded in the period in which they are earned.

Treatment of Income on Debt (Interest): The data cover interest income from: (i) bonds and money market instruments, (ii) long-term loans, (iii) short-term loans, and (iv) trade credits. Contrary to the international standards, the data include interest from: (i) financial derivatives, and (ii) deposits, loans and other claims and liabilities related to usual banking and financial intermediation activities between affiliated banks and between affiliated financial intermediaries. Contrary to the international standards, the data are compiled on paid basis, rather than on an accrual basis.

Treatment of Equity Capital: Data on equity capital are compiled but not disseminated. The data cover only other non-voting stocks (including participating preference shares). The data do not cover: (i) listed voting stocks (shares), (ii) unlisted voting stocks, and (iii) non-cash acquisitions of equity, such as through the provision of capital equipment, primarily because of the limited coverage of the present data source. However, there are plans to begin to obtain data on these items in the future. Contrary to the international standards, the data do not include equity transactions between affiliated banks and between affiliated financial intermediaries.

Treatment of Other Capital: Data on other capital are compiled but not disseminated. The data cover: (i) bonds and money market instruments, (ii) long-term loans, (iii) short-term loans, (iv) trade credits, (v) financial leases, and (vi) financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, and (ii) changes in insurance company technical reserves. Contrary to the international standards, the data include transactions between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. In accordance with the international standards, the data include transactions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries.

Treatment of Reverse Investment: Transactions involving reverse investment are not treated in accordance with the international standards. Assuming that the direct investment enterprise is a resident of Guatemala and the direct investor is a nonresident, (i) when the direct investment enterprise owns at least 10 percent of its nonresident direct investor, and has therefore established a direct investment relationship in its own right, equity and loan transactions are recorded as "Direct Investment in Guatemala: Increase in Claims on Direct Investors", rather than as "Direct Investment Abroad: Increase in Claims on Affiliated Enterprises" in both instances; and (ii) when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, equity transactions are recorded as "Portfolio Investment: Increase in Assets: Equity Securities", and loan transactions are recorded as "Other Investment: Increase in Assets: Loans", rather than as "Direct Investment in Guatemala: Increase in Claims on Direct Investors" in both instances.

Treatment of Quasi-corporations: Not applicable. Quasi-corporations involving the operation abroad by Guatemalan residents of (i) mobile equipment, such as ships, aircraft, and drilling rigs, and (ii) construction enterprises, cannot be identified at present.

Treatment of Offshore Enterprises: Not applicable. Transactions of offshore enterprises established abroad by Guatemalan residents cannot be identified at present.

Treatment of Special Purpose Entities (SPEs): Not applicable. Transactions of SPEs established abroad by Guatemalan residents cannot be identified at present.

Treatment of Land and Buildings: Not applicable. Transactions involving the purchases and sales of land and buildings abroad by Guatemalan resident enterprises and individuals cannot be identified at present. However, it is planned to begin to obtain these data in the future.

Treatment of Natural Resources Exploration: Contrary to the international standards, the direct investment data do not include expenditure related to natural resources exploration abroad by Guatemalan residents.

Exchange Rate Conversion: Transactions are converted to the unit of account at the exchange rate prevailing on the day of the transaction.

GUATEMALA: DIRECT INVESTMENT ABROAD
INTERNATIONAL INVESTMENT POSITION ("POSITION DATA")

Not applicable. Position data on direct investment abroad are not compiled at present. However, there are plans to begin to do so in the future.