

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

Malaysia:

Direct Investment Compilation Practices, Data Sources and Methodology

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Direct Investment in Malaysia

- **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 MALAYSIA
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 4 months after the end of the reference period. Quarterly data on (i) reinvested earnings, (ii) equity capital, and (iii) other capital are compiled but not disseminated. However, there are plans to begin to disseminate the data with effect from the 2001 reference period. (The data disseminated for financial flows at present show only the total amount of direct investment in Malaysia.)

Revision Policy: The quarterly data are usually revised at the time of the release of the data for the next reference quarter. The data become final 12 months after their first release.

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 from quarterly enterprise surveys of direct investment enterprises in Malaysia—the Quarterly Survey of International Investment and Services (QSIS). A business register of enterprises involved in direct investment is maintained. This register is updated on an annual basis using information from (i) the list of transactors from an international transactions reporting system (ITRS) of the Central Bank, (ii) a screening survey form, and (iii) registers maintained by government licensing and regulatory authorities, corporate affairs and stock exchange authorities, and other divisions within the Department of Statistics, Malaysia (DOSM).

Geographic Classification: Not applicable. Data showing breakdowns by country or by regions or economic zones are not collected or compiled at present. However, there are plans to begin to compile the data with effect from the 2002 reference period.

Industrial Classification: Not applicable. Data showing breakdowns by industrial sectors are not compiled at present. However, there are plans to begin to compile the data with effect from the 2002 reference period.

B. Methodology

Definition of Direct Investment Enterprises in Malaysia: In accordance with the international standards, the basic criterion for defining direct investment enterprises in Malaysia 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 not applied. Specifically, (i) the direct investment earnings data do not include the relevant share of indirectly-owned direct investment enterprises, and (ii) the direct investment financial flows data do not include the equity and other capital transactions between resident enterprises and nonresident enterprises of the same group of related enterprises. Enterprises in Malaysia are required by law to produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, but are not required by law to identify all transactions with the parent company.

Measurement of Direct Investment Earnings: In accordance with the international standards, the “Current Operating Performance Concept” (COPC) is used to calculate earnings of direct investment enterprises. Specifically, (i) deductions are made for depreciation of capital, and for provisions for host-country income and corporation taxes, and (ii) realized and unrealized capital gains and losses, write-offs, and exchange rate gains or losses are not included. In accordance with the international standards, when a direct investment enterprise makes a loss, the net loss is recorded as negative reinvested earnings.

Treatment of Income on Equity (Dividends and Distributed Branch Profits): The data cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, dividends and distributed branch profits are recorded (i) on the date they are payable, and (ii) gross of any withholding taxes.

Treatment of Reinvested Earnings and Undistributed Branch Profits: Data on reinvested earnings and undistributed branch profits are compiled but not disseminated at present. However, there are plans to begin to disseminate these data with effect from the 2001 reference period. 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. In accordance with the international standards, the data do not 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 affiliated financial intermediaries. In accordance with the international standards, the data are compiled on an accrual basis.

Treatment of Equity Capital: Data on equity capital are compiled but not disseminated at present. However, there are plans to begin to disseminate these data with effect from the 2001 reference period. The data cover all types of financial flows affecting equity capital, namely, (i) listed voting stocks (shares), (ii) unlisted voting stocks, (iii) other non-voting stocks (including participating preference shares), and (iv) non-cash acquisitions of equity, such as through the provision of capital equipment. In accordance with the international standards, the data include equity transactions between affiliated banks and between affiliated financial intermediaries.

Treatment of Other Capital: Data on other capital are compiled but not disseminated at present. However, there are plans to begin to disseminate these data with effect from the 2001 reference period. The data cover: (i) bonds and money market instruments, (ii) long-term loans, (iii) short-term loans, (iv) financial leases, and (v) trade credits. The data do not cover financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) 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 treated in accordance with the international standards. Assuming that the direct investment enterprise is a resident of Malaysia 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 Abroad: Increase in Claims on Affiliated Enterprises"; and (ii) when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, equity and loan transactions are recorded as "Direct Investment in Malaysia: Increase in Claims on Direct Investors".

Treatment of Quasi-corporations: In accordance with the international standards, the direct investment data include the activities of quasi-corporations involving the operation in Malaysia by nonresidents of (i) mobile equipment, such as ships, aircraft, and drilling rigs, and (ii) construction enterprises.

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

Treatment of Special Purpose Entities (SPEs): Contrary to the international standards, activities of SPEs established in Malaysia by nonresidents are generally not included in the direct investment data.

Treatment of Land and Buildings: In accordance with the international standards, the data include purchases and sales of land and buildings in Malaysia by nonresident enterprises and individuals.

Treatment of Natural Resources Exploration: In accordance with the international standards, the direct investment data include expenditure related to natural resources exploration in Malaysia by nonresidents.

Exchange Rate Conversion: Most transactions are converted to the unit of account at the exchange rate prevailing on the day of the transaction. Transactions involving dividends and distributed branch profits are converted at the average exchange rate in the period in which the transactions are recorded.

DIRECT INVESTMENT IN MALAYSIA

INTERNATIONAL INVESTMENT POSITION (“POSITION DATA”)

A. Compilation Practices and Data Sources

Data Availability: Quarterly data on (i) equity capital and reinvested earnings, and (ii) other capital, are compiled but not disseminated at present. However, there are plans to begin to disseminate annual data with effect from the 2001 reference period.

Revision Policy: Not applicable. The data are not disseminated. However, it is planned that the annual data for the 2001 reference year will be revised at the time of the release of the annual data for the 2002 reference year.

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

Data Collection Methods: Reporting requirements are compulsory.

Data Sources: The data are compiled from quarterly enterprise surveys of direct investment enterprises in Malaysia—the Quarterly Survey of International Investment and Services (QSIS). The perpetual inventory method (a method for deriving position data from transactions data) is not used. A business register of enterprises involved in direct investment is maintained. This register is updated on an annual basis using information from (i) the list of transactors from an international transactions reporting system (ITRS) of the Central Bank, (ii) screening survey forms, and (iii) registers maintained by government licensing and regulatory authorities, corporate affairs and stock exchange authorities, and other divisions within the Department of Statistics, Malaysia (DOSM).

Geographic Classification: Not applicable. Data showing breakdowns by country or by regions or economic zones are not compiled at present. However, there are plans to begin to disseminate these data with effect from the 2002 reference period.

Industrial Classification: Not applicable. Data showing breakdowns by industrial sectors are not compiled at present. However, there are plans to begin to compile the data with effect from the 2002 reference period.

B. Methodology

Definition of Direct Investment Enterprises in Malaysia: In accordance with the international standards, the basic criterion for defining direct investment enterprises in Malaysia 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 not applied. Specifically, the relevant share of indirectly-owned direct investment enterprises is not included in (i) the reinvested earnings data, and (ii) the equity and other capital position data. Enterprises in Malaysia are required by law to produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, but are not required by law to identify all transactions with the parent company.

Treatment of Equity Capital and Reinvested Earnings: Data on equity capital and reinvested earnings are compiled but not disseminated at present. However, there are plans to begin to disseminate the data with effect from the 2001 reference period. The data cover all types of position data affecting equity capital and reinvested earnings, namely, (i) listed voting stocks (shares), (ii) unlisted voting stocks, (iii) other non-voting stocks, including participating preference shares, (iv) non-cash acquisitions of equity, such as through the provision of capital equipment, and (v) reinvested earnings. In accordance with the international standards, the data include equity positions between affiliated banks and between affiliated financial intermediaries. The reinvested earnings data cover both incorporated enterprises and unincorporated enterprises, and, in accordance with the international standards, are recorded in the period in which they are earned. (See also the section on the *Measurement of Direct Investment Earnings* in the metadata on the Balance of Payments [transactions] data on Direct Investment in Malaysia.)

Treatment of Other Capital: Data on other capital are compiled but not disseminated at present. However, there are plans to begin to disseminate these data with effect from the 2001 reference period. The data cover: (i) bonds and money market instruments, (ii) long-term loans, (iii) short-term loans, (iv) financial leases, and (v) trade credits. The data do not cover financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) positions 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 positions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries.

Treatment of Reverse Investment: Positions involving reverse investment are treated in accordance with the international standards. Assuming that the direct investment enterprise is a resident of Malaysia 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 positions are recorded as "Assets: Direct Investment Abroad: Claims on Affiliated Enterprises"; and (ii) when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, equity and loan positions are recorded as "Liabilities: Direct Investment in Malaysia: Claims on Direct Investors".

Treatment of Quasi-corporations: In accordance with the international standards, the direct investment data include the activities of quasi-corporations involving the operation of in Malaysia by nonresidents of (i) mobile equipment, such as ships, aircraft, and drilling rigs, and (ii) construction enterprises.

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

Treatment of Special Purpose Entities (SPEs): Contrary to the international standards, activities of SPEs established in Malaysia by nonresidents are generally not included in the direct investment data.

Treatment of Land and Buildings: In accordance with the international standards, the data include ownership of land and buildings in Malaysia by nonresident enterprises and individuals.

Treatment of Natural Resources Exploration: In accordance with the international standards, the direct investment data include expenditure related to natural resources exploration in Malaysia by nonresidents.

Valuation: In accordance with the international standards, the data are recorded primarily at market values. However, some positions are recorded at book values, which are the values shown in the accounting records of the reporting enterprises.

Exchange Rate Conversion: The exchange rate prevailing on the day to which the position data relate is primarily used to convert foreign currencies into the unit of account. However, some positions are converted at the exchange rate prevailing on the day the stocks were acquired.

MALAYSIA: 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 4 months after the end of the reference period. Quarterly data on (i) reinvested earnings, (ii) equity capital, and (iii) other capital are compiled but not disseminated. However, there are plans to begin to disseminate these data with effect from the 2001 reference period. (The data disseminated for financial flows at present show only the total amount of direct investment abroad.)

Revision Policy: The quarterly data are usually revised at the time of the release of the data for the next reference quarter. The data become final 12 months after their first release.

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 from quarterly enterprise surveys of residents with direct investment enterprises abroad—the Quarterly Survey of International Investment and Services (QSIIS). A business register of enterprises involved in direct investment is maintained. This register is updated on an annual basis using information from (i) the list of transactors from an international transactions reporting system (ITRS) of the Central Bank, (ii) screening survey forms, and (iii) registers maintained by government licensing and regulatory authorities, corporate affairs and stock exchange authorities, and other divisions within the Department of Statistics, Malaysia (DOSM).

Geographic Classification: Not applicable. Data showing breakdowns by country or by regions or economic zones are not compiled at present. However, there are plans to begin to compile these data with effect from the 2002 reference period.

Industrial Classification: Not applicable. Data showing breakdowns by industrial sectors are not compiled. However, there are plans to begin to compile these data with effect from the 2002 reference period.

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 not applied. Specifically, (i) the direct investment earnings data do not include the relevant share of indirectly-owned direct investment enterprises, and (ii) the direct investment financial flows data do not include the equity and other capital transactions between resident enterprises and nonresident enterprises of the same group of related enterprises. Enterprises in Malaysia are required by law to produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, but are not required by law to identify all transactions with the parent company.

Measurement of Direct Investment Earnings: In accordance with the international standards, the “Current Operating Performance Concept” (COPC) is used to calculate earnings of direct investment enterprises. Specifically, (i) deductions are made for depreciation of capital, and for provisions for host-country income and corporation taxes, and (ii) realized and unrealized capital gains and losses, write-offs, and exchange rate gains or losses are not included. In accordance with the international standards, when a direct investment enterprise makes a loss, the net loss is recorded as negative reinvested earnings.

Treatment of Income on Equity (Dividends and Distributed Branch Profits): The data cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, dividends and distributed branch profits are recorded (i) on the date they are payable, and (ii) gross of any withholding taxes.

Treatment of Reinvested Earnings and Undistributed Branch Profits: Data on reinvested earnings and undistributed branch profits are compiled but not disseminated at present. However, there are plans to begin to disseminate these data with effect from the 2001 reference period. 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. In accordance with the international standards, the data do not 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 affiliated financial intermediaries. In accordance with the international standards, the data are compiled on an accrual basis.

Treatment of Equity Capital: Data on equity capital are compiled but not disseminated at present. However, there are plans to begin to disseminate these data with effect from the 2001 reference period. The data cover all types of financial flows affecting equity capital, namely, (i) listed voting stocks (shares), (ii) unlisted voting stocks, (iii) other non-voting stocks (including participating preference shares), and (iv) non-cash acquisitions of equity, such as through the provision of capital equipment. In accordance with the international standards, the data include equity transactions between affiliated banks and between affiliated financial intermediaries.

Treatment of Other Capital: Data on other capital are compiled but not disseminated at present. However, there are plans to begin to disseminate these data with effect from the 2001 reference period. The data cover: (i) bonds and money market instruments, (ii) long-term loans, (iii) short-term loans, (iv) financial leases, and (v) trade credits. The data do not cover financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) 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 treated in accordance with the international standards. Assuming that the direct investment enterprise is a resident of Malaysia 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 Abroad: Increase in Claims on Affiliated Enterprises"; and (ii) when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, equity and loan transactions are recorded as "Direct Investment in Malaysia: Increase in Claims on Direct Investors".

Treatment of Quasi-corporations: In accordance with the international standards, the direct investment data include the activities of quasi-corporations involving the operation abroad by Malaysian resident of (i) mobile equipment, such as ships, aircraft, and drilling rigs, and (ii) construction enterprises.

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

Treatment of Special Purpose Entities (SPEs): Contrary to the international standards, activities of SPEs established abroad by Malaysian residents are generally not included in the direct investment data.

Treatment of Land and Buildings: In accordance with the international standards, the data include purchases and sales of land and buildings abroad by Malaysian resident enterprises and individuals.

Treatment of Natural Resources Exploration: In accordance with the international standards, the data include expenditure related to natural resources exploration abroad by Malaysian residents.

Exchange Rate Conversion: Most transactions are converted to the unit of account at the exchange rate prevailing on the day of the transaction. Transactions involving dividends and distributed branch profits are converted at the average exchange rate in the period in which the transactions are recorded.

MALAYSIA: DIRECT INVESTMENT ABROAD
INTERNATIONAL INVESTMENT POSITION (“POSITION DATA”)

A. Compilation Practices and Data Sources

Data Availability: Quarterly data on (i) equity capital and reinvested earnings, and (ii) other capital, are compiled but not disseminated at present. However, there are plans to begin to disseminate annual data with effect from the 2001 reference period.

Revision Policy: Not applicable. The data are not disseminated at present. However, it is planned that the annual data for the 2001 reference year will be revised at the time of the release of the annual data for the 2002 reference year.

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

Data Collection Methods: Reporting requirements are compulsory.

Data Sources: The data are compiled from quarterly enterprise surveys of residents with direct investment enterprises abroad—the Quarterly Survey of International Investment and Services (QSIS). The perpetual inventory method (a method for deriving position data from transactions data) is not used. A business register of enterprises involved in direct investment is maintained. This register is updated on an annual basis using information from (i) the list of transactors from an international transactions reporting system (ITRS) of the Central Bank, (ii) screening survey forms, and (iii) registers maintained by government licensing and regulatory authorities, corporate affairs and stock exchange authorities, and other divisions within the Department of Statistics, Malaysia (DOSM).

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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 not applied. Specifically, the relevant share of indirectly-owned direct investment enterprises is not included in (i) the reinvested earnings data, and (ii) the equity and other capital position data. Enterprises in Malaysia are required by law to produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, but are not required by law to identify all transactions with the parent company.

Treatment of Equity Capital and Reinvested Earnings: Data on equity capital and reinvested earnings are compiled but not disseminated at present. However, there are plans to begin to disseminate these data with effect from the 2001 reference period. The data cover all types of position data affecting equity capital and reinvested earnings, namely, (i) listed voting stocks (shares), (ii) unlisted voting stocks, (iii) other non-voting stocks, including participating preference shares, (iv) non-cash acquisitions of equity, such as through the provision of capital equipment, and (v) reinvested earnings. In accordance with the international standards, the data include equity positions between affiliated banks and between affiliated financial intermediaries. The reinvested earnings data cover both incorporated enterprises and unincorporated enterprises, and, in accordance with the international standards, are recorded in the period in which they are earned. (See also the section on the *Measurement of Direct Investment Earnings* in the metadata on the Balance of Payments [transactions] data on Direct Investment Abroad.)

Treatment of Other Capital: Data on other capital are compiled but not disseminated at present. However, there are plans to begin to disseminate these data with effect from the 2001 reference period. The data cover: (i) bonds and money market instruments, (ii) long-term loans, (iii) short-term loans, (iv) financial leases, and (v) trade credits. The data do not cover financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) positions 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 positions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries.

Treatment of Reverse Investment: Positions involving reverse investment are treated in accordance with the international standards. Assuming that the direct investment enterprise is a resident of Malaysia 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 positions are recorded as "Assets: Direct Investment Abroad: Claims on Affiliated Enterprises"; and (ii) when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, equity and loan positions are recorded as "Liabilities: Direct Investment in Malaysia: Claims on Direct Investors".

Treatment of Quasi-corporations: In accordance with the international standards, the direct investment data include the activities of quasi-corporations involving the operation abroad by Malaysian residents of (i) mobile equipment, such as ships, aircraft, and drilling rigs, and (ii) construction enterprises.

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

Treatment of Special Purpose Entities (SPEs): Contrary to the international standards, activities of SPEs established abroad by Malaysian residents are generally not included in the direct investment data.

Treatment of Land and Buildings: In accordance with the international standards, the data include ownership of land and buildings abroad by Malaysian resident enterprises and individuals.

Treatment of Natural Resources Exploration: In accordance with the international standards, the data include expenditure related to natural resources exploration abroad by Malaysian residents.

Valuation: In accordance with the international standards, the data are recorded primarily at market values. However, some positions are recorded at book values, which are the values shown in the accounting records of the reporting enterprises.

Exchange Rate Conversion: The exchange rate prevailing on the day to which the position data relate is primarily used to convert foreign currencies into the unit of account. However, some positions are converted at the exchange rate prevailing on the day the stocks were acquired.