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Coordinated Portfolio Investment Survey of Turkey



COORDINATED PORTFOLIO INVESTMENT SURVEY OF TURKEY

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I-Background

1. The Central Bank of Turkey (the CBRT) has conducted Coordinated Portfolio Investment Survey (CPIS) between 2001 and 2005 on an annual basis and has been reporting CPIS data to the IMF since 2001. Turkey was also one of the 29 countries participating in the first CPIS in 1997.
2. Furthermore, the CBRT has been conducting quarterly CPIS since the first quarter of 2006. The main purpose of conducting quarterly CPIS was to incorporate survey results into the quarterly IIP statistics to improve consistency between the two data sets. The said improvement also served to increase the frequency of the data provided to the IMF (from annual to semi-annual) regarding the IMF's CPIS data enhancement project that will be addressed in the following paragraph.
3. In order to increase the level of interest in CPIS data and to address data quality concerns, CPIS Data Enhancements Project has been initiated by the IMF. This project is targeted to increase economy coverage to include all G-20 economies and economies with significant financial centers; to enhance data quality through improvements in the frequency, timeliness and scope of the data and finally to enhance data accessibility. The three enhancements to the scope were the inclusion of the institutional sectors of the non-resident debtor (issuer) and the resident investor (holder) and the short and negative positions as encouraged items. In other words, CPIS enhancements cover three areas; (a) frequency, (b) timeliness, and (c) widening the scope of the encouraged items to better address cross-border financial and sectoral linkages and hence exposures in an environment of increasing cross-border vulnerabilities. These enhancements have been implemented by the IMF with the collection end June 2013 data in January 2014.

II- Implementation of CPIS Enhancements by the CBRT

4. As one of the G-20 countries, Turkey (CBRT) has actively participated in the G20 Data Gap Initiative project and has made a considerable progress in the external sector statistics domain. CPIS enhancement was one of the 20 recommendations in the area of the external sector statistics, which is under the responsibility of the BOP Division. After carefully reviewing the CPIS enhancements of the IMF, the roadmap was prepared by the BOP Division of the CBRT. As a first step, a feasibility study was conducted including the preparation of a short survey.

Subsequently, the said surveys including questions on the prospective changes and extensions in the reporting forms were sent to the main CPIS respondents (i.e. custodian banks and big companies) in order to get their opinion before officially sending out the new forms. Although the sector of the resident holder of the securities were already available, details were not enough to comply with the new requirements of the CPIS. Hence, the respondents were asked whether they could provide a more detailed sectoral breakdown of the resident holder of the securities, the sector of the non-resident issuer along with the geographical breakdown and the currency composition of securities both in original currencies and the USD equivalents. Finally, it was concluded that data on the sector of the resident holder and the sector of the non-resident issuer for specified countries (from whom to whom basis data) could be derived by combining data to be requested newly with the existing encouraged items. Data on short or negative positions were not requested as holding such positions is legally forbidden in Turkey.

5. Based on the responses, reporting forms were revised by adding the following dimensions in the second and fourth quarter surveys of 2013.

Table 1

	The Period of Addition in the Survey
Geographical Breakdown	<i>Available also in the previous CPIS</i>
The Sector of the Issuer of the Security	<i>2013Q2</i>
The Sector of the Holder of the Security	<i>Available also in the previous CPIS</i>
Detailed Breakdown of the Sector of the Holder of the Security	<i>2013Q4</i>
Currency Breakdown (Original and the USD equivalent)	<i>2013Q2</i>

6. Technical preparations were made by the IT Department of the CBRT.
7. After receiving newly revised forms from the respondents, all kinds of checks (plausibility checks, cross checks with other data sources, etc.) have been performed and the enhanced data for June 2013 were submitted to the IMF in January 2014.
8. In the following table, core and encouraged items are listed as well as Turkey's CPIS items. As it can be seen from Table 2, most of the encouraged items have been provided to the IMF by the CBRT on a semi-annual basis.

Table 2

Tables in Coordinated Portfolio Investment Survey (CPIS) after 2013		Turkey responds to
Table 1	Total Portfolio Investment Assets ¹	✓
Table 2	Portfolio Investment Assets by Currency of Denomination of the Securities Held ²	✓
Table 3	Total Portfolio Investment Assets by Sector of Resident Holder ²	✓
Table 3.1	Total Portfolio Investment Assets (Equity Securities) by Sector of Resident Holder ²	✓
Table 3.2	Total Portfolio Investment Assets (Total Debt Securities) by Sector of Resident Holder ²	✓
Table 3.2.1	Portfolio Investment Assets (Debt Securities, Long-Term) by Sector of Resident Holder ²	✓
Table 3.2.2	Portfolio Investment Assets (Debt-Securities, Short-Term) by Sector of Resident Holder ²	✓
Table 4	Reported Portfolio Investment Liabilities by Economy of Nonresident Holder ²	N.A.
Table 5	Total Portfolio Investment Assets by Sector of Nonresident Issuer ²	✓
Table 5.1	Portfolio Investment Assets (Total Equity Securities) by Sector of Nonresident Issuer ²	✓
Table 5.2	Portfolio Investment Assets (Total Debt Securities) by Sector of Nonresident Issuer ²	✓
Table 5.2.1	Portfolio Investment Assets (Debt Securities, Long-Term) by Sector of Nonresident Issuer ²	✓
Table 5.2.2	Portfolio Investment Assets (Debt-Securities, Short-Term) by Sector of Nonresident Issuer ²	✓
Table 6	Portfolio Investment Assets (Total Holdings) by Sector of Resident Holder, and Economy and Sector of Nonresident Issuer for Specified Economies ²	✓
Table 6.1	Portfolio Investment Assets (Equity Securities) by Sector of Resident Holder, and Economy and Sector of Nonresident Issuer for Specified Economies ²	✓
Table 6.2	Portfolio Investment Assets (Total Debt Securities) by Sector of Resident Holder, and Economy and Sector of Nonresident Issuer for Specified Economies ²	✓
Table 6.2.1	Portfolio Investment Assets (Debt Securities, Long-Term) by Sector of Resident Holder, and Economy and Sector of Nonresident Issuer for Specified Economies ²	✓
Table 6.2.2	Portfolio Investment Assets (Debt Securities, Short-Term) by Sector of Resident Holder, and Economy and Sector of Nonresident Issuer for Specified Economies ²	✓
Table 7	Portfolio Investment Assets, Short or Negative Positions ²	N.A.
¹ Core Item, ² Encouraged Item		

9. Core and encouraged items in CPIS before 2013 are listed in the table below (Table 3). As can be seen, Turkey was already providing many items to the IMF before 2013.

Table 3

Tables in Coordinated Portfolio Investment Survey (CPIS) before 2013		Turkey responded to
Report 1	Breakdown of portfolio investment holdings (assets) by country of residency of the non-resident issuers ¹	✓
Report 2	Breakdown of the portfolio investment holdings (assets) by currency of denomination of the underlying securities ²	<i>N.A</i>
Report 3	Breakdown of the portfolio investment holdings (assets) by sector of holders ²	✓
Report 3.1	Breakdown of the portfolio investment holdings (assets - equity securities) by sector of holders ²	✓
Report 3.2	Breakdown of the portfolio investment holdings (assets - total debt securities) by sector of holders ²	✓
Report 3.3	Breakdown of the portfolio investment holdings (assets - long term debt securities) by sector of holders ²	✓
Report 3.4	Breakdown of the portfolio investment holdings (assets - short term debt securities) by sector of holders ²	✓
Report 4	Breakdown of portfolio investment holdings (liabilities) by country of residency of the non-resident holders ²	<i>N.A</i>

¹ Mandated Item, ² Encouraged Item

III- Conclusion

10. As part of the G20 Data Gap Initiative, most of the CPIS enhancements were successfully implemented by the CBRT. Consequently, results have been submitted to the IMF since January 2014. In collecting enhanced data from respondents, the implementation phase entailed both methodological and technical preparations, including the conduction of a short survey for feasibility purposes.
11. After collecting most of the encouraged items from the enhanced CPIS, results were not only used in submitting detailed data to the IMF but also in conducting more detailed analysis in our annual IIP report.
12. To summarize, the collection of enhanced data has served two purposes; ensuring compliance with international standards and being able to provide more detailed data both for internal and external users.