

INTERNATIONAL MONETARY FUND

---

BALANCE OF PAYMENTS  
MANUAL

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JANUARY 1948

INTERNATIONAL MONETARY FUND

WASHINGTON 6, D. C.

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## FOREWORD

This Manual has been prepared as the basis for regular reports of balance of payments data to the International Monetary Fund. Apart from supplying the Fund with data for its own operating purposes, the Manual and the reports based on it will continue the earlier work done by the League of Nations in developing balance of payments statistics in standardized form. In agreement with the United Nations the Fund has assumed responsibility for carrying forward the compilation of data in this field; and in formulating its requests it is taking into account the needs of the United Nations and the international organizations associated with it.

In the preparation of the Manual the staff of the Fund has been assisted by economists and technicians from many countries. Members of the staff of the United Nations have participated actively in the work from the outset, and in September 1947 representatives of some 30 countries and international organizations met in Washington to discuss a preliminary form of the Manual and to offer their suggestions. The Fund takes this opportunity to thank all those who contributed at various stages to the preparation of the final document.

Although a notable contribution towards systematizing the methodology of the balance of payments was made by the League of Nations, the extensive preparatory work and consultation on this Manual indicated the desirability of many changes to take account of recent developments in principles and practice. Further changes will, no doubt, be found necessary as experience is gained in collecting the data. Suggestions from any quarter for amendment or clarification will be welcomed.

The Manual contains a series of tables the first of which is a master table or summary report which all members will file with the Fund. The rest are working tables designed primarily to facilitate compilation of the data needed for the categories of the master table. While the entire schedule fits logically together, it is recognized that there will have to be considerable flexibility in employing it for reporting purposes. The character and relative importance of different categories of items vary widely from country to country, and the difficulty of obtaining a particular type of information must always be weighed against the relative need for it in analyzing the international position of the country concerned. These are matters that will be worked out by the Fund in consultation with the reporting countries.

The Fund is planning to issue at regular intervals a publication presenting balance of payments statements insofar as the data are not confidential. Initially, publication of these statements will be undertaken annually but in time it may prove possible to publish them more frequently. In addition some of the major elements of the balance of payments will appear monthly in the Fund's bulletin entitled International Financial Statistics. It is hoped that much of the data gathered by the Fund for its own operating purposes can in these ways be made generally available.

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BALANCE OF PAYMENTS

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## UNDERLYING PRINCIPLES

### 1. SCOPE OF THE BALANCE OF PAYMENTS

The broad aim of the balance of payments is to show the economic interrelationship between a national economy and the outside world. This interrelationship has two aspects. The first is the flow of real goods and services from the national economy to foreign countries and vice versa. The second is the flow of financial payments and obligations between the national economy and foreign countries. In order to cover both of these aspects, the balance of payments is defined in this Manual as a systematic record of all economic transactions between residents of the reporting country and residents of other countries, i.e., foreigners.

### 2. CONCEPT OF ECONOMIC TRANSACTIONS

The economic transactions included in the balance of payments are either real or financial. A real transaction is the transfer of ownership of goods from, or the rendering of services (including saving and risk-taking) by, residents of one country to residents of another country. A financial transaction is a transfer of money, claims to money, and titles to investments from country to country.

A distinction is drawn between two-way transactions in which goods, services, money, claims to money, and titles to investments are exchanged against one another, and one-way transactions in which they are given away without consideration.

A two-way transaction may consist of

1) Two financial transactions, e.g., a sale of securities against money, a sale of one currency against another currency or the discharge of a previously incurred commercial debt

2) A real and a financial transaction, e.g., a sale of goods against payment in money or against a claim in the form of a bill of exchange.

3) Two real transactions, i.e., barter.

A one-way transaction may be

4) A financial transaction, e.g., a gift of cash

5) A real transaction, i.e., a gift in kind.

The balance of payments as here conceived includes all five types of transactions. Each of the first three types involves directly or indirectly two entries -- one as a debit and one as a credit. Transactions of types 4 and 5 involve in themselves only one entry each. In order to account for these one-way movements of debits or credits, provision is made for contra entries called "Donations".

### 3. DEFINITION OF RESIDENTS

(a) Resident institutions of a given country are considered in this schedule to include the central and all local Governments, all business enterprises and non-profit organizations located in the country, and their foreign agencies but not their foreign branches or subsidiaries. All enterprises in the country are therefore residents even though they are branches or subsidiaries of foreign enterprises (but not if merely their agents). The distinction drawn between "branch" and "agency" is that a branch although owned by a foreign institution acts as a principal for its own account, whereas an agency is owned by, and acts for account of, principals abroad.

(b) International agencies located in a given country are not considered residents of that country, but rather as international areas outside national boundaries. Accordingly, the transactions of these international agencies are not considered transactions of the country in which the agencies are located. For example, in the schedule the subscription of the United States to the International Monetary Fund or the International Bank for Reconstruction and Development, and purchases by United States citizens of securities of the Bank, would be recorded as foreign investments although these institutions are located in the United States. Similarly, credits extended abroad by these institutions would not be recorded as credits extended by the United States. Administrative expenditures of the Fund, the Bank, and other international agencies in the country in which they are located constitute receipts by that country from a foreign Government. Similarly, outright contributions by a member to an international agency within its borders are regarded as a Government expenditure abroad. This treatment of international agencies as international areas, if it is not to leave a gap in the network of world transactions, will require the drawing up of balance of payments statements for the international agencies themselves.

An international agency is defined here primarily as an inter-Government agency. Some agencies, however, which are not directly Governmental (such as the Bank for International Settlements) also belong in this group. Ordinarily it will be apparent what agencies can best be treated in this way. Where only insignificant annual amounts are involved, the classification one way or another is of little importance.

(c) Resident individuals include citizens of the reporting country living there permanently. They also include diplomatic representatives and members of the armed forces of that country stationed abroad, as well as citizens studying or undergoing medical treatment abroad. From the point of view of the foreign country, such non-citizens are not residents. The extent, however, to which other non-citizens living in a reporting country should be treated as residents of it depend upon a number of factors, such as the permanence of their stay in the reporting country and the extent to which they concentrate there their earning activities and their investments -- i.e., the extent to which they shift their general "center of interest". The same principle of "center of interest" would determine whether a citizen who is living abroad has ceased to be a resident of the reporting country. The formulation of a complete and uniform definition of individual residents that can reasonably be applied by all reporting countries will be postponed until more detailed information on practices in the various countries has been received. Meanwhile, on unsettled aspects of the status of non-citizens in the reporting country or citizens living abroad, the Fund will accept the definition used for balance of payments work by the country concerned.

#### 4. MIGRANTS' TRANSFERS AND UNDISTRIBUTED PROFITS

While the object of the balance of payments is to record all transactions between residents (as defined above) and foreigners, there are two borderline cases that call for special comment, viz. migrants' transfers and undistributed profits.

##### (a) Migrants' Transfers

The international transfer of property which automatically occurs when a person with property becomes a migrant, i.e., changes his residence from one country to another, is included in the balance of payments. Title to the goods or capital of the migrant does in fact pass from the country of emigration to the country of immigration. This occurs even though the goods and capital of the migrant are left exactly where they were at the time of migration. There is therefore a genuine international transfer. Whether there is a "transaction" as that is normally conceived is not so clear, but the transfer is here regarded as a one-way transaction in which a person in his capacity of a resident transfers property to himself in his capacity of a foreigner, or vice versa. It is reflected in the balance of payments in a merchandise flow or in a change in the debtor-creditor position of the countries involved, with contra entries under "Donations". This transfer will occur, of course, only if the person who shifts his domicile from one country to another is a migrant rather than a visitor. It should be remembered that a non-citizen may be regarded as a foreign visitor rather than a resident if he does not transfer his "center of interest" to the country to which he has moved; and one of the tests applied may be whether he concentrates his investments in that country (see section 3).

##### (b) Undistributed Profits of Subsidiaries

In the case of income from direct investments, it is sometimes difficult to ascertain what should be regarded as the appropriate resident-foreigner transaction. The profits of a branch are in fact credited to the parent concern continuously. The schedule therefore provides for entering total earnings of a branch since they automatically create a claim on the branch in favor of the parent concern in another country. On the other hand, income from a directly-controlled company (i.e., a subsidiary) is similar in form to that from portfolio securities; it takes the form of dividends and interest, which constitutes economic transactions at the time they are paid. The total earnings of a subsidiary, however, on the equity of the parent concern are in effect for account of the latter and subject to its disposition in much the same way as those of a branch. Because of these two aspects there is some logical uncertainty as to whether undistributed profits of subsidiaries should be included in the balance of payments. Difficulties of both a statistical and theoretical character would be raised by their inclusion. They have, therefore, been excluded from the balance of payments in the accompanying schedule; but because of their special interest, provision has been made in a footnote for recording such profits whenever they are available.

#### 5. EXCEPTIONS TO RESIDENT-FOREIGNER PRINCIPLE

In a few cases there have been deliberate departures in the schedule from the strict principle of resident-foreigner transactions.

#### (a) Gold Transactions

The most important departure is that domestic transactions in gold between official and banking institutions and the private sector are included in the balance of payments. Gold is unique in that it adds to the international monetary reserves of a country at the moment when it comes into the hands of the monetary authorities. Other commodities must be sold abroad to acquire foreign exchange, but gold creates this exchange or its equivalent directly. Similarly, gold consumption uses up foreign exchange in the same manner as the import of ordinary commodities, even though the gold is purchased from the Central Bank of the country in which it is consumed.

#### (b) Uniform Valuation of Merchandise

Other exceptions to the resident-foreigner principle result from the fact that exports and imports are valued at fixed boundaries. This uniform valuation affects not only merchandise, but also transportation and insurance items. As such uniform valuation principles are not followed in actual transactions, they may lead in reporting the balance of payments to the inclusion of transactions between residents of the same country (e.g., freight on imports paid by residents to domestic shipping companies if imports are valued on the c.i.f. basis) or to exclusion of transactions between residents and foreigners (e.g., freight paid by residents to foreigners on exports shipped abroad on consignment, if exports are valued on the f.o.b. basis). Adoption of uniform boundary valuations for imports and exports is necessary if the balance of payments is to show categories which lend themselves to economic interpretation. In order to meet these requirements and, at the same time, to reduce to a minimum the exceptions to the resident-foreigner principle, the accompanying schedule is based on f.o.b. figures for both imports and exports. This procedure not only makes the exceptions to the resident-foreigner principle few and of little significance, but it also facilitates the classification of the balance of payments by countries.

### 6. ECONOMIC WHOLES

Without in any way affecting the summary table (Table I), certain subsidiary tables in the schedule have been expanded to show some domestic transactions which are not considered balance of payments items but are needed to record "economic wholes" that can be more effectively studied, in relation to national and international economies, than the partial categories appropriate to the balance of payments. Thus, the sections on international transportation, insurance, and travel are so constructed that the total services provided to and received from residents and foreigners by the reporting country in this field are covered. Similarly, in the section on the movement of non-monetary gold, total gold production and total gold consumption are included although this involves recording a certain amount of gold output sold directly to private domestic buyers. Only the gross figures are affected by this treatment since the portion of gold production sold directly for domestic consumption involves equal credit and debit entries which cancel out in the net figure for non-monetary gold movements. None of these domestic transactions is included in the summary table.

### 7. DIFFERENCE FROM RECORD OF FOREIGN EXCHANGE TRANSACTIONS

The balance of payments as conceived in this schedule differs fundamentally from a record of money transfers between residents and foreigners through the domestic banking system, hereafter referred to as an exchange record. The differences are in respect to coverage, valuation, and timing.

#### (a) Coverage

An exchange record covers only transactions which give rise to money transfers through the domestic banking system. Consequently, it excludes all transactions of type 3 and type 5 as defined in section 2. Moreover, it covers the remaining types only partially, because transactions between residents and foreigners need not be settled through the exchange market. The proceeds of exports, for instance, may not be surrendered to a bank in the exporting country, but may be used by the exporter to build up private foreign exchange balances or to purchase raw materials abroad. Or, income from investments abroad may be reinvested there.

#### (b) Valuation

The balance of payments as here conceived registers all export and import transactions valued uniformly at a certain boundary (exports f.o.b. frontier of reporting country and imports f.o.b. frontier of exporting country). These uniform valuation bases determine, in turn, the transactions included in the fields of international transportation and insurance. An exchange record, on the other hand, is inherently likely to involve a number of inconsistent valuation bases for exports and imports determined by the terms of the actual transactions, and to result in similar inconsistencies in the records of transportation and insurance transactions.



(c) Timing

The balance of payments covers transactions as they occur. For instance, the merchandise section covers transactions as of the period in which the goods pass from domestic to foreign ownership, or vice versa. If credit is given in connection with the sale of the goods, it is included in the capital accounts. An exchange record, on the other hand, covers payments made in the reporting period in settlement of merchandise transactions, some of which may have occurred in a previous period, or (as in the case of prepayments) may not occur until later. Because of this timing in the exchange record, the credits extended and repaid in connection with merchandise transactions are not shown at all.

8. CURRENT AND CAPITAL ACCOUNTS

The balance of payments is divided into two major parts -- the current account and the capital account (including monetary gold). The current account includes all real transactions and "Donations". The capital account includes all financial transactions.

The borderline between current and capital accounts is determined by the concept of foreign investment. This is defined to include in general all financial claims on foreigners (whether equity or creditor) and immovable property abroad owned by residents. The only exception is that of fixed assets acquired abroad by military establishments and diplomatic missions, which together with all movable property owned abroad by residents, such as stocks of commodities, are not considered as foreign investment; acquisition of such assets and stocks by residents from foreigners, or vice versa, is regarded as part of the flow of goods in the current account.

The five different types of transactions enumerated in paragraph 2 appear in the current and capital accounts as follows:

Example	Current Account	Capital Account
Type 1 - sale of securities	no entry	two entries
Type 2 - sale of goods	one entry	one entry
Type 3 - barter	two entries	no entry
Type 4 - gifts of cash	one entry	one entry
Type 5 - gifts in kind	two entries	no entry

In most international transactions one of the entries is a movement of short-term capital. The schedule does not provide for individual recording of such movements because short-term capital movements are included on a net basis by entering the difference between the totals outstanding of short-term assets and liabilities at the beginning and end of the period.

Apart from mere valuation changes -- such as those due to fluctuations in exchange rates and market values -- which are excluded from both accounts, all changes in the investments abroad of the reporting country and in the foreign investments within the reporting country, as well as all monetary gold movements, are registered in the capital account. The net balance on capital account is, therefore, equal to the net change in the reporting country's foreign investment position and its holdings of monetary gold, resulting from the transactions entering into the balance of payments. As all transactions enter into two items, one on the credit side and one on the debit side, the net balance on current account should equal the net balance on capital account.

9. GROSS VS. NET TRANSACTIONS

For the most part this schedule provides for reporting transactions on a gross, rather than a net, basis. Gross figures, in addition to their inherent interest, are necessary to permit classification of the balance of payments by countries. This principle is not followed, however, in the case of short-term capital movements which are on a net basis. For many countries this is the only basis on which satisfactory figures for short-term capital movements can be compiled.

10. CLASSIFICATION BY AGENCY VS. TYPE OF TRANSACTION

In a balance of payments compilation the question arises of whether to classify data by type of transaction (e.g., Travel) or by the agency responsible (e.g., Government, if the travel is official). The tables into which this schedule is divided generally classify the transactions by type, except Table VIII which shows Government transactions. Conceptually this table might cut across the classifications in all the other tables. The potential conflict is resolved by showing in Table VIII only those Government activities which are appropriate to the current account but which are unsuited to the tables covering specific types of transactions. The latter tables are subdivided into Government and private wherever this classification is significant from

the point of view of economic analysis. In the capital account, on the other hand, the major emphasis is on classification by agency. In general, long-term capital movements are classified by the agency making the transactions while short-term capital movements, which are derived from asset and liability holdings, are classified by the agency which is the debtor or creditor concerned.

#### 11. OFFICIAL FINANCING OPERATIONS

It is of great importance for the Fund to know the financial pressures on the monetary authorities resulting from international transactions and how they are met. In the preparation of the Manual serious consideration was given to the possibility of setting up a final item in Table I that would have been entitled "Official operations to finance a deficit or surplus in the balance of payments". The deficit or surplus would, by definition, have represented the balance of all transactions other than these official operations, and the official operations themselves would have represented the response of the monetary authorities to the pressures arising from the balance of payments. It was decided, however, not to set up an item of this character, because of the difficulty of determining without analysis in each particular case how certain transactions should be classified. Instead, it was decided to show the transactions of official and banking institutions separately in the tables covering donations and movements of capital and monetary gold, since the actions to finance a deficit or surplus will be taken by these agencies and will appear within this group of transactions. Subdivisions of official and banking transactions were made wherever possible to isolate readily distinguishable categories falling clearly within or outside the type of transaction sought.

## GENERAL INSTRUCTIONS

### 1. DESCRIPTION OF THE SCHEDULE

The schedule consists of a series of detailed tables, which describe the basic information ideally required for the construction of the balance of payments, and a summary table (Table I) which shows the manner in which the various detailed tables fit together. The detailed tables are arranged in the order in which they enter the summary table, and each is designed to present, as far as possible, a rounded view of the subject covered. The notes that accompany these tables, as well as the underlying principles described above, are essential to an understanding of the various items and should be studied carefully before the data are entered.

When a country fills out totals or subtotals in any table without supplying the details of their composition, it will be assumed that these totals include the elements specified in the schedule. Where it is not possible to give figures fully in accordance with the classification used in this schedule, deviations should be noted and explained.

### 2. DEFINITION OF REPORTING COUNTRY

A reporting country is defined as one for which a separate schedule is completed. Such a schedule should be supplied for each economic unit as delimited by a customs area and a single currency system, or by similar unifying economic arrangements. In particular, a report for a country with dependencies should cover only the metropolitan area.

Member countries having colonies or dependencies which are not members of the Fund should complete a schedule for each colony or dependency or for appropriate groups.

### 3. DEFINITION OF RESIDENTS

Residents are defined in Section 3 of the Underlying Principles. In the case of individuals, a portion of the definition has been left somewhat flexible. As regards this portion, countries should use the definition of resident individual that they have found most practicable for balance of payments purposes. In order to facilitate international comparisons, a statement should be attached to the schedule, when completed, explaining the content of your definition and its implications for the items depending on it.

### 4. VALUATION UNIT

The figures entered throughout the schedule, except where otherwise specified, should be in some convenient unit of the domestic currency. A statement of the unit utilized should be made in the space provided on each table, and should specify the value of this unit in terms of U.S. dollars.

### 5. ITEM REFERENCES

The tables are identified by Roman numerals and the items by Arabic numerals for the purpose of simplifying cross-references; for example, a reference to item 3 in Table I would be merely "item I,3". When items in a table are referred to in notes to that table, the items are identified by Arabic numerals only.

### 6. SPACES NOT TO BE FILLED

Throughout the tables in the schedule, certain spaces which logically cannot, or in practice will not, have entries, have been blocked out.

### 7. MULTIPLE EXCHANGE RATES

If your country has had multiple exchange rates during any of the years covered by your balance of payments report, two schedules should be filled out: one showing international transactions in terms of some fixed international monetary unit -- e.g., United States dollars or your country's gold currency unit -- and another in terms of your country's currency showing the transactions at the values at which they were made. The first schedule is necessary to put all the items in the balance of payments on a uniform valuation basis and to make your balance of payments comparable with those of other countries. The second schedule will be useful for the analysis of the monetary impact of international transactions on your country's economy. In order to make this statement balance, an item showing the exchange authorities' profit or loss on exchange transactions will have to be added.

### 8. CLASSIFICATION BY CURRENCY AND COUNTRY

Instructions on the classification of the balance of payments by currency and country are being prepared as Appendix A to this Manual.

## TABLE I

### BALANCE OF PAYMENTS SUMMARY

Reporting Country ..... Period Covered .....

Currency ..... Unit ..... Exchange Rate Used: U.S. \$..... per .....

Item	Credit (Receipts)	Debit (Payments)	Net Credit or Debit (-)
<b>CURRENT TRANSACTIONS</b>			
1. Merchandise (1.1 plus 1.2) .....			
1.1 Exports and imports (both f.o.b.) .....			
1.2 Other .....			
2. Non-monetary gold movement (net) .....			
3. Foreign travel .....			
4. Transportation (4.1 plus 4.2) .....			
4.1 Gross freight .....			
4.2 Other .....			
5. Insurance .....			
6. Investment income (6.1 through 6.3) .....			
6.1 Direct investments .....			
6.2 Other interest .....			
6.3 Other equity .....			
7. Government, not included elsewhere (7.1 plus 7.2) .....			
7.1 Military expenditures, and surplus property .....			
7.2 Other .....			
8. Miscellaneous .....			
9. Donations (9.1 through 9.5) .....			
9.1 Personal and institutional remittances .....			
9.2 Other private transfers .....			
9.3 Reparations .....			
9.4 UNRRA .....			
9.5 Other governmental grants .....			
10. Total current transactions (1 through 9) .....			
<b>ERRORS AND OMISSIONS (10 minus 16)</b> .....			

## SOURCES OF ITEMS IN TABLE I

Columns: The net credit column is derived by deducting the debit column from the credit column; and the net assets column is derived by deducting the liabilities column from the assets column.

### Item

- 1.1 Table II, item 5 (use item 6 if item 5 (debit) is not available).
- 1.2 Table II, item 9.
2. Table III, item 13.
3. Table IV, item 6.
- 4.1 Credit column: Table V, items 1.2 plus 1.3. Debit column: Table V, item 6. If item 5 (debit) of Table II is not available (see note to item 1.1 above), the entry in the credit column here, must be Table V, item 1, and that in the debit column Table V, item 6.2.
- 4.2 Credit column: Table V, items 2 through 4. Debit column: Table V, items 7 through 9.
5. Table VI, item 7.1 unless item 5 (debit) of Table II is not available (see note to item 1.1 above), in which case the entry here is Table VI, item 7.2.
- 6.1 Table VII, item 1.
- 6.2 Table VII, items 2 plus 3.
- 6.3 Table VII, item 4.
- 7.1 Table VIII, item 3.1.
- 7.2 Table VIII, item 3.2.
8. Table IX, item 15.
- 9.1 Table X, items 1 plus 4.
- 9.2 Table X, items 2 plus 3.
- 9.3 Table X, item 6.
- 9.4 Table X, item 7.
- 9.5 Table X, item 8.

# TABLE I

## BALANCE OF PAYMENTS SUMMARY (cont'd)

Reporting Country ..... Period Covered .....  
 Currency ..... Unit ..... Exchange Rate Used: U.S. \$..... per.....

Item	Net Movement Increasing (+) or Decreasing (-)		
	Assets	Liabilities	Net Assets
<b>MOVEMENT OF CAPITAL AND MONETARY GOLD</b>			
<b>PRIVATE (excluding banking institutions)</b>			
11. Long-term capital (11.1 through 11.6) . . . . .			
11.1 Direct investment . . . . .			
11.2 Portfolio securities: bonds . . . . .			
11.3 Portfolio securities: shares . . . . .			
11.4 Amortization . . . . .			
11.5 Other contractual repayments . . . . .			
11.6 Other . . . . .			
12. Short-term capital (12.1 through 12.3) . . . . .			
12.1 Payments and clearing agreements . . . . .			
12.2 Other restricted . . . . .			
12.3 Other . . . . .			
<b>OFFICIAL AND BANKING INSTITUTIONS</b>			
13. Long-term capital (13.1 through 13.6) . . . . .			
13.1 Sale of vested direct investments and securities . . . . .			
13.2 Other portfolio securities . . . . .			
13.3 Loans <u>to</u> official and banking institutions and <u>from</u> all sources . . . . .			
13.4 Amortization . . . . .			
13.5 Other contractual repayments . . . . .			
13.6 Other . . . . .			
14. Short-term capital (14.1 through 14.4) . . . . .			
14.1 Payments and clearing agreements . . . . .			
14.2 Other restricted . . . . .			
14.3 Unrestricted liabilities to official and banking institutions . . . . .			
14.4 Other unrestricted . . . . .			
15. Monetary gold . . . . .			
16. Total movement of capital and monetary gold (11 through 15) . . . . .			

SOURCES OF ITEMS IN TABLE I CONTINUED

Item

- 11 and 13 If any of the items in long-term capital movements cannot be divided between private capital (items 11.1 through 11.6), and official and banking institutions' capital (items 13.1 through 13.6), the total should be entered as private capital and the fact stated in a footnote.
- 11.1 Table XI, items 12, (assets), and 13, (liabilities).
- 11.2 Table XI, items 14, (assets), and 15, (liabilities).
- 11.3 Table XI, items 16, (assets), and 17, (liabilities).
- 11.4 Table XI, items 18, (assets), and 19, (liabilities).
- 11.5 Table XI, items 20, (assets), and 21, (liabilities).
- 11.6 Table XI, items 22, (assets), and 23, (liabilities).
- 12.1 Table XII, column 23. Assets: item 3. Liabilities: items 6 plus 9.
- 12.2 Table XII, column 23. Assets: item 4. Liabilities: items 7 plus 10.
- 12.3 Table XII, column 23. Assets: items 1 plus 2. Liabilities: items 5 plus 8.
- 13.1 Table XI, item 24, (assets and liabilities).
- 13.2 Table XI, items 25, (assets), and 26, (liabilities).
- 13.3 Table XI, item 27, (assets and liabilities).
- 13.4 Table XI, items 28, (assets), and 29, (liabilities).
- 13.5 Table XI, items 30, (assets), and 31, (liabilities).
- 13.6 Table XI, item 32, (assets and liabilities).
- 14.1 Table XII, column 18. Assets: item 3. Liabilities: items 6 plus 9.
- 14.2 Table XII, column 18. Assets: item 4. Liabilities: items 7 plus 10.
- 14.3 Table XII, column 18. Liabilities: item 5.
- 14.4 Table XII, column 18. Assets: item 2. Liabilities: item 8.
15. Table XII, column 18. Assets: item 1.





## GENERAL NOTE TO TABLES II, IIa, IIb, and IIc

All except a small part of your country's merchandise transactions are to be recorded in these tables. The exceptions include gold transactions, sales and purchases by tourists, sales and purchases of ships' stores, sales or gifts of surplus property to foreigners by your Government, as well as your country's purchases or acquisition by gift or foreign surplus property if located in your country. The transactions excluded are entered in Tables III, IV, V, and VIII.

Table II(a) is designed to adjust for coverage export and import data for purposes of the balance of payments. Merchandise transactions which have been omitted from trade returns (e.g., parcel post) are added and other transactions (e.g., ships' stores) are eliminated because they are entered in other tables. Furthermore, some physical movements of goods across the frontier, such as shipments to armed forces or diplomatic missions abroad, are eliminated because they do not represent transactions between residents and foreigners; and some transactions, such as sales of fish and marine products, are added even though the goods do not cross the customs frontier. Although this process is carried beyond what is customary in trade statistics, the bulk of the transactions included in the adjusted figures still represents ordinary exports and imports. These terms have, therefore, been retained.

Table II(b) is designed to eliminate any over- or under-valuation of export and import items in Table II as adjusted by Table II(a). The value set on exports or imports in trade returns may incorrectly reflect the amount actually paid, either because it omits certain elements (e.g., export duties) or because an incorrect price has been quoted in the contract documents or elsewhere. In some cases, notably transactions between a parent company and its foreign subsidiaries and branches, the price quoted may be quite nominal and have to be replaced by market prices representing the value of the goods as nearly as possible at the port of the exporting country. In other cases, where no price has been paid (e.g., UNRRA goods), the valuation of these goods in the trade returns may not conform to their official valuation.

In Table II(c) are introduced transactions in merchandise abroad defined as transactions in merchandise bought or acquired as a gift from one foreign country and sold or given to another foreign country. Such transactions have hitherto in most cases been included in the balance of payments only on a net basis reflecting a profit on business activities abroad. They have been included on a gross basis in the present schedule in order to make the transactions classifiable by countries. Furthermore, in Table II(c) adjustments are made for changes in stocks of foreign-owned goods in your country and of domestically-owned goods abroad. These adjustments are necessary because of the time-discrepancy between the recording of the merchandise transaction (ordinarily coinciding with the physical movement across the customs frontier) and the creation of the corresponding financial claim or liability in favor of the seller of the goods (ordinarily coinciding with the change of title). Prepayments, payments on account, payments of installments, etc. which do not lead to changes in title should be entered in Table XII rather than here.

The guiding principle in constructing this group of tables is to adjust merchandise transactions in such a way that the sum of all the transactions shown in the account is just equal to the gross movements of goods from domestic to foreign ownership (credit) or vice versa (debit). If this principle is kept in mind the rationale of the adjustments will be more easily understood; and it may prove possible to make some of the adjustments required by the principle more conveniently without following the details of the tables.

## TABLE II

### MERCHANDISE TRANSACTIONS

Reporting Country ..... Period Covered .....

Currency ..... Unit ..... Exchange Rate Used: U.S. \$ ..... per .....

Item	Receipts from Exports or Sales (Credit)	Payments for Imports or Purchases (Debit)
<b>EXPORTS AND IMPORTS</b>		
1. "General" trade (1.1 plus 1.2)* .....		
1.1 "Special" trade* .....		
1.2 Other .....		
2. Merchandise adjustments (2.1 plus 2.2) .....		
2.1 For coverage (item II(a) 5.1 and II(a) 5.2) .....		
2.2 For valuation (item II(b) 5 and II(b) 10) .....		
3. Freight on imports (3.1 plus 3.2) .....		
3.1 Paid to residents .....		
3.2 Paid to foreigners .....		
4. Insurance on imports (4.1 plus 4.2) .....		
4.1 Paid to residents .....		
4.2 Paid to foreigners .....		
5. Total adjusted f.o.b. values (Transfer to I, 1.1) .....		
6. Total adjusted imports at c.i.f. values (Transfer to I, 1.1 only if item 5, debit, is not available) .....		
<b>OTHER SALES AND PURCHASES</b>		
7. Merchandise transactions abroad (item II(c) 3) .....		
8. Adjustment for changes in stocks (item II(c) 6) .....		
9. Total (7 plus 8) (Transfer to I, 1.2) .....		

\* These figures are published in .....

## INSTRUCTIONS FOR TABLE II

### Item

1. "General" trade includes "special" trade as defined in 1.1 below plus "other" trade as defined in 1.2 below. If these figures are taken from a published trade return, please indicate the title of the return and whether the figures are provisional or final. If "general" trade as defined here is not published, it will be obtained by adding items 1.1 and 1.2. Goods in transit should be excluded from both special and general trade.
- 1.1 "Special" trade exports include exports of merchandise produced entirely in your country and of merchandise manufactured in your country from goods that had been imported.  
  
"Special" trade imports include merchandise cleared directly through the customs for domestic consumption as well as withdrawals from bonded warehouses for domestic consumption recorded as imports. Exclude all entries into bonded warehouses.
- 1.2 Under exports include all re-exports and withdrawals from bonded warehouses for shipment abroad. They should be entered at export values including all charges for transport of the goods to your country and for any cost of warehousing and processing (e.g., cleaning, sorting, packaging, labeling, etc.) in your country.  
  
Under imports include all entries into bonded warehouses, but deduct withdrawals from bonded warehouses for domestic consumption if these are included in special trade.
2. This item is designed to adjust "general" trade to a coverage and valuation basis appropriate to the balance of payments. The computation of the item is given in Tables II(a) and II(b).
- 3 & 4. Item 3 is to include freight and similar charges and item 4 insurance premiums, on transport of imported goods from the customs frontier of the exporting country to the customs frontier of your country.
- 3.2 Equal to item V, 6.1. See note on that item.
5. For exports, which are on an f.o.b. basis, this item will be the sum of items 1 and 2.  
  
For Imports:
  - (a) If imports are recorded on an f.o.b. basis (i.e., if the figures under items 1 and 2 are f.o.b. values) item 5 will be equal to the sum of items 1 and 2.
  - (b) If imports are recorded on a c.i.f. basis (i.e., if the figures under items 1 and 2 are c.i.f. values) item 5 will be obtained by deducting the total of items 3 and 4 from the total of items 1 and 2.
6. If items 1 and 2 are on an f.o.b. basis, item 6 will be obtained by adding items 1, 2, 3, and 4. If imports are recorded on a c.i.f. basis (i.e., if the figures under items 1 and 2 are c.i.f. values) item 6 will be obtained by adding items 1 and 2.

## TABLE IIa

### MERCHANDISE TRANSACTIONS: ADJUSTMENTS FOR COVERAGE

Reporting Country ..... Period Covered .....

Currency ..... Unit ..... Exchange Rate Used: U.S. \$..... per.....

Item	If Not Included in Item II,1	
	If Included in Item II,1 Insert X.	Insert N if Negligible, or X if Impossible to Estimate.
Enter Amount if Item Can Be Estimated		
<b>ADDITIONS TO EXPORTS</b>		
1.1 Silver (other than current coin) .....		
1.2 Parcel Post .....		
1.3 Shipments of less than stated minimum value .....		
1.4 Fish and other marine products .....		
1.5 Ships and aircraft .....		
1.6 Conversions and reconversions of foreign ships and aircraft .....		
1.7 Non-commercial exports (1.7.1 through 1.7.4) .....		
1.7.1 UNRRA .....		
1.7.2 Other grants in kind .....		
1.7.3 Reparations in kind .....		
1.7.4 Other .....		
1.8 Electric power and gas .....		
1.9 Other merchandise excluded from item II, 1 (describe) .....		
.....		
1.10 Total (1.1 through 1.9) .....		
<b>ADDITIONS TO IMPORTS</b>		
2.1 Silver (other than current coin) .....		
2.2 Parcel post .....		
2.3 Shipments of less than stated minimum value .....		
2.4 Ships and aircraft .....		
2.5 Conversions and reconversions of domestic ships and aircraft abroad .....		
2.6 Non-commercial imports (2.6.1 through 2.6.4) .....		
2.6.1 UNRRA .....		
2.6.2 Other grants in kind .....		
2.6.3 Reparations in kind .....		
2.6.4 Other .....		
2.7 Electric power and gas .....		
2.8 Other merchandise excluded from item II, 1 (describe) .....		
.....		
2.9 Total (2.1 through 2.8) .....		

## INSTRUCTIONS FOR TABLE IIa

The purpose of Supplementary Tables II(a) and II(b) is to provide a check list of the types of adjustments that may enter into item II, 1. These adjustments will vary from country to country and it is quite possible that highly significant items have not been specified here. For that reason, the item "other" has been inserted in each part of the supplementary tables. It is advisable to attach to this table a list of the items included in "other". If any of the additions to exports or to imports listed in this table are already included in item II, 1, insert an "X" after that item in the first column of this table. If the additions to exports and imports listed in this table are not already included in item II, 1, insert the amount in the third column of this table unless the item is negligible or impossible to estimate. If the item is negligible, insert an "N" in the second column, or if it is not feasible to make an estimate but it is not believed that the item is negligible, insert an "X" in the second column. A parallel treatment is desired for the deductions from exports and from imports.

### Item

- 1.1 Included in this item both silver bullion and newly minted coins not yet circulating. Silver bullion should be included in commodity exports even in cases where silver constitutes monetary reserves of the reporting country.
- 1.2 Parcel post will in practice probably be on an f.o.b. frontier value basis for both imports and exports. If general imports are given on a c.i.f. basis, postage charges on imported parcel post should logically be included in this item. Because of statistical difficulties, however, it has been considered more convenient to include postage charges in item IX, 6 and they should be reported there even when general imports are given on a c.i.f. basis.
- 1.3 For reasons of convenience, shipments having less than a certain value are sometimes excluded from customs returns. If this practice is followed in your country, indicate in the last column the probable value of the shipments omitted; if this value is negligible or impossible to estimate, enter such a notation in the next to last column.
- 1.4 Fish and other marine products caught by domestic vessels may be sold directly in foreign ports and may not go through customs because they do not pass through ports of your country. Enter the amount of such catches in the last column.
- 1.5 Enter in the last column an estimate of the value of ships and aircraft which have not been exported, on other ships or by rail, but which have sailed away or flown away under their own power and, therefore, may have escaped the customs records.
- 1.6 This item should cover all work, other than ordinary repairs, done on foreign ships and aircraft by your country. The distinction between ordinary repairs and conversions and reconversions is admittedly arbitrary and a note on the basis of differentiation should be appended to the table. Figures on ordinary repairs will be included in Table V.
- 1.7 These items should be assigned the official values decided upon by the granting country or by the international agency which handled the transactions. As in the case of other merchandise trade, reparations in kind and other segments of non-commercial exports should exclude gold and include deliveries both from current production and from existing capital equipment. Reparations should not include restitutions. The corresponding counter-values are given in items X, 6.1, 7.1 and 8.1.
- 1.8 Exports of electric power and gas should be included here rather than among the service items.
- 1.9 This will include exports not otherwise covered such as smuggled goods and contraband, shipments by air, shipments of stocks to branch houses, shipments of goods which are the property of foreign-owned companies operating under special agreements, shipments of precious stones, especially diamonds, etc. It is advisable to append to the table a record of the items included here: Include immigrants' household goods and personal effects if not already included in item II, 1 (contra entry in Table X, item 2.1). Include also shipments of food and equipment procured in your country by or for account of foreign military establishments for consumption abroad.
- 2.1 See notes to items 1.1 through 1.8, keeping in mind that this section applies to imports rather than through exports.
- 2.7
- 2.8 This will include imports not otherwise covered, e.g., smuggled goods and contraband, shipments by air, shipments of stocks to branch houses, shipments of goods which are the property of foreign-owned companies operating under special agreements, shipments of precious stones, especially diamonds, etc.

**TABLE IIa**

**MERCHANDISE TRANSACTIONS: ADJUSTMENTS FOR COVERAGE (cont'd)**

Reporting Country ..... Period Covered .....  
 Currency ..... Unit ..... Exchange Rate Used: U.S. \$ ..... per .....

Item	If Included in Item II,1	
	If Not Included in Item II, 1 Insert X	Insert N if Negligible, or X if Impossible to Estimate
<b>DEDUCTIONS FROM EXPORTS</b>		
3.1 Shipments to armed forces and diplomatic missions stationed abroad . . .		
3.2 Sales to foreigners of bunker fuel and ships' stores . . .		
3.3 Gold coin, bullion, and gold content of ores . . .		
3.4 Exposed cinematograph films exported on a rental basis . . .		
3.5 Re-export for foreign account . . .		
3.6 Returned exported goods . . .		
3.7 Other (describe) . . .		
3.8 Total (3.1 through 3.7) . . .		
<b>DEDUCTIONS FROM IMPORTS</b>		
4.1 Shipments to foreign armed forces and diplomatic missions stationed in your country . . .		
4.2 Purchases abroad of bunker fuel and ships' stores . . .		
4.3 Gold coin, bullion, and gold content of ores . . .		
4.4 Exposed cinematograph films imported on a rental basis . . .		
4.5 Re-export for foreign account . . .		
4.6 Returned imported goods . . .		
4.7 Other (describe) . . .		
4.8 Total (4.1 through 4.7) . . .		

**TOTAL ADJUSTMENTS**

5.1 Exports (1.10 minus 3.8) (Transfer to item II, 2.1) . . .	Amount
5.2 Imports (2.9 minus 4.8) (Transfer to item II, 2.1) . . .	Amount

## INSTRUCTIONS FOR TABLE IIa CONTINUED

### Item

- 2.8 Include also food and equipment procured abroad by military agencies of your country if not consumed in the country of procurement but consumed by your own military establishments either in your country or another foreign country. If the goods are consumed in the country of procurement, enter them in item VIII, 1.5. If the goods are sold or given away to a third country, enter them in Table II(c).  
Include purchases of surplus property imported from abroad. See further the note on item VIII, 1.6.
- 3.1 Shipments to your own military establishments as well as your diplomatic missions located abroad should not be included in exports. If included in item II, 1, they should be deducted here. If the shipments are sold as surplus property to a foreign country they will enter item VIII, 1.6.
- 3.2 Sales to foreign transport agencies (ships, planes, trains, or trucks) of bunker fuel and ships' stores and other supplies should not be included in the merchandise account as exports, but should be entered as a receipt in the transportation account. If they are included in item II, 1, they should be deducted in this item, and entered as receipts in the transportation account. See note to item V, 3.2.
- 3.3 Gold is defined as including gold coin, gold bullion (whether pure or mixed with other metals, e.g., copper), gold content of scrap and sweepings, gold concentrates, and recoverable gold content of ores. The quantity and value of such gold exports are to be included in items III, 2.5.
- 3.4 An estimate of this item is requested here to avoid duplication with cinematograph film rentals, item IX, 10.
- 3.5 Re-exported goods previously imported for foreign account and never transferred to domestic ownership. Such goods should be eliminated from exports because they are, in fact, shipped in transit through domestic territory for foreign account. See note on item 4.5. This adjustment should be made only if the merchandise movements in question have not been directly eliminated from exports and imports.
- 3.6 Returned exported goods which should be regarded as negative exports rather than imports. This item should be deducted whether the exports were originally recorded in the current reporting period or a previous period, although it is included in II, 1 only in the former case.
- 3.7 Among other things enter export of surplus property sold by your government to foreigners if already included in II, 1. Instead it should be entered in item VIII, 1.6.
- 4.1 See note to item 3.1.
- 4.2 See note to item 3.2. Enter in item V, 8.2.
- 4.3 See note to item 3.3. Enter in items III, 2 and 5.
- 4.4 See note to item 3.4.
- 4.5 Re-exported goods previously imported for foreign account and never transferred to domestic ownership. This item should be deducted whether the imports were originally recorded in the current reporting period or in a previous period although it is included in II, 1 only in the former case. If the imports were recorded in a previous period a contra entry is included in item II(c), 5.2.  
This adjustment should be made only if the merchandise movements in question have not been directly eliminated from exports and imports.
- 4.6 Returned exported goods should be eliminated from imports. See note to item 3.6.

## TABLE IIB

### MERCHANDISE TRANSACTIONS: VALUATION ADJUSTMENTS

Reporting Country ..... Period Covered .....

Currency ..... Unit ..... Exchange Rate Used: U.S. \$ ..... per .....

Item	If Valuation in Item II, 1 Is Correct with Regard to Item Below Insert X	If Correction Is Needed in Item II, 1	
		Insert N if Negligible, or X if Impossible to Estimate	Enter Amount if Correction Can Be Estimated (+) or (-)
<b>ADJUSTMENT OF EXPORTS</b>			
1. Internal freight and insurance charges .....			
2. Export duties .....			
3. Revaluation of commercial exports (3.1 through 3.3) .....			
resulting from			
3.1 Direct investments .....			
3.2 Consignment trade .....			
3.3 Other causes .....			
4. Revaluation of non-commercial exports (4.1 through 4.4) .....			
4.1 UNRRA .....			
4.2 Other grants in kind .....			
4.3 Reparations in kind .....			
4.4 Other .....			
5. Total (1 through 4) (Transfer to item II, 2.2) .....			
<b>ADJUSTMENT OF IMPORTS</b>			
6. Internal freight and insurance charges .....			
7. Import duties .....			
8. Revaluation of commercial imports (8.1 through 8.4) .....			
resulting from			
8.1 Direct investments .....			
8.2 Consignment trade .....			
8.3 Subsidies and price control .....			
8.4 Other causes .....			
9. Revaluation of non-commercial imports (9.1 through 9.4) .....			
9.1 UNRRA .....			
9.2 Other grants in kind .....			
9.3 Reparations in kind .....			
9.4 Other .....			
10. Total (6 through 9) (Transfer to item II, 2.2) .....			



## INSTRUCTIONS FOR TABLE IIb

See general comments accompanying Table II(a).

This supplementary table does not include adjustments for multiple exchange rates, on which see the General Instructions, paragraph 7.

### Item

1. This item should cover freight and insurance to the frontier of your country. It should be added to exports if they have been valued by the customs f.o.b. some interior point instead of f.o.b. the frontier of your country.
2. Add export duties if not included in customs valuation.
- 3.1 Correct for over- or under-valuation of exports by subsidiaries and branches of foreign firms to parent firms, or by domestic firms to their foreign subsidiaries and branches.
- 3.2 Add or subtract amounts necessary to raise or lower the valuation of goods exported on consignment to the price ultimately received by the exporter.
4. If non-commercial exports and imports are included in the customs records and an adjustment of their values is called for, this adjustment should be made here and in item 9. Such exports and imports should be assigned the official values decided upon by the international agency which handled the transactions or by the granting country. Consequently, the values to be shown for these non-commercial exports and imports will not necessarily be the same as those given in the customs records of the reporting country or those shown on the invoices. As in the case of other merchandise trade, reparations in kind and other segments of non-commercial exports should exclude gold and include deliveries both from current production and from existing capital equipment. Reparations should not include restitutions. Contra entries in Table X.
6. This item should cover freight and insurance charges to the frontier of the exporting country. It should be added to imports if they have been valued by the exporting country f.o.b. some interior point instead of f.o.b. its frontier.
7. In connection with this item deduct import duties levied by the receiving country if included in its import valuation, and add export duties levied by the exporting country, if they are not already included in the import valuation.
- 8.1 Correct for over- or under-valuation of imports received by subsidiaries and branches of foreign firms or by domestic firms from their foreign subsidiaries and branches.
- 8.2 Add or subtract amounts necessary to raise or lower the valuation of goods imported on consignment to the price ultimately paid by the importer.
- 8.3 If your country values its imports at domestic prices and if these are subsidized or controlled, add the difference between the subsidized or controlled prices and those actually paid for imports. The purpose of this item is to adjust the recorded values to the prices actually paid.
- 8.4 Deduct the reduction in value of imports arriving in damaged condition, unless such reduction is already made in the customs records. The contra entry appears in item IX, 14. See also appendix to Table VI.
9. See note to item 4.

**TABLE IIc**  
**OTHER TRANSACTIONS IN MERCHANDISE**

Reporting Country ..... Period Covered .....  
 Currency ..... Unit ..... Exchange Rate Used: U.S. \$ ..... per .....

Item	Credit (Receipts)	Debit (Payments)
<b>MERCHANDISE TRANSACTIONS ABROAD</b>		
1. Proceeds of sales; cost of goods sold . . . . .		
2. Freight and insurance adjustment . . . . .		
3. Adjusted proceeds and costs (1 minus 2) (Transfer to II, 7) . . . . .		
<b>ADJUSTMENT FOR CHANGES IN STOCKS</b>		
4. Changes in stocks of domestically-owned goods held abroad (4.1 plus 4.2) . . . . .		
4.1 Originating in exports from your country (increase (-) or decrease (+)) . . . . .		
4.2 Of foreign origin (increase (+) or decrease (-)) . . . . .		
5. Changes in stocks of foreign-owned goods held in your country (5.1 plus 5.2) . . . . .		
5.1 Originating in exports from your country (increase (+) or decrease (-)) . . . . .		
5.2 Of foreign origin (increase (-) or decrease (+)) . . . . .		
6. Total changes in stocks (4 plus 5) (Transfer to II, 8) . . . . .		

## INSTRUCTIONS FOR TABLE IIc

### Item

1. Enter in the credit column sales in foreign countries of commodities bought abroad. Such sales should be entered as of the period in which they are credited on the books of the seller, rather than the period in which payment is received. The purpose is to show sales on a transaction basis. Any credit extended by the seller (i.e., post-payments), and any credit extended by the purchaser (i.e., pre-payments) should be recorded as a capital movement in Table XII.  
  
Enter in the debit column the cost of acquiring abroad the commodities covered by the transactions in the credit column, whether purchased in the current reporting period or at an earlier date. Include in these costs any freight and insurance premiums (less claims) paid to foreigners.
2. Enter as a credit any freight and insurance premiums accruing to residents which may be included in the receipts from sales in item 1. Since item 2 is deducted from item 1, this entry will avoid duplication with Tables V and VI.
3. The receipts and payments in this item are "matched" in the sense that they show the foreign proceeds and costs of transactions in the same commodities. The net credit or debit represents the profit or loss on these transactions. There will ordinarily be a discrepancy between the time of purchase and sale of these commodities. Such discrepancies are accounted for in item 4.2 (see note to that item).
4. Items 4 and 5 provide the data required to adjust merchandise exports (i.e. credit items) and imports (debit items) to a basis that represents transactions between residents and foreigners. For example a good which is exported, but not sold to foreigners, should be deducted from the export figures because it has not yet created a claim on foreigners. Item 4 covers changes in stocks of commodities held directly by residents of the reporting country but located outside its customs territory and bonded warehouses (stored abroad, en route, or located in domestic territory outside customs, e.g., in free ports). The criterion for placing goods in this category is whether, according to the bookkeeping of the resident concerned, they are considered domestic property. Exclude those types of goods which are eliminated from exports and imports in Table II(a). Include in the valuation all costs of transfer up to the point where the goods are located.
- 4.1 Enter in the credit column with a minus sign goods exported in the current period but not yet sold and enter with a plus sign goods sold or re-imported in the current reporting period but recorded in item II, 1 as exports in a previous period.
- 4.2 Enter in the debit column with a plus sign goods bought abroad in the current reporting period but not yet recorded as imports in item II, 1 or as cost of goods sold in item 1 above; and with a minus sign goods bought before the current reporting period but recorded in the current period as imports in item II, 1, or as cost of goods sold in item 1 above.
5. See note 4 as regards general purpose. Item 5 covers changes in stocks of commodities owned by foreigners and held in your country (either inside your customs territory or in your bonded warehouses). Exclude goods eliminated from exports and imports as transit trade or according to Table II(a). See note on item 4 concerning the bookkeeping criterion and the valuation basis.
- 5.1 Enter in the credit column with a plus sign goods sold to foreigners but not recorded in item II, 1 as exports in the current reporting period; and with a minus sign goods exported in the current period but sold in an earlier period.
- 5.2 Enter in the debit column with a minus sign goods recorded as imported in item II, 1 in the current period, but not bought by residents until a later period, and enter with a plus sign goods bought from foreigners or re-exported in the current reporting period but recorded in a previous period as an import in item II, 1.

**TABLE III**  
**GOLD TRANSACTIONS**

Reporting Country ..... Period Covered .....  
 Currency ..... Unit ..... Exchange Rate Used: U.S. \$..... per.....

Item	In Thousands of Fine Ounces	In Domestic Currency
<b>GOLD PRODUCTION</b>		
1. Mine output .....		
<b>FOREIGN TRANSACTIONS</b>		
2. Imports (2.1 plus 2.2) .....		
2.1 Gold coin and bullion .....		
2.2 Unrefined gold .....		
3. Other inward movements (3.1 plus 3.2) .....		
3.1 Additions to gold earmarked abroad .....		
3.2 Withdrawals from gold earmarked at home .....		
4. Total inward movements (2 plus 3) .....		
5. Exports (5.1 plus 5.2) .....		
5.1 Gold coin and bullion .....		
5.2 Unrefined gold .....		
6. Other outward movements (6.1 plus 6.2) .....		
6.1 Withdrawals from gold earmarked abroad .....		
6.2 Additions to gold earmarked at home .....		
7. Total outward movements (5 plus 6) .....		
8. Net foreign transactions: gold inflow or outflow (-) (4 minus 7) .....		
<b>CHANGE IN MONETARY GOLD HOLDINGS</b>		
9. Increase or decrease (-) .....		
<b>NET GOLD CONSUMPTION</b>		
10. Net flow into or out of (-) industry, arts, and private hoards (1 plus 8 minus 9) .....		
<b>NON-MONETARY GOLD MOVEMENTS</b>		
11. Gold production minus net gold consumption (1 minus 10), in ounces and at parity value .....		
12. Adjustment for divergence from parity value of net foreign transactions .....		
13. Adjusted value of non-monetary gold movements (11 plus 12) (Transfer to item I, 2) .....		
<b>ANALYSIS OF NET GOLD CONSUMPTION (item 10)</b>		
14. Inflow into or return (-) from industry and arts .....		
15. Increase or decrease (-) in mine inventories .....		
16. Increase or decrease (-) in private hoards .....		

## INSTRUCTIONS FOR TABLE III

This Table is designed to present systematically the categories of information on gold transactions which are desired for balance of payments purposes. It is arranged so as to show in particular the elements that compose what are here called "non-monetary gold movements" -- namely, gold production and net gold consumption. The fact that gold production may be sold to the Central Bank (i.e. to a resident of the reporting country) rather than to foreigners does not make it any less a balance of payments factor, since gold sold to the Central Bank by residents creates foreign exchange or its equivalent as effectively as if it were sold to foreigners. Similarly gold drawn from the Central Bank for domestic consumption uses up foreign exchange or its equivalent as effectively as if the exchange were spent on imports from foreigners.

Gold produced is largely exported or sold to the monetary authorities and gold consumed is largely drawn from abroad or from the holdings of the monetary authorities. A portion of the gold consumed, however, may be supplied directly from the mines of the reporting country. In Table III this portion is included both in gold production as a credit item and in gold consumption as a debit item in order to show production and consumption as economic wholes and to facilitate their analysis in relation to other elements of the national economy. The credit and debit entries involved in these direct transactions are equal in size and cancel out in the computation of non-monetary gold movements.

While non-monetary gold movements are conceived as domestic gold production (item 1) minus domestic gold consumption (item 10), the amount thus calculated is mathematically equal to the net increase in monetary gold holdings (item 9) minus the net inflow in foreign transactions (item 8). If, for example, monetary gold holdings have increased by 20 and there have been net gold exports of 80, then the non-monetary gold movement must have been 100 -- i.e. 20 minus (minus 80). The gold added net to Treasury or Central Bank holdings and the gold exported net abroad must have come from domestic non-monetary sources, i.e. from domestic production or recovery from domestic consumption.

Recovery from domestic consumption might take the form of scrap gold returning from industrial use or a decline in gold mine inventories or in gold privately hoarded. A case can be made for regarding private gold hoards as monetary gold holdings and hence reporting changes in them in the private category of the section headed "Movements of capital and monetary gold". Conceptually they constitute a borderline case. While gold is hoarded, as a store of value and therefore possesses a characteristic of money, it seems probable that it is so used largely for domestic purposes rather than as a form of foreign exchange. The decisive grounds, however, for not requiring separation of hoards from non-monetary gold for the purposes of Table I are the statistical difficulties involved. It is believed that in the very countries in which hoarding is most significant, the difficulties of defining and estimating it may be greatest.

Since, however, the distinction between private hoarding on the one hand and consumption in industry or the arts on the other is important because of their different economic behavior, even though hoarding is regarded broadly as part of consumption, the Fund desires all available information on hoarding and dis-hoarding. For this purpose net gold consumption is analyzed in items 14, 15 and 16 of the Table. It is hoped that many countries will be able to make the entries for these items.

### Item

1. Instead of mine output, gold sales by the mines may be reported if data on them are more accurate or more readily available. See notes to items 10 and 16.
2. The restitution of looted gold should be recorded here only if the loss had been treated as a reduction of monetary gold holdings.
2. All foreign transactions should be entered, in the last column, at the value at which they were actually carried out.
- 2.2 Unrefined gold should include gold mixed with other metals (e.g., in copper bars), gold content of scrap and sweepings, gold concentrates, and recoverable content of ores. The gold content and frequently also the price paid per ounce, e.g., in the case of mixed ores, will have to be estimated.
- 3.1 Enter all transactions in which gold is earmarked for your account abroad.
- 3.2 Enter all withdrawals from gold earmarked for foreign account in your country (including withdrawals by the International Monetary Fund and the International Bank) provided the gold withdrawn is sold to your country.

## INSTRUCTIONS FOR TABLE III CONTINUED

### Item

- 5.2 See note to item 2.2.
- 6.1 Enter all withdrawals from gold earmarked for your account abroad.
- 6.2 Enter all transactions in which gold is earmarked for foreign account in your country (including earmarkings for the International Monetary Fund and the International Bank) provided the gold earmarked is purchased from your country.
- 9. Enter item XII, 1, column 18 in the last column. This item excludes gains or losses resulting from revaluations of gold holdings.
- 10. This item will also include changes in mine inventories unless gold sales by the mines, instead of mine output, are entered in item 1.
- 11. Parity value means the equivalent in domestic currency of 35 United States dollars per fine ounce. If the parity value of the currency of your country has changed during the period, each parity rate should be applied to the transactions that occurred while it was in effect. Mathematically, the correct value figure to enter in item 11 in this case can be derived by deducting item 12 from item 13. Item 13 can be derived independently of item 11.
- 12. Item 8 at parity value minus item 8 at transactions value. Cf. note on items 2 through 8.
- 13. This item can be derived also by deducting item 8 from item 9. In case of a change in the parity value of the domestic currency, it can be calculated only that way (cf. note on item 11). If item 13 is positive, enter it as a net credit in I, 2; if negative, enter it as a net debit.
- 16. Item 10 minus the total of items 14 and 15. If net consumption excludes changes in mine inventories, i.e., if gold sales from the mines instead of mine production are reported under item 1, item 16 will equal item 10 minus item 14.

**TABLE IV**  
**FOREIGN TRAVEL**

Reporting Country ..... Period Covered .....

Currency ..... Unit ..... Exchange Rate Used: U.S. \$.....per.....

Item	Credit (Receipts)	Debit (Payments)
1. Tourists .....		
2. Business travelers .....		
3. Students .....		
4. Government officials .....		
5. Others .....		
6. Total (1 through 5) (Transfer to item I, 3) .....		
(Alternative classification, if any)		
.....		
.....		
.....		
.....		
.....		

**INSTRUCTIONS FOR TABLE IV**

In this table record as a credit (receipt) all expenditures of foreigners visiting your country, including their payments for transportation within your country. (Receipts by domestic transportation companies for transport of persons outside the territory of your country are to be entered in Table V rather than here.) Record as a debit all payments to foreigners by residents of your country traveling outside the domestic territory. Do not include passenger fares and shipboard expenses paid to ships and aircraft in international service, since these should be entered in Table V.

If a breakdown between tourists, business travelers, students, government officials, and other travelers cannot be obtained, the receipts and payments may be classified according to other criteria which are significant from the point of view of your country, e.g., between border traffic and other traffic or between motor, railway, and other traffic.

If the amounts paid to foreign-operated ships and aircraft (item V, 7.1) cannot be separated from travel expenditures, include them in this table instead of Table V. If so, indicate that fact here.

# TABLE V

## TRANSPORTATION

Reporting Country ..... Period Covered ..... Exchange Rate Used: U.S. \$ ..... per.....

Currency ..... Unit ..... per.....

Item	Unit					Total
	Ocean	Vessels	Aircraft	Rail	Road	
		Other				Unclassified
<b>RECEIPTS</b>						
1. Gross freight ((1.1 through 1.3) . . . . .						
1.1 On imports . . . . .						
1.2 On exports (Include in item 1, 4.1) . . . . .						
1.3 Other (Include in item 1, 4.1) . . . . .						
2. Passenger fares (2.1 plus 2.2) (Include in item 1, 4.2) . . . . .						
2.1 International traffic . . . . .						
2.2 Other . . . . .						
3. Port disbursements (3.1 plus 3.2) (Include in item 1, 4.2) . . . . .						
3.1 Repairs . . . . .						
3.2 Other . . . . .						
4. Miscellaneous (4.1 plus 4.2) (Include in item 1, 4.2) . . . . .						
4.1 Charter hire . . . . .						
4.2 Other . . . . .						
5. Totals						
5.1 C.i.f. basis (1 through 4) . . . . .						
5.2 F.o.b. basis (5.1 minus 1.1) . . . . .						



## INSTRUCTIONS FOR TABLE V

### Item

1. Include here gross freight receipts by domestically-operated carriers, from both residents and foreigners to the extent indicated in the notes to the sub-items.
  - 1.1 Freights on imports paid to domestically-operated carriers should be entered here. Freights accrued after customs declaration should be excluded. This item is equal to item II, 3.1.
  - 1.2 Freight on exports paid to domestically-operated carriers should be entered here. Freight receipts for transport within the territory of your country should be excluded. The cost of transportation services, such as the transport of UNRRA supplies, rendered by your country without receiving payment from foreigners, should be included.
  - 1.3 This item should include freight payments received by domestically-operated carriers from residents and foreigners in cross trade (i.e., between any two other countries); transit traffic within your country, foreign coastal traffic, and other traffic within foreign territory. If freights earned in foreign coastal traffic or within the territory of foreign countries are large, they should be shown separately in an appendix to this table in order to facilitate studies of freight on international (as opposed to intranational) movement of goods. For treatment of transportation services rendered without receiving payment, see note to item 1.2.
2. The items in this group should include passenger fares and payment for shipboard and similar expenses received from foreigners by domestically-operated ships and aircraft.
  - 2.1 Include in this item payments received by domestically-operated ships and aircraft in international service.
  - 2.2 Include here payments received for services rendered by domestically-operated carriers in foreign coastal traffic or within territories of foreign countries.
3. These items should cover disbursements by foreign-operated carriers within your country.
  - 3.1 Exclude conversions and reconversions of foreign ships and aircraft which should be entered under item II(a), 1.6.
  - 3.2 Include such items as fuel, ships' stores and similar supplies, harbor fees, dues, and expenditures of crews.
    - 4.1 This item should cover receipts on account of charter hire of domestically-owned carriers to foreign operators.
    - 4.2 This item may include, e.g., transit charges (other than freight for foreign goods) not included in other items (cost of loading or unloading, etc.), although these will, in most cases, be covered by item 3.2, and mail fees earned by domestically-operated carriers.
- 5.1 The total of transportation receipts appropriated to imports valued c.i.f. in Table I.
- 5.2 The total of transportation receipts appropriated to imports valued f.o.b. in Table I.

**TABLE V**  
**TRANSPORTATION (cont'd)**

Reporting Country	Item	Unit					Road	Unclassified	Total
		Vessels	Aircraft	Rail	Road	Other			
	<b>PAYMENTS</b>								
	6. Gross freight (6.1 plus 6.2) (Transfer to item 1, 4.1)								
	6.1 On imports								
	6.2 Other								
	7. Passenger fares (7.1 plus 7.2) (Include in item 1, 4.2)								
	7.1 International traffic								
	7.2 Other								
	8. Port disbursements (8.1 plus 8.2) (Include in item 1, 4.2)								
	8.1 Repairs								
	8.2 Other								
	9. Miscellaneous (9.1 plus 9.2) (Include in item 1, 4.2)								
	9.1 Charter hire								
	9.2 Other								
	10. Totals								
	10.1 F.o.b. basis (6 through 9)								
	10.2 C.i.f. basis (10.1 minus 6.1)								
	11. Memorandum item								

Period Covered

Exchange Rate Used: U.S. \$ . . . . . per

INSTRUCTIONS FOR TABLE V CONTINUED

Item

- 6.1 Equal to item II, 3.2.  
Include any foreign costs of transport accrued after shipment from exporting country such as freight paid to foreign-operated carriers or costs of trans-shipment. Exclude costs accrued after customs declaration in your country.
- 6.2 Payment to foreign-operated carriers for freight transport services rendered in domestic coastal traffic or within the territory of your country. See note to item 1.3.
7. Passenger fares and shipboard and similar expenses paid by residents to foreign-operated ships and aircraft should be included here.
- 7.1 If the amounts paid to foreign-operated ships and aircraft cannot be separated from travel expenditures include them in Table IV instead of in this item.
- 7.2 Payment to foreign-operated carriers for services rendered in domestic coastal traffic or within the territory of your country should be included here.
8. This item should cover disbursements abroad by domestically-operated carriers.
- 8.1 Repairs should exclude conversions and reconversions of ships and aircraft which should be entered under item II(a), 2.5.
- 8.2 Include payments for such items as fuel, ships' stores, and similar supplies, harbor fees, dues, and expenditures of crews. It is assumed that wages paid to foreign crews and not spent in foreign or domestic harbors but transferred to the country in which the sailor is a resident will be entered under item IX, 1.1.
- 9.1 Payments on account of charter hire or rent of foreign-owned carriers by domestic operators are to be entered here.
- 9.2 Include, inter alia, mail fees paid to foreign-operated carriers.
- 10.1 The total of transportation payments appropriate to imports valued f.o.b. in Table I.
- 10.2 The total of transportation payments appropriate to imports valued c.i.f. in Table I.
11. Passenger fares and shipboard expenses paid by residents to domestically-operated carriers in connection with travel beyond the borders of your country are to be included here. This information is required to yield total receipts of your country from international transportation, whether from domestic or foreign sources. If the system applied in estimating travel expenditures necessitates the inclusion in the travel account of payments made to domestically-operated carriers (ships, aircraft, buses, etc.) in connection with travel beyond the borders of the reporting country, such domestic transactions will have to be offset under item 2, while item 11 will have to be left blank. If so, indicate that fact.

**TABLE VI**  
**INSURANCE PREMIUMS AND CLAIMS**

Reporting Country ..... Period Covered .....  
 Currency ..... Unit ..... Exchange Rate Used: U.S. \$..... per.....

Item	Credit (Receipts)	Debit (Payments)
<b>INSURANCE ON ACCOUNT OF INTERNATIONAL TRANSPORT OF GOODS (EXCLUDING REINSURANCE)</b>		
1. Premiums ((1.1 through 1.3) . . . . .		
1.1 On imports . . . . .		
1.2 On exports . . . . .		
1.3 Other . . . . .		
2. Claims payments ((2.1 through 2.3) . . . . .		
2.1 On imports . . . . .		
2.2 On exports . . . . .		
2.3 Other . . . . .		
3. Totals		
3.1 F.o.b. basis . . . . .		
3.2 C.i.f. basis . . . . .		
<b>OTHER INSURANCE (INCLUDING REINSURANCE OF INTERNATIONAL TRANSPORT OF GOODS)</b>		
4. Premiums (4.1 plus 4.2) . . . . .		
4.1 Reinsurance . . . . .		
4.2 Other insurance . . . . .		
5. Claims (5.1 plus 5.2) . . . . .		
5.1 Reinsurance . . . . .		
5.2 Other insurance . . . . .		
6. Total (4 plus 5) . . . . .		
7. Grand Totals		
7.1 F.o.b. basis (3.1 plus 6) (Transfer to item I, 5) . . . . .		
7.2 C.i.f. basis (3.2 plus 6) . . . . .		

## INSTRUCTIONS FOR TABLE VI

Branches and subsidiaries of insurance companies are regarded as residents of the country where they are located. Hence domestic branches and subsidiaries of foreign insurance companies are residents, and foreign branches and subsidiaries of domestic companies are foreigners. Agencies which do not carry out transactions for their own account are regarded as residents of the country where the main office is located. Income from branches and subsidiaries should be excluded from this table and reported in Table VII.

### Item

- 1.1 Enter as a credit insurance premiums paid to domestic insurance companies by residents and foreigners. Enter as a debit insurance premiums paid to foreigners on imports insured abroad whether this payment was made directly to the foreign insurance company or indirectly as a part of the payment to the foreign exporter for the goods imported.
- 1.2 Enter as a credit premiums received by domestic insurance companies from residents and foreigners. Only premiums received for bearing transportation risks outside your territory should be included here.
- 1.3 Enter as a credit premiums received from residents and foreigners in connection with international shipments other than exports and imports of your country.  
  
Premiums paid by residents to foreigners on account of international shipments of goods for domestic account other than exports and imports of your country should be excluded in order to avoid duplication with Table II(c).
- 2.1 Enter as a credit claims paid by foreign companies to residents; enter as a debit claims paid by domestic companies to foreigners.
- 2.2
- 2.3 Enter as a debit claims paid by domestic insurance companies to foreigners. Insurance claims paid to residents by foreign companies are excluded in order to avoid duplication with Table II(c). Cf. further note on item IX, 14.
- 3.1 If imports are recorded f.o.b. in Table I, enter as a credit the sum of items 1.2, 1.3, and 2; and as a debit the sum of items 1 and 2.
- 3.2 If imports are recorded c.i.f. in Table I, enter as a credit the sum of items 1 and 2; and enter as a debit the sum of items 1.2, 1.3, and 2.
4. These items should include premiums received from or paid to foreigners, and claims payments received from or made to foreigners.
5.  
  
Part of life insurance premiums and claims payments represent capital investments and disinvestments, respectively. These transactions, therefore, bring about a change in the debtor-creditor position of the reporting country which, in principle, should be registered in the capital account. It has been considered, however, that the amount of life insurance directly contracted by residents of one country with foreign insurance companies is negligible since the bulk of international life insurance is undertaken through foreign subsidiaries and branches which are considered residents. If, in exceptional cases, it is known that the life insurance transactions of the reporting country reflect considerable capital movements, details of such movements should be given in comments on the table.
- 7.1 Transfer to item I, 5 if imports in Table I are valued f.o.b.
- 7.2 Transfer to item I, 5 in those cases where imports are valued c.i.f. rather than f.o.b.

**TABLE VI**  
**INSURANCE PREMIUMS AND CLAIMS**

Reporting Country .....

Period Covered .....

Currency ..... Unit .....

Exchange Rate Used: U.S. \$ ..... per .....

Item	Credit (Receipts)	Debit (Payments)
<b>INSURANCE ON ACCOUNT OF INTERNATIONAL TRANSPORT OF GOODS (EXCLUDING REINSURANCE)</b>		
1. Premiums ((1.1 through 1.3) . . . . .		
1.1 On imports . . . . .		
1.2 On exports . . . . .		
1.3 Other . . . . .		
2. Claims payments (2.1 through 2.3) . . . . .		
2.1 On imports . . . . .		
2.2 On exports . . . . .		
2.3 Other . . . . .		
3. Totals . . . . .		
3.1 F.o.b. basis . . . . .		
3.2 C.i.f. basis . . . . .		
<b>OTHER INSURANCE (INCLUDING REINSURANCE OF INTERNATIONAL TRANSPORT OF GOODS)</b>		
4. Premiums (4.1 plus 4.2) . . . . .		
4.1 Reinsurance . . . . .		
4.2 Other insurance . . . . .		
5. Claims (5.1 plus 5.2) . . . . .		
5.1 Reinsurance . . . . .		
5.2 Other insurance . . . . .		
6. Total (4 plus 5) . . . . .		
7. Grand Totals . . . . .		
7.1 F.o.b. basis (3.1 plus 6) (Transfer to item I, 5) . . . . .		
7.2 C.i.f. basis (3.2 plus 6) . . . . .		

## APPENDIX TO TABLE VI

### SIMPLIFIED TREATMENT OF INSURANCE PREMIUMS AND CLAIMS ON ACCOUNT OF INTERNATIONAL TRANSPORTATION OF GOODS

#### PREMIUMS

In some cases it may be difficult to ascertain to what extent imports are insured abroad and to obtain the necessary breakdown of the premium receipts of domestic insurance companies on account of international transportation of goods. For such cases the following simplified treatment is recommended.

Where imports are valued f.o.b. in Table I, enter under item VI, 1 on a net basis the difference between all premiums received by domestic insurance companies from residents and foreigners on account of international transportation of goods (credit) and all premiums paid on imports, whether insured in your country or abroad (debit). The credit item can probably be reported and the debit item estimated without too great difficulty. Where imports are valued c.i.f. rather than f.o.b., enter only the credit item as already indicated in Table VI.

#### CLAIMS

Information on insurance claims paid by foreign insurance companies to residents and the necessary breakdown of the claims payments of domestic companies may be difficult to obtain. In such cases the following simplified treatment is recommended. It can be used independent of the valuation principle used in recording merchandise.

Make no credit entry under item 2, but enter as debits any claims paid by domestic insurance companies to residents and foreigners on account of international transportation of goods.

This simplification is permissible assuming the following further modifications are made:

- (1) Under item IX, 14 should be entered only that part of the financial losses arising out of loss and damage to goods in international trade which is not covered by insurance. (See further note to that item).
- (2) Theoretically insurance claims paid by domestic companies to residents on account of damage to goods (as distinct from total loss) in international trade other than exports and imports should be deducted in Table II(c) in the entry under item 2 (the insurance element in that item should read "premiums less claims").

In most cases both (1) and (2) will be negligible, and in so far need not be estimated. In any case the entry for uninsured financial losses under item IX, 14 will probably be less difficult to estimate than the total losses, whether or not covered by insurance, called for in the full version of item IX, 14.

The methods described above are inadequate for a bilateral classification of the insurance transactions. However, the item of insurance on account of international transportation of goods is so small that the error involved even in the bilateral statements will normally be negligible. Wherever this is the case, the simplified treatment is acceptable.

**TABLE VII**  
**INTERNATIONAL INVESTMENT INCOME**

Reporting Country .....  
Currency ..... Unit .....

Period Covered .....  
Exchange Rate Used: U.S. \$ ..... per .....

Item	Credit (Receipts)	Debit (Payments)
1. Direct investments* (1.1 through 1.4) (Transfer to item I, 6.1)		
1.1 Interest from subsidiaries		
1.2 Dividends from subsidiaries		
1.3 Profits of branches		
1.4 Other		
2. I.M.F. and I.B.R.D. (2.1 plus 2.2) (Include in item I, 6.2)		
2.1 Charges on I.M.F. advances		
2.2 Interest on I.B.R.D. loans*		
3. Other creditor capital* (3.1 through 3.4) (Include in item I, 6.2)		
3.1 Interest on inter-Government loans		
3.2 Interest on other Government obligations*		
3.3 Other interest on portfolio securities*		
3.4 Other interest		
4. Other equity capital* (4.1 plus 4.2) (Transfer to item I, 6.3)		
4.1 Dividends on portfolio securities*		
4.2 Other income		
5. Total (1 through 4)		
6. Undistributed profits of subsidiaries accruing to residents (credit) or foreigners (debit)		
7. Losses by subsidiaries accruing to foreigners (credit) or residents (debit)		

\* For definition, see Introductory Note to Tables XI- XII.



## INSTRUCTIONS FOR TABLE VII

See Introductory Note to Tables XI and XII.

The entries in this table should exclude amortization and sinking fund payments in respect of all investments, and depreciation of direct investments; and taxes paid to the country in which the asset is situated.

### Item

- 2.1 This item is to include primarily charges levied by the International Monetary Fund under Article V, Section 8(c) of the Fund Agreement. Service charges and handling charges made under Article V, Section 8(a) and 8(b) should also be included.
- 2.2 Include interest on loans made by the International Bank for Reconstruction and Development, but not on I. B. R. D. obligations which should be included in item 3.4.
- 3.2 Include discounts.
- 3.3 Include I. B. R. D. obligations
- 3.4 Include bank advances and overdrafts and advances by insurance companies to policy holders.
4. To the extent that the income of a partnership can be distinguished as derived from invested capital (especially in the case of a "sleeping partner"), it should be entered here. Income derived from a partnership in return for the services rendered by a partner is properly attributable to item IX, 5; in doubtful cases, include partnership incomes in that item.
- 4.2 Include net income from non-commercial real estate.
- 6 & 7 Strong arguments can be urged for including undistributed profits earned through direct investments in foreign subsidiaries (to the extent that the stock is held in the parent country) in this table, with a cross-entry in Table XI showing accumulation of capital in the form of direct investments; and vice versa with losses. In view of the statistical difficulties involved and some problems of theory, this information is not requested in Table I; but, if it is available it should be recorded here.
7. In the calculation of this item, losses made good out of subsequent profits should be treated as a negative item.

**TABLE VIII**  
**GOVERNMENT TRANSACTIONS**  
(not elsewhere reported)

Reporting Country ..... Period Covered .....  
Currency ..... Unit ..... Exchange Rate Used: U.S. \$ ..... per .....

Item	Credit (Receipts)	Debit (Payments)
1. Receipts and expenditures of your Government (1.1 through 1.7) . . . . .		
1.1 Diplomatic, etc., expenditures . . . . .		
1.2 Contributions to international agencies . . . . .		
1.3 Pensions . . . . .		
1.4 Payments to or from non-metropolitan areas . . . . .		
1.5 Military expenditures . . . . .		
1.6 Surplus property . . . . .		
1.7 Other . . . . .		
2. Receipts from or payments to other Governments (2.1 through 2.5) . . . . .		
2.1 Foreign diplomatic, etc., expenditures . . . . .		
2.2 Expenditures by international agencies . . . . .		
2.3 Pensions . . . . .		
2.4 Foreign military expenditures . . . . .		
2.5 Other . . . . .		
3. Grand total (1 plus 2) . . . . .		
3.1 Military expenditures and surplus property (1.5 plus 1.6 plus 2.4) (Transfer to item I, 7.1) . . . . .		
3.2 Other (3 minus 3.1) (Transfer to item I, 7.2) . . . . .		

**INSTRUCTIONS FOR TABLE VIII**

The first part of this table covers receipts and expenditures of your Government only; the second part covers transactions between foreign Governments and residents of your country but not your Government. With the exception of military expenditures and surplus property purchases and sales, these transactions appear with a certain regularity in the balance of payments of every country.

Items covering expenditures by your Government abroad should include all payments to international agencies for administrative purposes, regardless of where the agencies are located -- that is, whether they are located abroad on in your country. Items covering expenditures by foreign Governments in your country should include administrative expenditures in your country by international agencies. This is a consequence of the treatment of international agencies as international areas outside national boundaries and not as residents of the countries in which they are located. This table excludes all government capital transactions (Tables XI and XII), debt service (Table VII), donations and reparations (Table X), and ordinary government imports and exports of merchandise (Table II).

## INSTRUCTIONS FOR TABLE VIII CONTINUED

### Item

- 1.1 Diplomatic, consular, and similar expenditures abroad are covered by this item. Official travel expenditures, including transportation fares, should be excluded and entered in Table IV and V.
- 1.2 This item covers contributions to international agencies for administrative purposes. The quota subscriptions and charges or interest paid to the International Monetary Fund and to the International Bank for Reconstruction and Development are not to be included here since they are included in Table XI and VII, respectively.
- 1.3 Enter as a credit item contributions by foreigners to your Government pension funds. Enter as a debit item pensions paid by your Government to foreigners. Under the definition of resident adopted in this schedule members of your country's diplomatic or consular staff abroad are considered residents of your country rather than of the country to which accredited.
- 1.4 This item includes receipts by your country from its colonies (credit item), and contributions by your country to its colonies (debit item). If your country is a non-metropolitan area, this item should read "Payment to, or from, metropolitan area".
- 1.5 Enter as a credit receipts of your Government from foreign military forces stationed in your country, such as receipts from leases of naval and other strategic bases as well as receipts from sales of food and equipment consumed in your country. Exclude such goods if shipped abroad (Table II).
- Enter as a debit expenditures of your country's military forces stationed abroad, such as payments for leases of naval or other strategic bases, as well as expenditures for purchases of food and equipment consumed in the country of purchase. Exclude such goods if not consumed in the country of purchase, i.e., consumed by your military forces in a third country (Table II). Include under debits any local currency made available to and spent by your troops abroad.
- 1.6 Enter as a credit the value of surplus property (whether located abroad or in your country) sold or given by your Government to foreigners. Exports from your country of such surplus property should be excluded from Table II. See note on item II (a), 3.7. Enter as a debit your Government's acquisitions of foreign surplus property if located in your country. If the surplus property is located abroad, purchases should not be entered here, but in Table II. If surplus property purchases abroad cannot readily be distinguished from surplus property purchased in your country, purchases of both types combined may be reported as a debit here. It is assumed that in this case, the surplus property purchases abroad will not be recorded in the import statistics in Table II.
- 1.7 This item includes fees (consular invoice fees, visas, etc.) received by your Government agencies abroad. It may also include certain taxes or tax refunds such as income taxes paid by a person, while abroad, to his country of permanent domicile. (Such person may be regarded, for balance of payments purposes, as a resident of the country of transitory residence even though, for taxation purposes, his country of permanent domicile considers him a resident.) Tax disbursements arising from international taxation agreements may likewise be included here. Tax payments on income from foreign investment should not be included since such income is recorded net of tax in Table VII.
- 2.1 Expenditures in your country by foreign Governments for diplomatic, consular, and similar purposes should be entered here. Official travel expenditures, including transportation fares, should be excluded; see note to item 1.1.
- 2.2 This item covers administrative expenditures in your country by international agencies.
- 2.3 The credit item here includes pensions received by residents of your country from foreign Governments; the debit item includes contributions by residents of your country to pension funds abroad, including those to international agencies. As in item 1.3 above, members of your country's diplomatic or consular staff abroad are considered residents of your country.
- 2.4 This item is parallel to item 1.5. See note to that item. It covers military expenditures in your country made by foreign Governments other than the payments made to your Government.
- 2.5 See note to item 1.7.

**TABLE IX**  
**MISCELLANEOUS CURRENT TRANSACTIONS**

Reporting Country ..... Period Covered .....

Currency ..... Unit ..... Exchange Rate Used: U.S. \$.....per.....

Item	Credit (Receipts)	Debit (Payments)
1. Personal services (1.1 plus 1.2) . . . . .		
1.1 Workers' earnings . . . . .		
1.2 Other personal services . . . . .		
2. Pensions . . . . .		
3. Management fees, etc. . . . .		
4. Brokerage fees, etc. (4.1 plus 4.2) . . . . .		
4.1 Underwriters' commissions . . . . .		
4.2 Other . . . . .		
5. Profits or losses on business activity abroad . . . . .		
6. Communications . . . . .		
7. Advertising . . . . .		
8. Subscriptions to press . . . . .		
9. Copyrights . . . . .		
10. Cinematograph film rental . . . . .		
11. Patent royalties . . . . .		
12. Other rentals and royalties . . . . .		
13. Lottery tickets and prizes . . . . .		
14. Other items (indicate nature) . . . . .		
_____ . . . . .		
_____ . . . . .		
_____ . . . . .		
15. Total (items 1 through 14) (Transfer to item I, 8) . . . . .		

## INSTRUCTIONS FOR TABLE IX

This table is designed to pick up all those current transactions that do not fit into other tables. In general Government transactions are to be included in the Government account (Table VIII) rather than here. As in Table VII, the profit items in this table should be net of income tax paid to foreign Governments.

### Item

- 1.1 This item covers earnings that are brought into your country by seasonal and other workers (credit item), or sent out of your country by such workers (debit item). It refers to workers who are either residents of your country but work in another country, or foreigners working in your country. Earnings will be net of expenditures by the worker in the country of his employment.
- 1.2 This item refers to earnings for services, e.g., those of a professional character, performed by residents of your country for foreigners (credit item) or by foreigners for residents of your country (debit item), without the movement of the worker into or out of the reporting country. Excludes services recorded elsewhere, such as those to travelers in Table IV.
2. This item includes pensions received from, or contributions to, private pension funds. It does not include premium payments on annuity policies or the payment of annuities, which are to be entered in the insurance account, Table VI.
3. Include here management fees and reimbursements for home office expenses received from branches and subsidiaries outside your country (credit item); and such fees and reimbursements paid to the parent organization abroad by branches and subsidiaries located in your country (debit item).
- 4.1 Include here commissions on underwriting foreign securities, and show the gross capital movement including commissions in Table XI. This item does not refer to insurance underwritings.
- 4.2 Exclude commissions from transport services already covered in Table V.
5. Include here profits (credit item) or losses (debit item) on business activity abroad which are not included elsewhere, e.g., those from speculation in foreign commodity markets. Profits and losses from dealings in foreign security markets appear in Table XI through statistical necessity and, therefore, should not be included here. See note to item VII, 4 for treatment of partnership income.
6. This item covers international settlements on account of post, telegraph, telephone, and radio. It should exclude profits on direct investments, which should appear in Table VII; and also direct payments to transportation companies by Governments (e.g., for mail) which should appear in Table V.
8. Exclude any publications included in Table II.
10. Include here exposed motion picture film not bought by the importing country; to avoid double counting this item should be excluded from Table II. See particularly items II(a), 3.4 and 4.4.
14. Include here as a debit residents' financial losses sustained on account of damage to or loss of goods, whether or not covered by insurance, in international import, export, and merchandise transactions abroad. Two cases may be distinguished:

#### (1) Imports and Exports

If goods shipped to the reporting country are lost en route after the domestic importer has acquired title to them, he may have to bear the loss. This may be covered wholly or partly by insurance but in either event he presumably has paid, or will have to pay, to the foreign exporter, the full invoice value of the goods lost. Consequently, recorded imports will understate payments made to foreign exporters by the value of these goods. Similarly, the value entered for imports arriving in damaged condition will understate the amounts paid to the foreign exporter. See the adjustment called for in Table II(b), item 8.4.

Conversely, the value of recorded exports will overstate payments received for exports from foreign importers by the damage to and loss of goods exported borne by the domestic exporter.

An adjustment is therefore called for in item IX, 14 (debit), representing the loss of and damage to exports and imports borne by the domestic exporter or importer whether or not covered by insurance. This adjustment may be subdivided into (a) the part of the losses covered by a foreign insurance company, (b) the part covered by domestic insurance companies, and (c) the residual losses borne by the domestic importers and exporters.

**TABLE IX**  
**MISCELLANEOUS CURRENT TRANSACTIONS**

Reporting Country ..... Period Covered .....

Currency ..... Unit ..... Exchange Rate Used: U.S. \$..... per.....

Item	Credit (Receipts)	Debit (Payments)
1. Personal services (1.1 plus 1.2) .....		
1.1 Workers' earnings .....		
1.2 Other personal services .....		
2. Pensions .....		
3. Management fees, etc. ....		
4. Brokerage fees, etc. (4.1 plus 4.2) .....		
4.1 Underwriters' commissions .....		
4.2 Other .....		
5. Profits or losses on business activity abroad .....		
6. Communications .....		
7. Advertising .....		
8. Subscriptions to press. ....		
9. Copyrights .....		
10. Cinematograph film rental .....		
11. Patent royalties .....		
12. Other rentals and royalties .....		
13. Lottery tickets and prizes .....		
14. Other items (indicate nature) .....		
.....		
.....		
.....		
15. Total (items 1 through 14) (Transfer to item I, 8) .....		

## INSTRUCTIONS FOR TABLE IX CONTINUED

### (2) Merchandise Transactions Abroad

A similar adjustment is required as regards Merchandise Transactions Abroad entered in Table II(c). As items 1 - 3 are defined, the losses on account of damage are reflected in the figures for purchases and sales in that table, while no entry is provided for the cost of goods totally lost. The claims payments made by foreign insurance companies on account of such losses are not entered in the balance of payments, since the appropriate item (VI, 2.3) does not call for their insertion; the part of the losses covered in this way may therefore be similarly excluded from item IX, 14 (debit). Accordingly in this case the adjustment should represent that portion of the value of goods lost which is covered by (a) domestic insurance companies, or (b) ultimately by the residents buying the goods.

Entries in Case of Modified Treatment of Insurance Claims. Cf. Appendix to Table VI.

If the modified treatment of insurance claims recommended in the appendix to Table VI is followed, the adjustment called for under item 14 is equal to

- (1) loss of and damage to exports and imports borne by domestic exporters and importers and not covered by insurance, plus
- (2) loss of goods in international trade other than exports and imports sustained by residents and not covered by insurance,

both of which items ordinarily will be negligible.

This treatment is made possible by canceling out the credit entry under item VI, 2 for claims payments made by foreign insurance companies to residents against the debit entry under this item for the financial losses they cover, and by moving the part of the financial losses which is covered by domestic insurance companies to Table VI.

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## INSTRUCTIONS FOR TABLE X

This table groups together gifts, reparations, and migrants' transfers. Reparations are a type of compulsory donation. Migrant transfers, as explained more fully in the note to item 2 below, are in effect an automatic donation from the migrant in his capacity as a foreigner to the migrant in his capacity as a resident of the reporting country. All these are the counterpart of one-way transactions (see underlying principles, paragraph 2), and they have a special significance in estimates of national income.

The transactions are divided into two groups, private and government. The first covers transactions which appear with a certain regularity in balance of payments statements. The second includes UNRRA and other grants as well as reparations. The transactions in the second group result from the special conditions created by the war.

The items of which the entries in this table are the countervalues cannot always be identified precisely. In general, the contra-entries against items 1.1, 2.1, 6.1, 7.1, and 8.1 are in Table II or VIII; those against items 6.2, 7.2, and 8.2 are in Tables II or V; and those against the remaining items are in the capital account tables, except item 3 which may be in Table II as well as the capital accounts.

### Item

1. These items consist mainly of recurrent payments and gifts in kind made by immigrants and others to their relatives and friends abroad. They should not include remittances that are for the remitter's own account. The latter increase assets or liabilities of the reporting country and should be reported in Tables XI or XII. Enter as a credit item remittances received in your country from emigrants and other foreigners; enter as a debit item remittances abroad by immigrants and other residents.
2. These items are the counterpart of the international transfer of property that automatically occurs when a person with property changes his residence from one country to another. The entire property of the migrant, whether located in the country he leaves or in other countries, is involved in this transfer. The transfer of assets and liabilities from one country to another occurs even though the property is not moved. The property includes goods (e.g., personal and household belongings), currency and coin, other short-term assets, and long-term assets (e.g., titles to investments.) The shift of the property itself from foreign to domestic ownership will be shown in Table II if it is merchandise and in Tables XI and XII if it is capital; but the counterpart of this shift--i.e., the migrant's transfer--should be entered here. Enter as a credit item all such transfers to your country (i.e., the country of immigration) from the countries of emigration; enter as a debit item all such transfers from your country (i.e., the country of emigration) to other countries.
3. Includes transfers of items arising from legacies, bequests, inheritances, dowries and the like.
4. Missionary, educational, and other benevolent contributions by private institutions and persons are to be included here.
6. Restitutions should not be included with reparations. If sizeable, they should be shown in a footnote.
- 6.2 Services consist mainly of freight. The contra-entry to freight on exports will appear in Table V; the freight on imports will appear in Table V if imports are recorded f.o.b., and in Table II if they are recorded c.i.f.
- 6.3 This item covers reparations paid by transfer of titles to investments.
- 7.2 See note to item 6.2.
- 8.1 Include not only goods imported and exported but also gifts of surplus property. The contra entry to the former will appear in Table II and to the latter, in Table VIII or Table II.
- 8.2 See note to item 6.2.

## INSTRUCTIONS FOR TABLE XII

This table summarizes the short-term foreign capital assets and liabilities of official, banking, and other institutions and of private persons at the beginning and end of the period reported, and from these data it derives the movements in capital over the period. Normally, columns 19-23 as well as the other columns will be completed from details given by the official and banking institutions reporting. Obligations of residents held by domestic banks on behalf of foreigners and obligations of foreigners held by domestic banks on behalf of residents should be recorded in the column appropriate to the actual debtor or creditor. Open book accounts and acceptances due to or from foreigners should be included in the item "Other Short-term".

### Columns

2. Foreign short-term assets and liabilities of all departments of the Central Bank should be included here.
4. List on an attached sheet the names of the fiscal agencies included here.
17. The changes in columns 16 and 21 represent the actual net changes in the values of the assets and liabilities since the last return. To some extent, however, these changes may have taken place without an international movement of capital; i.e., they represent not changes in the substance of holdings but changes in their values only. For example, there may have been during the period a change in the exchange rate of the reporting country, which will have affected the value, in domestic monetary units, of all foreign assets and liabilities at that date. Or, assets may have been written off over the period. Such changes in the totals of assets and liabilities due, not to international capital movements, but only to changes in value, must be eliminated by the use of columns 17 and 22. If the effect of such changes has been to overstate the increase or to understate the decrease shown in columns 16 and 21, the entry in columns 17 or 22 should be a minus; if the reverse, a plus.
22. The changes in columns 16 and 21 represent the actual net changes in the values of the assets and liabilities since the last return. To some extent, however, these changes may have taken place without an international movement of capital; i.e., they represent not changes in the substance of holdings but changes in their values only. For example, there may have been during the period a change in the exchange rate of the reporting country, which will have affected the value, in domestic monetary units, of all foreign assets and liabilities at that date. Or, assets may have been written off over the period. Such changes in the totals of assets and liabilities due, not to international capital movements, but only to changes in value, must be eliminated by the use of columns 17 and 22. If the effect of such changes has been to overstate the increase or to understate the decrease shown in columns 16 and 21, the entry in columns 17 or 22 should be a minus; if the reverse, a plus.

### Item

- Assets exclude subscriptions to I.M.F., and I.B.R.D. (See item XI, 6.1.)
1. Compare column 18 with item III, 9. Holdings are to be shown at the parity ruling at the date of each return.
  - 2.2 Include coins and currency (other than gold) freely importable into the issuing country.
  3. Include only facilities used, not the maximum limits allowed by the agreements. Assets acquired or liabilities incurred in excess of these limits should not be included here but in "unrestricted" assets or liabilities (items 2, 5, or 8) or "other restricted" assets or liabilities (items 4, 7, or 10).
  - 4.2 Include coins and currency not freely importable into the issuing country.
  - 5.2 Include in column (1) or (2) an estimate for freely-importable coins and currency of your country held abroad by foreign official and banking institutions.
  6. See note to item 3.
  7. Restrictions here cover those imposed by your country. Include also deposit liabilities, plus demand obligations, due to I.M.F. or I.B.R.D., which can be used only in accordance with the Articles of Agreement.
  - 7.2 Include in column (1) or (2) an estimate for coins and currency of your country held abroad, by foreign official and banking institutions, if not freely importable into your country.
  8. These data exclude those reported under 5 above.
  - 8.2 Include in column (1) or (2) an estimate for freely-importable coins and currency of your country held abroad, other than those reported in 5.2.
  9. These data exclude those reported under 6 above. See note to item 3.
  10. These data exclude those reported under 7 above. Restrictions here cover those imposed by your country.
  - 10.2 Include in column (1) or (2) an estimate for coins and currency of your country held abroad, if not freely importable into your country, other than those reported in 7.2.

**INTRODUCTORY NOTE TO TABLES XI AND XII**  
(also applicable to Table VII)

Table XI shows long-term capital movements in the form of transactions, with certain exceptions in the case of Direct Investments (See Notes to Table XI). No record is required of changes in the long-term debtor-creditor relationship between countries due only to:

- (a) changes in the market value of portfolio securities;
- (b) the issue of "bonus shares" or "stock dividends"

Table XII records short-term movements in the form of increases or decreases in assets and liabilities since the last return. Increases in assets and decreases in liabilities are debits, reflecting an outflow of capital; decreases in assets and increases in liabilities are credits, reflecting an inflow of capital.

**DEFINITIONS**

The following definitions are intended to give general indications of the scope of the principal terms used in these tables. It is recognized that the institutional organization of investment will differ from country to country, and exact definitions of universal application are therefore not attempted.

**Restricted.** The items included under this classification include those subject to any sort of limitation as to international use or transferability -- whether enforced by regulations, agreement, or otherwise -- imposed by the debtor country, excluding payments or clearing agreements. For assets, the restrictions are those imposed by foreign countries; for liabilities, the restrictions are those imposed by your country. Include the "freezing" of assets for political reasons.

**Direct Investment.** A direct investment of a country is the amount invested by its residents in an enterprise or other commercial property abroad effectively controlled by its residents; for example:

- (a) An enterprise in country Y which is a branch of enterprise in country X. Offices that act as agents rather than principals are not to be included, since an agent is considered a resident of the country in which its principal is located.
- (b) An enterprise in Y which is a subsidiary of an enterprise in X, i.e., is incorporated in Y but controlled by residents of X. "Control" in this case should be inferred if (i) 50% or more of the voting stock is owned by residents of X, or (ii) 25% or more of the voting stock is concentrated in the hands of a single holder or organized group of holders in X, or (iii) a resident of X has in fact a controlling voice in its policies.
- (c) Commercial real estate in Y owned by residents of X.

A direct investment may be owned by two or more countries jointly; similarly, a direct investment in Y may be owned by an enterprise in X which is itself a direct investment of an enterprise in Z (or even in Y).

**Creditor Capital.** Includes notes, bonds, debentures, and inter-company claims (open book accounts).

**Equity Capital.** Includes common stock (ordinary shares), preference stock, and net claims on branches (since creditor claims on branches cannot be conveniently separated from equity capital).

**Portfolio Securities.** Government and corporate bonds and shares, excluding direct investments.

**Short-term Investments.** Those maturing on demand or within 12 months after the obligation was incurred, the renewal of an obligation being construed as the assumption of a fresh obligation.

**Long-term Investments.** Those without maturity (e.g. shares) or those maturing more than 12 months after the obligation was incurred; also short-term investments in default for reasons other than Governmental blocking.

**Government Obligations.** Securities issued by the Government or bearing its guarantee.

**I.B.R.D. Obligations.** Securities issued by the International Bank for Reconstruction and Development, or bearing its guarantee.

**I.B.R.D. Loans.** Loans made by the International Bank for Reconstruction and Development.

**Official Institutions.** Central government departments and agencies and government-controlled institutions holding foreign assets or incurring foreign liabilities, other than commercial banks.

**Banking Institutions.** Commercial banks and any other unofficial enterprises accepting short-term deposits.

**TABLE XI**  
LONG-TERM\* CAPITAL TRANSACTIONS

Reporting Country ..... Unit ..... Exchange Rate Used: U.S. \$ ..... per .....  
 Period Covered .....  
 Currency .....

Item	BY YOUR OFFICIAL AND BANKING INSTITUTIONS*				BY YOUR INDIVIDUALS AND NON-BANKING INSTITUTIONS			
	ASSETS		LIABILITIES		ASSETS		LIABILITIES	
	Credit (Receipts) (1)	Debit (Payments) (2)	Credit (Receipts) (3)	Debit (Payments) (4)	Credit (Receipts) (5)	Debit (Payments) (6)	Credit (Receipts) (7)	Debit (Payments) (8)
<b>DIRECT INVESTMENTS*</b>								
1. In banking institutions* (1.1 plus 1.2)								
1.1 Branches . . . . .								
1.2 Subsidiaries (1.2.1 plus 1.2.2)								
1.2.1 Creditor capital*								
1.2.2 Equity capital*								
2. In other enterprises (2.1 plus 2.2)								
2.1 Branches . . . . .								
2.2 Subsidiaries (2.2.1 plus 2.2.2)								
2.2.1 Creditor capital*								
2.2.2 Equity capital*								
3. Other direct investments (3.1 plus 3.2)								
3.1 Commercial real estate								
3.2 Other . . . . .								
4. Total direct investments (4.1 plus 4.2)								
4.1 Vested direct investments sold								
4.2 Other . . . . .								
<b>OTHER INVESTMENTS</b>								
5. Inter-Government loans . . . . .								
6. I.M.F. and I.B.R.D. (6.1 plus 6.2)								
6.1 Subscriptions . . . . .								
6.2 I.B.R.D. loans*								
7. Portfolio securities* (7.1 through 7.4)								
7.1 Vested securities sold abroad								
7.2 Other Government obligations*								
7.3 Other bonds . . . . .								
7.4 Other shares . . . . .								
8. Amortization and sinking fund (8.1 through 8.4)								
8.1 Inter-Government loans . . . . .								
8.2 I.B.R.D. loans*								
8.3 Other Government obligations*								
8.4 Other . . . . .								
9. Other contractual repayments (9.1 through 9.4)								
9.1 Inter-Government loans . . . . .								
9.2 I.B.R.D. loans*								
9.3 Other Government obligations*								
9.4 Other . . . . .								
10. Other long-term capital movements (10.1 through 10.4)								
10.1 Between official institutions* and banks*, and between banks*								
10.2 Between official institutions* or banks* and others								
10.3 Migrants' capital not elsewhere recorded								
10.4 Other . . . . .								
11. Total other investments (5 through 10)								

\* For definition see Introductory Note to Tables XI and XII.

## TABLE XI CONT'D

### LONG-TERM CAPITAL TRANSACTIONS

Reporting Country ..... Period Covered .....

Currency ..... Unit ..... Exchange Rate Used: U.S. \$ ..... per .....

Item	TRANSFER TO	
	Assets	Liabilities
<b>TRANSFERS TO TABLE I</b>		
<b>PRIVATE CAPITAL</b>		
12. Item 4, column 6 minus column 5, to item I, 11.1 . . . . .		
13. Item 4, column 7 minus column 8, to item I, 11.1 . . . . .		
14. Items 7.2 plus 7.3, column 6 minus column 5 to item I, 11.2 . . . . .		
15. Items 7.2 plus 7.3, column 7 minus column 8, to item I, 11.2 . . . . .		
16. Item 7.4, column 6 minus column 5 to item I, 11.3 . . . . .		
17. Item 7.4, column 7 minus column 8 to item I, 11.3 . . . . .		
18. Item 8, column 5, to item I, 11.4, <u>as a decrease (-)</u> . . . . .		
19. Item 8, column 8, to item I, 11.4, <u>as a decrease (-)</u> . . . . .		
20. Item 9, column 5, to item I, 11.5, <u>as a decrease (-)</u> . . . . .		
21. Item 9, column 8, to item I, 11.5, <u>as a decrease (-)</u> . . . . .		
22. Item 10, column 6, minus column 5, to item I, 11.6 . . . . .		
23. Item 10, column 7, minus column 8, to item I, 11.6 . . . . .		
<b>OFFICIAL AND BANKING CAPITAL</b>		
24. Total, items 24.1 plus 24.2 to item I, 13.1, <u>as a decrease (-)</u> . . . . .		
24.1 Item 4.1, column 1 . . . . .		
24.2 Item 7.1, column 1 . . . . .		
25. Items 7 minus 7.1, column 2 minus column 1, to item I, 13.2 . . . . .		
26. Items 7 minus 7.1, column 3 minus column 4, to item I, 13.2 . . . . .		
27. Total, items 27.1 through 27.6, to item I, 13.3 . . . . .		
27.1 Item 5, column 2 minus column 1 . . . . .		
27.2 Item 5, column 3 minus column 4 . . . . .		
27.3 Item 6.2, column 3 minus column 4 . . . . .		
27.4 Item 10.1, column 2 minus column 1 . . . . .		
27.5 Item 10.1, column 3 minus column 4 . . . . .		
27.6 Item 10.2, column 3 minus column 4 . . . . .		
28. Item 8, column 1 to item I, 13.4, <u>as a decrease (-)</u> . . . . .		
29. Item 8, column 4, to item I, 13.4, <u>as a decrease (-)</u> . . . . .		
30. Item 9, column 1, to item I, 13.5, <u>as a decrease (-)</u> . . . . .		
31. Item 9, column 4, to item I, 13.5, <u>as a decrease (-)</u> . . . . .		
32. Total, items 32.1 through 32.4, to item I, 13.6 . . . . .		
32.1 Item 4.2, column 2 minus column 1 . . . . .		
32.2 Item 4.2, column 3 minus column 4 . . . . .		
32.3 Item 6.1, column 2 . . . . .		
32.4 Item 10.2, column 2 minus column 1 . . . . .		

**TABLE XI**  
LONG-TERM\* CAPITAL TRANSACTIONS

For IMF use only

Reporting Country	Currency	Item	BY YOUR OFFICIAL AND BANKING INSTITUTIONS*				BY YOUR INDIVIDUALS AND NON-BANKING INSTITUTIONS												
			ASSETS		LIABILITIES		ASSETS		LIABILITIES										
			Credit (Receipts) (1)	Debit (Payments) (2)	Credit (Receipts) (3)	Debit (Payments) (4)	Credit (Receipts) (5)	Debit (Payments) (6)	Credit (Receipts) (7)	Debit (Payments) (8)									
		<b>DIRECT INVESTMENTS*</b>																	
		1. In banking institutions* (1.1 plus 1.2)																	
		1.1 Branches																	
		1.2 Subsidiaries (1.2.1 plus 1.2.2)																	
		1.2.1 Creditor capital*																	
		1.2.2 Equity capital*																	
		2. In other enterprises (2.1 plus 2.2)																	
		2.1 Branches																	
		2.2 Subsidiaries (2.2.1 plus 2.2.2)																	
		2.2.1 Creditor capital*																	
		2.2.2 Equity capital*																	
		3. Other direct investments (3.1 plus 3.2)																	
		3.1 Commercial real estate																	
		3.2 Other																	
		4. Total direct investments (4.1 plus 4.2)																	
		4.1 Vested direct investments sold																	
		4.2 Other																	
		<b>OTHER INVESTMENTS</b>																	
		5. Inter-Government loans																	
		6. I.M.F. and I.B.R.D. (6.1 plus 6.2)																	
		6.1 Subscriptions																	
		6.2 I.B.R.D. loans*																	
		7. Portfolio securities* (7.1 through 7.4)																	
		7.1 Vested securities sold abroad																	
		7.2 Other Government obligations*																	
		7.3 Other bonds																	
		7.4 Other shares																	
		8. Amortization and sinking fund (8.1 through 8.4)																	
		8.1 Inter-Government loans																	
		8.2 I.B.R.D. loans*																	
		8.3 Other Government obligations*																	
		8.4 Other																	
		9. Other contractual repayments (9.1 through 9.4)																	
		9.1 Inter-Government loans																	
		9.2 I.B.R.D. loans*																	
		9.3 Other Government obligations*																	
		9.4 Other																	
		10. Other long-term capital movements (10.1 through 10.4)																	
		10.1 Between official institutions* and banks*, and between banks*																	
		10.2 Between official institutions* or banks* and others																	
		10.3 Migrants' capital not elsewhere recorded																	
		10.4 Other																	
		11. Total other investments (5 through 10)																	

\* For definition see introductory Note to Tables XI and XII.

## INSTRUCTIONS FOR TABLE XI

All transactions between residents and foreigners involving increases or decreases in long-term assets or liabilities should be included in this table even if no formal or marketable securities are issued. In the case of refunding operations, both obligations paid off and new ones issued should be included. Loans in process of transfer from lender to borrower should be included only to the extent that the borrower has actually drawn upon them.

The persons or institutions in the reporting country who carry out the transactions determine the column in which the transactions are entered, whatever foreign person or institution is involved. Transactions effected by your country's official and banking institutions for their own account will be shown in columns 1 to 4 and those effected by your country's private persons or institutions (or for their account) in columns 5 to 8. Liabilities incurred by private persons under Government guarantee, however, should be shown in column 4. The creditor or debtor concerned, together with the nature of the debt, determines which item is relevant. For example, the sale or purchase abroad by a private person of his Government's securities will be classified as a private transaction in Government liabilities, column 7 or 8, item 7.2, and not as an official transaction, column 3 or 4. On the other hand, if a private institution issues shares abroad bearing its Government's guarantee, this should appear in column 3, item 7.2.

If a long-term debtor or creditor becomes, or ceases to be, a resident of your country, the effect on your creditor-debtor position of the change of residence should be recorded as a capital movement, item 10.3 being used if the nature of the assets involved is not known.

For definition of Direct Investments, see Introductory Note to Tables XI and XII. Entries in Table XI will normally record all transactions increasing or decreasing your country's direct investments abroad, and foreign countries' direct investments in your country, whether long-term or short-term. Three exceptions should be made: (i) where no record of transactions is available (e.g., in the case of branches without separate accounts), the net change in the position between the parent institution and its branch or subsidiary should be entered; (ii) banking institutions' deposits due to or from branches or subsidiaries abroad should not be included here but in Table XII; (iii) deposits of branches or subsidiaries in your country of foreign banking institutions due to or from the foreign head office also should not be included here but in Table XII.

For direct investments abroad owned by your country, an expansion should be entered as a debit (capital outflow) and a contraction as a credit (capital inflow); for foreign owned direct investments in your country an expansion should be entered as a credit (capital inflow) and a contraction as a debit (capital outflow).

Investments in kind, i.e., the transfer of machinery, equipment, raw materials, semi-finished goods, etc., between parent concerns and branches or subsidiaries, and the payment of organizational expenses, etc., should be included in the calculation of the capital inflow or outflow under direct investments.

### Columns

- 1 and 2) Assets comprise domestically-owned obligations of foreigners, and domestically-owned direct investments abroad.
- 3 and 4) Liabilities comprise foreign-owned obligations of residents, and foreign-owned direct investments in your country. As indicated above, changes in liabilities of private persons and institutions, if the liabilities are guaranteed by their Government, should be included in columns 3 and 4.

The words "receipts" and "payments" refer to the financial aspect of the transaction. For example, the purchase of a security involves a payment for balance of payments purposes. The fact that it also involves a "receipt" of scrip is irrelevant.

### Item

- 3.2 Exclude stocks of commodities held abroad directly by your residents and held in your country directly by foreigners. (Table IIc)
4. The sum of items 1, 2, and 3 should equal the sum of 4.1 and 4.2.
- 4.1 Vested investments are those acquired by a Government from its residents, normally under compulsory powers, in order to obtain foreign exchange by selling the investments abroad. Include only investments vested by your Government, and sold abroad.

**TABLE XIa**

**LONG-TERM CAPITAL MOVEMENTS: ANALYSIS OF  
TRANSACTIONS IN PORTFOLIO SECURITIES**

Reporting Country ..... Period Covered .....

Currency ..... Unit ..... Exchange Rate Used: U.S. \$..... per .....

Item	Government Securities	Other Securities	
		Bonds	Shares
<b>SALES TO FOREIGNERS</b>			
1. Domestic obligations (1.1 plus 1.2)			
1.1 New securities issued (1.1.1 plus 1.1.2)			
1.1.1 In your market			
1.1.2 In foreign markets			
1.2 Existing securities			
2. Foreign obligations (2.1 plus 2.2)			
2.1 New securities issued in your market			
2.2 Existing securities			
<b>PURCHASES BY RESIDENTS</b>			
3. Domestic obligations (3.1 plus 3.2)			
3.1 New securities issued in foreign markets			
3.2 Existing securities			
4. Foreign obligations (4.1 plus 4.2)			
4.1 New securities issued (4.1.1 plus 4.1.2)			
4.1.1 In your market			
4.1.2 In foreign markets			
4.2 Existing securities			



## INSTRUCTIONS FOR TABLE XI CONTINUED

### Item

- 5 and 6 Include voluntary, i.e., non-contractual, repayments and repurchases, whether or not effected through the market. Contractual amortization, repurchase, etc., should be shown in items 8 and 9. See notes to these items.
- List on the Supplement to Table I the inter-government loans reported in item 5.
- 6.1 This item covers payment of subscriptions to the International Monetary Fund and International Bank for Reconstruction and Development, including the initial one-hundredth of one per cent for administrative purposes, and all other installments paid, whether in gold, currency, deposits or non-interest-bearing notes (but not the uncalled capital of the I.B.R.D.)
7. These items should be supplemented by Table XI(a). See also note to items 5 and 6.
- 7.1 See note to item 4.1.
- 7.2 Include I.B.R.D. obligations.\*
8. This item covers contractual serial repayments on assets (credit) and liabilities (debit), including repurchases by the issuer; i.e., repayments and repurchases, in annual or other periodic installments required under the terms of the relevant issue.
- 8.3 Include I.B.R.D. obligations.\*
9. This item covers the non-periodic contractual repayments on assets (credit) and liabilities (debit), including repurchases by the issuer, which are not covered by item 8.
- 9.3 Include I.B.R.D. obligations.\*
10. Exclude commercial real estate transactions and mortgages (item 3.1). Purchases of non-commercial real-estate by residents and mortgage loans granted by residents should be entered as debits; sales of non-commercial real-estate by residents and mortgage loans granted to residents should be entered as credits. Real estate and other fixed assets bought or sold by your diplomatic and military missions abroad or by foreign diplomatic and military missions in your country should be excluded here and entered in Table VIII. See also note to items 5 and 6.
- 10.3 Include all migrants' long-term capital that has not been included elsewhere in this table because the type of asset or liability is not known, See note to item X, 2.

## INSTRUCTIONS FOR TABLE XIa

This table amplifies the information supplied in item XI, 7. The transactions in this table include only purchases, repurchases, and sales of securities, and exclude the other non-contractual repayments which are included in item XI, 7. Sales to foreigners are credit (receipt) items; purchases by residents are debit (payments) items. Amortization, sinking fund, and other repayments should be excluded. If statistical limitations require the combination of items, this should be indicated. Differences in new issue procedure in different countries lead to the distinction between "new" and "existing" securities being drawn in various ways. For example, initial sales by a syndicate which has subscribed a new issue may be described as sales of "new" or "existing" securities according to the reporting practice adopted. A brief explanation of the procedure actually used should be appended to this table.

\* For definition see General Introduction to Tables XI - XII.

**TABLE XII**  
GOLD AND SHORT-TERM\* FOREIGN ASSETS AND LIABILITIES

Reporting Country ..... Unit ..... Period Covered ..... Exchange Rate Used: U.S. \$ ..... per

Item	CENTRAL OFFICIAL INSTITUTIONS*				OTHER OFFICIAL INSTITUTIONS*			BANKING INSTITUTIONS*				TOTAL OFFICIAL AND BANKING INSTITUTIONS*				OTHER INSTITUTIONS AND PRIVATE								
	Treasury (1)	Central Bank (2)	Stabiliz- Fund (3)	Similar Agencies (4)	Total (last return) (5)	Change (3-5) (6)	Total (this return) (7)	Total (last return) (8)	Change (7-8) (9)	Total (this return) (10)	Change (10-9) (11)	Total (last return) (12)	Change (12-11) (13)	This return (14)	Last return (15)	Change (14-15) (16)	Valuation Correction (17)	Corrected Change (16-17) (18)	This return (19)	Last return (20)	Change (19-20) (21)	Valuation Correction (22)	Corrected Change (21-22) (23)	
																								(1)
<b>ASSETS</b>																								
1. Gold coin and bullion																								
2. Other unrestricted assets																								
2.1 Deposits																								
2.2 Other short-term*																								
3. Payments and clearing agreements assets (8.1 plus 3.2)																								
3.1 Deposits																								
3.2 Other short-term*																								
4. Other restricted* assets																								
4.1 Deposits																								
4.2 Other short-term*																								
<b>LIABILITIES TO FOREIGN OFFICIAL* AND BANKING* INSTITUTIONS</b>																								
5. Unrestricted liabilities																								
5.1 Deposits																								
5.2 Other short-term*																								
6. Payments and clearing agreements liabilities (6.1 plus 6.2)																								
6.1 Deposits																								
6.2 Other short-term*																								
7. Other restricted* liabilities																								
7.1 Deposits																								
7.2 Other short-term*																								
<b>OTHER LIABILITIES TO FOREIGNERS</b>																								
8. Unrestricted liabilities																								
8.1 Deposits																								
8.2 Other short-term*																								
9. Payments and clearing agreements liabilities (9.1 plus 9.2)																								
9.1 Deposits																								
9.2 Other short-term*																								
10. Other restricted* liabilities																								
10.1 Deposits																								
10.2 Other short-term*																								

\* For definition, see Introductory Note to Tables XI - XII.

## INSTRUCTIONS FOR TABLE XII

This table summarizes the short-term foreign capital assets and liabilities of official, banking, and other institutions and of private persons at the beginning and end of the period reported, and from these data it derives the movements in capital over the period. Normally, columns 19-23 as well as the other columns will be completed from details given by the official and banking institutions reporting. Obligations of residents held by domestic banks on behalf of foreigners and obligations of foreigners held by domestic banks on behalf of residents should be recorded in the column appropriate to the actual debtor or creditor. Open book accounts and acceptances due to or from foreigners should be included in the item "Other Short-term".

### Columns

2. Foreign short-term assets and liabilities of all departments of the Central Bank should be included here.
4. List on an attached sheet the names of the fiscal agencies included here.
17. The changes in columns 16 and 21 represent the actual net changes in the values of the assets and liabilities since the last return. To some extent, however, these changes may have taken place without an international movement of capital; i.e., they represent not changes in the substance of holdings but changes in their values only. For example, there may have been during the period a change in the exchange rate of the reporting country, which will have affected the value, in domestic monetary units, of all foreign assets and liabilities at that date. Or, assets may have been written off over the period. Such changes in the totals of assets and liabilities due, not to international capital movements, but only to changes in value, must be eliminated by the use of columns 17 and 22. If the effect of such changes has been to overstate the increase or to understate the decrease shown in columns 16 and 21, the entry in columns 17 or 22 should be a minus; if the reverse, a plus.

### Item

- Assets exclude subscriptions to I.M.F., and I.B.R.D. (See item XI, 6.1.)
1. Compare column 18 with item III, 9. Holdings are to be shown at the parity ruling at the date of each return.
  - 2.2 Include coins and currency (other than gold) freely importable into the issuing country.
  3. Include only facilities used, not the maximum limits allowed by the agreements. Assets acquired or liabilities incurred in excess of these limits should not be included here but in "unrestricted" assets or liabilities (items 2, 5, or 8) or "other restricted" assets or liabilities (items 4, 7, or 10).
  - 4.2 Include coins and currency not freely importable into the issuing country.
  - 5.2 Include in column (1) or (2) an estimate for freely-importable coins and currency of your country held abroad by foreign official and banking institutions.
  6. See note to item 3.
  7. Restrictions here cover those imposed by your country. Include also deposit liabilities, plus demand obligations, due to I.M.F. or I.B.R.D., which can be used only in accordance with the Articles of Agreement.
  - 7.2 Include in column (1) or (2) an estimate for coins and currency of your country held abroad, by foreign official and banking institutions, if not freely importable into your country.
  8. These data exclude those reported under 5 above.
  - 8.2 Include in column (1) or (2) an estimate for freely-importable coins and currency of your country held abroad, other than those reported in 5.2.
  9. These data exclude those reported under 6 above. See note to item 3.
  10. These data exclude those reported under 7 above. Restrictions here cover those imposed by your country.
  - 10.2 Include in column (1) or (2) an estimate for coins and currency of your country held abroad, if not freely importable into your country, other than those reported in 7.2.