

COMMISSION REGULATION (EU) No 555/2012**of 22 June 2012****amending Regulation (EC) No 184/2005 of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investment, as regards the update of data requirements and definitions**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 184/2005 of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investment⁽¹⁾, and in particular Article 10 thereof,

Whereas:

- (1) Regulation (EC) No 184/2005 establishes a common framework for the systematic production of Union statistics on balance of payments, international trade in services and foreign direct investment.
- (2) It is necessary to update the data requirements and definitions of Regulation (EC) No 184/2005 taking into account economic and technical changes, bringing them in line with international standards which provide the

general rules for compiling statistics on balance of payments, international trade in services, and foreign direct investment.

- (3) The measures provided for in this Regulation are in accordance with the opinion of the Balance of Payments Committee.

HAS ADOPTED THIS REGULATION:

Article 1

The Annexes to Regulation (EC) No 184/2005 are replaced by the text in the Annex to this Regulation.

*Article 2*This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 22 June 2012.

For the Commission
The President
José Manuel BARROSO

⁽¹⁾ OJ L 5, 8.2.2005, p. 23.

ANNEX

ANNEX I

Table 1

Monthly Balance of Payments

Deadline: 44th calendar day after the end of the reference period

Periodicity: Monthly

First reference period: April 2014

	Credit	Debit	Balance
1. Current account			
Goods	Geo 3	Geo 3	
Services	Geo 3	Geo 3	
Primary income			
Compensation of employees	Geo 3	Geo 3	
Investment income			
Direct investment			
Equity	Geo 3	Geo 3	
Of which: Reinvested earnings by resident sector (Sec 1)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Debt instruments	Geo 3	Geo 3	
Portfolio investment			
Equity and investment fund shares	Geo 3	Geo 1	
Debt securities	Geo 3	Geo 1	
Other investment	Geo 3	Geo 3	
Of which: Interest	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Reserve assets	Geo 3	Geo 3	
Of which: Interest	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Other primary income	Geo 3	Geo 3	
Secondary income	Geo 3	Geo 3	
2. Capital account			
Capital account	Geo 3	Geo 3	
	Net acquisition of financial assets	Net incurrence of liabilities	Net
3. Financial account			
Direct investment			
Equity by resident sector (Sec 1)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Debt instruments by resident sector (Sec 1)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Portfolio investment			
Equity and investment fund shares			

	Net acquisition of financial assets	Net incurrence of liabilities	Net
By resident sector (Sec 1)	Geo 2 ⁽¹⁾	Geo 1 ⁽¹⁾	
By counterpart issuer sector (Sec 1)	Geo 2 ⁽¹⁾		
Debt securities			
Short-term			
By resident sector (Sec 1)	Geo 2 ⁽¹⁾	Geo 1 ⁽¹⁾	
By counterpart issuer sector (Sec 1)	Geo 2 ⁽¹⁾		
Long-term			
By resident sector (Sec 1)	Geo 2 ⁽¹⁾	Geo 1 ⁽¹⁾	
By counterpart issuer sector (Sec 1)	Geo 2 ⁽¹⁾		
Financial derivatives (other than reserves) and employee stock options			Geo 2 ⁽¹⁾
Other investment			
By resident sector (Sec 1)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
<i>Of which:</i> Currency and deposits	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Reserve assets			
Monetary gold			
Gold bullion	Geo 1 ⁽¹⁾		
Unallocated gold accounts	Geo 1 ⁽¹⁾		
Special drawing rights (SDRs)	Geo 1 ⁽¹⁾		
Reserve position in the International Monetary Fund (IMF)	Geo 1 ⁽¹⁾		
Other reserve assets			
Currency and deposits			
Claims on monetary authorities, the IMF and the Bank for International Settlements (BIS)	Geo 1 ⁽¹⁾		
Claims on other entities (banks)	Geo 1 ⁽¹⁾		
Securities			
Debt securities			
Short-term	Geo 1 ⁽¹⁾		
Long-term	Geo 1 ⁽¹⁾		
Equity and investment fund shares	Geo 1 ⁽¹⁾		
Financial derivatives (net)	Geo 1 ⁽¹⁾		
Other claims	Geo 1 ⁽¹⁾		

⁽¹⁾ Not mandatory for Member States not participating in the Monetary Union.

Table 2

Quarterly Balance of payments and International Investment Position

Periodicity: Quarterly

First reference period: First Quarter 2014

Deadline: T+85 from 2014 to 2016; T+82 from 2017 to 2018 ⁽²⁾; T+80 from 2019 ⁽²⁾

	Credit	Debit	Balance
A. Current Account			
Goods	Geo 4	Geo 4	
General merchandise on a balance of payments basis	Geo 3	Geo 3	
Net exports of goods under merchanting	Geo 3		
Goods acquired under merchanting (negative credits)	Geo 3		
Goods sold under merchanting	Geo 3		
Nonmonetary gold	Geo 3	Geo 3	
Branding - quasi-transit trade adjustment	Geo 4	Geo 4	
Services	Geo 4	Geo 4	
Manufacturing services on physical inputs owned by others	Geo 4	Geo 4	
Maintenance and repair services not included elsewhere (n.i.e.)	Geo 4	Geo 4	
Transport	Geo 4	Geo 4	
Travel	Geo 4	Geo 4	
Construction	Geo 4	Geo 4	
Insurance and pension services	Geo 4	Geo 4	
Financial services	Geo 4	Geo 4	
Explicitly charged and other financial services	Geo 3	Geo 3	
Financial intermediation services indirectly measured (FISIM)	Geo 3	Geo 3	
Charges for the use of intellectual property not included elsewhere	Geo 4	Geo 4	
Telecommunications, computer, and information services	Geo 4	Geo 4	
Other business services	Geo 4	Geo 4	
Research and development services	Geo 3	Geo 3	
Professional and management consulting services	Geo 3	Geo 3	
Technical, trade-related, and other business services	Geo 3	Geo 3	
Personal, cultural, and recreational services	Geo 4	Geo 4	
Government goods and services not included elsewhere	Geo 4	Geo 4	
Primary income			
Compensation of employees	Geo 4	Geo 4	

	Credit	Debit	Balance
Investment income			
Direct investment income			
Equity	Geo 4	Geo 4	
Dividends and withdrawals from income of quasi-corporations			
<i>In direct investment enterprises</i>	Geo 3	Geo 3	
<i>In direct investor (reverse investment)</i>	Geo 3	Geo 3	
<i>Between fellow enterprises</i>	Geo 3	Geo 3	
By resident sector (Sec 2)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Reinvested earnings	Geo 4	Geo 4	
By resident sector (Sec 2)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Debt instruments	Geo 4	Geo 4	
<i>In direct investment enterprises</i>	Geo 3	Geo 3	
<i>In direct investor (reverse investment)</i>	Geo 3	Geo 3	
<i>Between fellow enterprises</i>	Geo 3	Geo 3	
Of which: Interest			
By resident sector (Sec 2)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Portfolio investment income			
Equity and investment fund shares	Geo 4	Geo 1	
Equity securities			
Dividends			
By resident sector (Sec 2)	Geo 3	Geo 1 ⁽⁴⁾	
By counterpart issuer sector (Sec 2)	Geo 2 ⁽¹⁾		
Investment fund shares			
Dividends			
By resident sector (Sec 2)	Geo 3	Geo 1 ⁽⁴⁾	
By counterpart issuer sector (Sec 2)	Geo 2 ⁽¹⁾		
Reinvested earnings			
By resident sector (Sec 2)	Geo 3	Geo 1 ⁽⁴⁾	
By counterpart issuer sector (Sec 2)	Geo 2 ⁽¹⁾		
Debt securities			
Short-term	Geo 4	Geo 1	
Interest			
By resident sector (Sec 2)	Geo 3	Geo 1 ⁽⁴⁾	
By counterpart issuer sector (Sec 2)	Geo 2 ⁽¹⁾		
Long-term	Geo 4	Geo 1	
Interest			
By resident sector (Sec 2)	Geo 3	Geo 1 ⁽⁴⁾	
By counterpart issuer sector (Sec 2)	Geo 2 ⁽¹⁾		

	Credit	Debit	Balance
Other investment income	Geo 4	Geo 4	
Withdrawals from income of quasi-corporations	Geo 3	Geo 3	
Interest	Geo 3	Geo 3	
By resident sector (Sec 2)	Geo 2 (!)	Geo 2 (!)	
<i>Of which:</i> Interest on special drawing rights (SDRs)		Geo 1	
<i>Of which:</i> Interest before FISIM	Geo 3	Geo 3	
By resident sector (Sec 2)	Geo 2 (!)	Geo 2 (!)	
Investment income attributable to policyholders in insurance, pension schemes, and standardised guarantee schemes	Geo 3	Geo 3	
By resident sector (Sec 2)	Geo 2 (!)	Geo 2 (!)	
Reserve assets income	Geo 3		
<i>Of which:</i> Interest	Geo 3		
Other primary income	Geo 4	Geo 4	
General government	Geo 3	Geo 3	
Taxes on production and on imports	Union institutions	Union institutions	
Taxes on products	Union institutions	Union institutions	
Other taxes on production	Union institutions	Union institutions	
Subsidies	Union institutions	Union institutions	
Subsidies on products	Union institutions	Union institutions	
Other subsidies on production	Union institutions	Union institutions	
Rents	Geo 3	Geo 3	
Other sectors	Geo 3	Geo 3	
Taxes on production and on imports	Union institutions	Union institutions	
Taxes on products	Union institutions	Union institutions	
Other taxes on production	Union institutions	Union institutions	
Subsidies	Union institutions	Union institutions	
Subsidies on products	Union institutions	Union institutions	
Other subsidies on production	Union institutions	Union institutions	
Rents	Geo 3	Geo 3	
Secondary income	Geo 4	Geo 4	
General government	Geo 3	Geo 3	
Current taxes on income, wealth, etc	Geo 3	Geo 3	
Social contributions	Geo 3	Geo 3	
Social benefits	Geo 3	Geo 3	
Current international cooperation (D74)	Geo 3	Geo 3	
<i>Of which:</i> vis-à-vis the Union Institutions (excluding the ECB)	Union institutions	Union institutions	

	Credit	Debit	Balance
Miscellaneous current transfers (D75)	Geo 3	Geo 3	
Value Added Tax and Gross National Income-based Union own resources (D76)	Union institutions	Union institutions	
Other sectors	Geo 3	Geo 3	
Current taxes on income, wealth, etc	Geo 3	Geo 3	
Social contributions	Geo 3	Geo 3	
Social benefits	Geo 3	Geo 3	
Net non-life insurance premiums	Geo 3	Geo 3	
Non-life insurance claims	Geo 3	Geo 3	
Miscellaneous current transfers (D75)	Geo 3	Geo 3	
<i>Of which:</i> Personal transfers between resident and non-resident households	Geo 3	Geo 3	
<i>Of which:</i> Workers' remittances	Geo 4	Geo 4	
Adjustment for the change in pension entitlements	Geo 3	Geo 3	
B. Capital account			
Capital account	Geo 4	Geo 4	
Gross acquisitions/disposals of non-produced non-financial assets	Geo 3	Geo 3	
Capital transfers	Geo 3	Geo 3	
General government	Geo 3	Geo 3	
Capital taxes	Geo 3	Geo 3	
Investment grants	Geo 3	Geo 3	
Other capital transfers	Geo 3	Geo 3	
<i>Of which:</i> Debt forgiveness	Geo 3	Geo 3	
Other sectors	Geo 3	Geo 3	
Capital taxes	Geo 3	Geo 3	
Investment grants	Geo 3	Geo 3	
Other capital transfers	Geo 3	Geo 3	
<i>Of which:</i> Debt forgiveness	Geo 3	Geo 3	
C. Financial account			
	Net acquisition of financial assets	Net incurrence of liabilities	Net
Financial account	Geo 1	Geo 1	
Direct investment	Geo 4	Geo 4	
Equity	Geo 4	Geo 4	
Equity other than reinvestment of earnings			
<i>In direct investment enterprises</i>	Geo 3	Geo 3	

	Net acquisition of financial assets	Net incurrence of liabilities	Net
<i>In direct investor (reverse investment)</i>	Geo 3	Geo 3	
<i>Between fellow enterprises</i>	Geo 3	Geo 3	
By resident sector (Sec 2)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Listed	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Unlisted	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Other (e.g. real estate)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Reinvestment of earnings	Geo 4	Geo 4	
By resident sector (Sec 2)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Debt instruments	Geo 4	Geo 4	
<i>In direct investment enterprises</i>	Geo 3	Geo 3	
<i>In direct investor (reverse investment)</i>	Geo 3	Geo 3	
<i>Between fellow enterprises</i>	Geo 3	Geo 3	
By resident sector (Sec 2)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	
Portfolio investment	Geo 4	Geo 1	
Equity and investment fund shares	Geo 4	Geo 1	
Equity securities			
By resident sector (Sec 2)	Geo 3	Geo 1 ⁽⁴⁾	
Listed	Geo 2 ⁽¹⁾	Geo 1 ⁽¹⁾	
Unlisted	Geo 2 ⁽¹⁾	Geo 1 ⁽¹⁾	
By counterpart issuer sector (Sec 2)			
Listed	Geo 2 ⁽¹⁾		
Unlisted	Geo 2 ⁽¹⁾		
Investment fund shares			
By resident sector (Sec 2)	Geo 3	Geo 1 ⁽⁴⁾	
<i>Of which: Reinvestment of earnings</i>	Geo 3	Geo 1 ⁽⁴⁾	
By counterpart issuer sector (Sec 2)	Geo 2 ⁽¹⁾		
<i>Of which: Reinvestment of earnings</i>	Geo 2 ⁽¹⁾		
Debt securities			
Short-term	Geo 4	Geo 1	
By resident sector (Sec 2)	Geo 3	Geo 1 ⁽⁴⁾	
By counterpart issuer sector (Sec 2)	Geo 2 ⁽¹⁾		
Long-term	Geo 4	Geo 1	
By resident sector (Sec 2)	Geo 3	Geo 1 ⁽⁴⁾	

	Net acquisition of financial assets	Net incurrence of liabilities	Net
By counterpart issuer sector (Sec 2)	Geo 2 ⁽¹⁾		
Financial derivatives (other than reserves) and employee stock options			
By resident sector (Sec 2)			Geo 3
Other investment	Geo 4	Geo 4	
By resident sector (Sec 1)	Geo 4	Geo 4	
Other equity	Geo 3	Geo 3	
Currency and deposits			
By resident sector (Sec 2)			
Short-term	Geo 3	Geo 3	
Long-term	Geo 3	Geo 3	
Loans			
By resident sector (Sec 2)			
Short-term	Geo 3, IMF	Geo 3, IMF	
Long-term	Geo 3, IMF	Geo 3, IMF	
Insurance, pension schemes, and standardised guarantee schemes			
By resident sector (Sec 2)	Geo 3	Geo 3	
Trade credits and advances			
By resident sector (Sec 2)			
Short-term	Geo 3	Geo 3	
Long-term	Geo 3	Geo 3	
Other accounts receivable/payable			
By resident sector (Sec 2)			
Short-term	Geo 3	Geo 3	
Long-term	Geo 3	Geo 3	
Special drawing rights		Geo 1	
Reserve assets	Geo 3		
D. Balancing items			
Balance on goods and services			Geo 4
Current account balance			Geo 1
Net lending (+) / net borrowing (-) (balance current & capital account)			Geo 1

	Net acquisition of financial assets	Net incurrence of liabilities	Net
Net lending (+) / net borrowing (-) (from financial account)			Geo 1
Net errors and omissions			Geo 1

	Assets			Liabilities		
	Positions	Revaluations due to exchange rate changes	Revaluations due to other price changes	Positions	Revaluations due to exchange rate changes	Revaluations due to other price changes

E. International investment position

Financial account	Geo 1			Geo 1		
Direct investment	Geo 4 ⁽³⁾			Geo 4 ⁽³⁾		
Equity	Geo 4 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 4 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾
<i>In direct investment enterprises</i>	Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾		
<i>In direct investor (reverse investment)</i>	Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾		
<i>Between fellow enterprises</i>	Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾		
By resident sector (Sec 2)	Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾		
Listed	Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾		
Unlisted	Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾		
Other (e.g. real estate)	Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾		
Debt instruments	Geo 4 ⁽³⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 4 ⁽³⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾
<i>In direct investment enterprises</i>	Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾		
<i>In direct investor (reverse investment)</i>	Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾		
<i>Between fellow enterprises</i>	Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾		
By resident sector (Sec 2)	Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾		
Portfolio investment	Geo 4 ⁽³⁾			Geo 1		
Equity and investment fund shares	Geo 4 ⁽³⁾			Geo 1		
Equity securities						
By resident sector (Sec 2)	Geo 3 ⁽³⁾			Geo 1 ⁽⁴⁾		
Listed	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 1 ⁽¹⁾	Geo 1 ⁽¹⁾	Geo 1 ⁽¹⁾
Unlisted	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 1 ⁽¹⁾	Geo 1 ⁽¹⁾	Geo 1 ⁽¹⁾
By counterpart issuer sector (Sec 2)						
Listed	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾			
Unlisted	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾			

	Assets			Liabilities		
	Positions	Revaluations due to exchange rate changes	Revaluations due to other price changes	Positions	Revaluations due to exchange rate changes	Revaluations due to other price changes
Investment fund shares						
By resident sector (Sec 2)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 1 ⁽¹⁾	Geo 1 ⁽¹⁾	Geo 1 ⁽¹⁾
By counterpart issuer sector (Sec 2)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾			
Debt securities						
Short-term	Geo 4 ⁽³⁾			Geo 1		
By resident sector (Sec 2)	Geo 3 ⁽³⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 1 ⁽⁴⁾	Geo 1 ⁽¹⁾	Geo 1 ⁽¹⁾
By counterpart issuer sector (Sec2)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾			
By currency:						
Euro	Geo 2 ⁽¹⁾			Geo 1 ⁽¹⁾		
US dollar	Geo 2 ⁽¹⁾			Geo 1 ⁽¹⁾		
Other currencies	Geo 2 ⁽¹⁾			Geo 1 ⁽¹⁾		
Long-term	Geo 4 ⁽³⁾			Geo 1		
By resident sector (Sec 2)	Geo 3 ⁽³⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 1 ⁽⁴⁾	Geo 1 ⁽¹⁾	Geo 1 ⁽¹⁾
With redemption due in one year or less				Geo 1 ⁽¹⁾		
With redemption due in more than one year				Geo 1 ⁽¹⁾		
By counterpart issuer sector (Sec 2)	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾			
With redemption due in one year or less	Geo 2 ⁽¹⁾					
With redemption due in more than one year	Geo 2 ⁽¹⁾					
By currency						
Euro	Geo 2 ⁽¹⁾			Geo 1 ⁽¹⁾		
US dollar	Geo 2 ⁽¹⁾			Geo 1 ⁽¹⁾		
Other currencies	Geo 2 ⁽¹⁾			Geo 1 ⁽¹⁾		
Financial derivatives (other than reserves) and employee stock options	Geo 4 ⁽³⁾			Geo 4 ⁽³⁾		
By resident sector (Sec 2)	Geo 2 ⁽¹⁾		Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾		Geo 2 ⁽¹⁾
Other investment	Geo 4 ⁽³⁾			Geo 4 ⁽³⁾		
By resident sector (Sec 1)	Geo 4 ⁽³⁾			Geo 4 ⁽³⁾		
By resident sector (Sec 2)		Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾		Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾
Other equity	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾
Currency and deposits	Geo 4 ⁽³⁾	Geo 2 ⁽¹⁾		Geo 4 ⁽³⁾	Geo 2 ⁽¹⁾	
By resident sector (Sec 2)						

	Assets			Liabilities		
	Positions	Revaluations due to exchange rate changes	Revaluations due to other price changes	Positions	Revaluations due to exchange rate changes	Revaluations due to other price changes
Short-term	Geo 3 ⁽³⁾			Geo 3 ⁽³⁾		
Long-term	Geo 3 ⁽³⁾			Geo 3 ⁽³⁾		
Loans	Geo 4 ⁽³⁾	Geo 2 ⁽¹⁾		Geo 4 ⁽³⁾	Geo 2 ⁽¹⁾	
By resident sector (Sec 2)						
Short-term	Geo 3 ⁽³⁾ , IMF			Geo 3 ⁽³⁾ , IMF		
Long-term	Geo 3 ⁽³⁾ , IMF			Geo 3 ⁽³⁾ , IMF		
Insurance, pension and standardised guarantee schemes		Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾		Geo 2 ⁽¹⁾	Geo 2 ⁽¹⁾
By resident sector (Sec 2)	Geo 3 ⁽³⁾			Geo 3 ⁽³⁾		
Trade credits and advances	Geo 4 ⁽³⁾	Geo 2 ⁽¹⁾		Geo 4 ⁽³⁾	Geo 2 ⁽¹⁾	
By resident sector (Sec 2)						
Short-term	Geo 3 ⁽³⁾			Geo 3 ⁽³⁾		
Long-term	Geo 3 ⁽³⁾			Geo 3 ⁽³⁾		
Other accounts receivable/payable		Geo 2 ⁽¹⁾			Geo 2 ⁽¹⁾	
By resident sector (Sec 2)						
Short-term	Geo 3 ⁽³⁾			Geo 3 ⁽³⁾		
Long-term	Geo 3 ⁽³⁾			Geo 3 ⁽³⁾		
Special drawing rights				Geo 1	Geo 1 ⁽¹⁾	

⁽¹⁾ Not mandatory for Member States not participating in the Monetary Union.

⁽²⁾ The transition to T+82 and T+80 shall not be mandatory for Member States not participating in the Monetary Union.

⁽³⁾ Geographical detail shall be mandatory for Member States not participating in the Monetary Union from 2019 onwards.

⁽⁴⁾ Institutional Sector Breakdown level 1 (Sec 1), and not Sec 2, shall be mandatory for Member States not participating in the Monetary Union.

Table 3

International trade in services

Deadline: T + 9 months

Periodicity: Annual

First reference period: 2013

	Credit	Debit	Balance
Compensation of employees	Geo 5	Geo 5	Geo 5
Personal transfers	Geo 5	Geo 5	Geo 5
Workers' remittances	Geo 5	Geo 5	Geo 5
SERVICES	Geo 6	Geo 6	Geo 6
Manufacturing services on physical inputs owned by others	Geo 5	Geo 5	Geo 5

	Credit	Debit	Balance
Maintenance and repair services not included elsewhere	Geo 5	Geo 5	Geo 5
Transport	Geo 5	Geo 5	Geo 5
Sea transport	Geo 5	Geo 5	Geo 5
Passenger transport on sea	Geo 5	Geo 5	Geo 5
Freight transport on sea	Geo 5	Geo 5	Geo 5
Other	Geo 5	Geo 5	Geo 5
Air transport	Geo 5	Geo 5	Geo 5
Passenger transport by air	Geo 5	Geo 5	Geo 5
Freight transport by air	Geo 5	Geo 5	Geo 5
Other	Geo 5	Geo 5	Geo 5
Other modes of transport	Geo 5	Geo 5	Geo 5
Passenger	Geo 5	Geo 5	Geo 5
Freight	Geo 5	Geo 5	Geo 5
Other	Geo 5	Geo 5	Geo 5
<i>Extended classification of 'Other modes of transport'</i>			
Space transport	Geo 5	Geo 5	Geo 5
Rail transport	Geo 5	Geo 5	Geo 5
Passenger on rail	Geo 5	Geo 5	Geo 5
Freight on rail	Geo 5	Geo 5	Geo 5
Other	Geo 5	Geo 5	Geo 5
Road transport	Geo 5	Geo 5	Geo 5
Passenger on road	Geo 5	Geo 5	Geo 5
Freight on road	Geo 5	Geo 5	Geo 5
Other	Geo 5	Geo 5	Geo 5
Inland waterway transport	Geo 5	Geo 5	Geo 5
Passenger on inland waterway	Geo 5	Geo 5	Geo 5
Freight on inland waterway	Geo 5	Geo 5	Geo 5
Other	Geo 5	Geo 5	Geo 5
Pipeline transport	Geo 5	Geo 5	Geo 5
Electricity transmission	Geo 5	Geo 5	Geo 5
Other supporting and auxiliary transport services	Geo 5	Geo 5	Geo 5
Postal and courier services	Geo 5	Geo 5	Geo 5
Travel			
Business travel	Geo 5	Geo 5	Geo 5

	Credit	Debit	Balance
Acquisition of goods and services by border, seasonal, and other short-term workers	Geo 5	Geo 5	Geo 5
Other business travel	Geo 5	Geo 5	Geo 5
Personal travel	Geo 5	Geo 5	Geo 5
Health-related expenditure	Geo 5	Geo 5	Geo 5
Education-related expenditure	Geo 5	Geo 5	Geo 5
Other personal travel	Geo 5	Geo 5	Geo 5
Construction	Geo 5	Geo 5	Geo 5
Construction abroad	Geo 5	Geo 5	Geo 5
Construction in the reporting economy	Geo 5	Geo 5	Geo 5
Insurance and pension services	Geo 5	Geo 5	Geo 5
Direct insurance	Geo 5	Geo 5	Geo 5
Life insurance	Geo 5	Geo 5	Geo 5
Freight insurance	Geo 5	Geo 5	Geo 5
Other direct insurance	Geo 5	Geo 5	Geo 5
Reinsurance	Geo 5	Geo 5	Geo 5
Auxiliary insurance services	Geo 5	Geo 5	Geo 5
Pension and standardised guarantee services	Geo 5	Geo 5	Geo 5
Pension services	Geo 5	Geo 5	Geo 5
Standardised guarantee services	Geo 5	Geo 5	Geo 5
Financial services	Geo 5	Geo 5	Geo 5
Explicitly charged and other financial services	Geo 5	Geo 5	Geo 5
Financial intermediation service indirectly measured (FISIM)	Geo 3	Geo 3	Geo 3
Charges for the use of intellectual property n.i.e.	Geo 5	Geo 5	Geo 5
Telecommunications, computer, and information services	Geo 5	Geo 5	Geo 5
Telecommunications services	Geo 5	Geo 5	Geo 5
Computer services	Geo 5	Geo 5	Geo 5
Information services	Geo 5	Geo 5	Geo 5
News agency services	Geo 5	Geo 5	Geo 5
Other information services	Geo 5	Geo 5	Geo 5
Other business services	Geo 5	Geo 5	Geo 5
Research and development services	Geo 5	Geo 5	Geo 5
Work undertaken on a systematic basis to increase the stock of knowledge	Geo 5	Geo 5	Geo 5
Provision of customised and non-customised R&D services	Geo 5	Geo 5	Geo 5

	Credit	Debit	Balance
Sale of proprietary rights arising from R&D	Geo 5	Geo 5	Geo 5
Other	Geo 5	Geo 5	Geo 5
Professional and management consulting services	Geo 5	Geo 5	Geo 5
Legal, accounting, management consulting and public relations	Geo 5	Geo 5	Geo 5
Legal services	Geo 5	Geo 5	Geo 5
Accounting, auditing, bookkeeping and tax consulting services	Geo 5	Geo 5	Geo 5
Business and management consulting and public relations services	Geo 5	Geo 5	Geo 5
Advertising, market research and public opinion polling	Geo 5	Geo 5	Geo 5
Technical, trade-related, and other business services	Geo 5	Geo 5	Geo 5
Architectural, engineering, scientific and other technical services	Geo 5	Geo 5	Geo 5
Architectural services	Geo 5	Geo 5	Geo 5
Engineering services	Geo 5	Geo 5	Geo 5
Scientific and other technical services	Geo 5	Geo 5	Geo 5
Waste treatment and de-pollution, agricultural and mining services	Geo 5	Geo 5	Geo 5
<i>Of which:</i> Waste treatment and de-pollution	Geo 5	Geo 5	Geo 5
Operating leasing services	Geo 5	Geo 5	Geo 5
Trade-related services	Geo 5	Geo 5	Geo 5
Other business services not included elsewhere	Geo 5	Geo 5	Geo 5
Personal, cultural and recreational services	Geo 5	Geo 5	Geo 5
Audiovisual and related services	Geo 5	Geo 5	Geo 5
Other personal, cultural and recreational services	Geo 5	Geo 5	Geo 5
Health services	Geo 5	Geo 5	Geo 5
Education services	Geo 5	Geo 5	Geo 5
Heritage and recreational services	Geo 5	Geo 5	Geo 5
Other personal services	Geo 5	Geo 5	Geo 5
Government goods and services, n.i.e	Geo 5	Geo 5	Geo 5
Embassies and consulates	Geo 5	Geo 5	Geo 5
Military units and agencies	Geo 5	Geo 5	Geo 5
Other government goods and services	Geo 5	Geo 5	Geo 5

Table 4

Foreign direct investments transactions (including income)

Table 4.1 Direct Investment Financial Transactions

Deadline T+9 months

Periodicity annual

First reference period 2013

	Net	Net acquisition of financial assets	Net incurrence of liabilities
ALL RESIDENT UNITS			
Direct investment abroad (DIA) – Transactions	Geo 6	Geo 5	Geo 5
DIA Equity other than reinvested earnings	Geo 5	Geo 5	Geo 5
DIA Equity other than reinvested earnings (excluding equity between fellow enterprises)	Geo 5	Geo 5	Geo 5
DIA Equity other than reinvested earnings between fellow enterprises (UCP is resident in the reporting country)	Geo 5	Geo 5	Geo 5
DIA Reinvestment of earnings	Geo 5	Geo 5	
DIA Debt instruments	Geo 5	Geo 5	Geo 5
DIA Debt instruments (excluding debt between fellow enterprises)	Geo 5	Geo 5	Geo 5
DIA Debt instruments between fellows (UCP is resident in the reporting country)	Geo 5	Geo 5	Geo 5
Direct investment in the reporting economy (DIRE) – Transactions	Geo 6	Geo 5	Geo 5
DIRE Equity other than reinvested earnings	Geo 5	Geo 5	Geo 5
DIRE Equity other than reinvested earnings (excluding equity between fellow enterprises)	Geo 5	Geo 5	Geo 5
DIRE Equity other than reinvested earnings between fellow enterprises (UCP is not resident in the reporting country)	Geo 5	Geo 5	Geo 5
<i>Of which:</i> UCP is resident in other euro area country	Geo 5		
UCP is resident in the EU but outside euro area	Geo 5		
UCP is resident outside the EU	Geo 5		
DIRE Reinvestment of earnings	Geo 5		Geo 5
DIRE Debt instruments	Geo 5	Geo 5	Geo 5
DIRE Debt instruments (excluding debt between fellow enterprises)	Geo 5	Geo 5	Geo 5
DIRE Debt instruments between fellows (UCP is not resident in the reporting country)	Geo 5	Geo 5	Geo 5
<i>Of which:</i> UCP is resident in other euro area country	Geo 5		
UCP is resident in the EU but outside euro area	Geo 5		
UCP is resident outside the EU	Geo 5		

	Net	Net acquisition of financial assets	Net incurrence of liabilities
RESIDENT SPECIAL PURPOSE ENTITIES			
Direct investment abroad (DIA) - Transactions ⁽¹⁾	Geo 5	Geo 5	Geo 5
Direct investment in the reporting economy (DIRE) – Transactions ⁽¹⁾	Geo 5	Geo 5	Geo 5

⁽¹⁾ Mandatory from reference year 2015 onwards

Table 4.2 Direct Investment Income

Deadline: T+9 months**Periodicity: annual****First reference period: 2013**

	Balance	Credit	Debit
ALL RESIDENT UNITS			
Direct investment abroad (DIA) – Income	Geo 6	Geo 5	Geo 5
DIA Dividends	Geo 5	Geo 5	Geo 5
DIA Dividends (excluding dividends between fellow enterprises)	Geo 5	Geo 5	Geo 5
DIA Dividends between fellow enterprises (UCP is resident in the reporting country)	Geo 5	Geo 5	Geo 5
DIA Reinvested earnings	Geo 5	Geo 5	
DIA Income on debt	Geo 5	Geo 5	Geo 5
DIA Income on debt (excluding income on debt between fellow enterprises)	Geo 5	Geo 5	Geo 5
DIA Income on debt between fellows (UCP is resident in the reporting country)	Geo 5	Geo 5	Geo 5
Direct investment in the reporting economy (DIRE) - Income	Geo 6	Geo 5	Geo 5
DIRE Dividends	Geo 5	Geo 5	Geo 5
DIRE Dividends (excluding dividends between fellow enterprises)	Geo 5	Geo 5	Geo 5
DIRE Dividends between fellow enterprises (UCP is not resident in the reporting country)	Geo 5	Geo 5	Geo 5
<i>Of which:</i> UCP is resident in other euro area country	Geo 5		
UCP is resident in the EU but outside euro area	Geo 5		
UCP is resident outside the EU	Geo 5		
DIRE Reinvested earnings	Geo 5		Geo 5
DIRE Income on debt	Geo 5	Geo 5	Geo 5
DIRE Income on debt (excluding income on debt between fellow enterprises)	Geo 5	Geo 5	Geo 5
DIRE Income on debt between fellows (UCP is not resident in the reporting country)	Geo 5	Geo 5	Geo 5
<i>Of which:</i> UCP is resident in other euro area country	Geo 5		
UCP is resident in the EU but outside euro area	Geo 5		
UCP is resident outside the EU	Geo 5		

	Balance	Credit	Debit
RESIDENT SPECIAL PURPOSE ENTITIES			
Direct investment abroad (DIA) - Income ⁽¹⁾	Geo 5	Geo 5	Geo 5
Direct investment in the reporting economy (DIRE) - Income ⁽¹⁾	Geo 5	Geo 5	Geo 5

⁽¹⁾ Mandatory from reference year 2015 onwards.

Table 4.3 - Activity and geographical breakdown

Deadline: T+21 months

Periodicity: annual

First reference period: 2013

	Data type	Geographical breakdown	Activity breakdown NACE REV2
ALL RESIDENT UNITS			
Direct investment abroad (DIA)	Net	Geo 5	Level 1
		Geo 4	Level 2
Direct investment in the reporting economy (DIRE)	Net	Geo 5	Level 1
		Geo 4	Level 2
Direct investment income	Credit, Debit, Balance	Geo 5	Level 1
		Geo 4	Level 2
RESIDENT SPECIAL PURPOSE ENTITIES			
Direct investment abroad (DIA) ⁽¹⁾	Net	Geo 5	Level 1
Direct investment in the reporting economy (DIRE) ⁽¹⁾	Net	Geo 5	Level 1
Direct investment income ⁽¹⁾	Credit, Debit, Balance	Geo 5	Level 1

⁽¹⁾ Mandatory from reference year 2015 onwards.

Table 5

Foreign direct investments positions

Table 5.1 – Direct Investment Positions

Deadline: T+9 months

Periodicity: annual

First reference period: 2013

	Net	Assets	Liabilities
ALL RESIDENT UNITS			
Direct investment abroad (DIA)	Geo 6	Geo 5	Geo 5
DIA Equity	Geo 5	Geo 5	Geo 5
DIA Equity (excluding equity between fellow enterprises)	Geo 5	Geo 5	Geo 5
DIA Equity between fellow enterprises (UCP is resident in the reporting country)	Geo 5	Geo 5	Geo 5
DIA Debt instruments	Geo 5	Geo 5	Geo 5
DIA Debt instruments (excluding debt between fellow enterprises)	Geo 5	Geo 5	Geo 5

	Net	Assets	Liabilities
DIA Debt instruments between fellows (UCP is resident in the reporting country)	Geo 5	Geo 5	Geo 5
Direct investment in the reporting economy (DIRE)	Geo 6	Geo 5	Geo 5
DIRE Equity	Geo 5	Geo 5	Geo 5
DIRE Equity (excluding equity between fellow enterprises)	Geo 5	Geo 5	Geo 5
DIRE Equity between fellow enterprises (UCP is not resident in the reporting country)	Geo 5	Geo 5	Geo 5
<i>Of which:</i> UCP is resident in other euro area country	Geo 5		
UCP is resident in the EU but outside euro area	Geo 5		
UCP is resident outside the EU	Geo 5		
DIRE Debt instruments	Geo 5	Geo 5	Geo 5
DIRE Debt instruments (excluding debt between fellow enterprises)	Geo 5	Geo 5	Geo 5
DIRE Debt instruments between fellows (UCP is not resident in the reporting country)	Geo 5	Geo 5	Geo 5
<i>Of which:</i> UCP is resident in other euro area country	Geo 5		
UCP is resident in the EU but outside euro area	Geo 5		
UCP is resident outside the EU	Geo 5		
RESIDENT SPECIAL PURPOSE ENTITIES			
Direct investment abroad (DIA)	Geo 5	Geo 5	Geo 5
Direct investment in the reporting economy (DIRE)	Geo 5	Geo 5	Geo 5

Table 5.2: Direct Investment Positions: Activity and geographical breakdown

Deadline: T+21 months**Periodicity: annual****First reference period: 2013**

	Data type	Geographical breakdown	Activity breakdown NACE REV2
ALL RESIDENT UNITS			
Direct investment abroad (DIA)	Net positions	Geo 5	Level 1
		Geo 4	Level 2
Direct investment in the reporting economy (DIRE)	Net positions	Geo 5	Level 1
		Geo 4	Level 2
RESIDENT SPECIAL PURPOSE ENTITIES			
Direct investment abroad (DIA)	Net positions	Geo 5	Level 1
Direct investment in the reporting economy (DIRE)	Net positions	Geo 5	Level 1

Table 6

Geographical breakdown levels

GEO 1	GEO 2	GEO 3
REST OF THE WORLD	REST OF THE WORLD Intra euro area Extra euro area	REST OF THE WORLD INTRA UNION EXTRA UNION Intra euro area Extra euro area
GEO 4	GEO 5	GEO 6
REST OF THE WORLD Union Member States not in the euro area (¹)	REST OF THE WORLD EUROPE Belgium Bulgaria Czech Republic Denmark Germany Estonia Ireland Greece Spain France Italy Cyprus Latvia Lithuania Luxembourg Hungary Malta Netherlands Austria Poland Portugal Romania Slovenia Slovakia Finland Sweden United Kingdom Iceland Liechtenstein Norway	REST OF THE WORLD EUROPE Belgium Bulgaria Czech Republic Denmark Germany Estonia Ireland Greece Spain France Italy Cyprus Latvia Lithuania Luxembourg Hungary Malta Netherlands Austria Poland Portugal Romania Slovenia Slovakia Finland Sweden United Kingdom Iceland Liechtenstein Norway

GEO 4	GEO 5	GEO 6
Switzerland	Switzerland OTHER EUROPEAN COUNTRIES Croatia	Switzerland OTHER EUROPEAN COUNTRIES Albania Andorra Belarus Bosnia and Herzegovina Croatia Faroe Islands Gibraltar Guernsey Holy See (Vatican City State) Isle of Man Jersey Macedonia, the Former Yugoslav Republic of Moldova Montenegro
Russia	Russia Turkey AFRICA NORTH AFRICA Egypt Morocco OTHER AFRICAN COUNTRIES	Russia Serbia San Marino Turkey Ukraine AFRICA NORTH AFRICA Algeria Egypt Libya Morocco Tunisia OTHER AFRICAN COUNTRIES Angola Benin Botswana British Indian Ocean Territory Burkina Faso Burundi Cameroon Cape Verde Central African Republic Chad Comoros

GEO 4	GEO 5	GEO 6
		Congo
		Côte d'Ivoire
		Congo, the Democratic Republic of
		Djibouti
		Equatorial Guinea
		Eritrea
		Ethiopia
		Gabon
		Gambia
		Ghana
		Guinea
		Guinea-Bissau
		Kenya
		Lesotho
		Liberia
		Madagascar
		Malawi
		Mali
		Mauritania
		Mauritius
		Mozambique
		Namibia
		Niger
	Nigeria	Nigeria
	South Africa	South Africa
		Rwanda
		St Helena, Ascension and Tristan da Cunha
		Sao Tome & Principe
		Senegal
		Seychelles
		Sierra Leone
		Somalia
		Sudan
		South Sudan
		Swaziland
		Tanzania
		Togo
		Uganda

GEO 4	GEO 5	GEO 6
		Zambia
		Zimbabwe
	AMERICA	AMERICA
	NORTH AMERICAN COUNTRIES	NORTH AMERICAN COUNTRIES
Canada	Canada	Canada
		Greenland
United States	United States	United States
	CENTRAL AMERICAN COUNTRIES	CENTRAL AMERICAN COUNTRIES
		Anguilla
		Antigua and Barbuda
		Aruba
		Bahamas
		Barbados
		Belize
		Bermuda
		Bonaire, St. Eustatius and Saba
		Virgin Islands, British
		Cayman Islands
		Costa Rica
		Cuba
		Curaçao
		Dominica
		Dominican Republic
		El Salvador
		Grenada
		Guatemala
		Haiti
		Honduras
		Jamaica
	Mexico	Mexico
		Montserrat
		Nicaragua
		Panama
		St Kitts and Nevis
		Saint Lucia
		St. Maarten
		St Vincent and the Grenadines
		Trinidad and Tobago
		Turks & Caicos Islands
		Virgin Islands, U.S.

GEO 4	GEO 5	GEO 6
Brazil	SOUTH AMERICAN COUNTRIES	SOUTH AMERICAN COUNTRIES
	Argentina	Argentina
		Bolivia
	Brazil	Brazil
	Chile	Chile
		Colombia
		Ecuador
		Falkland Islands
		Guyana
		Paraguay
		Peru
		Suriname
	Uruguay	Uruguay
	Venezuela	Venezuela
	ASIA	ASIA
	NEAR AND MIDDLE EAST COUNTRIES	NEAR AND MIDDLE EAST COUNTRIES
	GULF ARABIAN COUNTRIES	GULF ARABIAN COUNTRIES
		Bahrain
		Iraq
		Kuwait
	Oman	
	Qatar	
	Saudi Arabia	
	United Arab Emirates	
	Yemen	
OTHER NEAR AND MIDDLE EAST COUNTRIES	OTHER NEAR AND MIDDLE EAST COUNTRIES	
	Armenia	
	Azerbaijan	
	Georgia	
	Israel	
	Jordan	
	Lebanon	
	Palestinian Territory	
	Syria	
OTHER ASIAN COUNTRIES	OTHER ASIAN COUNTRIES	
	Afghanistan	
	Bangladesh	
	Bhutan	
	Brunei Darussalam	

GEO 4	GEO 5	GEO 6
		Burma/Myanmar
		Cambodia
China	China	China
Hong Kong	Hong Kong	Hong Kong
India	India	India
	Indonesia	Indonesia
		Iran
Japan	Japan	Japan
		Kazakhstan
		Kyrgyzstan
		Laos
		Macao
	Malaysia	Malaysia
		Maldives
		Mongolia
		Nepal
		North Korea
		Pakistan
	Philippines	Philippines
	Singapore	Singapore
	South Korea	South Korea
		Sri Lanka
	Taiwan	Taiwan
		Tajikistan
	Thailand	Thailand
		Timor-Leste
		Turkmenistan
		Uzbekistan
		Viet Nam
	OCEANIA & POLAR REGIONS	OCEANIA & POLAR REGIONS
		American Samoa
		Guam
		US Minor Outlying Islands
	Australia	Australia
		Cocos (Keeling Islands)
		Christmas Islands
		Heard Island and McDonald Islands
		Norfolk Island
		Fiji
		French Polynesia
		Kiribati

GEO 4	GEO 5	GEO 6
		Marshall Islands
		Micronesia
		Nauru
		New Caledonia
	New Zealand	New Zealand
		Cook Islands
		Niue
		Tokelau
		Northern Mariana Islands
		Palau
		Papua New Guinea
		Pitcairn
		Antarctica
		Bouvet Island
		South Georgia and South Sandwich Islands
		French Southern and Antarctic Lands
		Solomon Islands
		Tonga
		Tuvalu
		Vanuatu
		Samoa
		Wallis and Futuna
INTRA UNION	INTRA UNION	INTRA UNION
EXTRA UNION	EXTRA UNION	EXTRA UNION
Intra Euro Area	Intra Euro Area	Intra Euro Area
Extra Euro Area	Extra Euro Area	Extra Euro Area
Union Institutions (excluding ECB)	Union Institutions (excluding ECB)	Union Institutions (excluding ECB)
European Investment Bank	European Investment Bank	European Investment Bank
	European Central Bank (ECB)	European Central Bank (ECB)
	INTRA UNION NOT ALLOCATED	INTRA UNION NOT ALLOCATED
	EXTRA UNION NOT ALLOCATED	EXTRA UNION NOT ALLOCATED
Offshore financial centres	Offshore financial centres	Offshore financial centres

GEO 4	GEO 5	GEO 6
International Organisations (excluding Union Institutions)	International Organisations (excluding Union Institutions)	International Organisations (excluding Union Institutions)
International Monetary Fund (IMF)	International Monetary Fund (IMF)	International Monetary Fund (IMF)

(¹) Union Member States not in the euro area: individual breakdown by country

Table 7

Institutional sectors breakdown levels

Sec 1	Sec 2
Central bank (S.121)	Central bank (S.121)
Other Monetary Financial Institutions (oMFIs)	Other Monetary Financial Institutions (oMFIs)
Deposit-taking corporations except the central bank (S.122)	Deposit-taking corporations except the central bank (S.122)
Money market funds (S.123)	Money market funds (S.123)
General government (S.13)	General government (S.13)
Other sectors	Other sectors
	Financial corporations other than MFIs (S.124+S.125+S.126+S.127+S.128+S.129)
	Non-financial corporations, households and non-profit institutions serving households (S.11+S.14+S.15)

Table 8

Economic activity breakdown level

Level 1	Level 2	NACE rev. 2
	AGRICULTURE, FORESTRY AND FISHING	sec A
MINING AND QUARRYING	MINING AND QUARRYING	sec B
	Extraction of crude petroleum, natural gas and mining support service activities	div 06, 09
MANUFACTURING	MANUFACTURING	sec C
	Food products, beverages and tobacco products	div 10, 11, 12
	TOTAL textiles & wood activities	div 13, 14, 16, 17, 18
	Textiles and wearing apparel	div 13, 14
	Wood, paper, printing and reproduction	div 16, 17, 18
Petroleum, chemicals, pharmaceutical products, rubber & plastic products	TOTAL petroleum, chemicals, pharmaceutical products, rubber & plastic products	div 19, 20, 21, 22
	Coke and refined petroleum products	div 19
	Chemicals and chemical products	div 20
	Rubber and plastic products	div 22
Computer, electronic and optical products	TOTAL metal & machinery products	div 24, 25, 26, 28

Level 1	Level 2	NACE rev. 2
	Basic metals and fabricated metal products	div 24, 25
	Computer, electronic and optical products	div 26
	Machinery and equipment n.e.c.	div 28
Vehicles, other transport equipment	TOTAL vehicles & other transport equipment	div 29, 30
	Motor vehicles, trailers and semi trailers	div 29
	Other transport equipment	div 30
	TOTAL of other manufacturing	div 15, 23, 27, 31, 32, 33
ELECTRICITY, GAS, STEAM & AIR CONDITIONING SUPPLY	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	sec D
WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	sec E
	Water collection, treatment and supply	div 36
	Sewerage, waste management, remediation activities	div 37, 38, 39
CONSTRUCTION	CONSTRUCTION	sec F
TOTAL SERVICES	TOTAL SERVICES	sec G, H, I, J, K, L, M, N O, P, Q, R, S, T, U
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	sec G
	Wholesale and retail trade and repair of motor vehicles and motorcycles	div 45
	Wholesale trade, except of motor vehicles and motorcycles	div 46
	Retail trade, except of motor vehicles and motorcycles	div 47
TRANSPORTATION AND STORAGE	TRANSPORTATION AND STORAGE	sec H
	TOTAL transport and storage	div 49, 50, 51, 52
	Land transport and transport via pipelines	div 49
	Water transport	div 50
	Air transport	div 51
	Warehousing and support activities for transportation	div 52
	Postal and courier activities	div 53
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	ACCOMMODATION AND FOOD SERVICE ACTIVITIES	sec I

Level 1	Level 2	NACE rev. 2
INFORMATION AND COMMUNICATION	INFORMATION AND COMMUNICATION	sec J
	Motion picture, video, television programme production, other entertainment activities	div 59, 60
	Telecommunications	div 61
	Other information and communication activities	div 58, 62, 63
FINANCIAL AND INSURANCE ACTIVITIES	FINANCIAL AND INSURANCE ACTIVITIES	sec K
	Financial intermediation, except insurance and pension funding	div 64
	Activities of holding companies	group 64,2
	Insurance, reinsurance and pension funding, except compulsory social security	div 65
	Other financial activities	div 66
	REAL ESTATE ACTIVITIES	sec L
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	sec M
	Legal and accounting activities	div 69
	Legal activities	group 69,1
	Accounting, bookkeeping and auditing activities; tax consultancy	group 69,2
	Activities of head offices; management consultancy activities	div 70
	Activities of head offices	group 70,1
	Management consultancy activities	group 70,2
	Architecture and engineering activities; technical testing and analysis	div 71
Scientific Research and development	Scientific Research and development	div 72
	Advertising and market research	div 73
	Advertising	group 73,1
	Market research and public opinion polling	group 73,2
	Other professional, scientific and technical activities, veterinary activities	div 74, 75
	ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	sec N
	Rental and leasing activities	div 77

Level 1	Level 2	NACE rev. 2
	Other administrative and support service activities	div 78, 79, 80, 81, 82
	EDUCATION	sec P
	HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	sec Q
ARTS, ENTERTAINMENT AND RECREATION	ARTS, ENTERTAINMENT AND RECREATION	sec R
	Creative, arts and entertainment activities	div 90
	Libraries, archives, museums and other cultural activities	div 91
	Sporting and other recreational activities; gambling and betting activities	div 92, 93
	OTHER SERVICE ACTIVITIES	sec S
	Activities of membership organisations	div 94
	Repair of computers and personal and household goods, other personal service activities	div 95, 96
	Not allocated	
	Private purchases and sales of real estate	
TOTAL ACTIVITY	TOTAL ACTIVITY	

ANNEX II

DEFINITIONS referred to in Article 10

The following definitions are based on the *IMF Balance of Payments and International Investment Positions Manual, Sixth Edition* (BPM6), the *European System of Accounts*, the *Manual on Statistics on International Trade in Services 2010*, the *OECD Benchmark Definition of Foreign Direct Investment* (BD4).

A. CURRENT ACCOUNT

The current account shows flows of goods, services, primary and secondary income between residents and non-residents.

1. GOODS

This component covers moveable goods for which a change of ownership occurs between residents and non-residents.

1.1. General merchandise on a balance of payments basis

General merchandise on a balance of payments (BOP) basis covers goods for which a change of economic ownership occurs between a resident and a non-resident and that are not included in other specific categories, such as goods under merchanting (see 1.2) and nonmonetary gold (see 1.3), or as part of a service. General merchandise should be measured at market value on a free on board (FOB) basis. In the countries' contribution to the compilation of Union aggregates, imports and exports of goods in quasi-transit trade have to be included and, for intra-Union trade, the partner country should be defined according to the consignment principle.

1.2. Net exports of goods under merchanting

Merchanting is defined as the purchase of goods by a resident (of the compiling economy) from a non-resident, combined with the subsequent resale of the same goods to another non-resident without the goods being present in the compiling economy. Net exports of goods under merchanting represent the difference between sales over purchases of goods for merchanting. This item includes merchants' margins, holding gains and losses, and changes in inventories of goods under merchanting.

1.2.1. The **goods acquired under merchanting** are shown as a negative export/credit of the economy of the merchant.

1.2.2. The sale of goods is shown under **goods sold under merchanting** as a positive export/credit of the economy of the merchant.

1.3. Nonmonetary gold

Nonmonetary gold covers all gold other than monetary gold. Monetary gold is owned by monetary authorities and held as a *Reserve asset* (see 6.5.1). Nonmonetary gold can be in the form of bullion (i.e. coins, ingots, or bars with a purity of at least 995 parts per 1 000, including such gold held in allocated gold accounts), gold powder, and gold in other unwrought or semi-manufactured forms.

1.4. Branding - Quasi-transit trade adjustment

Quasi-transit trade is a term used to define goods imported into a Member State, cleared through customs for free circulation within the Union (and submitted to import duties) by an entity that is not considered as a resident institutional unit, and are then dispatched to another Member State. Branding must be recorded by the Member States affected by the 'quasi-transit trade' to report the gap between the value of *General merchandise* declared when the goods are initially imported from a third country and their value when dispatched to another Member State. The geographical breakdown should be compiled on the basis of the country of residence of the parent enterprise controlling the company that manages the customs procedure related to these goods in the reporting economy.

2. SERVICES

Services are the result of a production activity that changes the conditions of the consuming units, or facilitates the exchange of products or financial assets. Services are not generally separate items over which ownership rights can be established and cannot generally be separated from their production.

2.1. Manufacturing services on physical inputs owned by others

Manufacturing services on physical inputs owned by others covers processing, assembly, labelling, packing, and so forth undertaken by enterprises that do not own the goods concerned. The manufacturing is undertaken by an entity that receives a fee from the owner. Since the ownership of the goods does not change, no general merchandise transaction is recorded between the processor and the owner. The value of fees charged for manufacturing on physical inputs owned by

others is not necessarily the same as the difference between the value of goods sent for processing and the value of goods after processing. Excluded are the assembly of prefabricated construction (included in *Construction*) and labelling and packaging incidental to transport (included in *Transport*).

2.2. Maintenance and repair services not included elsewhere

Maintenance and repair services not included elsewhere cover maintenance and repair work by residents on goods that are owned by non-residents (and vice versa). The repairs may be performed at the site of the repairer or elsewhere. The value of maintenance and repairs includes any parts or materials supplied by the repairer and included in the charges. Parts and materials charged separately should be included in general merchandise. Repairs and maintenance on ships, aircraft, and other transport equipment are included in this item. Cleaning of transport equipment is excluded as it is included in *Transport services*. Construction maintenance and repairs are excluded as they are included under *Construction*. Maintenance and repairs of computers are excluded as they are included under *Computer services*.

2.3. Transport

Transport is the process of carriage of people and objects from one location to another as well as related supporting and auxiliary services. Transport also includes postal and courier services. Transport services are recorded in balance of payments when provided by residents of one economy for the benefit of those of another. Transport can be classified according to:

- (a) mode of transport, namely sea, air, or other. 'Other' may be further broken down into rail, road, internal waterway, pipeline, and space transport, as well as electricity transmission;
- (b) what is carried, namely passengers or freight or other (which covers supporting and auxiliary services like loading and unloading of containers, storage and warehousing, packing and repackaging, cleaning of transport equipment performed in ports and airports).

2.3.1. Sea transport

Cover all transportation services by sea. A breakdown is required for *Passenger sea transport*, *Freight sea transport* and *Other sea transport*.

2.3.2. Air transport

Cover all transportation services provided by air. A breakdown is required for *Passenger air transport*, *Freight air transport* and *Other air transport*.

2.3.3. Other modes of transport

Cover all transportation services not provided by sea or air. A breakdown is required for *Passenger*, *Freight* and *Other*. An *extended classification for Other transport* is required as follows:

2.3.3.1. **Space transport** includes satellite launches undertaken by commercial enterprises for the owners of the satellites (such as telecommunication enterprises) and other operations performed by operators of space equipment, such as transport of goods and people for scientific experiments. Also included is space passenger transport and payments made by an economy in order to have its residents included on the space vehicles of another economy.

2.3.3.2. **Rail transport** covers transport by trains. A further sub-division between *Passenger rail*, *Freight rail* and *Other* is required.

2.3.3.3. **Road transport** covers transport by lorries, trucks, buses and coaches. A further sub-division between *Passenger road transport*, *Freight road transport* and *Other road transport* is required.

2.3.3.4. **Inland waterway transport** relates to international transportation on rivers, canals and lakes. Included are waterways that are internal to one country and those that are shared among two or more countries. A further sub-division between *Passenger inland waterway transport*, *Freight inland waterway transport* and *Other inland waterway transport* is required.

2.3.3.5. **Pipeline transport** covers international transport of goods in pipelines, such as the transport of petroleum and related products, water and gas. Excluded are distribution services, typically from substations to the consumer (included in *Other business services n.i.e.*) and the value of the products transported (included in *General merchandise*).

2.3.3.6. **Electricity transmission** comprises services for transmission of electric energy at high voltage over an interconnected group of lines and associated equipment between points of supply and the points at which it is transformed to low voltage for delivery to consumers or delivery to other electric systems. Included are charges for the transmission of electricity when this is separate from the production and distribution process. The provision of electricity itself is excluded. Also excluded are distribution services of electricity (included in *Other business services, Other business services n.i.e.*).

2.3.3.7. **Other supporting and auxiliary transport services** cover all other transportation services that cannot be allocated to any of the components of transportation services described above.

2.3.4. Postal and courier services

Postal and courier services cover the pick-up, transport, and delivery of letters, newspapers, periodicals, brochures, other printed matter, parcels, and packages, including post office counter and mailbox rental services.

2.4. Travel

Travel credits cover goods and services for own use or to give away, acquired from an economy by non-residents during visits to that economy. Travel debits cover goods and services for own use or to give away, acquired from other economies by residents during visits to these other economies. Travel includes local transport (i.e. transport within the economy being visited and provided by a resident of that economy), but excludes international transport (which is included in *Passenger transport*). Also excluded are goods purchased by a traveller for resale in the traveller's own economy or in any other economy. Travel is divided in two main sub-components: *Business travel* and *Personal travel*.

2.4.1. Business travel

Business travel covers the acquisition of goods and services by business travellers. Also includes the acquisition of goods and services for personal use by seasonal, border and other workers who are not resident in the economy in which they are employed. Business travel is further disaggregated into *Acquisition of goods and services by border and seasonal or other short-term workers* and *Other business travel*.

2.4.1.1. **Acquisition of goods and services by border, seasonal, and other short-term workers** includes the acquisition of goods and services for personal use by seasonal, border and other workers, who are not resident in the economy in which they are employed and whose employer is resident in that economy.

2.4.1.2. **Other business travel** covers all Business travel expenditure not made by border workers and seasonal or other short-term workers.

2.4.2. Personal travel

Personal travel covers goods and services acquired by travellers going abroad for purposes other than business, such as holidays, participation in recreational and cultural activities, visits with friends and relations, pilgrimage, and education- and health-related purposes. *Personal travel* is divided in three sub-components: *Health-related expenditure*, *Education-related expenditure* and *Other personal travel*.

2.4.2.1. **Health-related expenditure** is defined as the total expenditure by those travelling for medical reasons.

2.4.2.2. **Education-related expenditure** is defined as the total expenditure by students.

2.4.2.3. **Other personal travel** covers all *Personal travel* not included in *Health-related expenditure* or *Education-related expenditure*.

2.5. Construction

Construction covers the creation, renovation, repair, or extension of fixed assets in the form of buildings, land improvements of an engineering nature, and other engineering constructions (including roads, bridges, dams, etc). It includes related installation and assembly work, site preparation and general construction, specialised services such as painting, plumbing, and demolition, and management of construction projects. The construction contracts covered in international trade in services are generally of a short-term nature. A large-scale construction project contracted by a non-resident enterprise that takes a year or more to be completed will usually give rise to a resident branch.

Construction can be disaggregated into *Construction abroad* and *Construction in the compiling economy*.

2.5.1. Construction abroad

Construction abroad comprises the construction services provided to non-residents by enterprises resident in the compiling economy (credit/exports) and the goods and services purchased in the host economy by these enterprises (debit/imports).

2.5.2. Construction in the compiling economy

Construction in the compiling economy comprises construction services provided to residents of the compiling economy by non-resident construction enterprises (debit) and the goods and services purchased in the compiling economy by these non-resident enterprises (credit).

2.6. Insurance and pension services

Insurance and pension services comprises: *Direct insurance, Reinsurance, Auxiliary insurance services, Pension and standardised guarantee services*. Direct insurance is further broken down in *Life, Freight and Other direct insurance*. Pension and standardised guarantees are further broken down into *pension services and standardised guarantee services*. These services are estimated or valued by the charges included in total premiums rather than by the total value of the premiums.

2.6.1. Life insurance

Holders of life insurance policies make regular payments to an insurer (there may be just a single payment), in return for which the insurer guarantees to pay the policy holder an agreed minimum sum or an annuity, at a given date or at the death of the policy holder, if this occurs earlier. Term life insurance, where benefits are provided in the case of death but in no other circumstances, is excluded here and included in *Other direct insurance*.

2.6.2. Freight insurance

Freight insurance services relate to insurance provided on goods that are in the process of being exported or imported, on a basis that is consistent with the measurement of goods f.o.b. and freight transportation.

2.6.3. Other direct insurance

Other direct insurance covers all other forms of casualty insurance. Included are term life insurance; accident and health insurance (unless these are provided as part of government social security schemes); marine, aviation and other transport insurance; fire and other property damage; pecuniary loss insurance; general liability insurance; and other insurance, such as travel insurance and insurance related to loans and credit cards.

2.6.4. Reinsurance

Reinsurance is the process of subcontracting parts of the insurance risk, often to specialised operators, in return for a proportionate share of the premium income. Reinsurance transactions may relate to packages that mix several types of risks.

2.6.5. Auxiliary insurance services

Comprise transactions that are closely related to insurance and pension fund operations. Included are agents' commissions, insurance brokering and agency services, insurance and pension consultancy services, evaluation and adjustment services, actuarial services, salvage administration services, and regulatory and monitoring services on indemnities and recovery services.

2.6.6. Pension services

Pension services cover the services provided by funds established to provide income on retirement and benefits for death or disability, for specific groups of employees by the government or by insurance corporations on behalf of employees.

2.6.7. Standardised guarantee services

Standardised guarantee services are services related to standardised guarantee schemes. They are arrangements where one party (the guarantor) undertakes to cover the losses of the lender in the event that the borrower defaults. Examples include export credit and student loan guarantees.

2.7. Financial services

Financial services cover intermediary and auxiliary services, except insurance and pension fund services, usually provided by banks or other financial corporations.

2.7.1. Explicitly charged and other financial services

Services are charged for by explicit charges in the case of many financial services and require no special calculation. They include fees for deposit-taking and lending, fees for one-off guarantees, early or late repayment fees or penalties, account charges, fees related to letters of credit, credit card services, commissions and charges related to financial leasing, factoring, underwriting, and clearing of payments. Also included are financial advisory services, custody of financial assets or bullion, financial asset management, monitoring services, liquidity provision services, risk assumption services other than insurance, merger and acquisition services, credit rating services, stock exchange services and trust services. Dealers in financial instruments may charge, in full or part, for their services by having a spread between their buying and selling prices. Margins on buying and selling transactions are included in explicitly charged and other financial services.

2.7.2. Financial intermediation services indirectly measured (FISIM)

Actual interest can be considered as including both an income element and a charge for a service. Lenders and deposit-takers operate by providing rates of interest to their depositors that are lower than the rates that they charge to their

borrowers. The resulting interest margins are used by the financial corporations to defray their expenses and to provide an operating surplus. By convention, these indirect charges in respect of interest apply only to loans and deposits and only when those loans and deposits are provided by, or deposited with, financial corporations.

2.8. Charges for the use of intellectual property not included elsewhere

Charges for the use of intellectual property not included elsewhere include:

- (a) Charges for the use of proprietary rights (such as patents, trademarks, copyrights, industrial processes and designs including trade secrets and franchises). These rights can arise from research and development, as well as from marketing; and
- (b) Charges for licences to reproduce or distribute intellectual property embodied in produced originals or prototypes (such as copyrights on books and manuscripts, computer software, cinematographic works and sound recordings) and related rights (such as for live performances and television, cable, or satellite broadcast).

2.9. Telecommunication, computer and information services

Computer and telecommunication services are defined in terms of the nature of the service, not the method of delivery.

2.9.1. Telecommunications services

Telecommunications services encompass the transmission of sound, images or other information by telephone, telex, telegram, radio and television cable and broadcasting, satellite, electronic mail, facsimile services etc., including business network services, teleconferencing and support services. They do not include the value of the information transported. Also included are mobile telecommunication services, Internet backbone services and on-line access services, including provision of access to the Internet. Excluded are installation services for telephone network equipment as they are included in *Construction* and database services (included in *Information services*).

2.9.2. Computer services

Consist of hardware and/or software-related services and data-processing services. Also included are hardware and software consultancy and implementation services; maintenance and repair of computers and peripheral equipment; disaster recovery services, provision of advice and assistance on matters related to the management of computer resources; analysis, design and programming of systems ready to use (including web page development and design), and technical consultancy related to software; licences to use non-customised software; development, production, supply and documentation of customised software, including operating systems made on order for specific users; systems maintenance and other support services, such as training provided as part of consultancy; data-processing services, such as data entry, tabulation and processing on a time-sharing basis; web page hosting services (i.e., the provision of server space on the Internet to host clients' web pages); and computer facilities management. Excluded are charges for licences to reproduce and/or distribute software which are included in *Charges for the use of intellectual property*. Leasing of computers without an operator is included in *Operating leasing*.

2.9.3. Information services

Comprises: *News agency services* and *Other information services*.

2.9.3.1. **News agency services** include the provision of news, photographs, and feature articles to the media.

2.9.3.2. **Other information services** include database services (database conception, data storage and the dissemination of data and databases, including directories and mailing lists), both online and through magnetic, optical or printed media; and web search portals (search engine services that find internet addresses for clients who input keyword queries). Also included are direct, non-bulk subscriptions to newspapers and periodicals, whether by mail, electronic transmission or other means; other online content provision services; and library and archive services. Bulk newspapers and periodicals are included under general merchandise. Downloaded content that is not software (included in *Computer services*) or audio and video (included in *Audiovisual and related services*) is included in information services.

2.10. Other business services

This includes: *Research and development services*, *Professional and management consulting services*, *Technical, trade-related, and Other business services*.

2.10.1. Research and development services

Research and development services consist of services that are associated with basic research, applied research, and experimental development of new products and processes. In principle, such activities in the physical sciences, social sciences, and humanities are covered within this category, including the development of operating systems that represent technological advances. Also included is commercial research related to electronics, pharmaceuticals, and biotechnology.

This comprises: 1) *Work undertaken on a systematic basis to increase the stock of knowledge* and 2) *Other research and development services*.

2.10.1.1. **Work undertaken on a systematic basis to increase the stock of knowledge** comprise: a) *Provision of customised and non-customised research & development services* and b) *Sale of proprietary rights arising from research & development*.

2.10.1.1.a. **Provision of customised and non-customised research and development services** covers the provision of research and development services that are made-to order (customised) and development of non-customised research and development, excluding sales of proprietary rights (included in 2.10.1.1.b), and sales related to licences to reproduce or use (included in *Charges for the use of intellectual property*).

2.10.1.1.b. **Sale of proprietary rights arising from research and development** comprises *Patents, Copyrights arising from research and development, Industrial processes and designs (including trade secrets)*.

2.10.1.2. **Other research and development services** include other product/process development activities.

2.10.2. Professional and management consulting services

Professional and management consulting services include: 1) *Legal services, accounting, management consulting, managerial services, and public relations services*; and 2) *Advertising, market research, and public opinion polling services*.

2.10.2.1. **Legal, accounting, management consulting, and public relations** comprises:

a) *Legal services*; b) *Accounting, auditing, bookkeeping and tax consulting services*; c) *Business and management consulting and public relations services*.

2.10.2.1.a. **Legal services** cover legal advisory and representation services in any legal, judicial and statutory procedures; drafting services of legal documentation and instruments; certification consultancy; and escrow and settlement services.

2.10.2.1.b. **Accounting, auditing, bookkeeping and tax consultancy services** covers the recording of commercial transactions for businesses and others; examination services of accounting records and financial statements; business tax planning and consulting; and preparation of tax documents.

2.10.2.1.c. **Business and management consulting and public relations services** covers advisory, guidance and operational assistance services provided to businesses for business policy and strategy and the overall planning, structuring and control of an organisation. Included are management fees, management auditing; market management, human resources, production management and project management consulting; and advisory, guidance and operational services related to improving the image of the clients and their relations with the general public and other institutions.

2.10.2.2. **Advertising, market research and public opinion polling** covers the design, creation and marketing of advertisements by advertising agencies; media placement, including the purchase and sale of advertising space; exhibition services provided by trade fairs; the promotion of products abroad; market research; telemarketing; and public opinion polling on various issues.

2.10.3. Technical, trade-related, and other business services

These comprise: 1) *Architectural, engineering, scientific and other technical services*, 2) *Waste treatment and de-pollution, agricultural and mining services*, 3) *Operating leasing services*, 4) *Trade-related services* and 5) *Other business services n.i.e.*

2.10.3.1. Architectural, engineering, scientific and other technical services

Comprise: a) *Architectural services*, b) *Engineering services*, c) *Scientific and other technical services*.

2.10.3.1.a. **Architectural services** include transactions related to the design of buildings.

2.10.3.1.b. **Engineering services** include the design, development and utilisation of machines, materials, instruments, structures, processes and systems. Services of this type involve the provision of designs, plans and studies related to engineering projects. Mining engineering is excluded (included in *Services incidental to mining, and oil and gas extraction*).

2.10.3.1.c. **Scientific and other technical services** include surveying; cartography; product testing and certification; and technical inspection services.

2.10.3.2. **Waste treatment and de-pollution, agricultural and mining services**

Comprise: a) *Waste treatment and de-pollution*, b) *Services incidental to agriculture, forestry and fishing*, c) *Services incidental to mining, and oil and gas extraction*

2.10.3.2.a. **Waste treatment and de-pollution** include waste collection and disposal, remediation, sanitation, and other environmental protection services. They also include environmental services, such as production of carbon offsets or carbon sequestration that are not classified under any more specific category.

2.10.3.2.b. **Services incidental to agriculture, forestry and fishing** include agricultural services that are incidental to agriculture, such as the provision of agricultural machinery with crew, harvesting, treatment of crops, pest control, animal boarding, animal care, and breeding services. Services in hunting, trapping, forestry and logging, and fishing are also included here, as are veterinary services.

2.10.3.2.c. **Services incidental to mining, and oil and gas extraction** include mining services provided at oil and gas fields, including drilling, derrick building, repair and dismantling services, and oil and gas well casing cementing. Services incidental to mineral prospecting and exploration, as well as mining engineering and geological surveying, are also included here.

2.10.3.3. **Operating leasing services**

Operating leasing is the activity of renting out produced assets under arrangements that provide use of a tangible asset to the lessee, but do not involve the transfer of the bulk of risks and rewards of ownership to the lessee. Operating leasing may be called rental in case of items such as buildings or equipment. Operating leasing services cover leasing (rental) and charters, without crew, of ships, aircraft, and transport equipment. Also included are operating lease payments relating to other types of equipment without an operator, including computers and telecommunications equipment. Licence payments for the right to use intangible assets, such as software, intellectual property, and so forth are included under specific headings (*Computer services*, *Charges for the use of intellectual property n.i.e.* etc.) rather than operating leasing. Excluded from operating leasing services are leasing of telecommunications lines or capacity (included in *Telecommunications services*); rental of ships and aircraft with crew (included in *Transport services*); and rentals incidental to travel (included in *Travel*).

2.10.3.4. **Trade-related services**

Trade-related services cover commissions on goods and service transactions payable to merchants, commodity brokers, dealers, auctioneers, and commission agents. Excluded from trade-related services are franchising fees (included in *Charges for the use of intellectual property n.i.e.*); brokerage on financial instruments (included in *Financial services*); insurance brokerage (included in *Auxiliary insurance services*) and transport-related charges, such as agency commissions (included in *Transport*).

2.10.3.5. **Other business services not included elsewhere**

Other business services include distribution services related to water, steam, gas or other petroleum products, and air-conditioning supply, where these are identified separately from transmission services; placement of personnel, security, and investigative services; translation and interpretation; photographic services; publishing; building cleaning; and real estate services.

2.11. **Personal, cultural and recreational services**

These include *Audiovisual and related services* and *Other personal, cultural and recreational service*.

2.11.1. **Audiovisual and related services**

Can be further broken down in *Audiovisual services* and *Artistic related services*. Comprise services and associated fees related to the production of motion pictures (on film or videotape), radio and television programmes (live or on tape) and musical recordings. Included are rentals of audiovisual and related products and access to encrypted television channels (such as cable or satellite services); mass-produced audio-visual products purchased or sold for perpetual use that are delivered electronically (downloaded); fees received by performing artists (actors, musicians, dancers), authors, composers etc. Excluded are charges or licences to reproduce and/or distribute audiovisual products (included in *Charges for the use of intellectual property n.i.e.*).

2.11.2. Other personal, cultural and recreational services

Comprise: a) *Education services*, b) *Health services*, c) *Heritage and recreational services* and d) *Other personal services*.

2.11.2.a. **Education services** comprises services supplied between residents and non-residents relating to education, such as correspondence courses and education via television or the Internet, as well as by teachers etc. who supply services directly in host economies.

2.11.2.b. **Health services** comprises services provided by doctors, nurses and paramedical and similar personnel, as well as laboratory and similar services, whether rendered remotely or on-site. Excluded is all expenditure by travellers on education and health (included in *Travel*).

2.11.2.c. **Heritage and recreational services** includes services associated with museums and other cultural, sporting, gambling and recreational activities, except those involving persons outside their economy of residence (included in *Travel*).

2.11.2.d. **Other personal services** includes social services, domestic services etc.

2.12. Government goods and services not included elsewhere

This is a residual category covering government transactions (including those of international organisations) in goods and services that it is not possible to classify under other items. Included are all transactions (in both goods and services) by enclaves such as embassies, consulates, military bases and international organisations with residents of economies in which the enclaves are located. Excluded are transactions of the enclaves with residents of the home economies. Depending on the government unit undertaking the transaction, this item can be further broken down into goods and services transacted by *Embassies and consulates*, *Military units and agencies* and *Other government goods and services not included elsewhere*.

3. PRIMARY INCOME

Primary income represents the return that accrues to institutional units for their contribution to the production process, or for the provision of financial assets or from renting natural resources to other institutional units. It comprises *Compensation of employees*, *Investment income* and *Other primary income*.

3.1. Compensation of employees (D1)

Compensation of employees is recorded when the employer (the producing unit) and the employee are resident in different economies. For the economy where the producing units are resident, compensation of employees is the total remuneration (including contributions paid by employers to social security schemes or to private insurance or pension funds), in cash or in kind, payable by resident enterprises to non-resident employees in return for work done by the latter during the accounting period. For the economy where the individuals are resident, compensation is the total remuneration, in cash or in kind, receivable by them from non-resident enterprises in return for work done during the accounting period. It is important to establish whether an employer-employee relationship exists; if not, the payment constitutes a purchase of services.

3.2. Investment income

Investment income is derived from a resident's ownership of an external financial asset (credit) and symmetrically, income derived from a non-resident's ownership of a domestic financial asset (debit). Investment income includes income on equity (*Dividends*, *Withdrawals from income of quasi-corporations*, *Reinvested earnings*) and on debt (*Interest*), and investment income attributable to policyholders in insurance, pension schemes, and standardised guarantee schemes.

In balance of payments, investment income is also classified according to the function of the underlying investment, as *Direct investment*, *Portfolio investment*, *Other investment* and *Reserve assets*, and further detailed according to the type of investment. For the definitions of investment by function, see the financial account.

Where they are separately identifiable, gains and losses on (capital) holdings are not classified as income on investments, but as changes in the value of investments due to market price developments. Net flows associated with interest rate derivatives are recorded solely under financial derivatives in the financial account.

3.2.1. Interest (D41)

Interest is a form of investment income that is receivable by the owners of certain kinds of financial assets, namely deposits (AF2), debt securities (AF3), loans (AF4), and other accounts receivable (AF8), for putting the financial assets at the disposal of another institutional unit. Income on special drawing rights (SDR) holdings and SDR allocations is also included in interest. The primary income account records 'pure interest' by eliminating the FISIM component from 'actual interest'. Interest income is recorded on an accrual basis.

3.2.2. Distributed income of corporations (D42)

3.2.2.1. Dividends (D421)

Dividends are the distributed earnings allocated to the owners of equity shares (AF5) for placing funds at the disposal of corporations. Dividends are recorded at the moment the shares go ex-dividend.

3.2.2.2. Withdrawals from income of quasi-corporations (D422)

Withdrawals from the income of quasi-corporations (unincorporated enterprises that behave as if they were corporations, e.g. branches, notional resident units for land and other natural resources owned by non-residents, joint ventures, trusts, etc.) are the amounts that owners of quasi-corporations withdraw for their own use from the profits earned by the quasi-corporations that belong to them. Withdrawals from the income of quasi-corporations are recorded as occurring when they actually took place.

3.2.3. Reinvested earnings on foreign direct investment (D43)

Reinvested earnings (RIE) represent the direct investors' proportion, in terms of equity held, of the earnings that foreign subsidiaries, associates and branches do not distribute as dividends. They are defined as the direct investor's share of the total consolidated profits earned by the direct investment enterprise in the reference period (after allowing for tax, interest and depreciation), less dividends due for payment in the reference period, even if these dividends relate to profits earned in previous periods.

Reinvested earnings are recorded in the period in which the retained earnings accrue.

3.2.4. Income of investment fund shares (D443)

Investment income attributable to collective investment fund shareholders, including mutual funds and unit trusts, is composed of two separate items: *Dividends (D4431)*, and *Reinvested earnings (D4432)*.

Earnings from investment funds can be viewed as being passed on to their shareholders (or unit holders) as they are earned in the form of investment income on their equity. Investment funds earn income by investing the money received from shareholders. Shareholders' income from investment funds is defined as the investment income earned on the fund's investment portfolio after deducting operating expenses. The net earnings of investment funds after deducting the operating expenses belong to shareholders. Where only a part of the net earnings is distributed to shareholders as dividends, the retained earnings should be treated as if they were distributed to the shareholders and then deemed reinvested.

3.2.5. Investment income attributable to policyholders in insurance, pension schemes and standardised guarantee schemes

To define this item, we look separately at its components, not part of the BoP data request.

3.2.5.1. **Investment income attributable to insurance policy holders (D441)** corresponds to the total primary incomes received from the investment of insurance technical reserves. The reserves are those for which the insurance corporation recognises a corresponding liability to the policyholders.

3.2.5.2. Investment income payable on Pension entitlements (D442)

Pension entitlements arise from either defined contribution schemes or defined benefit schemes.

3.3. Other primary income

Classified according to the institutional sector of the compiling economy (*General government* or *Other sectors*) and include the following components: *Taxes on production and imports*, *Subsidies* and *Rent*.

3.3.1. Taxes on production and imports (D2)

Include the following components:

3.3.1.1. **Taxes on products (D21)** are payable per unit of some good or service produced or traded cross-border. Examples include value-added tax, import duties, excise duties and consumption taxes.

3.3.1.2. **Other taxes on production (D29)** consist of all taxes that enterprises incur as a result of engaging in production, and include taxes paid for business and professional licences.

3.3.2. Subsidies (D3)

Include the following components:

3.3.2.1. **Subsidies on products (D31)** are payable per unit of a good or service produced.

3.3.2.2. **Other subsidies on production (D39)** consist of subsidies except subsidies on products that resident producer units may receive as a consequence of engaging in production.

3.3.3. Rent (D45)

Rent covers income receivable for putting natural resources at the disposal of a non-resident institutional unit. Examples of rent include amounts payable for the use of land extracting mineral deposits and other subsoil assets, and for fishing, forestry, and grazing rights. The regular payments made by the lessees of natural resources, such as subsoil assets, are often described as royalties, but they are classified as rents.

4. SECONDARY INCOME

The secondary income account shows current transfers between residents and non-residents. A transfer is an entry that corresponds to the provision of a good, service, financial asset, or other non-produced asset by an institutional unit to another institutional unit where there is no corresponding return of an item of economic value. Current transfers consist of all transfers that are not capital transfers.

Current transfers are classified according to the institutional sector making or receiving the transfer in the compiling economy (*General government* or *Other sectors*).

General government current transfers comprise *Current taxes on income, wealth etc, Social contributions, Social benefits, Current international cooperation, Miscellaneous current transfers, VAT and GNI-based Union own resources*.

Other sectors current transfers comprise *Current taxes on income, wealth etc, Social contributions, Social benefits, Miscellaneous current transfers, Net non-life insurance premiums, Non-life insurance claims and Adjustments for the changes in pension entitlements. Miscellaneous current transfers (D75) include Personal transfer between resident and non-resident households (Of which: Workers' remittances)*

4.1. Current taxes on income, wealth etc (D5)

Current taxes on income, wealth etc., in the international accounts consists mainly of taxes levied on the income earned by non-residents from the provision of their labour or financial assets. Taxes on capital gains arising from assets of non-residents are also included. Taxes on income and capital gains from financial assets are generally payable by *Other sectors* (individuals, corporations and non-profit institutions) and receivable by *General government*.

4.2. Social contributions (D61)

Social contributions are the actual or imputed contributions made by households to social insurance schemes to make provision for social benefits to be paid.

4.3. Social benefits (D62+D63)

Social benefits include benefits payable under social security and pension schemes. They include pensions and non pension benefits from events or circumstances such as sickness, unemployment, housing and education, and may be in cash or in kind.

4.4. Net non-life insurance premiums (D71)

Non-life insurance premiums consist of both the gross premiums payable by policyholders to obtain insurance during the accounting period (premiums earned) and the premium supplements payable out of the investment income attributable to insurance policyholders, after deducting the service charges of insurance enterprises arranging the insurance. The service charges constitute purchases of services by the policyholders and are recorded as insurance services. Net premiums on standardised guarantees are included under this item.

4.5. Non-life insurance claims (D72)

Non-life insurance claims are the amounts payable in settlement of claims that become due during the current accounting period. Claims become due at the moment when the eventuality occurs that gives rise to a valid claim. Claims payable under standardised guarantees are recorded under this item.

4.6. Current international cooperation (D74)

Current international cooperation consists of current transfers in cash or in kind between the governments of different countries or between governments and international organisations. Part of current international cooperation is vis-à-vis the Union Institutions.

4.7. Miscellaneous current transfers (D75)

Miscellaneous current transfers, in cash or in kind, include: *Current transfers to Non profit institutions serving households (D751)*, *Current transfers between households (D752)*, *Other miscellaneous current transfers (D759)* including fines and penalties, part of the payments for lottery tickets and gambling, payments of compensation and other.

4.7.1. Personal transfers between resident and non-resident households

Personal transfers between resident and non-resident households consist of all current transfers in cash or in kind made or received by resident households to or from non-resident households. Personal transfers include as "of which" *Workers' remittances*

4.7.1.1. Workers' remittances

Workers' remittances consist of personal transfers made by migrants resident and employed in new economies to non-resident households. Persons who work for and stay in new economies for less than a year are considered non-residents and their remuneration is recorded under compensation of employees.

4.8. VAT and GNI-based Union own resources (D76)

The VAT and GNI-based third and fourth Union own resources are current transfers paid by the general government of each Member State to the Union Institutions.

4.9. Adjustment for change in pension entitlements (D8)

The adjustment for the change in pension entitlements is necessary to reconcile the treatment of pensions as current transfers with the treatment of pension entitlements as financial assets. After the adjustment, the current account balance is the same as it would have been if social contributions and pension receipts were not recorded as current transfers.

B. CAPITAL ACCOUNT

The capital account covers the *Acquisition/disposal of non-produced non-financial assets* and *Capital transfers*.

5.1. Gross acquisitions and disposals of non-produced non-financial assets

Non-produced, non-financial assets consist of: (a) natural resources, (b) contracts, leases, and licenses, and (c) marketing assets (brand names, trademarks) and goodwill. Acquisition and disposals of non-produced, non-financial assets are recorded separately on a gross basis, rather than netted. Only the purchase/sale of such assets, but not their use, is to be recorded in this item of the capital account.

5.2. Capital transfers (D9)

Capital transfers consist of (i) transfers of ownership of fixed assets, (ii) transfers of funds linked to, or conditional upon, the acquisition or disposal of fixed assets and (iii) the cancellation, without any consideration being received in return, of liabilities by creditors. Capital transfers may be in cash or in kind (such as debt forgiveness). The distinction between current and capital transfers, in practice, rests in the use of the transfer by the recipient country. Capital transfers are classified according to the institutional sector making or receiving the transfer in the compiling economy (*General government* or *Other sectors*).

Capital transfers include: *Capital taxes*, *Investment grants* and *Other capital transfers*.

5.2.1. Capital taxes (D91)

Capital taxes consist of taxes levied at irregular and infrequent intervals on the values of the assets or net worth owned by institutional units or on the values of assets transferred between institutional units. These include inheritance taxes and taxes on gifts between persons levied on the capital of the beneficiaries.

5.2.2. Investment grants (D92)

Investment grants consist of capital transfers, in cash or in kind, made to finance all or part of the costs of acquiring fixed assets. The recipients are obliged to use investment grants received in cash for purposes of gross fixed capital formation, and the grants are often tied to specific investment projects, such as large construction projects.

5.2.3. Other capital transfers (D99)

These include major non-recurrent payments in compensation for extensive damage or serious injuries not covered by insurance policies, large gifts, legacies and donations, including those to non-profit institutions. This category includes *Debt forgiveness*.

5.2.3.1. Debt forgiveness

Debt forgiveness is the voluntary cancellation of all, or part, of a debt obligation within a contractual agreement between a creditor and a debtor.

C. FINANCIAL ACCOUNT AND INTERNATIONAL INVESTMENT POSITION

In general, the *Financial account* records transactions that involve financial assets and liabilities that have taken place between residents and non-residents. The financial account shows transactions in net terms: net acquisitions of financial assets correspond to acquisitions of assets less reductions in assets.

The *International investment position* (IIP) shows, at the end of each quarter, the value of financial assets of residents of an economy that are claims on non-residents, and the liabilities of residents of an economy to non-residents, plus gold bullion held as reserve assets. The difference between the assets and liabilities is the net position in the IIP and represents either a net claim on or a net liability to the rest of the world.

The value of the IIP at the end of a period results from positions at the end of the previous period, transactions in the current period, and other changes that arise from reasons other than transactions between residents and non-residents, that may be attributed to **other changes in volume** and **revaluations** (due to **changes in exchange rates or prices**).

According to the functional subdivision cross-border financial transactions and positions are classified as *Direct investment*, *Portfolio investment*, *Financial derivatives (other than reserves) and employee stock options*, *Other investment*, and *Reserve assets*. Cross-border financial transactions and positions are further classified by type of instrument and institutional sector, as defined in Table 7.

Market prices are the basis for the valuation of transactions and positions. Nominal valuation is used for positions in nonnegotiable instruments, namely loans, deposits, and other accounts receivable/payable. However, any transactions in these instruments are valued at market prices. To account for the inconsistency between the market valuation of transactions and nominal valuation of positions, the seller records *Revaluations due to other price changes* during the period in which the sale occurs, equal to the difference between the nominal and the transaction value, whilst the buyer records an opposite amount as *Revaluations due to other price changes*.

The financial account of the balance of payments and the international investment position include offsetting entries for accrued income on the instruments classified in the respective functional categories.

6.1. Direct investment

Direct investment is associated with a resident in one economy (direct investor) having control or a significant degree of influence on the management of an enterprise that is resident in another economy (direct investment enterprise). Following the international standards, the direct or indirect ownership of 10 % or more of the voting power of an enterprise resident in one economy by an investor resident in another economy is evidence of such a relationship. Based on this criterion, a direct investment relationship can exist between a number of related enterprises, regardless of whether the linkage involves a single or a number of chains. It can extend to a direct investment enterprise's subsidiaries, sub-subsidiaries and associates. Once the direct investment is established, all subsequent financial flows/holdings between the related entities are recorded as direct investment transactions/positions.

Equity capital comprises equity in branches as well as all shares in subsidiaries and associates. *Reinvested earnings* consist of the offsetting entry to the direct investor's share of earnings not distributed as dividends by subsidiaries or associates, and earnings of branches not remitted to the direct investor and which are recorded under *Investment income* (see 3.2.3).

Direct investment equity and *Debt* are further disaggregated according to the type of relationship between entities and according to the direction of the investment. Three types of direct investment relationships can be distinguished:

- (a) **Direct investors' investment in direct investment enterprises.** This category includes investment flows (and stocks) from the direct investor to its direct investment enterprises (regardless of whether it is directly or indirectly controlled or influenced);
- (b) **Reverse investment.** This type of relationship covers investment flows (and stocks) from the direct investment enterprises to the direct investor;
- (c) **Between fellow enterprises.** This covers flows (and stocks) between enterprises that do not control or influence each other, but that are both under the control or influence of the same direct investor.

6.2. Portfolio investment

Portfolio investment includes transactions and positions involving debt or equity securities, other than those included in direct investment or reserve assets. Portfolio investment includes *Equity securities*, *Investment fund* shares and *Debt securities*, unless they are categorised either as direct investment or as reserve assets. Transactions as repurchase agreements and securities lending are excluded from portfolio investment.

6.2.1. Equity securities (F51/AF51)

Equity consists of all instruments representing claims on the residual value of a corporation or quasi-corporation, after the claims of all creditors have been met. In contrast to debt, equity does not generally provide the owner with a right to a predetermined amount or an amount determined according to a fixed formula. Equity securities consist of *Listed* and *Unlisted shares*.

Listed shares (F511/AF511) are equity securities listed on a recognised stock exchange or any other form of secondary market. **Unlisted shares (F512/AF512)** are equity securities not listed on an exchange.

6.2.2. Investment fund shares (F52/AF52)

Investment fund shares are issued by investment funds. They are known as "units" if the fund is a trust. Investment funds are collective investment undertakings through which the investors pool funds for investment in financial and/or non-financial assets. Investment fund shares have a specialised role in financial intermediation as a kind of collective investment in other assets, so they are identified separately from other equity shares. Additionally, the treatment of their income differs, because *reinvested earnings* have to be imputed.

6.2.3. Debt securities (F3/AF3)

Debt securities are negotiable instruments serving as evidence of a debt. They include bills, bonds, notes, negotiable certificates of deposit, commercial paper, debentures, asset-backed securities, money market instruments, and similar instruments normally traded in the financial markets. Transactions and positions in debt securities are divided by original maturity into *Short-term* and *Long-term*.

6.2.3.1. Short-term debt securities (F31/AF31)

Short-term debt securities are payable on demand or issued with an initial maturity of one year or less. They generally give the holder the unconditional right to receive a stated, fixed sum of money on a specified date. These instruments are usually traded, at a discount, in organised markets; the discount depends on the interest rate and the time remaining to maturity.

6.2.3.2. Long-term debt securities (F32/AF32)

Long-term debt securities are issued with an initial maturity of more than one year or with no stated maturity (other than on demand, which is included in short-term). They generally give the holder (a) the unconditional right to a fixed monetary income or contractually-determined variable monetary income (payment of interest being independent from the earnings of the debtor) and (b) the unconditional right to a fixed sum in repayment of principal on a specified date or dates.

The recording of transactions in balance of payments takes place when the creditors or debtors enter the claim or liability in their books. Transactions are recorded at the effective price received or paid, less commission and expenses. Thus, in the case of securities with coupons, the interest accrued from the last payment of interest is included and, in the case of securities issued at discount, the interest accumulated since the issue is included. Inclusion of interest accrued is required for both the financial account of the balance of payments and for the international investment position; these recordings need to have offsetting entries in their respective income accounts.

6.3. Financial derivatives (other than reserves) and employee stock options (F7/AF7)

A financial derivative contract is a financial instrument that is linked to another specific financial instrument or indicator or commodity and through which specific financial risks (such as interest rate risk, foreign exchange risk, equity and commodity price risks, credit risk, and so on) can be traded in their own right in financial markets. This category is identified separately from other categories because it relates to risk transfer, rather than supply of funds or other resources. Unlike other functional categories, no primary income accrues on financial derivatives. Net flows associated with interest rate derivatives are recorded as financial derivatives, not as investment income. Transactions and positions in financial derivatives are treated separately from the values of any underlying items to which they are linked. In the case of options, the full premium (i.e. the purchase/sale price of the options and the implied service charge) is recorded. Repayable margin payments consist of cash or other collateral deposited to protect counterparty against default risk. They are classified as deposits under other investment (if the debtor's liabilities are included in broad money) or in other accounts receivable/payable. Non-repayable margin payments (also known as variation margin) reduce the financial liability created through a derivative; therefore they are classified as transactions in financial derivatives.

Employee stock options are options to buy the equity of a company offered to employees of the company as a form of remuneration. If a stock option granted to employees can be traded on financial markets without restriction, it is classified as a financial derivative.

6.4. Other investment

Other investment is a residual category that includes positions and transactions other than those included in direct investment, portfolio investment, financial derivatives and employee stock options or reserve assets. To the extent that the following classes of financial assets and liabilities are not included under direct investment or reserve assets, other investment includes: (a) *Other equity*; (b) *Currency and deposits*; (c) *Loans* (including use of IMF credit and loans from the IMF); (d) *Insurance, pension and standardised guarantee schemes*; (e) *Trade credit and advances*; (f) *Other accounts receivable/payable*; and (g) *SDR allocations* (SDR holdings are included in reserve assets).

For loans, deposits, and other accounts receivable/payable sold at a discount, the transaction values recorded in the financial account may differ from the nominal values recorded in the IIP. Such differences are recorded as *Revaluations due to other price changes*.

6.4.1. Other equity (F519/AF519)

Other equity includes equity not in the form of securities, therefore not included in portfolio investment. Participation in the capital of some international organisations is not in the form of securities and thus is classified as *Other equity*.

6.4.2. Currency and deposits (F2/AF2)

Currency and deposits include currency in circulation and deposits. Deposits are standardised, non-negotiable contracts generally offered by deposit-taking institutions, allowing the placement and the later withdrawal of a variable amount of money by the creditor. Deposits usually involve a guarantee by the debtor to return the principal amount to the investor.

The distinction between *Loans* and *Currency and deposits* depends on the nature of the borrower. This implies that, on the assets side, money granted by the resident money-holding sector to non-resident banks is to be classified as *Deposits* and money granted by the resident money-holding sector to non-resident non-banks (i.e. institutional units other than banks) is to be classified as *Loans*. On the liabilities side, money taken by resident non-banks, i.e. non-monetary financial institutions (non-MFIs) is always to be classified as *Loans*. Finally, this distinction implies that all transactions involving resident MFIs and non-resident banks are to be classified as *Deposits*.

6.4.3. Loans (F4/AF4)

Loans are financial assets that are (a) created when a creditor lends funds directly to a debtor, and (b) evidenced by documents that are not negotiable. This category includes all loans, including mortgages, financial leases and repo-type operations. All repo-type operations, i.e. repurchase agreements, sell/buy-back operations and securities lending (with exchange of cash as collateral), are treated as collateralised loans, not as outright purchases/sales of securities, and are recorded under *Other investment*, within the resident sector that carries out the operation. This treatment, which is also in line with the accounting practice of banks and other financial corporations, is intended to more accurately reflect the economic rationale behind these financial instruments.

6.4.4. Insurance, pension schemes, and standardised guarantee schemes (F6/AF6)

This includes the following: (a) Non-life insurance technical reserves (F61); (b) Life insurance and annuity entitlements (F62); (c) Pension entitlements, claims of pension funds on pension managers, and entitlements to non pension funds (F63+F64+F65); and (d) Provisions for calls under standardised guarantees (F66).

6.4.5. Trade credit and advances (F81/AF81)

Trade credit and advances are financial claims arising from the direct extension of credit by the suppliers of goods and services to their customers, and advances for work that is in progress or is yet to be undertaken, in the form of prepayment by customers for goods and services not yet provided. Trade credit and advances arise when payment for goods or services is not made at the same time as the change in ownership of a good or provision of a service.

6.4.6. Other accounts receivable/payable (F89/AF89)

This category consists of accounts receivable or payable other than those included in trade credit and advances or other instruments. It comprises financial assets and liabilities created as counterparts to transactions where there is a timing difference between these transactions and the corresponding payments. It includes liabilities for taxes, purchase and sale of securities, securities lending fees, gold loan fees, wages and salaries, dividends, and social contributions that have accrued but have not yet been paid.

6.4.7. Special drawing rights (SDR) allocations (F12/AF12)

The allocation of SDRs to IMF members is shown as a liability incurred by the recipient under SDRs in *Other investment*, with a corresponding entry under SDRs in *Reserve assets*.

6.5. Reserve assets

Reserve assets are those external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to manage the currency exchange rate, and for other related purposes (such as maintaining confidence in the currency and the economy, or serving as a basis for foreign borrowing). Reserve assets must be foreign currency assets, claims vis-à-vis non-residents and assets that actually exist. Potential assets are excluded. Underlying the concept of reserve assets are the notions of 'control' and 'availability for use' by the monetary authorities.

6.5.1. Monetary gold (F11/AF11)

Monetary gold is gold to which the monetary authorities (or others who are subject to the effective control of the monetary authorities) have title and is held as reserve assets. It includes *Gold bullion* and *Unallocated gold accounts* with non-residents that give title to claim the delivery of gold.

6.5.1.1. **Gold bullion** takes the form of coins, ingots, or bars with a purity of at least 995 parts per 1 000, including such gold bullion held in allocated gold accounts.

6.5.1.2. **Unallocated gold accounts** represent a claim against the account operator to deliver gold. For these accounts, the account provider holds title to a reserve base of physical (allocated) gold and issues claims to account holders denominated in gold. Unallocated gold accounts not classified as monetary gold are included as *Currency and deposits* in *Other investment*.

6.5.2. Special drawing rights (F12/AF12)

Special drawing rights (SDR) are international reserve assets created by the IMF and allocated to members to supplement existing official reserves. SDRs are held only by the monetary authorities of IMF members and by a limited number of international financial institutions that are authorised holders.

6.5.3. Reserve position in the IMF

This is the sum of (a) the 'reserve tranche,' that is, the foreign currency (including SDRs) amounts that a member country may draw from the IMF at short notice; and (b) any indebtedness of the IMF (under a loan agreement) in the General Resources Account that is readily available to the member country.

6.5.4. Other reserve assets

These comprise: *Currency and deposits*, *Securities*, *Financial derivatives* and *Other claims*. *Deposits* refer to those available on demand. *Securities* include liquid and marketable equity and debt securities issued by non-residents, including investment funds shares or units. *Financial derivatives* are recorded in reserve assets only if the derivatives pertaining to the management of the reserve assets are integral to the valuation of such assets. *Other claims* include loans to non-resident non-banks, long-term loans to an IMF Trust account and other financial assets not included previously but that meet the reserve assets definition.
