EUROPEAN CENTRAL BANK

EUROSYSTEM

OPINION OF THE EUROPEAN CENTRAL BANK

of 16 August 2012

on foreign trade reporting requirements

(CON/2012/66)

Introduction and legal basis

On 28 June 2012, the European Central Bank (ECB) received a request from the Federal Ministry of Economics and Technology for an opinion on the draft regulation (hereinafter the 'draft regulation') amending the Regulation on foreign trade[1] (hereinafter the 'RFT').

The ECB's competence to deliver an opinion is based on Article 127(4) and Article 282(5) of the Treaty on the Functioning of the European Union and the third and fourth indents of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions[2], as the draft regulation relates to the Deutsche Bundesbank and the collection and distribution of balance of payments statistics. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

1. Purpose of the draft regulation

1.1 The draft regulation will adapt the reporting requirements under the RFT to international standards developed by the Committee on Balance of Payments Statistics of the International Monetary Fund (IMF)[3] and transposed into Union law under: (a) 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[4], and (b) Guideline ECB/2011/23 of 9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics[5], both of which will apply from 1 June 2014.

1.2 Section 63 of the draft regulation also streamlines the RFT and inserts limited amendments related to the functioning of the Single Euro Payments Area.

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1 Regulation on foreign trade, *Bundesgesetzblatt* I, 22.11.1993, p. 1934, 2493.

2 OJ L 189, 3.7.1998, p. 42.

3 See IMF Committee on Balance of Payments Statistics, 'IMF's Balance of Payments and International Investment Position Manual, sixth Edition', August 2011, available on the IMF's website at www.imf.org.

4 OJ L 166, 27.6.2012, p. 22.

5 OJ L 65, 3.3.2012, p. 1.

2. General observations

In accordance with Article 5.1 of the Statute of the European System of Central Banks and the European Central Bank, the ECB, assisted by the national central banks, collects the necessary statistical information in order to undertake the tasks of the ESCB. As stated in the 'Public commitment on European Statistics by the ESCB'[6], the ECB attaches great importance to the quality of its statistics. This concerns, *inter alia*, the euro area balance of payments and international investment position statistics whose aim is to support the ECB's monetary policy and other Eurosystem tasks. Hence, the ECB broadly welcomes this draft regulation which will ensure consistency with the reporting requirements under Guideline ECB/2011/23 and facilitate adherence to the principles of the ECB Statistics Quality Framework.

3. Specific observations

The ECB particularly welcomes the following amendments introduced by the draft regulation:

(a) Amendments to the template in Annex Z 4 of the RFT, whereby additional information is to be provided on the International Securities Identification Number (ISIN) code and on the nominal value/ number of shares, with respect to payments for direct investments denominated in shares. These amendments enable transactions to be more clearly distinguished between those that belong to 'direct investment' and 'portfolio investment', as required in Table 2 (Financial Account) of Annex II to Guideline ECB/2011/23;

(b) Amendments to Article 62(3) of the RFT and new templates introduced in Annex Z 5A regarding claims and liabilities arising from financial relationships with related foreign non-banks. These templates enable the three types of direct investment relationships required under section 6.1 of Annex III to Guideline ECB/2011/23[7] to be distinguished. Furthermore, the new currency breakdown enables a more accurate compilation of derived transactions and revaluations due to exchange rate changes as required in Table 2 (Financial Account) and Table 4 of Annex II to Guideline ECB/2011/23;

(c) Amendment to the template in Annex Z 5B, which replaces annual reporting with quarterly reporting of cross-border positions on financial derivatives of resident non-banks, as required in Table 4 of Annex II to Guideline ECB/2011/23. Consistent with its previous opinion[8], the ECB welcomes the early introduction of the quarterly reporting obligations by the draft regulation.

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6 All publications are available on the ECB's website at www.ecb.europa.eu.

7 The three types of direct investment relationships are: (a) direct investors' investment in direct investment enterprises, (b) investments from the direct investment enterprises to the direct investor (reverse investment), and (c) investments between fellow enterprises.

8 See paragraph 3 of Opinion CON/2009/97 which refers to Guideline ECB/2004/15 which was subsequently replaced by Guideline ECB/2011/23.

This opinion will be published on the ECB's website.

Done at Frankfurt am Main, 16 August 2012.

[signed]

The President of the ECB

Mario DRAGHI