II

(Acts whose publication is not obligatory)

EUROPEAN CENTRAL BANK

GUIDELINE OF THE EUROPEAN CENTRAL BANK

of 11 May 2000

on the statistical reporting requirements of the European Central Bank in the field of balance-of-payments statistics, the international reserves template and international investment position statistics

(ECB/2000/4)

(2001/476/EC)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank (hereinafter referred to as the 'Statute'), and in particular to Articles 5.1, 12.1 and 14.3 thereof,

Whereas:

(1) For the fulfilment of its tasks, the European System of Central Banks (ESCB) needs to compile comprehensive and reliable monthly, quarterly and annual balance of payment; statistics, monthly statistics showing the outstanding amount of reserve assets and annual international investment position statistics showing the main items affecting monetary conditions and exchange markets in the participating Member States, when the latter are seen as one economic territory.

(2) The Statute requires the European Central Bank (ECB), assisted by the national central banks (NCBs), to collect either from the competent national authorities or directly from economic agents the statistical information necessary in order for it to undertake the tasks of the ESCB. Article 5.2 of the Statute stipulates that the NCBs shall carry out, to the extent possible, the tasks described in Article 5.1 of the Statute.

(3) According to recital 12 of Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank [1], in the early years of the single currency area cost-effectiveness may require the ECB's statistical reporting requirements to be satisfied through transitional procedures due to existing constraints on the collection systems. This may imply in particular that, in the case of the portfolio investment income account, the portfolio investment account of the balance of payments and international investment position, data on cross-border positions or transactions of the participating Member States seen as one economic territory may be compiled using all positions or transactions between residents of a participating Member State and residents of other countries.

(4) The present data on positions and transactions in the assets and/or liabilities of residents or participating Member States vis-à-vis residents of other participating Member States will continue to be reported after the start of stage III of economic and monetary union in accordance with national requirements or established practices. This information is necessary, in the early years of the single currency area, for the fulfilment of the ECB's statistical requirements. This does not create an additional reporting burden on the reporting population.

(5) The definitive geographical categorisation of counterparts required in respect of international investment position data to be provided within the deadlines established in Annex III of the present guideline shall be defined by the ECB in the course of 2001. The deadline and definitive geographical categorisation of counterparts required in respect of balance of payments data shall be defined by the ECB in the course of 2001.

(6) In some Member States, according to established national practices, the actual reporting population does not report to the NCB but to another competent national statistical authority. In order to meet the statistical requirements of the ECB, the NCBs of these Member

[1] OJ L 318, 27.11.1998, p. 8.

States and the other competent national statistical authorities shall cooperate with each other as laid down in Recommendation ECB/2000/5 of 11 May 2000 on the statistical reporting requirements of the European Central Bank in the field of balance of payments, international reserves and international investment position statistics [1].

(7) The transmission from the NCBs to the ECB of confidential statistical information shall take place to the extent and in the detail necessary for the exercise of the tasks of the ESCB. The confidentiality regime is laid down in Article 8 of Regulation (EC) No 2533/98 and further specified in Guideline ECB/1998/17 of 1 December 1998 on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics [2].

(8) It is necessary to set up a procedure to carry out technical amendments to the Annexes to this guideline in an effective manner, provided that such amendments neither change the underlying conceptual framework nor affect the reporting burden, and account shall be taken of the views of the Statistics Committee of the ESCB when following this procedure. NCBs may propose such technical amendments to the Annexes to this guideline through the Statistics Committee.

(9) In the light of further statistical progress achieved, the need for an update of Guideline ECB/1998/17 has arisen. This also provides an opportunity to carry out technical amendments where necessary.

(10) In accordance with Articles 12.1 and 14.3 of the Statute, ECB guidelines form an integral part of Community law,

HAS ADOPTED THIS GUIDELINE:

Article 1

Definitions

For the purposes of this Guideline:

— 'participating Member State' shall mean a Member State which has adopted the single currency in accordance with the Treaty.

— 'resident' and 'residing' shall mean having a centre of economic interest in the economic territory of a country, as described in Annex A to Council Regulation (EC) No 2533/98,

— 'economic territory of the participating Member States' shall mean the participating Member States viewed as one economic territory.

— 'euro area' shall mean the economic territory of the participating Member States, and the ECB,

— 'eurosystem' shall mean the NCBs of the participating Member States and the ECB,

— 'cross-border transaction' shall mean any transaction that creates or redeems, in full or in part, claims or debts or any transaction that implies the transfer of a right over an object between residents of participating Member States seen as one economic territory and residents of nonparticipating Member States and/or residents of third countries. 'Cross-border positions' shall mean the stock of financial claims on and financial liabilities to residents of non-participating Member States and/or residents of third countries. Cross-border positions shall also encompass land, other real property and other immovable assets physically located outside the economic territory of the participating Member States and owned by residents of participating Member States and/or located inside the economic territory of the participating Member States and owned by residents of nonparticipating Member States and/or residents of third countries; and monetary gold and special drawing rights (SDRs) owned by residents of participating Member States. However, until 31 December 2005, to the extent necessary for the compilation of the portfolio investment account and the portfolio investment income account within the balance of payments, and the portfolio investment account within the international investment position statistics covering the economic territory of the participating Member States, the terms 'cross-border positions' and 'cross-border transactions' also comprise positions and transactions in the assets and/or liabilities of residents or participating Member States vis-à-vis residents of other participating Member States,

— 'reserve assets' shall mean highly liquid, marketable and creditworthy claims held by the eurosystem on residents of non-participating Member States and/or residents of third countries and denominated in currencies other than the euro, plus gold, reserve positions in the International Monetary Fund (IMF) and SDR holdings,

— 'other foreign currency assets' shall mean claims held by the eurosystem on residents of participating Member States denominated in currencies other than the euro and claims on residents of non-participating Member States and/or residents of third countries denominated in currencies other than the euro, which do not meet the liquidity, marketability and creditworthiness criteria of reserve assets,

— 'reserve-related liabilities' shall mean predetermined and contingent short-term net drains on the Eurosystem of a kind similar to reserve assets and other foreign currency assets of the eurosystem,

— 'balance of payments' shall mean the statistical statement that reports with the appropriate breakdown cross-border transactions during the period under review,

— 'international reserves template' shall mean the statistical statement that reports with the appropriate breakdown stocks of reserve assets, other foreign currency assets and reserve-related liabilities of the Eurosystem at a reference date,

— 'international investment position' shall mean the annual balance sheet that reports with the appropriate breakdown the stock of cross-border financial assets and liabilities at a reference date.

[1] Not yet published in the Official Journal.
[2] OJ L 115, 4.5.1999, p. 47.

Article 2

Statistical obligations of the NCBs

1. The NCBs shall make available to the ECB data on the cross-border transactions, stocks of reserve assets, other foreign currency assets, reserve-related liabilities and cross-border positions necessary to enable the ECB to compile the aggregated balance of payments, international reserves template and international investment position of the economic territory of the participating Member States.

2. The required statistical information shall be made available to the ECB as laid down in Annexes I, II and III to this guideline, which conform to current international standards. notably the fifth edition of the IMF Balance of Payments Manual (BPM5).

3. The required statistical information shall be made available on the balance of payments for monthly, quarterly and annual calendar periods, on the international reserves template as at the end of the month under review and on the international investment position as at the end of the calendar year under review.

Article 3

Timeliness

1. Key items in the monthly balance of payments of the economic territory of the participating Member States shall be made available to the ECB by the close of business on the 30th working day following the end of the month to which the data relate.

2. The quarterly detailed breakdown for the balance of payments of the economic territory of the participating Member States shall be made available to the ECB within three months of the end of the quarter to which the data relate.

3. The annual data of an aggregated balance of payments of the economic territory of the participating Member States shall be made available within three months of the end of the year to which the data relate with the same breakdowns as for the quarterly data.

4. The data on the international reserves template shall be made available to the ECB within three weeks of the end of the month to which the data relate.

5. The data on the international investment position shall be made available to the ECB within nine months of the year-end date to which the data relate.

6. The national collection of these data shall be organised with a view to meeting these deadlines.

Article 4

Transmission standard

1. The required statistical information shall be made available to the ECB in a form which meets the requirements as laid down in Annex IV to this guideline.

2. The NCBs shall use the facility provided by the ESCB, which relies upon the telecommunications network ('ESCB-Net'), for the electronic transmission of the balance of payments, international reserves template and international investment position statistical information required by the ECB. The statistical message format developed for this electronic exchange of statistical information is the 'Gesmes/CB' format. This requirement does not prevent the use of some other means of transmitting statistical information to the ECB as an agreed fallback solution.

Article 5

Quality of the statistical information

1. Without prejudice to the ECB's monitoring tasks as laid down in Annex V to this guideline, the NCBs shall monitor the quality and reliability of statistical information made available to the ECB.

2. This process may include the transmission of revisions made by the NCBs: first, in order to include the latest assessment of the statistical information, thereby improving the quality; and, secondly, to ensure as far as possible consistency between the corresponding balance of payments items for each of the different frequencies.

Article 6

Simplified amendment procedure

Taking account of the views of the Statistics Committee, the Executive Board of the ECB shall be entitled to make technical amendments to the Annexes to this guideline, provided that such amendments neither change the underlying conceptual framework nor affect the reporting burden.

Article 7

Final provisions

1. This guideline shall replace Guideline ECB/1998/17.

2. This guideline is addressed to the national central banks of participating Member States.

3. This guideline shall enter into force on 11 May 2000.

4. This guideline shall be published in the *Official Journal of the European Communities*.

Done at Frankfurt am Main, 11 May 2000.

On behalf of the Governing Concil of the ECB

Willem F. DUISENBERG

ANNEX I

STATISTICAL REQUIREMENTS OF THE EUROPEAN CENTRAL BANK

1. **Balance of payments statistics**

The European Central Bank (ECB) requires balance of payments statistics at three different frequencies: monthly, quarterly and annually in respect of the corresponding reference calendar periods. As far as possible, they should be consistent with other statistics provided for the conduct of monetary policy.

1.1. *Monthly balance of payments statistics — key items*

Objective

The objective is a monthly balance of payments of the economic territory of the participating Member States showing the main items affecting monetary conditions and exchange markets.

Requirements

It is essential that the data are suitable for use in the calculation of the balance of payments of the economic territory of the participating Member States.

For the purposes of monetary policy and foreign exchange operations, the ECB's requirement for monthly balance of payments statistics is confined to broad categories of transactions or 'key items' (see Annex II, Table 1). The short deadline for the provision of the monthly key items, their highly aggregated nature and their use for monetary policy purposes and foreign exchange operations allow some departure from international guidelines (see Article 2(2) of this guideline), where unavoidable. Recording on a full accruals or transactions basis is not required. In agreement with the ECB, national central banks (NCBs) of the participating Member States may provide data on the current and financial account on a settlement basis. Where necessary to meet the deadline, estimates or preliminary data will be accepted.

The requirement for each broad category of transaction is assets and liabilities (or credits and debits for current account items). In general this requires NCBs of the participating Member States. within external transactions, to distinguish between transactions with residents of other participating Member States and transactions outside the economic territory of the participating Member States, and the NCB of each Member State to do so consistently. When membership of the euro area changes, the NCBs in the participating Member States are required to implement the change in the definition of the country composition of the euro area from the date on which the change in membership takes effect. Best estimates for historical data covering the enlarged euro area are requested from NCBs of former participating Member States and the new participating Member State(s).

In order to permit a meaningful aggregation for the economic territory of the participating Member States on a monthly basis in the area of portfolio investment, a split is required between transactions in securities issued by residents of participating Member States and securities issued by residents of all other countries. For the purpose of making this distinction, it is necessary to identify separately whether or not the issuer of the security is a resident of a participating Member State. The net transactions in portfolio investment assets of the economic territory of the participating Member States are compiled by aggregating reported net transactions in securities issued by non-residents. Net transactions in portfolio investment liabilities of the economic territory of the participating Member States are compiled by consolidation of net transactions in total national liabilities and net transactions in securities issued and purchased by residents of the participating Member States.

An analogous reporting requirement and compilation method for the aggregate are applied for portfolio investment income.

1.2. *Quarterly and annual balance of payments*

Objective

The objective of the quarterly and annual balance of payments of the economic territory of the participating Member States is to provide more detailed information to permit further analysis of eternal transactions. These statistics will notably contribute to the financial accounts under preparation and to the joint publication of EU/euro area balance of payments in cooperation with the Commission of the European Communities (Eurostat). A sector breakdown is the basis for supplementing monetary policy analysis with a monetary presentation of the euro area balance of payments statistics.

Requirements

Quarterly and annual balance of payments statistics required by the ECB conform to the greatest extent possible to the standards set in international guidelines (see Article 2(2) of this guideline). The breakdown of quarterly and annual balance of payments statistics required by the ECB is presented in Annex II, Table 2. Special European harmonised concepts and definitions of the capital and financial account are set out in Annex III to this Guideline.

The breakdown of the quarterly/annual current account is similar to the requirement for the monthly figures. Only key items are required for goods, services and transfer payments. For income, a more detailed breakdown is needed.

In the financial account, the requirements of the International Monetary Fund (IMF) standard components of the Balance of Payments Manual (BPM5) for the other investment item are simplified. This simplification includes the removal of a distinction between loans and deposits on each side of the balance sheet, the removal of the maturity breakdown and a change in the presentation of the breakdown (i.e. sector as first priority). This sectoral breakdown is compatible but not identical with the BPMS where instruments have priority.

Member States are expected to distinguish in their quarterly and annual balance of payments statistics between transactions with other participating countries and all other external transactions. As for the monthly data, a split between transactions in securities issued by residents of participating Member States and securities issued by residents of all other countries is required for quarterly and annual data in the areas of portfolio investment. The same holds for the portfolio investment income.

For the balance of payments of the economic territory of the participating Member States, accrued investment income data are required on a quarterly basis. In line with the system of national accounts, the BPM5 recommends that interest should be recorded on an accruals basis. This recommendation affects the current account (investment income) as well as the financial account.

2. **International reserves template**

Objective

The objective is a monthly statement of the reserve assets, other foreign currency assets and reserve related liabilities held by participating NCBs and the ECB following the presentation of the common IMF/Bank for International Settlements (BIS) template on 'International reserves and foreign currency liquidity'. This information complements the data on reserve assets included in the euro area balance of payments and international investment position statistics.

Requirements

Reserve assets of the euro area are highly liquid, marketable and creditworthy claims held by the ECB ('pooled reserves') and the national central banks in participating Member States ('unpooled reserve assets') on non-residents of the euro area and denominated in foreign currency (i.e. in currencies other than the euro), including gold, reserve positions in the IMF and SDR holdings. They may include positions in financial derivatives. Reserve assets are compiled on a gross basis without any netting-off of reserve-related liabilities. The breakdown of the data required from the participating Member States is presented in Annex II, Table 3, section I.A.

Foreign currency denominated assets of the Eurosystem which do not meet this definition, namely claims on residents of participating Member States and claims on residents of non-participating Member States which do not meet the liquidity, marketability and creditworthiness criteria, are included under the 'other foreign currency assets' item of the international reserves template (Annex II, Table 3, Section I.B).

Euro-denominated claims on non-residents and balances in foreign currency held by governments of participating Member States are not considered as reserve assets; such amounts are recorded as 'other investment' if they represent claims on non-residents of the euro area.

In addition, information on predetermined and contingent short-term net drains of the eurosystem connected to reserve assets and other foreign currency assets of the eurosystem, the 'reserve-related liabilities', is to be reported under Annex II, Table 3, sections II to IV.

3. **International investment position statistics**

Objective

The objective is an annual statement of the external assets and liabilities of the economic territory of the participating Member States as a whole, for monetary policy and exchange market analysis. The ECB requires international investment position statistics in respect of end-of calendar-year stock levels. This statistical information may also assist in the compilation of balance of payments flows.

Requirements

The international investment position data required by the ECB conform to the greatest extent possible to the standards set in international guidelines (see Article 2(2) of this guideline). The ECB compiles the international investment position for the economic territory of the participating Member States as a whole. The breakdown of the international investment position for the economic territory of the participating Member States is presented in Annex II, Table 4.

The ECB may require items of particular significance for the conduct of monetary policy, specifically those items within the other investment accounts which are currently provided to the BIS for its statistics on international banking, on a quarterly basis.

The international investment position shows financial stocks at the end of the reference period, valued at end-period prices. As such, part of the change in the value of stocks during the reference period will be due to the financial transactions that have taken place and been recorded in the balance of payments. Likewise, part of the changes in positions at the beginning and at the end of a given period will be caused by changes in the prices of the financial assets and liabilities shown. In the event that stocks are denominated in currencies other than the unit of account used for the international investment position, changes in the exchange rates vis-à-vis other currencies will also affect the values of those stocks. Finally, any other change in stocks, which is not due to the abovementioned factors will be considered as other adjustments.

A proper reconciliation between the financial flows and stocks of the economic territoty of the participating Member States requires these changes in value owing to price, exchange rate changes and other adjustments to be reflected separately.

However, for practical reasons, at the start of stage III of economic and monetary union, these changes will be shown together as a lump sum under a single heading and the international investment position will be compiled on a net basis relying on aggregate national data. In addition, specific rules may be applied for the valuation of equity capital in direct investment, notably in the case of unquoted shares.

Coverage of the international investment position is as close as possible to that for quarterly/annual balance of payments flows. The concepts, definitions and breakdowns are in line with those used for quarterly/annual balance of payments flows. As far as possible, data on the international investment position should be considered with other statistics, such as money and banking statistics, financial accounts and national accounts. These stocks encompass direct investment position data compiled by the Commission of the European Communities (Eurostat).

Portfolio assets within the international investment position shall be compiled from pure stock data related to end-of year holdings of equity and short- and long-term debt securities issued by non-euro area residents, separating each category. The data requirements established by the ECB are fully consistent with those adopted for the IMF-coordinated portfolio investment survey.

ANNEX II

REQUIRED BREAKDOWNS

Table 1

Monthly key items for the balance of payments of the euro area

	Credit	Debit	Net
I. **Current account**			
Goods	extra	extra	extra
Services	extra	extra	extra
Income			
Compensation of employees	extra	extra	extra
Investment income			
— direct investment	extra	extra	extra
— portfolio investment	extra		national
— other investment	extra	extra	extra
Current transfers	extra	extra	extra
II. **Capital account**	extra	extra	extra
	Net assets	Net liabilities	Net
III. **Financial account**			
Direct investment			extra
Abroad			extra
— Equity			extra
— reinvested earnings			extra
— other capital			extra
In the reporting economy			extra
— equity			extra
— reinvested earnings			extra
— other capital			extra
Portfolio investment	extra/intra	national	
Equity securities	extra/intra	national	
Debt securities	extra/intra	national	
— bonds and notes	extra/intra	national	
— money market instruments	extra/intra	national	
Financial derivatives			national
Other investment	extra	extra	extra
MFIs (excluding central banks)	extra	extra	extra
— long-term	extra	extra	extra
— short-term	extra	extra	extra
General government	extra	extra	extra
Monetary authorities	extra		extra
Other sectors	extra	extra	extra
Reserve assets	extra		extra

'extra': means transactions with non-residents of the euro area (for portfolio investment assets and related income it refers to the residency of the issuers).
'intra': means cross-border transactions within the euro area.
'national': means the amount of all cross-border transactions by residents of a Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts).

Table 2

Quarterly and annual balance of payments of the euro area

	Credit	Debit	Net
I. **Current account**			
Goods	extra	extra	extra
Services	extra	extra	extra
Income			
Compensation of employees	extra	extra	extra
Investment income			
— direct investment	extra	extra	extra
— income on equity	extra	extra	extra
— income on debt (interest)	extra	extra	extra
— Portfolio investment	extra		national
— income on equity (dividends)	extra		national
— income on debt (interest)	extra		national
— bonds and notes	extra		national
— money market instruments	extra		national
— Other investment	extra	extra	extra
Current transfers	extra	extra	extra
II. **Capital account**	extra	extra	extra
	Net assets	Net liabilities	Net
III. **Financial account**			
Direct investment			extra
Abroad			extra
— Equity			extra
(i) MFIs (excluding central banks)			extra
(ii) other sectors			extra
— reinvested earnings			extra
(i) MFIs (excluding central banks)			extra
(ii) other sectors			extra
— other capital			extra
(i) MFIs (excluding central banks)			extra
(ii) other sectors			extra
In the reporting economy			extra
— equity			extra
(i) MFIs (excluding central banks)			extra
(ii) other sectors			extra
— reinvested earnings			extra
(i) MFIs (excluding central banks)			extra
(ii) other sectors			extra
— other capital			extra
(i) MFIs (excluding central banks)			extra
(ii) other sectors			extra

	Net assets	Net liabilities	Net
Portfolio investment	extra/intra	national	
Equity securities	extra/intra	national	
(i) monetary authorities	extra/intra	—	
(ii) general government	extra/intra	—	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) other sectors	extra/intra	national	
Debt securities	extra/intra	national	
— bonds and notes	extra/intra	national	
(i) monetary authorities	extra/intra	national	
(ii) general government	extra/intra	national	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) other sectors	extra/intra	national	
— money market instruments	extra/intra	national	
(i) monetary authorities	extra/intra	national	
(ii) general government	extra/intra	national	
(iii) MFIs (excluding central banks)	extra/intra	national	
(iv) other sectors	extra/intra	national	
Financial derivatives			national
(i) Monetary authorities			national
(ii) General government			national
(iii) MFIs (excluding central banks)			national
(iv) Other sectors			national
Other investment	extra	extra	extra
(i) Monetary authorities	extra	extra	extra
— loans/currency and deposits	extra	extra	extra
— other assets/liabilities	extra	extra	extra
(ii) General government	extra	extra	extra
— trade credits	extra	extra	extra
— loans/currency and deposits	extra	extra	extra
— other assets/liabilities	extra	extra	extra
(iii) MFIs (excluding central banks)	extra	extra	extra
— loans/currency and deposits	extra	extra	extra
— other assets/liabilities	extra	extra	extra
(iv) Other sectors	extra	extra	extra
— trade credits	extra	extra	extra
— loans/currency and deposits	extra	extra	extra
— other assets/liabilities	extra	extra	extra
Reserve assets	extra		
Monetary gold	extra		
Special drawing rights	extra		
Reserve position in the International Monetary Fund (IMF)	extra		
Foreign exchange	extra		
— currency and deposits	extra		
— with monetary authorities	extra		
— MFIs (excluding central banks)	extra		

	Net assets	Net liabilities	Net
— securities	extra		
— equities	extra		
— bonds and notes	extra		
— money market instruments	extra		
— financial derivatives	extra		
Other claims	extra		

Table 3

Monthly international reserves of the Eurosystem; reserve-related liabilities of the euro area

I. **Official reserve assets and other foreign currency assets (approximate market value)**

A. *Official reserve assets*

1. Foreign currency reserves (in convertible foreign currencies)
   (a) Securities, of which:
      — issuer headquartered in the euro area
   (b) total currency and deposits with:
      (i) other national central banks, Bank of International Settlements (BIS) and IMF
      (ii) banks headquartered in the euro area and located abroad
      (iii) banks headquartered and located outside the euro area
2. IMF reserve position
3. SDRs
4. gold (including gold deposits and gold swaps)
5. other reserve assets
   (a) financial derivatives
   (b) loans to non-bank non-residents
   (c) other

B. *Other foreign currency assets*

(a) securities not included in official reserve assets
(b) deposits not included in official reserve assets
(c) loans not included in official reserve assets
(d) financial derivatives not included in official reserve assets
(e) gold not included in official reserve assets
(f) other

II. **Predetermined short-term net drains on foreign currency assets (nominal value)**

	Total	Maturity breakdown (residual maturity, (where applicable)		
		Up to one month	More than one month and up to three months	More than three months and up to one year
1. Foreign currency loans, securities and deposits				
— outflows (–) Principal				
Interest				
— inflows (+) Principal				
Interest				
2. Abbregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency *swaps*)				
a) Short positions (–)				
b) Long positions (+)				
3. Other (specify)				
— outflows related to repos (–)				
— inflows related to reverse repos (+)				
— trade credits (–)				
— trade credits (+)				
— other accounts payable (–)				
— other accounts receivable (–)				

III. **Contingent short-term net drains on foreign currency assets (nominal value)**

	Total	Maturity breakdown (residual maturity where applicable)		
		Up to one month	More than one month and up to three months	More than three months and up to one year
1. Contingent liabilities in foreign currency				
a) Collateral guarantees on debt falling due within one year				
b) Other contingent liabilities				
2. Foreign currency securities issued with embedded options (puttable bonds)				
3. Undrawn, unconditional credit lines provided by:				
a) other national monetary authorities, BIS, IMF and other international organisations				
— other national monetary authorities(+)				
— BIS (+)				
— IMF (+)				
b) banks and other financial institutions headquartered in the reporting country (+)				
c) banks and other financial institutions headquartered outside the reporting country(+)				
4. Undrawn, unconditional credit lines provided to:				
a) other national monetary authorities, BIS, IMF and other international organisations				
— other national monetary authorities (+)				
— BPS (+)				
— IMF (+)				
b) banks and other financial institutions headquartered in the reporting country (–)				
c) banks and other financial institutions headquartered outside the reporting country (–)				
5. Aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency				
a) Short positions				
i) Bought puts				
ii) Written calls				
b) Long positions				
i) Bought calls				
ii) Written puts				
Pro memoria: 'In-the-money options'				
(1) At current exchange rates				
a) Short position				
b) Long position				
(2) + 5 % (depreciation of 5 %)				
a) Short position				
b) Long position				
(3) – 5 % (appreciation of 5 %)				
a) Short position				
b) Long position				
(4) + 10 % (depreciation of 10 %)				
a) Short position				
b) Long position				
(5) – 10 % (appreciation of 10 %)				
a) Short position				
b) Long position				
(6) Other (specify)				
a) Short position				
b) Long position				

IV. **Memo items**

1. To be reported with standard periodicity and timeliness:
   (a) short-term domestic currency debt indexed to foreign exchange rates
   (b) financial instruments denominated in foreign currency and settled by other means (e.g. in domestic currency)
      — non-deliverable forwards
         (i) short positions
         (ii) long positions
      — other instruments
   (c) pledged assets
      — included in reserve assets
      — included in other foreign currency assets
   (d) securities lent and on repo
      — lent or repoed and included in Section I
      — lent or repoed but not included in Section I
      — borrowed or acquired but not included in Section I
      — borrowed or acquired but not included in Section I
   (e) financial derivative assets (net, marked to market)
      — forwards
      — futures
      — swaps
      — options
      — other
   (f) derivatives (forward, futures or options contracts) that have a residual maturity greater than one year, which are subject to margin calls.
      — aggregate short and long positions in forwards and futures in foreign currencies vis-à-vis the domestic currency (including the forward leg of currency swaps)
         (i) short positions
         (ii) long positions
      — aggregate short and long positions of options in foreign currencies vis-à-vis the domestic currency
         (i) short positions
            — bought puts
            — written calls
         (ii) long positions
            — bought calls
            — written puts

2. To be disclosed less frequently (e.g. once a year):
   (a) currency composition of reserves (by groups of currencies)
      — currencies in SDR basket
      — currencies not included in SDR basket

Table 4

Annual international investment position of the euro area

	Assets	Liabilities	Net
I. **Direct investment**			
Abroad	extra		
— Equity and reinvested earnings	extra		
i) MFIs (excluding central banks)	extra		
ii) Other sectors	extra		
— Other capital	extra		
i) MFIs (excluding central banks)	extra		
ii) Other sectors	extra		
In the reporting economy		extra	
— Equity and reinvested earnings		extra	
i) MFIs (excluding central banks)		extra	
ii) Other sectors		extra	
— Other capital		extra	
i) MFIs (excluding central banks)		extra	
ii) Other sectors		extra	
II. **Portfolio investment**			
Equity securities	extra/intra	national	
i) Monetary authorities	extra/intra	—	
ii) General government	extra/intra	—	
iii) MFIs (excluding central banks)	extra/intra	national	
iv) Other sectors	extra/intra	national	
Debt securities	extra/intra	national	
— Bonds and notes	extra/intra	national	
i) Monetary authorities	extra/intra	national	
ii) General government	extra/intra	national	
iii) MFIs (excluding central banks)	extra/intra	national	
iv) Other sectors	extra/intra	national	
— Money market instruments	extra/intra	national	
i) Monetary authorities	extra/intra	national	
ii) General government	extra/intra	national	
iii) MFIs (excluding central banks)	extra/intra	national	
iv) Other sectors	extra/intra	national	
III. **Financial derivatives**			
i) Monetary authorities	extra	extra	extra
ii) General government	extra	extra	extra
iii) MFIs (excluding central banks)	extra	extra	extra
iv) Other sectors	extra	extra	extra
IV. **Other investment**			
i) Monetary authorities	extra	extra	extra
— Loans/currency and deposits	extra	extra	extra
— Other assets/liabilities	extra	extra	extra

	Assets	Liabilities	Net
ii) General government	extra	extra	extra
— Trade credits	extra	extra	extra
— Loans/currency and deposits	extra	extra	extra
— Other assets/liabilities	extra	extra	extra
iii) MFIs (excluding central banks)	extra	extra	extra
— Loans/currency and deposits	extra	extra	extra
— Other assets/liabilities	extra	extra	extra
iv) Other sectors	extra	extra	extra
— Trade credits	extra	extra	extra
— Loans/currency and deposits	extra	extra	extra
— Other assets/liabilities	extra	extra	extra
V. **Reserve assets**			
Monetary gold	extra		
Special drawing rights	extra		
Reserve position in the IMF	extra		
Foreign exchange	extra		
— Currency and deposits	extra		
— With monetary authorities	extra		
— With MFIs (excluding central banks)	extra		
— Securities	extra		
— Equities	extra		
— Bonds and notes	extra		
— Money market instruments	extra		
— Financial derivatives	extra		
Other claims	extra		

International positions for end-1999 and end-2000 should refer to 'national data'.

'extra': means positions with non-residents of the euro area (for portfolio investment assets and related income, it refers to the residency of the issuers);

'intra': means cross-border positions within the euro area;

'national': means the amount of all cross-border positions by residents of a Member State (used only in connection with liabilities on portfolio investment accounts and the net balance of the financial derivatives accounts).

ANNEX III

CONCEPTS AND DEFINITIONS TO BE USED IN THE BALANCE OF PAYMENTS STATISTICS, INTERNATIONAL RESERVES TEMPLATE AND INTERNATIONAL INVESTMENT POSITION STATISTICS TO BE REPORTED TO THE EUROPEAN CENTRAL BANK

In order to construct meaningful aggregated external statistics for the economic territory of the participating Member States, concepts and definitions have been defined in the field of balance of payments statistics (income, capital and financial accounts), the international reserves template and international investment position statistics. These requirements are based on the 'Implementation package' (July 1996) and additional documents endorsed by the Governing Council of the European Central Bank (ECB). Current international standards, such as the International Monetary Fund (IMF) balance of payments recommendations (Balance of Payments Manual (BPM5), IMF/Bank for International Settlements template on international reserves and foreign currency liquidity), have been used as a reference in formulating these concepts and definitions. The most important harmonisation proposals are listed below. Further guidance is available in the corresponding reports to which reference codes are provided in brackets. The reports referred to do not form part of the legal text.

1. Concepts and definitions of selected items

1.1. *Investment income (ST/SC/BP/INCO9801)*

Definition

Investment income incorporates income derived from a resident entity's ownership of a foreign financial asset and, symmetrically, income derived from a non-resident entity's ownership of a domestic financial asset.

Coverage

Investment income includes receipts and payments on direct investment, portfolio investment and other investment income and receipts on reserve assets. The requirements for monthly key items, in addition to quarterly and annual balance of payments, are almost identical to IMF standard components as defined in the BPM5. The main difference is that the ECB does not require a breakdown of direct investment income on equity into distributed and undistributed profits.

Time of recording

Interest income is recorded on an accruals basis (this is not required for the monthly data). Dividends are recorded as of the date on which they become payable.

1.2. *Capital account (STA/WGS/BOP/CAPITAL96)*

Definition

The definition of the capital account covers capital transfers and the acquisition/disposal of non-produced non-financial assets. Current transfers are to be recorded in the current account.

Coverage

The standard components of the capital account consist of a sectoral breakdown into the items general government and other sectors, with a further breakdown thereafter. The ECB will compile only a lump-sum capital account, within which no breakdown is required. The separation between current and capital transfers is important and generally depends, in practice, on the use of the transfer by the recipient country.

1.3. *Direct investment (STA/WGS/BOP/DI95)*

Definition

According to international standards (IMF/OECD), ownership of 10 % or more of the equity of an enterprise indicates the existence of a long-term interest on the part of the direct investor and therefore constitutes a direct investment relationship. The relationship based on this criterion can exist directly between two entities or indirectly via a third entity being itself in a direct investment relationship with the two others. As a consequence, a direct investment relationship can exist between a number of related enterprises, whether the linkages involve a single chain or a number of chains. It can extend to indirect relationships. such as to direct investment enterprise's subsidiaries, sub-subsidiaries and associates as well as to fellow subsidiaries (sister companies).

Coverage

Special purpose entities (SPEs) are considered as regular direct investors and/or direct investment enterprises. Those NCBs of the participating Member States that are not in a position to follow this recommendation provide data on SPEs separately. In order to avoid discrepancies and in line with both the recommendations of the IMF and Eurostat/OECD guidelines, direct investment relationships are recorded using the 'directional' principle. In order to achieve consistency in the compilation of reinvested earnings, the calculation method and the time of recording are agreed. Intercompany financial transactions, including trade credits, are regarded as direct investment capital.

1.4. *Portfolio investment (STA/WGS/BOP/PORT95)*

Definition

The euro area portfolio investment account includes (i) equity securities; and (ii) debt securities in the form of bonds and notes and money market instruments. unless they are categorised either as direct investment or as reserve assets. Financial derivatives as well as repurchase agreements and bond lending are excluded from portfolio investment.

Coverage

The equity securities item covers all instruments representing claims on the residual value of incorporated enterprises after the claims of all creditors have been met. Shares, stocks, preferred stock or shares, participation, or similar documents usually denote ownership of equity. Transactions/holdings of shares of collective investment institutions, for exemple investment funds, are also included.

Bonds and notes are, in principle, securities issued with an initial maturity of more than one year which usually give the holder (i) the unconditional right to a fixed monetary income or contractually determined variable monetary income (payment of interest being independent of the earnings of the debtor), and (ii) the unconditional right to a fixed sum in repayment of principal on a specified date or dates.

Unlike bonds and notes, money market instruments are securities issued with an initial maturity of less than or equal to one year. 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 is dependent on the interest rate and the time remaining to maturity.

Time of recording

The recording of transactions in financial items takes place when both creditor and debtor enter the claim and liability, respectively, in their books (in accordance with the BPM5).

Recommendations for methods of recording the balance of payments on a full accruals basis have been agreed (STA/WGS/BOP/ACC9711). For the balance of payments of the economic territory of the participating Member States, accrued investment income is required only on a quarterly and annual basis. Recording on a full accruals basis is not a requirement for the monthly key items balance of payments.

1.5. *Financial derivatives (April 1997, October 1997, April 1998: STA/WG/BOP/SG59802)*

Definition

Financial derivatives are financial instruments that are linked to a specific financial instrument, indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. Transactions in financial derivatives are treated as separate transactions rather than as integral parts of the value of underlying transactions to which they may be linked.

Coverage

Transactions and positions in options, futures, swaps, forward foreign exchange contracts, credit derivatives and embedded derivatives are recorded in the balance of payments, international reserves and international investment position.

Initial margin payments are regarded as changes in deposits and should be recorded, if identifiable, in the other investment account. The treatment of variation margin payments depends on the form of the variation margin; options-style variation margins are regarded, in principle, as changes in deposits and should be recorded, if identifiable, under the item 'other investment'. Futures-style variation margin payments are regarded, in principle, as transactions in derivatives and should be recorded in the financial derivatives account.

In the case of options, the full premium (i.e. the purchase/sale price of the options and the implied service charge) should be recorded as financial derivatives.

The net stream of settlement flows associated with interest rate derivatives should be recorded as financial derivatives.

Embedded derivatives should be recorded together with the underlying financial instrument and should not be recorded and valued separately in balance of payments, international reserves and international investment position statistics.

The classification of specific instruments of credit derivatives should be decided upon on a case-by-case basis.

The valuation of financial derivatives should be conducted on a market-to-market basis.

Time of recording

The recording of transactions in financial items takes place when both creditor and debtor enter the claim and liability, respectively, in their books (in accordance with the BPM5). Owing to practical problems involved in separating the asset and liability flows in a meaningful way for some derivative instruments, all financial derivatives transactions in the balance of payments of the economic territory of the participating Member States are being recorded on a net basis for the time being. Financial derivative asset and liability positions in the international investment position statistics are recorded on a gross basis, with the exception of those financial derivatives falling into the category of reserve assets, which are recorded on a net basis.

1.6. *Other investment (STA/WG/BOP/OTH95)*

Definition

Other investment is defined as a residual category that includes all financial transactions not covered in direct investment, portfolio investment, financial derivatives or reserve assets accounts.

Coverage

Other investment covers trade credits, loans/currency and deposits and other assets/other liabilities (in accordance with the BPM5).

Balances and transactions between NCBs arising from operations settled via Target are to be recorded on a net basis under the asset side of loans and deposits of other investment of monetary authorities.

The accounting practice of banks is the guiding principle for the balance of payments treatment of repurchase agreements, sell/buy-back transactions and bond lending, rather than the 'transfer of ownership' criterion. Where there is no accepted international accounting standard, a common practice, which would meet statistical needs, is adopted in agreement with the ECB. This recommendation leads to the recording of genuine repurchase agreements, sell/buy-back transactions and bond lending as collateralised loans.

Time of recording

The principles of 'transfer of ownership', 'time of settlement', and 'time of payment' all conform to the IMF recommendations.

In order to achieve consistent aggregate data for the economic territory of the participating Member States, no distinction is made between loans and deposits within each sector and no maturity breakdown is used. A sectoral presentation of the breakdown, compatible with the IMF standard components, is used in quarterly and annual data. Member States may add detail in national statistics.

For the monthly key items, a split between short-term and long-term flows in the banking sector is required.

1.7. *Reserve assets*

Definition

In line with BPM5 recommendations, reserve assets of the euro area are highly liquid, marketable and creditworthy claims held by the ECB ('pooled reserves') and the participating NCBs ('unpooled reserve assets') on non-residents of the euro area and denominated in foreign currency (i.e. in currencies other than the euro), plus gold reserve positions in the IMF and SDR holdings. Related assets of the ECB and the participating NCBs which do not meet this definition, namely eurodenominated claims on non-residents and foreign currency denominated claims on residents of the euro area; for example, deposits denominated in foreign currency placed with banking institutions resident in the euro area, are therefore not treated in external statistics as reserve assets of the euro area. Nor are balances in foreign currency held by governments of participating Member States considered to be reserve assets.

Coverage

Transactions and positions on reserve assets of the euro area are presented in the euro area balance of payments and international investment position, respectively. The presentation follows the BPM5 standard components although a separate category for financial derivatives has been introduced, in accordance with the outline adopted by the IMF. Holdings of reserve assets, including gold holdings, should be valued in the international investment position using closing mid-market prices at the end of the appropriate periods and converted into euro using the closing mid-market exchange rates prevailing on the last day of the reference period; transactions in reserves should be recorded in the balance of payments at the market price at the time of the transaction and converted into euro using the market exchange rates at the time of the transaction. Income on reserve assets is to be recorded indistinguishably under the 'other investment' item of the investment income account, including interest income on reserve holdings of debt securities, and on an accruals basis at least quarterly. Reserve assets in the balance of payments and international investment position statements are to be reflected on a gross basis without any netting-off of reserve-related liabilities, except for financial derivatives where net recording is to be applied.

The concept that usable reserves might be a more important indicator of a country's ability to meet its foreign exchange obligations than gross reserves as shown in the balance of payments and international investment position statements gained in importance and has been adopted in the IMF's Special Data Dissemination Standard. To calculate usable reserves, data on gross reserves need to be supplemented with information about other foreign currency assets and reserve-related liabilities. Accordingly, monthly data on (gross) reserve assets of the Eurosystem are supplemented with information on other foreign currency assets and predetermined and contingent short-term net drains on the gross reserve assets classified according to residual maturity. Moreover, a currency split between gross reserve assets denominated in SDR currencies (in total) and other currencies (in total) with a quarter's lag is also required.

Regarding specific items, holdings of monetary gold should remain unchanged in all reversible gold transactions (gold swaps, repos, loans and deposits). Repo transactions in foreign-currency denominated securities result in increases in the total amount of the reserve assets of the cashborrowing NCB owing to the fact that the securities repoed still remain on the balance sheet; in the case of reverse repos, the cash-lending monetary authority does not register any variation in the total amount of reserve assets if the non-resident counterpart is another monetary authority or financial institution, owing to the fact that the claim on the cash borrower is then regarded as a reserve asset.

2. **Implementation methods for geographical allocation (STA/WGS/BOP/GEO96)**

Difficulties in the compilation of geographically broken down balance of payments and international investment position statistics are resolved by means of a step-by-step approach. This approach involves three steps towards meeting data requirements, which are progressively more demanding. The portfolio investment account, the portfolio investment income account and the financial derivatives account respectively deserve special attention.

2.1. *General approach (to be applied for all accounts of the balance of payments and international investment position — with the exceptions listed below)*

Step 1

Compilation method at the euro area level: addition of national total net transactions/positions.

Implemented since 1999 for international investment positions.

Step 2

Compilation method at the euro area level: separate addition of transactions/positions with non-residents for credits and debits or net assets and net liabilities (balance of payments)/assets and liabilities (international investment position).

Data requirements at the NCB level: separate identification of transactions/positions between residents of the participating Member States and non-euro area residents.

Implemented for balance of payments: since Januanry 1999.

Deadline for implementation for international investment position: end-September 2002 — data referring to end-2001.

Step 3

Compilation method at the euro area level and data requirements at the Member State level: similar to Step 2 with the addition of a geographical breakdown within extra-euro area transactions/positions. This is only necessary for quarterly and annual statistics.

Deadline for implementation for international investment position: end-September 2004 — data referring to end-2003.

2.2. *Portfolio investment account*

Step 1

Compilation method at the euro area level: addition of national total net portfolio investment transactions/positions.

Implemented since 1999 for international investment position.

Step 2

Compilation method at the euro area level: addition of net transactions/positions in securities issued by non-residents for portfolio investment assets. Consolidation of net transactions/positions in total national liabilities and transactions/positions in securities issued and purchased by residents of the participating Member States for portfolio investment liabilities.

Data requirements at the NCB level: Transactions/positions in portfolio investment assets broken down into transactions/positions in euro area securities issued by residents of participating Member States and other securities. To achieve this it is necessary to identify the issuer (debtor) of the security in order to establish whether the issuer is a resident of one of the participating Member States or a non-resident. For transactions/positions in portfolio investment liabilities, only national total net figures are required.

Portfolio investment positions within the international investment position shall be compiled on the basis of pure stock data related to end-of year holdings of equity and short and long-term debt securities issued by non-euro area residents, taking advantage of the fact that the data requirements established by the ECB are fully consistent with participation in the IMF coordinated portfolio investment survey.

Implemented for portfolio investment transactions since January 1999.

Deadline for implementation for portfolio investment stocks: end-September 2002 — data referring to end-2001.

Step 3

Compilation method at the euro area level and data requirements at the NCB level: similar to Step 2 with the addition of a geographical breakdown (as yet unspecified) within extra-euro area transactions/positions on the asset side. No geographical breakdown into extra-euro area transactions/position is required for the liabilities side. Step 3 only applies to quarterly and annual statistics on transactions and annual statistics on positions.

Deadline for implementation for portfolio investment positions (asset side only): end-September 2004 — data referring to end-2003.

2.3. *Portfolio investment income account*

Step 1

Compilation method at the euro area level: addition of national total net investment income transactions.

Step 2

Compilation method at the euro area level: addition of income credit transactions derived from portfolio investment assets issued by non-residents. Consolidation of income debit transactions derived from total national net liabilities and credit transactions derived from securities issued by residents of the participating Member States.

Data requirements at the NCB level: credit transactions in portfolio investment income broken down into transactions derived from securities issued by residents of participating Member States and from securities issued by residents of other countries. To achieve this it is necessary to identify the issuer (debtor) of the security in order to establish whether the issuer is a resident of one of the participating Member States or a non-resident. For debit transactions derived from portfolio investment liabilities, only national total figures are required.

Implemented since January 2000.

Step 3

Compilation method at the euro area level and data requirements at the NCB level: similar to Step 2 with the addition of a geographical breakdown within extra-euro area credit transactions. No geographical breakdown into extra-euro area income transactions is required for the debit side. Step 3 is only necessary for quarterly and annual statistics.

2.4. *Financial derivatives account*

Transactions

Step 1

The requirements for transactions in financial derivatives with extra-euro area counterparts only comprise a net presentation of this item.

Compilation method at the euro area level: addition of national total net transactions in financial derivatives.

Positions

Step 1

Compilation method at the euro area level: addition of national total net positions in financial derivatives.

Implemented since 1999.

Step 2

Compilation method at the euro area level: separate addition of net positions in financial derivatives with non-residents on the asset and liabilities side.

Data requirements at the NCB level: separate identification of positions between residents of the participating Member States and positions with residents of other countries (non-euro area) as defined by the location of the market where relevant, or the actual counterpart for over-the-counter financial derivatives.

Deadline for implementation: end-September 2002 — data referring to end-2001.

Step 3

A geographical breakdown within extra-euro area positions in financial derivatives. This is only necessary for quarterly and annual statistics.

3. **Classification by institutional sector in the euro area aggregates**

The sector breakdown of euro area aggregates comprises monetary authorities, general government, monetary financial institutions (MFIs) and other sectors of the euro area.

Monetary authorities

The 'monetary authorities' sector of the euro area statistics consists of the eurosystem, i.e. the ECB and the NCBs of participating Member States.

General government

The 'general government' sector of the euro area statistics is consistent with the definition of that sector in the SNA 93 and ESA 95 and thus comprises the following units:

— central government,

— State/regional government,

— local government,

— social security funds.

MFIs excluding monetary authorities

This sector coincides with the MFI sector for money and banking statistics (excluding monetary authorities). It comprises:

(i) credit institutions as defined by Community law, i.e. undertakings whose business is to receive deposits or other repayable funds from the public (including the proceeds arising from the sales of bank bonds to the public) and to grant credit for their own account; and

(ii) all other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs, and, for their own account (at least in economic terms), to grant credits and/or to make investments in securities.

Other sectors

The 'other sectors' category of the euro area statistics comprises a variety of institutional units, mainly:

(i) other financial institutions not included in the MFI definition, such as collective investment institutions not deemed to be money market funds, real estate investment institutions, securities dealers, mortgage credit institutions, insurance companies, pension funds and financial auxiliaries; and

(ii) non-financial institutions, such as public and private non-financial enterprises, non-profit institutions serving households, and households.

ANNEX IV

TRANSMISSION OF THE DATA TO THE EUROPEAN CENTRAL BANK

The exchange of the statistical information needed by the European Central Bank (ECB) relies on the facility provided by the ESCB-Net. All exchanges of data within the ESCB use the same conceptual data model.

National central banks shall observe the recommendations listed below in order to ensure that data transmission functions satisfactorily, in particular with regard to the following items.

— completeness: national central banks shall report all required series keys. To report series keys or non-listed series keys would be considered as incomplete reporting. Should an observation be missing, the omission shall be recorded using the corresponding observation status flag. In addition, when revisions are made to only a sub-set of series keys, the validation rules should be applied to the whole balance of payments,

— sign convention: the data transmission of national central banks to the ECB as well as the European Commission (Eurostat) follows a uniform sign convention for all data which are to be reported. Under this sign convention, credits and debits in the current and capital account must be reported with a plus (+) sign, whilst net balances are to be calculated and reported as credits minus debits. In the financial account, decreases in net assets/increase in net liabilities must be reported with a plus (+) sign, whereas increases in net assets/decreases in net liabilities must be reported with a minus (–) sign. Net balances are to be calculated and reported as net changes in assets plus net changes in liabilities.

  In transmitting international investment position data, the net positions should be calculated and reported as asset position minus liability position,

— accounting identities of the data: the complete validation rules which were distributed and which are available on request must be implemented by the national central banks before the data are transmitted to the ECB.

ANNEX V

MONITORING OF STATISTICAL COMPILATION METHODS

The European Central Bank (ECB) will monitor the compilation methods used for the reporting on the balance of payments and international investment position statistics, as well as the concepts and definitions applied on a regular basis by the Member States participating in the euro area. The monitoring will be carried out in connection with updating and maintaining of the document entitled 'European Union balance of payments/international investment position statistical methods' (BOP book), and by the six-monthly review procedure.

The BOP book contains information on the structure of balance of payments statistical and international investment position data for all Member States. There are detailed descriptions of data compilation methods and of the concepts and definitions applied, as well as information on departures from the agreed definitions for the balance of payments and international investment position statistics in the Member States.

The BOP book will be updated on annual basis in close cooperation with the Member States.

The six-monthly review forms part of the process of updating the BOP book. The six-monthly review procedure is based on reports to be endorsed by the Governing Council of the ECB covering the statistical treatment of the investment income account and the financial account in the balance of payments and international investment position statistics and forms a basis of the ECB to assess the quality of the data provided to the ECB for the balance of payments statistics.