



EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK

of 17 January 2003

**at the request of De Nederlandsche Bank on a draft of the Balance of Payment Reporting
Instructions 2003**

(CON/2003/1)

1. On 18 December 2002 the European Central Bank (ECB) received a request from De Nederlandsche Bank (hereinafter the “Bank”) for an opinion on a draft of the Balance of Payment Reporting Instructions 2003 (hereinafter the “draft instructions”).
2. The ECB’s competence to deliver an opinion is based on Article 105(4) of the Treaty establishing the European Community, Article 4 of the Statute of the European System of Central Banks and of the European Central Bank and the fourth indent 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 provisions¹. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank², the Governing Council of the ECB has adopted this opinion.
3. Section 7(1)(a) of the External Financial Relations Act 1994 imposes a general obligation to provide the Bank, in conformity with the relevant instructions issued by the Bank, with all information and data material to the balance of payments of the Netherlands. The draft instructions are based on this Section and they replace the current Reporting Instructions for External Payments 2000 from 1 April 2003. The new data collection system imposes an obligation on residents designated by the Bank as reporting institutions to report directly to the Bank. Reporting institutions will no longer be required to report individual transactions to the Bank. Instead, they will be required to provide periodical statements of their transactions with non-residents and their positions against them. The draft instructions also allow reporting institutions to transmit, upon prior agreement by the Bank, a consolidated report on behalf of several reporting institutions that belong to the same group. The reporting institution compiling the consolidated report will be responsible for complying with the reporting requirements of the reporting institutions covered by the consolidated report. Reporting institutions may also appoint a representative to compile individual or consolidated reports on their behalf and transmit them to the Bank. In this case reporting institutions remain responsible for complying with the reporting requirements. The

¹ OJ L 189, 3.7.1998, p. 42.

² OJ L 125, 19.5.1999, p. 34.

information to be supplied to the Bank will be determined by the reporting profile, or profiles, allocated to a specific reporting institution. A reporting institution will be required to transmit reports to the Bank in accordance with the reporting forms and explanatory notes provided.

4. The ECB welcomes the draft instructions as they clarify the Bank's responsibility in compiling and publishing balance-of-payments statistics. Also, the draft instructions clearly define reporting institutions' reporting obligations, whilst giving the Bank some leeway to require additional information where relevant. In doing so, the draft instructions ensure compliance by the Bank with Guideline ECB/2000/4 of 11 May 2000 on the statistical reporting requirements of the ECB in the field of balance-of-payment statistics, the international reserves template and international investment position statistics³. In this context it might be useful to add to the recitals of the draft instructions or the accompanying Explanatory Note a reference to this Guideline.
5. Section 2 of the draft instructions also states the purpose for which reporting institutions will be required to provide statistical information and data to the Bank. Inserting a reference to the international investment position statistics could be considered in this context, as they provide useful information and analytical value on their own and complement the balance-of-payment statistics.
6. Section 8(1) of the draft instructions refers to the delivery of a quarterly statement relating to credit institutions' services to non-residents. The services are understood to cover any business carried out by credit institutions with their customers. However, this may be ambiguous as the term "services" in the balance of payments specifically covers credit institutions' commercial relationship with their (non-resident) clients, such as the supply of financial and other business and insurance services, although not financial transactions and positions with accounts abroad. Whilst the reporting forms contain clear definitions specifying which transactions and positions need to be reported to the Bank, it may be considered to review the wording of the draft Instructions so that they also contain this clarification.
7. Sections 14 and 15 of the draft instructions revoke the current Reporting Instructions for External Payments 2000 from 1 April 2003. Section 13 contains a transitional arrangement and specifies that information and data relating to the period prior to the entry into force of the draft instructions must be compiled on the basis of the current Reporting Instructions for External Payments 2000. In order to avoid any misunderstanding, it might be useful to clarify here that this applies even where this reporting occurs after 1 April 2003.

³ OJ L 168, 23.6.2001, p. 25.

8. The ECB confirms that it has no objection to the competent national authorities making this opinion publicly available at their discretion. This opinion will be published on the ECB's website six months after the date of its adoption.

Done at Frankfurt am Main on 17 January 2003.

The President of the ECB

[signed]

Willem F. DUISENBERG