



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.8.2003
COM(2003) 507 final

2003/0200 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on Community statistics concerning balance of payments, international trade in services
and foreign direct investment**

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Article 99(3) of the Treaty requires the Commission to submit reports to the Council in order to enable the Council to monitor economic developments in each of the Member States and in the Community as well as the consistency of economic policies with certain broad guidelines.
2. The Commission has responsibility for making proposals to the Council for implementing the common commercial policy. It is also entrusted with the task of conducting trade negotiations following authorisation from the Council. In order to accomplish these missions, the Commission needs relevant and good quality statistical information.
3. Trade negotiations, including the implementation of the General Agreement on Trade in Services (GATS) and of the Trade-Related Intellectual Property Rights' Agreement (TRIPs), require the availability of timely and good quality Community statistics on Balance of Payments, International Trade in Services and Foreign Direct Investment.
4. To achieve this, there is a need to establish a framework for the systematic production of these statistics on the basis of common quality standards.
5. This proposal for a Balance of Payments Regulation of the European Parliament and the Council addresses that objective. This proposal:
 - includes the definitions that should be applied by Member States for their Balance of Payments, International Trade in Services and Foreign Direct Investment data,
 - specifies Member States' obligations concerning the data to be transmitted (nature and sources of data; quality criteria; reference period, periodicity and transmission deadlines),
 - defines standards for the dissemination of Community statistics by the Commission,
 - sets up the Balance of Payments Committee as a new forum for co-operation between Member States and the Commission concerning statistics on Balance of Payments, International Trade in Services and Foreign Direct Investment. The European Central Bank is an observer in this Committee.
6. This proposal for a Regulation has been thoroughly discussed with Member States' representatives in the Balance of Payments Working Party, the Committee on Monetary, Financial and Balance of Payments Statistics and the Statistical Programme Committee.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on Community statistics concerning balance of payments, international trade in services
and foreign direct investment**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 285(1) thereof,

Having regard to the proposal from the Commission¹,

Having consulted the European Central Bank in accordance with Article 105(4) of the Treaty²,

Acting in accordance with the procedure laid down in Article 251 of the Treaty³,

Whereas:

- (1) Article 99(3) of the Treaty requires the Commission to submit reports to the Council in order to enable the Council to monitor economic developments in each of the Member States and in the Community as well as the consistency of economic policies with certain broad guidelines.
- (2) Under Article 133(2) and (3) of the Treaty, the Commission must submit proposals to the Council for implementing the common commercial policy and the Council must authorise the Commission to open the necessary negotiations.
- (3) The implementation and the review of trade agreements including the General Agreement on Trade in Services (GATS)⁴ and of the Trade-Related Intellectual Property Rights' Agreement (TRIPs)⁵ as well as the current and future negotiations on further agreements call for the relevant statistical information to be made available.

¹ OJ C [...], [...], p. [...].

² OJ C [...], [...], p. [...].

³ OJ C [...], [...], p. [...].

⁴ OJ L 336, 23.12.1994, p. 191.

⁵ OJ L 336, 23.12.1994, p. 214.

- (4) Council Regulation (EC) No 2223/96 of 25 June 1996 on the European System of national and regional accounts in the Community⁶ (ESA 95) contains the reference framework of common standards, definitions, classifications, and accounting rules for drawing up the accounts of the Member States for the statistical requirements of the European Community, in order to obtain comparable results between Member States.
- (5) The Action Plan on EMU Statistical Requirements presented to the ECOFIN Council in September 2000 and the 3rd, 4th and 5th Progress Reports, also supported by the ECOFIN Council, provide for quarterly European accounts by the institutional sector within 90 days. The timely provision of quarterly balance-of-payments figures for the euro area is a prerequisite for the compilation of these quarterly European accounts.
- (6) Council Regulation (EC, Euratom) N° 58/97 of 20 December 1996 on Structural Business Statistics⁷ has established a common framework for the collection, compilation, transmission and evaluation of Community statistics on the structure, activity, competitiveness and performance of businesses in the Community and sets out the variables which should be collected in this area.
- (7) Several EU legal provisions have a direct impact on the collection of statistics, such as Regulation (EC) n° 2560/2001 of the European Parliament and of the Council of 19 December 2001 on cross-border payments in euro.
- (8) Collectively, the Balance of Payments Manual of the International Monetary Fund, the Guideline of the European Central Bank of 2 May 2003 on the statistical reporting requirements of the European Central Bank in the field of balance of payments statistics and international investment position statistics, and the international reserves template⁸, the Manual on statistics of international trade in services of the United Nations, and the OECD Benchmark Definition of Foreign Direct Investment, define the general rules for compiling statistics on balance of payments, international trade in services, and foreign direct investment.
- (9) According to Article 3(2) of Council Regulation (Euratom, EEC) No 1588/90 of 11 June 1990 on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities⁹, national rules on statistical confidentiality may not be invoked to prevent the transmission of confidential statistical data to the Community authority (Eurostat) where an act of Community law provides for the transmission of such data.
- (10) Article 8 of Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank¹⁰ has laid down a confidentiality regime that applies to confidential statistical information transmitted to the European Central Bank.

⁶ OJ L 310, 30.11.1996, p.1. Regulation as last amended by Regulation (EC) No 359/2002 of the European Parliament and of the Council (OJ L 58, 28.2.2002, p. 1).

⁷ OJ L 14, 17.1.1997, p. 1. Regulation as last amended by Regulation (EC) No 2056/2002 of the European Parliament and of the Council (OJ L 317, 21.11.2002, p. 1).

⁸ OJ L 131, 28.5.2003, p. 20.

⁹ OJ L 151, 15.6.1990, p. 1. Regulation as amended by Regulation (EC) No 322/97 (OJ L 52, 22.2.1997, p. 1).

¹⁰ OJ L 318, 27.11.1998, p. 8.

- (11) The production of specific Community statistics is governed by the rules set out in Regulation No 322/97.
- (12) Since the objectives of the action to be taken, namely the creation of common statistical quality standards for the production of comparable statistics on balance of payments, international trade in services and foreign direct investment, cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of the action, be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (13) There is a clear need to produce Community level statistics on balance of payments, international trade in services and foreign direct investment which adhere to common statistical quality standards.
- (14) In order to guarantee the fulfilment of the obligations laid down in this Regulation, the national institutions responsible for the collection of the data within the Member States may need access to administrative data sources such as enterprise registers held by other public institutions and other data bases containing information on cross-border transactions and positions, wherever such data are necessary for the production of Community statistics.
- (15) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.¹¹

HAVE ADOPTED THIS REGULATION:

Article 1
Subject matter

This Regulation establishes a common framework for the systematic production of Community statistics on balance of payments, international trade in services and foreign direct investment.

Article 2
Submission of data

1. Member States shall submit to the Commission (Eurostat) data on balance of payments, international trade in services and foreign direct investment as referred to in Annex I. The data shall be as defined in Annex II.
2. Member States shall submit the data to the Commission in accordance with the deadlines shown in Annex I.

¹¹ OJ L 184, 17.7.1999, p. 23.

Article 3
Data sources

1. Member States shall collect the information required under this Regulation using all the sources they consider relevant.
2. Natural and legal persons required to supply information shall, when responding, comply with the time limits and definitions set by the national institutions responsible for the collection of data within the Member States in accordance with this Regulation.
3. Where the required data cannot be collected at a reasonable cost, best estimates may be transmitted.

Article 4
Quality criteria and reports

1. Member States shall take all measures necessary to ensure the quality of the data transmitted according to common quality standards.
2. Member States shall supply the Commission with a report on the quality of the data transmitted (hereinafter referred to as “quality reports”).
3. The common quality standards, as well as the content and periodicity of the quality reports, shall be specified in accordance with the procedure referred to in Article 11 (2) and taking into account the implications as regards the cost of collecting and compiling the data.

The quality of the data transmitted shall be assessed, on the basis of the quality reports, by the Commission with the assistance of the Balance of Payments Committee.

4. Member States shall inform the Commission of major methodological or other changes that would influence the data transmitted, not later than three months after any such change enters into force. The Commission shall notify the other Member States of any such communication.

Article 5
Data Flows

The statistics to be produced shall be grouped for transmission to the Commission according to the following data flows:

- (a) balance of payments euro indicators;
- (b) balance of payments quarterly statistics;
- (c) international trade in services;
- (d) foreign direct investments (“FDI”) flows;
- (e) FDI positions.

The data flows shall be as further specified in Annex I.

Article 6
Time reference and periodicity

Member States shall compile the data flows according to the relevant first reference period and periodicity as specified in Annex I.

Article 7
Transmission of data

Member States shall transmit to the Commission the data required by this Regulation following a format and a procedure defined by the Commission, in accordance with the procedure referred to in Article 11 (2).

Article 8
Transmission and exchange of confidential data

1. The transmission of confidential data between Eurostat and the European Central Bank may take place to the extent this transmission is necessary to ensure coherence between the balance of payments figures of the European Union and those of the economic territory of the Member States which have adopted the single currency in accordance with the Treaty.

The first subparagraph shall apply on condition that the European Central Bank takes due account of the principles defined in Article 10 of Regulation (EC) N° 322/97.

2. The exchange of confidential data, as defined by Article 13 of Regulation 322/97, shall be allowed between Member States where the exchange is necessary to ensure the quality of the balance of payments figures of the European Union.

Member States receiving confidential data from other Member States shall treat that information confidentially.

Article 9
Dissemination

The Commission shall disseminate the Community statistics produced pursuant to this Regulation, with a periodicity similar to that specified in Annex I.

Article 10
Adaptation to economic and technical progress

The measures necessary to take account of economic and technical changes shall be laid down in accordance with the procedure referred to in Article 11 (2).

Such measures shall concern:

- (a) the updating of the definitions (Annex II);

- (b) the updating of data requirements, including submission deadlines as well as revisions, extensions and eliminations of the data flows (Annex I).

Article 11
Committee

1. The Commission shall be assisted by a Committee, to be referred to as “the Balance of Payments Committee.”
2. Where reference is made to this paragraph, Articles 5 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period referred to in Article 5(6) of Decision 1999/468/EC shall be three months.
3. The Committee shall adopt its rules of procedure.
4. The European Central Bank may attend the meetings of the Committee as an observer.

Article 12
Report on implementation

Within five years of the entry into force of this Regulation, the Commission shall submit a report to the European Parliament and the Council on the implementation of this Regulation.

In particular, the report shall:

- (a) record the quality of the statistics produced;
- (b) assess the benefits accruing to the Community, the Member States and the providers and users of statistical information of the statistics produced in relation to their costs;
- (c) identify areas for potential improvement and amendments considered necessary in the light of the results obtained.

Article 13
Entry into force

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

Done at Brussels, [...]

For the European Parliament
The President

For the Council
The President

ANNEX I
DATA FLOWS

1. BALANCE OF PAYMENTS EURO INDICATORS

BOP_EUR Euro Indicators	Deadline: T + 2 months Periodicity: Quarter
--	--

	<u>Credit</u>	<u>Debit</u>	<u>Net</u>
Current Account	<i>Extra-EU</i>	<i>Extra-EU</i>	<i>Extra-EU</i>
Services	<i>Extra-EU</i>	<i>Extra-EU</i>	<i>Extra-EU</i>

2. BALANCE OF PAYMENTS QUARTERLY STATISTICS

BOP_Q Quarterly Data	Deadline: T + 3 months Periodicity: Quarter
---------------------------------------	--

	<u>Credit</u>	<u>Debit</u>	<u>Net</u>
I. Current Account	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
<u>Goods</u>	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
<u>Services</u>	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Transport	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Travel	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Communications services	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Construction services	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Insurance services	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Financial services	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Computer and information services	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Royalties and licence fees	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Other business services	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Personal, cultural and recreational services	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Government services, n.i.e.	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
<u>Income</u>	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Compensation of employees	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Investment Income			
- Direct Investment	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
- Portfolio Investment	<i>Extra-EU</i>		<i>World</i>
- Other investment	<i>Extra-EU</i>	<i>Extra-EU</i>	<i>Extra-EU</i>
<u>Current transfers</u>	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
General Government	<i>Extra-EU</i>	<i>Extra-EU</i>	<i>Extra-EU</i>
Other sectors	<i>Extra-EU</i>	<i>Extra-EU</i>	<i>Extra-EU</i>
II. Capital account	<i>Extra-EU</i>	<i>Extra-EU</i>	<i>Extra-EU</i>
	<u>Net assets</u>	<u>Net liabilities</u>	<u>Net</u>

III. Financial Account

<u>Direct Investment</u>				Level 1
Abroad				Level 1
- Equity				Level 1
- Reinvested earnings				Level 1
- Other capital				Level 1
In the reporting economy				Level 1
- Equity				Level 1
- Reinvested earnings				Level 1
- Other capital				Level 1
<u>Portfolio Investment</u>	Extra-EU	World		
<u>Financial derivatives</u>				World
<u>Other Investment</u>	Extra-EU	Extra-EU		Extra-EU

3. INTERNATIONAL TRADE IN SERVICES

BOP_ITS	Deadline: T + 9 months
International Trade in Services	Periodicity: Annual

	<u>Credit</u>	<u>Debit</u>	<u>Net</u>
Total Services	Level 3	Level 3	Level 3
Transportation	Level 2	Level 2	Level 2
Sea transport	Level 2	Level 2	Level 2
- Passenger	Level 2	Level 2	Level 2
- Freight	Level 2	Level 2	Level 2
- Other	Level 2	Level 2	Level 2
Air transport	Level 2	Level 2	Level 2
- Passenger	Level 2	Level 2	Level 2
- Freight	Level 2	Level 2	Level 2
- Other	Level 2	Level 2	Level 2
Other transport	Level 2	Level 2	Level 2
- Passenger	Level 2	Level 2	Level 2
- Freight	Level 2	Level 2	Level 2
- Other	Level 2	Level 2	Level 2
<i>Extended classification of other transport</i>	Level 2	Level 2	Level 2
Space transport	Level 2	Level 2	Level 2
Rail transport	Level 2	Level 2	Level 2
- Passenger	Level 2	Level 2	Level 2
- Freight	Level 2	Level 2	Level 2
- Other	Level 2	Level 2	Level 2
Road transport	Level 2	Level 2	Level 2
- Passenger	Level 2	Level 2	Level 2
- Freight	Level 2	Level 2	Level 2
- Other	Level 2	Level 2	Level 2
Inland waterway transport	Level 2	Level 2	Level 2
- Passenger	Level 2	Level 2	Level 2
- Freight	Level 2	Level 2	Level 2
- Other	Level 2	Level 2	Level 2
Pipeline transport and electricity transmission	Level 2	Level 2	Level 2
Other supporting and auxiliary transport services	Level 2	Level 2	Level 2

Travel	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Business travel	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Expenditure by seasonal and border workers	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Other	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Personal travel	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Health-related expenditure	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Education-related expenditure	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Other	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Communications services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Postal and courier services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Telecommunications services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Construction services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Construction abroad	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Construction in the compiling economy	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Insurance services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Life insurance and pension funding	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Freight insurance	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Other direct insurance	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Reinsurance	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Auxiliary services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Financial services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Computer and information services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Computer services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Information services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- News agency services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Other information provision services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Royalties and license fees	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Franchises and similar rights	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Other royalties and license fees	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Other business services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Merchanting and other trade-related services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Merchanting	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Other trade-related services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Operational leasing services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Miscellaneous business, professional., and technical services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Legal, accounting, management consulting, and public relations	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
. Legal services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
. Accounting, auditing, bookkeeping, and tax consulting services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
. Business and manag. consulting and public relations services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Advertising, market research, and public opinion polling	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Research and development	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Architectural, engineering, and other technical services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Agricultural, mining, and on-site processing services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
. Waste treatment and depollution	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
. Agricultural, mining, and other on-site processing services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Other business services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Services between related enterprises, n.i.e.	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>

Personal, cultural, and recreational services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Audiovisual and related services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Other personal, cultural, and recreational services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Education services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Health services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
- Other	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Government services, n.i.e.	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Embassies and consulates	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Military units and agencies	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Other government services	<i>Level 2</i>	<i>Level 2</i>	<i>Level 2</i>
Memorandum items			
Audiovisual transactions	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Postal services	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>
Courier services	<i>Level 1</i>	<i>Level 1</i>	<i>Level 1</i>

4. QUESTIONNAIRES FOR FOREIGN DIRECT INVESTMENTS (FDI) FLOWS

BOP_FDI Direct Investment Flows (*)		Deadline: T + 9 months Periodicity: Year		
A	Geographical breakdown <i>Item</i>	<i>Data type</i>	<i>Geograph. Breakdown</i>	<i>Activity breakdown</i>
	<u>Direct investment abroad</u>			
510	Equity capital	<i>Net</i>	<i>Level 2</i>	<i>Not required</i>
525	Reinvested earnings	"	"	"
530	Other capital	"	"	"
505	Direct investment abroad: Total	"	<i>Level 3</i>	"
	<u>Direct investment in reporting economy</u>			
560	Equity capital	"	<i>Level 2</i>	<i>Not required</i>
575	Reinvested earnings	"	"	"
580	Other capital	"	"	"
555	Direct investment in reporting economy: Total	"	<i>Level 3</i>	"
	<u>Direct investment income</u>			
332	Dividends	<i>Credit, debit, net</i>	<i>Level 2</i>	<i>Not required</i>
333	Reinvested earn. and undistrib. branch profits	"	"	"
334	Income on debt	"	"	"
330	Direct investment income: Total	"	<i>Level 3</i>	"

(*) Only the geographical breakdown.

BOP_FDI Direct Investment Flows		Deadline: T + 21 months Periodicity: Year		
A	Geographical breakdown <i>Item</i>	<i>Data type</i>	<i>Geograph. Breakdown</i>	<i>Activity breakdown</i>
	<u>Direct investment abroad</u>			
510	Equity capital	<i>Net</i>	<i>Level 2</i>	<i>Not required</i>
525	Reinvested earnings	"	"	"
530	Other capital	"	"	"
505	Direct investment abroad: Total	"	<i>Level 3</i>	"
	<u>Direct investment in reporting economy</u>			
560	Equity capital	"	<i>Level 2</i>	<i>Not required</i>
575	Reinvested earnings	"	"	"
580	Other capital	"	"	"
555	Direct investment in reporting economy: Total	"	<i>Level 3</i>	"
	<u>Direct investment income</u>			
332	Dividends	<i>Credit, debit, net</i>	<i>Level 2</i>	<i>Not required</i>
333	Reinvested earn. And undistrib. Branch profits	"	"	"
334	Income on debt	"	"	"
330	Direct investment income: Total	"	<i>Level 3</i>	"
B	Activity breakdown <i>Item</i>	<i>Data type</i>	<i>Geograph. Breakdown</i>	<i>Activity breakdown</i>
505	<u>Direct investment abroad: Total</u>	<i>Net</i>	<i>Level 1</i>	<i>Level 2</i>
		"	<i>Level 2</i>	<i>Level 1</i>
555	<u>Direct investment in reporting economy: Total</u>	<i>Net</i>	<i>Level 1</i>	<i>Level 2</i>
		"	<i>Level 2</i>	<i>Level 1</i>
330	<u>Direct investment income: Total</u>	<i>Credit, debit, net</i>	<i>Level 1</i>	<i>Level 2</i>
		"	<i>Level 2</i>	<i>Level 1</i>

5. QUESTIONNAIRES FOR FOREIGN DIRECT INVESTMENTS (FDI) POSITIONS

BOP_POS Direct Investment Positions (*)		Deadline: T+ 9 months Periodicity: Year		
A	Geographical breakdown Item	Data type	Geograph. Breakdown	Activity breakdown
	<u>Direct investment assets</u>			
506	Equity capital and reinvested earnings	<i>Net Positions</i>	<i>Level 1</i>	<i>Not required</i>
530	Other capital	"	"	"
505	Direct investment abroad: Total assets, net	"	<i>Level 2</i>	"
	<u>Direct investment liabilities</u>			
556	Equity capital and reinvested earnings	"	<i>Level 1</i>	<i>Not required</i>
580	Other capital	"	"	"
555	Direct invest. in report. Econ.: Total liabilities, net	"	<i>Level 2</i>	"

(*) Only the geographical breakdown

BOP_POS Direct Investment Positions		Deadline: T+ 21 months Periodicity: Year		
A	Geographical breakdown Item	Data type	Geograph. Breakdown	Activity breakdown
	<u>Direct investment assets</u>			
506	Equity capital and reinvested earnings	<i>Net Positions</i>	<i>Level 2</i>	<i>Not required</i>
530	Other capital	"	"	"
505	Direct investment abroad: Total assets, net	"	<i>Level 3</i>	"
	<u>Direct investment liabilities</u>			
556	Equity capital and reinvested earnings	"	<i>Level 2</i>	<i>Not required</i>
580	Other capital	"	"	"
555	Direct invest. in report. Econ.: Total liabilities, net	"	<i>Level 3</i>	"
B	Activity breakdown Item	Data type	Geograph. Breakdown	Activity breakdown
505	<u>Direct investment abroad: Total assets, net</u>	<i>Net positions</i>	<i>Level 1</i>	<i>Level 2</i>
555	<u>Direct invest. in report. Econ.: Total liabilities, net</u>	<i>Net positions</i>	<i>Level 1</i>	<i>Level 1</i>
			<i>Level 2</i>	<i>Level 2</i>
			<i>Level 1</i>	<i>Level 1</i>

6. GEOGRAPHICAL BREAKDOWN LEVELS

	Level 1		Level 2
A1	World (all entities)	A1	World (all entities)
D2	EU-15 (Intra-EU-15)	D2	EU-15 (Intra-EU-15)
U4	Extra-euro-zone	U4	Extra-euro-zone
4A	European Union Institutions	4A	European Union Institutions
D4	Extra-EU-15	D4	Extra-EU15
		IS	Iceland
		LI	Liechtenstein
		NO	Norway
CH	Switzerland	CH	Switzerland
		BG	Bulgaria
		HR	Croatia
		RO	Romania
		RU	Russian Federation
		TR	Turkey
		EG	Egypt
		MA	Morocco
		NG	Nigeria
		ZA	South Africa
CA	Canada	CA	Canada
US	United States of America	US	United States
		MX	Mexico
		AR	Argentina
		BR	Brazil
		CL	Chile
		UY	Uruguay
		VE	Venezuela
		IL	Israel
		CN	China
		HK	Hong Kong
		IN	India
		ID	Indonesia
JP	Japan	JP	Japan
		KR	South Korea
		MY	Malaysia
		PH	Philippines
		SG	Singapore
		TW	Taiwan
		TH	Thailand
		AU	Australia
		NZ	New Zealand
Z8	Extra EU-15 non allocated	Z8	Extra EU-15 non allocated
C4	Offshore Financial Centers¹²	C4	Offshore Financial Centers¹²

¹² Only for FDI.

Level 3

7Z	International Organisations excluding European Union Institutions	EG	Egypt	LK	Sri Lanka	SG	Singapore
AD	Andorra	ER	Eritrea	LR	Liberia	SH	St Helena
AE	United Arab Emirates	ES	Spain	LS	Lesotho	SI	Slovenia
AF	Afghanistan	ET	Ethiopia	LT	Lithuania	SK	Slovakia
AG	Antigua and Barbuda	FI	Finland	LU	Luxembourg	SL	Sierra Leone
AI	Anguilla	FJ	Fiji	LV	Latvia	SM	San Marino
AL	Albania	FK	Falkland Islands (Malvinas)	LY	Lybian Arab Jamahiriya	SN	Senegal
AM	Armenia	FM	Micronesia, Federated States of	MA	Morocco	SO	Somalia
AN	Netherlands Antilles	FO	Faroe Islands	MD	Moldova, Republic of	SR	Suriname
AO	Angola	FR	France	MG	Madagascar	ST	Sao Tome and Principe
AQ	Antarctica	GA	Gabon	MH	Marshall Islands	SV	El Salvador
AR	Argentina	GB	United Kingdom	MK ¹³	Macedonia, the Former Yugoslav Republic of	SY	Syrian Arab Republic
AS	American Samoa	GD	Grenada	ML	Mali	SZ	Swaziland
AT	Austria	GE	Georgia	MM	Myanmar	TC	Turks and Caicos Islands
AU	Australia	GG	Guernsey (No official ISO 3166-1 country code, exceptionally reserved code elements)	MN	Mongolia	TD	Chad
AW	Aruba	GH	Ghana	MO	Macau	TG	Togo
AZ	Azerbaijan	GI	Gibraltar	MP	Northern Mariana Islands	TH	Thailand
BA	Bosnia and Herzegovina	GL	Greenland	MQ	Martinique	TJ	Tajikistan
BB	Barbados	GM	Gambia	MR	Mauritania	TK	Tokelau
BD	Bangladesh	GN	Guinea	MS	Montserrat	TM	Turkmenistan
BE	Belgium	GQ	Equatorial Guinea	MT	Malta	TN	Tunisia
BF	Burkina Faso	GR	Greece	MU	Mauritius	TO	Tonga
BG	Bulgaria	GS	South Georgia and the South Sandwich Islands	MV	Maldives	TP	East Timor
BH	Bahrain	GT	Guatemala	MW	Malawi	TR	Turkey
BI	Burundi	GU	Guam	MX	Mexico	TT	Trinidad and Tobago
BJ	Benin	GW	Guinea-Bissau	MY	Malaysia	TV	Tuvalu
BM	Bermuda	GY	Guyana	MZ	Mozambique	TW	Taiwan, Province of China
BN	Brunei Darussalam	HK	Hong Kong	NA	Namibia	TZ	Tanzania, United Republic of
BO	Bolivia	HM	Heard Island and McDonald Islands	NC	New Caledonia	UA	Ukraine
BR	Brazil	HN	Honduras	NE	Niger	UG	Uganda
BS	Bahamas	HR	Croatia	NF	Norfolk Island	UM	United States Minor Outlying Islands
BT	Bhutan	HT	Haiti	NG	Nigeria	US	United States
BV	Bouvet Island	HU	Hungary	NI	Nicaragua	UY	Uruguay
BW	Botswana	ID	Indonesia	NL	Netherlands	UZ	Uzbekistan
BY	Belarus	IE	Ireland	NO	Norway	VA	Holy See (Vatican City State)
BZ	Belize	IL	Israel	NP	Nepal	VC	St Vincent and the Grenadines
CA	Canada	IM	Isle of Man (No official ISO 3166-1 country code, exceptionally reserved code elements)	NR	Nauru	VE	Venezuela
CC	Cocos (Keeling) Islands	IN	India	NU	Niue	VG	Virgin Islands, British
CD	Congo, the Democratic Republic of the	IO	British Indian Ocean Territory	NZ	New Zealand	VI	Virgin Islands, US
CF	Central African Republic	IQ	Iraq	OM	Oman	VN	Viet Nam
CG	Congo	IR	Iran, Islamic Republic of	PA	Panama	VU	Vanuatu
CH	Switzerland	IS	Iceland	PE	Peru	WF	Wallis and Futuna
CI	Côte d'Ivoire	IT	Italy	PF	French Polynesia	WS	Samoa
CK	Cook Islands	JE	Jersey (No official ISO 3166-1 country code, exceptionally reserved code elements)	PG	Papua New Guinea	YE	Yemen
CL	Chile	JM	Jamaica	PH	Philippines	YT	Mayotte
CM	Cameroon	JO	Jordan	PK	Pakistan	YU	Yugoslavia
CN	China	JP	Japan	PL	Poland	ZA	South Africa
CO	Colombia	KE	Kenya	PN	Pitcairn	ZM	Zambia
CR	Costa Rica	KG	Kyrgyzstan	PR	Puerto Rico	ZW	Zimbabwe
CU	Cuba	KH	Cambodia (Kampuchea)	PS	Palestinian Territory, Occupied		
CV	Cape Verde	KI	Kiribati	PT	Portugal		
CX	Christmas Island	KM	Comoros	PW	Palau		
CY	Cyprus	KN	St Kitts and Nevis	PY	Paraguay		
CZ	Czech Republic	KP	Korea, Democratic People's Republic of (North Korea)	QA	Qatar		
DE	Germany	KR	Korea, Republic of (South Korea)	RO	Romania		
DJ	Djibouti	KW	Kuwait	RU	Russian Federation		
DK	Denmark	KY	Cayman Islands	RW	Rwanda		
DM	Dominica	KZ	Kazakistan	SA	Saudi Arabia		
DO	Dominican Republic	LA	Lao People's Democratic Republic	SB	Solomon Islands		
DZ	Algeria	LB	Lebanon	SC	Seychelles		
EC	Ecuador	LC	Saint Lucia	SD	Sudan		
EE	Estonia	LI	Liechtenstein	SE	Sweden		

¹³

"Provisional code that does not affect the definitive denomination of the country to be attributed after the conclusion of the negotiations currently taking place in the United Nations".

7. ACTIVITY BREAKDOWN LEVELS

Level 1	Level 2	
	ICFA	NACE rev. 1
MINING & QUARRYING	AGRICULTURE AND FISHING	Sec A, B
	MINING AND QUARRYING	Sec C
	Of which:	
	Extraction of petroleum and gas	Div 11
MANUFACTURING	MANUFACTURING	Sec D
	Food products	Subsection DA
	Textiles and wearing apparel	Subsection DB
	Wood, publishing and printing	Subsections DD & DE
	TOTAL textiles + wood activities	
	Refined petroleum prod. and other treatments	Div 23
	Manufacture of chemicals & chemical products	Div 24
	Rubber and plastic products	Div 25
Petroleum, chemical, rubber, plastic products	TOTAL petroleum, chemic., rubber, plastic products	
	Metal products	Subsection DJ
	Mechanical products	Div 29
	TOTAL metal and mechanical products	
	Office machinery and computers	Div 30
Office machinery, computers, RTV, communic. equip.	Radio, TV, communication equipments	Div 32
	TOTAL machin., comput., RTV, comm. equip.	
	Motor vehicles	Div 34
	Other transport equipment	Div 35
Vehicles, other transport equipment	TOTAL vehicles + other transport equipment	
	Manufacturing n.i.e.	
ELECTRICITY, GAS & WATER	ELECTRICITY, GAS AND WATER	Sec E
CONSTRUCTION	CONSTRUCTION	Sec F
TOTAL SERVICES	TOTAL SERVICES	
TRADE AND REPAIRS	TRADE AND REPAIRS	Sec G
	Sale, maintenance and repair of motor vehicles and motor cycles; retail sale of automotive fuel	Div 50
	Wholesale trade and commission trade, except of motor vehicles and motor cycles	Div 51
	Retail trade, except of motor vehicles and motor cycles; repair of personal and household goods	Div 52
HOTELS & RESTAURANTS	HOTELS AND RESTAURANTS	Sec H
TRANSPORTS, STORAGE AND COMMUNIC.	TRANSPORTS, STORAGE AND COMMUNICATION	Sec I
	Transport and storage	Div 60, 61, 62, 63
	Land transport; transport via pipelines	Div 60
	Water transport	Div 61
	Air transport	Div 62
	Supporting and auxiliary transport activities; activities of travel agencies	Div 63
	Post and telecommunications	Div 64
	Post and courier activities	Group 641
	Telecommunications	Group 642
FINANCIAL INTERMEDIATION	FINANCIAL INTERMEDIATION	Sec J
	Financial intermediation, except insurance and pension funding	Div 65
	Insurance and pension funding, except compulsory social security	Div 66
	Activities auxiliary to financial intermediation	Div 67
	REAL ESTATE ACTIVITIES	Sec K, Div 70
	RENTING OF MACHINERY AND EQUIPMENT WITHOUT OPERATOR AND OF PERSONAL AND HOUSEHOLD GOODS	Sec K, Div 71
COMPUTER & RELATED ACTIVITIES	COMPUTER AND RELATED ACTIVITIES	Sec K, Div 72
RESEARCH & DEVELOPMENT	RESEARCH AND DEVELOPMENT	Sec K, Div 73
OTHER BUSINESS ACTIVITIES	OTHER BUSINESS ACTIVITIES	Sec K, Div 74
	Legal, account., market research, consultancy	Group 741
	Legal activities	Class 7411
	Account., bookkeeping and audit.; tax consult.	Class 7412
	Market research and public opinion polling	Class 7413
	Business and manag. consultancy activities	Class 7414, 7415
	Architectural, engineering and other tech. act.	Group 742
	Advertising	Group 744
	Business activities n.e.c.	Group 743, 745, 746, 747, 748
	EDUCATION	Sec M
	HEALTH AND SOCIAL WORK	Sec N
	SEWAGE AND REFUSE DISPOSAL	Sec O, Div 90
	ACTIVITIES OF MEMBERSHIP ORGANIS. N.E.C.	Sec O, Div 91
RECREATIONAL, CULT., SPORTING ACTIV.	RECREATIONAL, CULT., SPORTING ACTIVITIES	Sec O, Div 92
	Motion picture, radio, tel., other entertain. activ.	Group 921, 922, 923
	News agency activities	Group 924
	Library, archives, museums, other cultural act.	Group 925
	Sporting and other recreational activities	Group 926, 927
	OTHER SERVICE ACTIVITIES	Sec O, Div 93
	Not allocated	

ANNEX II DEFINITIONS

GOODS (CODE 100)

The goods component of the Balance of Payments Current Account covers moveable goods for which change of ownership (between residents and non-residents) occur. These goods should be measured at market value on an f.o.b. basis. Exceptions to the change of ownership rule (transactions in these items are recorded in goods) include: goods on financial lease, goods transferred between a parent enterprise and a branch, and some goods for processing. Intra-EU Trade in Goods: the partner country should be defined according to the consignment principle.

It includes: general merchandise, goods for processing, repairs on goods, goods procured in ports by carriers, and non monetary gold.

SERVICES (CODE 200)

- Transportation (code 205)

Covers all transportation services that are performed by residents of one economy for those of another and that involve the carriage of passengers, the movement of goods (freight), rentals (charters) of carriers with crew, and related supporting and auxiliary services.

- Sea Transport (code 206)

Covers all transportation services by sea. The following breakdown is required: *Passenger Sea Transport (code 207)*, *Freight Sea Transport (code 208)* and *Other Sea Transport (code 209)*.

- Air Transport (code 210)

Covers all transportation services provided by air. The following breakdown is required: *Passenger Air Transport (code 211)*, *Freight Air Transport (code 212)* and *Other Air Transport (code 213)*.

- Other transport (code 214)

Covers all transportation services not provided by sea or air. The following breakdown is required: *Passenger on Other Transport (code 215)*, *Freight on Other Transport (code 216)* and *Other on Other Transport (code 217)*

An extended classification for *Other Transport (code 214)* is required as follows:

- Space Transport (code 218)

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 the payments made by an economy in order to have its residents included on the space vehicles of another economy.

- Rail Transport (code 219)

Covers transport by trains. A further sub-division between *Passenger Rail Transport (code 220)*, *Freight Rail Transport (code 221)* and *Other Rail Transport (code 222)* is required.

- Road Transport (code 223)

Covers transport by lorries, trucks, buses and coaches. A further sub-division between *Passenger Road Transport (code 224)*, *Freight Road Transport (code 225)* and *Other Road Transport (code 226)* is required.

- Inland Waterway Transport (code 227)

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 (code 228)*, *Freight Inland Waterway Transport (code 229)* and *Other Inland Waterway Transport (code 230)* is required.

- Pipeline Transport and Electricity Transmission (code 231)

Covers international transport of goods in pipelines. Also 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, as is the provision of petroleum and related products, water and other goods supplied through pipelines. Also excluded are distribution services of electricity, water, gas and other petroleum products (included in *Other business services, Other business services (code 284)*).

- Other Supporting and Auxiliary Transport Services (code 232)

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

- Travel (code 236)

Travel covers primarily the goods and services acquired from an economy by travellers during visits of less than one year to that economy. The goods and services are purchased by, or on behalf of, the traveller or provided, without a quid pro quo (that is, are provided as a gift), for the traveller to use or give away. Excluded are transportation of travellers within the economies that they are visiting, where such transportation is provided by carriers not resident in the particular economy being visited, as well as the international carriage of travellers, both of which are covered in passenger services under transportation. 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 sub-components: *Business Travel (code 237)* and *Personal Travel (code 240)*.

- Business Travel (237)

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 and whose employer is resident in that economy. Business travel is further disaggregated into

Expenditure by seasonal and border workers (code 238) and Other Business Travel (code 239).

- Expenditure by seasonal and border workers (code 238)

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.

- Other Business Travel (code 239)

Covers all *Other Business Travel (code 237)* not included in *Expenditure by seasonal and border workers (code 238)*.

- Personal Travel (code 240)

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 (code 240)* is divided in three sub-components: *Health-related Expenditure (code 241)*, *Education-related expenditure (code 242)* and *Other Personal Travel (code 243)*.

- Health-related Expenditure (code 241)

It is defined as the total expenditure by those travelling for medical reasons.

- Education-related expenditure (code 242)

It is defined as the total expenditure by students.

- Other Personal Travel (code 243)

Covers all *Personal Travel (code 240)* not included in *Health-related Expenditure (code 241)* or *Education-related expenditure (code 242)*.

- Other services (981)

All *Services (code 200)* not included in *Transportation (code 205)* or *Travel (code 236)*.

- Communication services (code 245)

They comprise *Postal and Courier Services (code 246)* and *Telecommunication Services (code 247)*.

- Postal and Courier Services (code 246)

Comprises *Postal Services (958)* and *Courier Services (959)*.

- Postal Services (code 958)

Includes *poste restante* services, telegram services and post office counter services, such as sales of stamps, money orders etc. Postal services are often, but not exclusively, supplied by national postal administrations. Postal services are subject to international agreements, and the flows between operators of different economies should be recorded on a gross basis.

- Courier Services (code 959)

Courier services focuses on express and door-to-door delivery. Couriers may use self-owned, privately shared or public transportation to carry out these services. Included are express delivery services, which might include, for example, on-demand pick-up or time-definite delivery.

- Telecommunications Services (code 247)

Encompasses 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. It does not include the value of the information transported. Also included are cellular telephone services, Internet backbone services and on-line access services, including provision of access to the Internet.

- Construction services (code 249)

Comprises *Construction Abroad (code 250)* and *Construction in the Compiling Economy (code 251)*.

- Construction Abroad (code 250)

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

- Construction in the Compiling Economy (code 251)

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

- Insurance Services (code 253)

Covers the provision of various types of insurance to non-residents by resident insurance enterprises, and vice versa. These services are estimated or valued by the service charges included in total premiums rather than by the total value of the premiums. It comprises *life insurance and pension funding (code 254)*, *freight insurance (code 255)*, *other direct insurance (code 256)*, *reinsurance (code 257)* and *auxiliary services (code 258)* to insurance.

- Life Insurance and Pension Funding (code 254)

Life insurance policies, both with profit and without profit, 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 a form of direct insurance, and is excluded here and included in other insurance.

Pension funds are separate funds established for the purpose of providing income on retirement for specific groups of employees. They are organized and directed by private or public employers or jointly by employers and their employees. They are funded by contributions from the employer and/or the employees and by the investment income earned on fund assets, and they also engage in financial transactions on their own account. They do not include social security schemes organized for large sections of the community that are imposed, controlled or financed by general government. Pension fund management services are included. In the case of pension funds, "premiums" are generally described as "contributions", while "claims" are generally described as "benefits".

- Freight Insurance (code 255)

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.

- Other direct insurance (code 256)

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.

- Reinsurance (code 257)

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

- Auxiliary services (code 258)

Comprises 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.

- Financial Services (code 260)

Financial services covers financial intermediation and auxiliary services, except those of life insurance enterprises and pension funds (which are included in life insurance and pension funding) and other insurance services that are conducted between residents and non-residents. Such services may be provided by banks, stock exchanges, factoring enterprises, credit card enterprises and other enterprises. Included are services provided in connection with transactions in financial instruments, as well as other services related to financial activity, such as advisory, custody and asset management services.

- Computer and information services (code 262)

Comprises *Computer services (code 263)* and *Information services (code 264)*.

- Computer services (code 263)

Consists of hardware and software-related services and data-processing services. 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; development, production, supply and documentation of customized 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.

- Information services (code 264)

Comprises *News Agency Services (code 889)* and *Other information provision services (code 890)*.

- News Agency Services (code 889)

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

- Other information provision services (code 890)

Includes database services - database conception, data storage and the dissemination of data and databases (including directories and mailing lists), both on-line 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.

- Royalties and license fees (code 266)

Comprises *Franchises and similar rights (code 891)* and *Other royalties and license fees (code 892)*.

- Franchises and similar rights (code 891)

Comprises international payments and receipts of franchising fees and the royalties paid for the use of registered trademarks

- Other royalties and license fees (code 892)

Includes international payments and receipts for the authorised use of intangible, non-produced, non-financial assets and proprietary rights (such as patents, copyrights and industrial processes and designs) and with the use, through licensing agreements, of produced originals or prototypes (such as manuscripts, computer programs, and cinematographic works and sound recordings).

- Other business services (code 268)

Comprises *Merchandising and other trade-related services (code 269)*, *Operational leasing services (code 272)* and *Miscellaneous business, professional, and technical services (code 273)*.

- Merchandising and other trade-related services (code 269)

Comprise *Merchandising (code 270)* and *Other trade-related services (code 271)*

- Merchandising (code 270)

Merchandising is defined as the purchase of a good by a resident of the compiling economy from a non-resident and the subsequent resale of the good to another non-resident; during the process, the good does not enter or leave the compiling economy.

- Other trade-related services (code 271)

Covers commissions on goods and service transactions between (a) resident merchants, commodity brokers, dealers, and commission agents and (b) non-residents.

- Operational leasing services (code 272)

Covers resident/non-resident leasing (rental) and charters, without operators, of ships, aircraft and transportation equipment, such as railway cars, containers and rigs, without crew.

- Miscellaneous business, professional, and technical services (code 273)

Comprises *Legal, accounting, management consulting, and public relations (code 274)*, *Advertising, market research and public opinion polling (code 278)*, *Research and development (code 279)*, *Architectural, engineering and other technical services (code 280)*, *Agriculture, mining, and other on-site processing (code 283)*, *Other business services (code 284)* and *Services between related enterprises, n.i.e. (code 285)*.

- Legal, accounting, management consulting, and public relations (code 274)

Comprises *Legal services (code 275)*, *Accounting, auditing, bookkeeping and tax consultancy services (code 276)* and *Business and management consulting and public relations services (code 277)*.

- Legal services (code 275)

Covers 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.

- Accounting, auditing, bookkeeping and tax consultancy services (code 276)

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.

- Business and management consulting and public relations services (code 277)

Covers advisory, guidance and operational assistance services provided to businesses for business policy and strategy and the overall planning, structuring and control of an organization. Included are 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.

- Advertising, market research and public opinion polling (code 278)

Services transacted between residents and non-residents 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.

- Research and development (code 279)

Covers those services that are transacted between residents and non-residents and associated with basic research, applied research and experimental development of new products and processes.

- Architectural, engineering and other technical services (code 280)

Covers transactions between residents and non-residents related to architectural design of urban and other development projects; planning and project design and supervision of dams, bridges, airports, turnkey projects etc.; surveying; cartography; product testing and certification; and technical inspection services.

- Agriculture, mining and on-site processing services (code 281)

Comprises *Waste treatment and depollution (code 282)* and *Agriculture, mining, and other on-site processing (code 283)*.

- Waste treatment and depollution (code 282)

Includes the treatment of radioactive and other waste; stripping of contaminated soil; cleaning up of pollution including oil spills; restoration of mining sites; and decontamination and sanitation services. Also included are all other services that relate to the cleaning or restoring of the environment.

- Agriculture, mining, and other on-site processing (code 283)

Comprises:

(a) 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.

(b) 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.

(c) Other on-site processing services, which covers on-site processing of or work on goods that have been imported without change of ownership, processed but not re-exported to the country from which the goods were consigned (but are instead either sold in the processing economy or sold to a third economy) or vice versa.

- Other business services (code 284)

Covers services transactions between residents and non-residents, such as the placement of personnel, security and investigative services, translation and interpretation, photographic services, building cleaning, real estate services to businesses and any other business services that cannot be classified to any of the business services listed above.

- Services between related enterprises, n.i.e. (code 285)

It is a residual category. It covers payments between related enterprises for services that cannot be specifically classified to any other component. It includes payments from branches, subsidiaries and associates to their parent enterprise or other related enterprises that represent contributions to the general management costs of the branches, subsidiaries and associates (for planning, organizing and controlling) and also reimbursements of expenses settled directly by parent enterprises. Also included are transactions between parent enterprises and their branches, subsidiaries and associates to cover overhead expenses.

- Personal, cultural and recreational services (code 287)

Comprises *Audiovisual and related services (code 288)* and *Other personal, cultural and recreational services (code 289)*.

- Audiovisual and related services (code 288)

Comprises 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 receipts or payments for rentals; fees received by resident actors, producers etc. for productions abroad (or by non-residents for work carried out in the compiling economy); fees for distribution rights sold to the media for a limited number of showings in specified areas; and access to encrypted television channels (such as cable services). Fees to actors, directors and producers involved with theatrical and musical productions, sporting events, circuses and other similar events and fees for distribution rights (for television, radio, and film) for these activities are included.

- Other personal, cultural and recreational services (code 289)

Comprises *Education services (code 895)*, *Health services (code 896)* and *Other on Other personal, cultural and recreational services (code 897)*.

- Education services (code 895)

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.

- Health services (code 896)

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).

- Other on Other personal, cultural and recreational services (code 897)

Is a residual category covering *Other personal, cultural and recreational services (code 289)* not included in *Education services (895)* and *Health services (code 896)*.

- Government services, n.i.e. (code 291)

It is a residual category covering government transactions (including those of international organizations) not contained in the other components of EBOPS as defined above. Included are all transactions (in both goods and services) by embassies, consulates, military units and defence agencies with residents of economies in which the embassies, consulates, military units and defence agencies are located and all transactions with other economies. Excluded are transactions with residents of the home economies represented by the embassies, consulates, military units and defence agencies, and transactions in the commissaries, post exchanges and these embassies and consulates.

A breakdown of this item into services transacted by Embassies and consulates (code 292), services transacted by Military units and agencies (code 293) and Other government services n.i.e. (code 294) is required.

INCOME (CODE 300)

Income covers two types of transactions between residents and non-residents: (i) those involving compensation of employees, which is paid to non-resident workers (e.g. border, seasonal and other short-term workers), and (ii) those involving investment income receipts and payments on external financial assets and liabilities.

- Compensation of employees (code 310)

Compensation of employees comprises wages, salaries, and other benefits, in cash or in kind, earned by individuals - in economies other than those in which they are resident - for work performed for (and paid for by) residents of those economies. Included are contributions paid by employers, on behalf of employees, to social security schemes or to private insurance or pension funds (whether funded or unfunded) to secure benefits for employees.

- Investment Income (code 320)

Investment income is income derived from ownership of external financial assets and payable by residents of one economy to residents of another economy. Investment income includes interest, dividends, remittances of branch profits, and direct investors' shares of the retained earnings of direct investment enterprises. Investment income should be classified by direct, portfolio and other investment components.

- Direct investment income (code 330)

Direct investment income namely income on equity and income on debt covers income accruing to a direct investor resident in one economy from ownership of direct investment capital in an enterprise in another economy. Income on direct investment is presented on a net basis for both direct investment abroad and in the reporting economy (i.e. receipts of income on equity and income on debt less payments on income on equity and income on debt for each). Income on equity is subdivided into (i) distributed income (dividends and distributed branch profits), and (ii) reinvested earnings and undistributed branch profits. Income on debt consists of interest payable - on intercompany debt - to / from direct investors from/ to associated enterprises abroad. Income on nonparticipating preference shares is treated as interest income, rather than dividend income, and is included in income on debt.

- Dividends and distributed branch profits (code 332)

Dividends, including stock dividends, are the distribution of earnings allocated to shares and other forms of participation in the equity of incorporated private enterprises, co-operatives, and public corporations. Distributed income may be in the form of dividends on common or preferred shares owned by direct investors in associated enterprises abroad, or vice versa.

- Reinvested earnings and undistributed branch profits (code 333)

Reinvested earnings comprise direct investors' shares -in proportion to equity held- of (i) earnings that foreign subsidiaries and associated enterprises do not distribute as dividends and (ii) earnings that branches and other unincorporated enterprises do not remit to direct investors. (If that part of earnings is not identified, all branch earnings are considered, by convention, to be distributed).

- Income on debt (code 334)

Income on debt consists of interest payable—on intercompany debt—to / from direct investors from/ to associated enterprises abroad. Income on nonparticipating preference shares is treated as interest income, rather than dividend income, and is included in income on debt.

- Equity capital and reinvested earnings abroad (code 506)

Equity capital comprises equity in branches, all shares (whether voting or nonvoting) in subsidiaries and associates (except nonparticipating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Reinvested earnings consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor.

- Equity capital and reinvested earnings in the reporting economy (code 556)

Equity capital comprises equity in branches, all shares (whether voting or nonvoting) in subsidiaries and associates (except nonparticipating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Reinvested earnings consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor.

- Portfolio investment income (code 339)

Portfolio investment income comprises income transactions between residents and non-residents and is derived from holdings of shares, bonds, notes, and money market instruments. This category is subdivided into income on equity (dividends) and income on debt (interest).

- Other investment income (370)

Other investment income covers interest receipts and payments on all other resident claims (assets) on and liabilities to non-residents, respectively. This category also includes, in principle, imputed income to households from net equity in life insurance reserves and in pension funds. Interest on assets comprises interest on long- and short-term loans, on deposits, on other commercial and financial claims, and on an economy's creditor position in the IMF. Interest on liabilities covers interest on loans, on deposits, and on other claims and interest related to the use of IMF credit and loans from the IMF. Also included is interest paid to the IMF on the Fund's SDR holdings in the General Resources Account.

- Current transfers (code 379)

Current transfers are offset items to unilateral transactions in which one economic entity provides a real resource or a financial item to another entity without receiving any real resource or financial item in exchange. These resources are immediately consumed or shortly consumed after the transfer is made. Current transfers are all transfers that are not capital. Current transfers are classified according to the sector of the compiling economy into general government and other sectors.

- General government current transfers (code 380)

General government transfers comprise current international cooperation, which covers current transfers – in cash or in kind - between governments of different economies or between governments and international organizations.

- Other sectors (code 390)

Current transfers between other sectors of an economy and non-residents comprise those occurring between individuals, between non-governmental institutions or organizations (or between the two groups), or between non-resident governmental institutions and individuals or non-governmental institutions.

- Capital account (code 994)

The capital account covers all transactions that involve the receipt or payment of capital transfers and acquisition/disposal of non-produced, non-financial assets .

- Financial account (code 995)

The financial account covers all transactions associated with changes of ownership in the foreign financial assets and liabilities of an economy. Such changes include the creation and liquidation of claims on, or by the rest of the world. All components are classified according to type of investment or by functional subdivision (direct investment, portfolio investment, financial derivatives, other investment, reserve assets).

DIRECT INVESTMENT (CODE 500)

Foreign direct investment is the category of international investment that reflects the objective of a resident entity in one economy (direct investor) obtaining a lasting interest in an enterprise resident in an economy other than that of the investor (direct investment enterprise). “Lasting interest” implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence by the investor on the management of the direct investment enterprise. Direct investment comprises the initial transaction between the two entities - that is, the transaction that establishes the direct investment relationship – and all subsequent transactions between them and among affiliated enterprises, both incorporated and unincorporated.

- Direct Investment abroad (code 505)

Direct investment is classified primarily on a directional basis – resident direct investment abroad and non-resident investment in the reporting economy.

- Equity capital (code 510)

Equity capital comprises equity in branches, all shares (whether voting or nonvoting) in subsidiaries and associates (except nonparticipating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Equity capital also covers the acquisition by a direct investment enterprise of shares in its direct investor.

- Reinvested earnings (code 525)

Reinvested earnings consist of the direct investor’s share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor. These reinvested earnings are recorded as income with an offsetting capital transaction.

- Other direct investment capital (code 530)

Other direct investment capital (or intercompany debt transactions) covers the borrowing and lending of funds - including debt securities, suppliers’ credits and nonparticipating preferred shares (which are treated as debt securities) - between direct investors and subsidiaries, branches, and associates. Debt claims on the direct investor by the direct investment enterprise are also recorded as direct investment capital.

- Direct investment in the reporting economy (code 555)

Direct investment is classified primarily on a directional basis – resident direct investment abroad and non-resident investment in the reporting economy.

- Equity capital (code 560)

Equity capital comprises equity in branches, all shares (whether voting or nonvoting) in subsidiaries and associates (except nonparticipating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Equity capital also covers the acquisition by a direct investment enterprise of shares in its direct investor.

- Reinvested earnings (code 575)

Reinvested earnings consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor. These reinvested earnings are recorded as income with an offsetting capital transaction.

- Other direct investment capital (code 580)

Other direct investment capital (or intercompany debt transactions) covers the borrowing and lending of funds - including debt securities, suppliers' credits and nonparticipating preferred shares (which are treated as debt securities) - between direct investors and subsidiaries, branches, and associates. Debt claims on the direct investor by the direct investment enterprise are also recorded as direct investment capital.

PORTFOLIO INVESTMENT (600)

Portfolio investment covers transactions in equity and debt securities. Debt securities are subdivided into bonds and notes, money market instruments, and financial derivatives when the derivatives generate financial claims and liabilities. Unless they are categorized either as direct investment or as reserve assets.

- Financial derivatives (code 910)

A Financial derivatives 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 risks, etc.) can, in their own right, be traded in financial markets.

OTHER INVESTMENT (CODE 700)

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