



## **OPINION OF THE EUROPEAN CENTRAL BANK**

**of 12 December 2007**

**at the request of the German Ministry of Economy and Technology  
on reporting provisions for payments and direct investments in domestic and foreign economic  
territories in connection with the creation of the Single Euro Payments Area (SEPA)  
(CON/2007/41)**

### **Introduction and legal basis**

On 17 October 2007 the European Central Bank (ECB) received a request from the German Federal Ministry of Economy and Technology for an opinion on the draft 82<sup>nd</sup> Regulation amending the Regulation on foreign trade (hereinafter the 'draft regulation').

The ECB's competence to deliver an opinion is based on Article 105(4) of the Treaty establishing the European Community and the fourth indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the ECB by national authorities regarding draft legislative provisions<sup>1</sup>, as the draft regulation relates to the collection, compilation and distribution of monetary, financial, banking, payment systems and balance of payments statistics. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the ECB, the Governing Council has adopted this opinion.

### **1. Purpose of the draft regulation**

- 1.1 The draft regulation amends the current reporting provisions for cross-border payments from Germany to other European Union Member States, Liechtenstein, Norway, Iceland and Switzerland in the Regulation on foreign trade, to facilitate the introduction of the payment instruments for the Single Euro Payments Area (SEPA). As the SEPA messaging standards for these payment instruments currently do not contain any fields identifying the economic nature of the transactions underlying the payments, in the future, reporting agents will transmit the necessary statistical data directly to the Deutsche Bundesbank.
- 1.2 The draft regulation will also amend reporting provisions on direct investments in domestic and foreign economic territories to comply with the data requirements laid down in Regulation (EC) No 716/2007 of the European Parliament and of the Council of 20 June 2007 on Community statistics on the structure and activity of foreign affiliates<sup>2</sup>.

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<sup>1</sup> OJ L 189, 3.7.1998, p. 42.

<sup>2</sup> OJ L 171, 29.6.2007, p. 17.

1.3 Forms Z 11, Z 12, Z 14, Z 15 and Form LV will be revised and redrafted as a result of terminological amendments to be aligned with the new data collection approach for cross-border transactions.

## **2. General observations**

2.1 The ECB is currently studying the effect of SEPA on the use of payments data for balance of payments purposes in euro area countries. Without prejudice to the outcome of this study, the development of SEPA implies that balance of payments reporting systems mainly based on payments data need to change regarding payments in euro within SEPA. At the same time, balance of payments statistics must maintain the high reliability, frequency and timeliness that are required for ECB monetary policy-making.

2.2 The ECB understands that, in the reporting system that the draft regulation will set up, direct reporting will be further increased. The ECB welcomes this approach.

2.3 The ECB regards payments data as a potentially useful tool in particular to identify the reporting population to be surveyed, i.e. to set up and maintain a register of internationally active enterprises. In the future, in the context of SEPA, more non-financial entities may choose to hold their bank account with a bank that is resident in another Member State.

2.4 Since the proposed changes in the reporting burden for outgoing payments from credit institutions to the agents directly involved in the transaction facilitate the implementation of SEPA for the banking industry, the ECB welcomes these amendments, provided the quality of the provided data is not compromised. In general, the ECB emphasises that credit institutions must continue reporting all transactions in which they are directly involved and supply readily available reference information on external statistics, as necessary.

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

Done at Frankfurt am Main, 12 December 2007.

[signed]

*The President of the ECB*

Jean-Claude TRICHET