



EUROPEAN CENTRAL BANK

EUROSYSTEM

GUIDELINE OF THE EUROPEAN CENTRAL BANK**of 6 November 2014****amending Guideline ECB/2014/15 on monetary and financial statistics****(ECB/2014/43)**

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, and in particular Articles 5.1, 12.1 and 14.3 thereof,

Having regard to Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank¹,

Having regard to Council Directive 86/635/EEC of 7 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions²,

Having regard to Guideline ECB/2010/20 of 11 November 2010 on the legal framework for accounting and financial reporting in the European System of Central Banks³,

Whereas:

- (1) It is necessary to update the compilation of statistics on the issuance of securities to take into account updates to the European System of Accounts 2010, and to start compiling statistics on the issuance of securities by financial vehicle corporations ('FVCs') engaged in securitisation transactions within this framework.
- (2) It is also necessary to amend the reporting requirements for payment transactions involving non-monetary financial institutions laid down in Guideline ECB/2014/15, thereby ensuring the appropriate recording of certain national payment instruments and services not explicitly mentioned or covered by Directive 2007/64/EC of the European Parliament and of the Council⁴,

¹ OJ L 318, 27.11.1998, p. 8.

² OJ L 372, 31.12.1986, p. 1.

³ OJ L 35, 9.2.2011, p. 31.

⁴ Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (OJ L 319, 5.12.2007, p. 1).

HAS ADOPTED THIS GUIDELINE:

Article 1

Amendments to Annex II of Guideline ECB/2014/15

Annex II to Guideline ECB/2014/15⁵ is amended as follows:

1. Part 12 is replaced by the text in Annex I to this Guideline;
2. in Part 16, Table 3 is replaced by the following:

Memo items	Sent		Received	
	Number of transactions	Value of transactions	Number of transactions	Value of transactions
Transactions per type of payment instrument				
Credit transfers				
Initiated electronically				
of which:				
Initiated on a single payment basis				
of which:				
Online banking based e-payments	Geo 1	Geo 1	-	-
Credits to the accounts by simple book entry	Geo 0	Geo 0	-	-
Debits from the accounts by simple book entry	Geo 0	Geo 0	-	-
			-	-
Money remittances	Geo 3	Geo 3	Geo 2	Geo 2
Transactions via telecommunication, digital or IT device	Geo 1	Geo 1	Geo 2	Geo 2
Other services (not included in the Payment Services Directive)	Geo 4	Geo 4	-	-

;

3. in Part 16, the following definition is added:

‘Other services (not included in the Payment Services Directive) – payment related services other than those services defined in Article 4(3) of Directive 2007/64/EC.’.

⁵ Guideline ECB/2014/15 of 4 April 2014 on monetary and financial statistics (not yet published in the Official Journal).

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Article 2

Taking effect and implementation

1. This Guideline shall take effect on the day of its notification to the national central banks of the Member States whose currency is the euro.
2. The national central banks of the Member States whose currency is the euro shall take the necessary measures to comply with Annex 1 to this Guideline and apply it from the date of its adoption.
3. The national central banks of the Member States whose currency is the euro shall take the necessary measures to comply with Article 1(2) of this Guideline and apply it from 1 January 2015.

Article 3

Addressees

This Guideline is addressed to the national central banks of the Member States whose currency is the euro.

Done at Frankfurt am Main, 6 November 2014.

For the Governing Council of the ECB

[signed]

The President of the ECB

Mario DRAGHI

Annex I

‘Part 12

Securities issues statistics

Section 1: Introduction

Securities issues statistics for the euro area provide two main aggregates:

- all issues by euro area residents in any currency, and
- all issues made worldwide in euro, both domestic and international.

A principal distinction must be drawn on the basis of the residency of the issuer whereby the Eurosystem NCBs collectively cover all issues by the residents of the euro area⁶. The Bank for International Settlements (BIS) reports issues by the ‘rest of the world’ (RoW), referring to all non-euro area residents (including international organisations not resident in the euro area).

The chart below summarises the reporting requirements.

Securities issues			
	By euro area residents <i>(each NCB reporting on its domestic residents)</i>	By RoW residents <i>(BIS/NCB)</i>	
		Non-euro area Member States	Other countries
In euro/national denominations	Block A	Block B	
In other currencies*	Block C	Block D not required	

* ‘Other currencies’ refers to all other currencies, including the national currencies of non-euro area Member States.

⁶ If reporters encounter a methodological issue not expressly covered in this Guideline, they should apply the revised European system of national and regional accounts (‘ESA 2010’) laid down in Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

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Section 2: Reporting requirements

Table 1. Block A reporting form for NCBs

	DOMESTIC RESIDENT ISSUERS//EURO/NATIONAL DENOMINATIONS			
	Outstanding amounts	Gross issues	Redemptions	Net issues**
	A1	A2	A3	A4
I. SHORT-TERM DEBT SECURITIES*				
Total	S1	S68	S135	S202
ECB/NCB	S2	S69	S136	S203
MFIs other than central banks	S3	S70	S137	S204
OFIs	S4	S71	S138	S205
Of which FVC	S5	S72	S139	S206
Financial auxiliaries	S6	S73	S140	S207
Captive financial institutions	S7	S74	S141	S208
Insurance corp. and pension funds	S8	S75	S142	S209
Non-financial corporations	S9	S76	S143	S210
Central government	S10	S77	S144	S211
State and local government	S11	S78	S145	S212
Social security funds	S12	S79	S146	S213
2. LONG-TERM DEBT SECURITIES*				
Total	S13	S80	S147	S214
ECB/NCB	S14	S81	S148	S215
MFIs other than central banks	S15	S82	S149	S216
OFIs	S16	S83	S150	S217
Of which FVC	S17	S84	S151	S218
Financial auxiliaries	S18	S85	S152	S219
Captive financial institutions	S19	S86	S153	S220
Insurance corp. and pension funds	S20	S87	S154	S221
Non-financial corporations	S21	S88	S155	S222
Central government	S22	S89	S156	S223
State and local government	S23	S90	S157	S224
Social security funds	S24	S91	S158	S225
2.1 of which fixed rate issues:				
Total	S25	S92	S159	S226
ECB/NCB	S26	S93	S160	S227
MFIs other than central banks	S27	S94	S161	S228
OFIs	S28	S95	S162	S229
Of which FVC	S29	S96	S163	S230
Financial auxiliaries	S30	S97	S164	S231
Captive financial institutions	S31	S98	S165	S232
Insurance corp. and pension funds	S32	S99	S166	S233
Non-financial corporations	S33	S100	S167	S234
Central government	S34	S101	S168	S235
State and local government	S35	S102	S169	S236
Social security funds	S36	S103	S170	S237
2.2 of which floating rate issues:				
Total	S37	S104	S171	S238
ECB/NCB	S38	S105	S172	S239
MFIs other than central banks	S39	S106	S173	S240
OFIs	S40	S107	S174	S241
Of which FVC	S41	S108	S175	S242
Financial auxiliaries	S42	S109	S176	S243
Captive financial institutions	S43	S110	S177	S244
Insurance corp. and pension funds	S44	S111	S178	S245
Non-financial corporations	S45	S112	S179	S246

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Central government	S46	S113	S180	S247
State and local government	S47	S114	S181	S248
Social security funds	S48	S115	S182	S249
2.3 of which zero coupon bonds:				
Total	S49	S116	S183	S250
ECB/NCB	S50	S117	S184	S251
MFIs other than central banks	S51	S118	S185	S252
OFIs	S52	S119	S186	S253
Of which FVC	S53	S120	S187	S254
Financial auxiliaries	S54	S121	S188	S255
Captive financial institutions	S55	S122	S189	S256
Insurance corp. and pension funds	S56	S123	S190	S257
Non-financial corporations	S57	S124	S191	S258
Central government	S58	S125	S192	S259
State and local government	S59	S126	S193	S260
Social security funds	S60	S127	S194	S261
3. LISTED SHARES†				
Total	S61	S128	S195	S262
ECB/NCBs	S62	S129	S196	S263
MFIs other than central banks	S63	S130	S197	S264
OFIs	S64	S131	S198	S265
Financial auxiliaries	S65	S132	S199	S266
Insurance corp. and pension funds	S66	S133	S200	S267
Non-financial corporations	S67	S134	S201	S268

* Debt securities other than shares refer to 'securities other than shares, excluding financial derivatives'.

** Net issues are only required should NCBs not be able to transmit either gross issues or redemptions.

† Listed shares refer to 'listed shares excluding investment fund and money market fund shares/units'.

Table 2. Block C reporting form for NCBs

	DOMESTIC RESIDENT ISSUERS//OTHER CURRENCIES			
	Outstanding amounts	Gross issues	Redemptions	Net issues
	C1	C2	C3	C4
4. SHORT-TERM DEBT SECURITIES				
Total	S269	S335	S401	S467
ECB/NCB	S270	S336	S402	S468
MFIs other than central banks	S271	S337	S403	S469
OFIs	S272	S338	S404	S470
Of which FVC	S273	S339	S405	S471
Financial auxiliaries	S274	S340	S406	S472
Captive financial institutions	S275	S341	S407	S473
Insurance corp. and pension funds	S276	S342	S408	S474
Non-financial corporations	S277	S343	S409	S475
Central government	S278	S344	S410	S476
State and local government	S279	S345	S411	S477
Social security funds	S280	S346	S412	S478
5. LONG-TERM DEBT SECURITIES				
Total	S281	S347	S413	S479
ECB/NCB	S282	S348	S414	S480
MFIs other than central banks	S283	S349	S415	S481
OFIs	S284	S350	S416	S482
Of which FVC	S285	S351	S417	S483
Financial auxiliaries	S286	S352	S418	S484
Captive financial institutions	S287	S353	S419	S485
Insurance corp. and pension funds	S288	S354	S420	S486

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Non-financial corporations	\$289	\$355	\$421	\$487
Central government	\$290	\$356	\$422	\$488
State and local government	\$291	\$357	\$423	\$489
Social security funds	\$292	\$358	\$424	\$490
5.1 of which fixed rate issues:				
Total	\$293	\$359	\$425	\$491
ECB/NCB	\$294	\$360	\$426	\$492
MFIs other than central banks	\$295	\$361	\$427	\$493
OFIs	\$296	\$362	\$428	\$494
Of which FVC	\$297	\$363	\$429	\$495
Financial auxiliaries	\$298	\$364	\$430	\$496
Captive financial institutions	\$299	\$365	\$431	\$497
Insurance corp. and pension funds	\$300	\$366	\$432	\$498
Non-financial corporations	\$301	\$367	\$433	\$499
Central government	\$302	\$368	\$434	\$500
State and local government	\$303	\$369	\$435	\$501
Social security funds	\$304	\$370	\$436	\$502
5.2 of which floating rate issues:				
Total	\$305	\$371	\$437	\$503
ECB/NCB	\$306	\$372	\$438	\$504
MFIs other than central banks	\$307	\$373	\$439	\$505
OFIs	\$308	\$374	\$440	\$506
Of which FVC	\$309	\$375	\$441	\$507
Financial auxiliaries	\$310	\$376	\$442	\$508
Captive financial institutions	\$311	\$377	\$443	\$509
Insurance corp. and pension funds	\$312	\$378	\$444	\$510
Non-financial corporations	\$313	\$379	\$445	\$511
Central government	\$314	\$380	\$446	\$512
State and local government	\$315	\$381	\$447	\$513
Social security funds	\$316	\$382	\$448	\$514
5.3 of which zero coupon bonds:				
Total	\$317	\$383	\$449	\$515
ECB/NCB	\$318	\$384	\$450	\$516
MFIs other than central banks	\$319	\$385	\$451	\$517
OFIs	\$320	\$386	\$452	\$518
Of which FVC	\$321	\$387	\$453	\$519
Financial auxiliaries	\$322	\$388	\$454	\$520
Captive financial institutions	\$323	\$389	\$455	\$521
Insurance corp. and pension funds	\$324	\$390	\$456	\$522
Non-financial corporations	\$325	\$391	\$457	\$523
Central government	\$326	\$392	\$458	\$524
State and local government	\$327	\$393	\$459	\$525
Social security funds	\$328	\$394	\$460	\$526
6. LISTED SHARES				
Total	\$329	\$395	\$461	\$527
MFIs other than central banks	\$330	\$396	\$462	\$528
OFIs	\$331	\$397	\$463	\$529
Financial auxiliaries	\$332	\$398	\$464	\$530
Insurance corp. and pension funds	\$333	\$399	\$465	\$531
Non-financial corporations	\$334	\$400	\$466	\$532

Table 3. Block A memorandum items reporting form for NCBs

	<i>DOMESTIC RESIDENT ISSUERS//EURO/NATIONAL DENOMINATIONS</i>			
	Outstanding amounts	Gross issues	Redemptions	Net issues
	A1	A2	A3	A4
6. LISTED SHARES				
Captive financial institutions	\$533	\$544	\$555	\$566
7. UNLISTED SHARES				
Total	\$534	\$545	\$556	\$567
MFIs other than central banks	\$535	\$546	\$557	\$568
OFIs	\$536	\$547	\$558	\$569
Insurance corp. and pension funds	\$537	\$548	\$559	\$570
Non-financial corporations	\$538	\$549	\$560	\$571
8. OTHER EQUITY				
Total	\$539	\$550	\$561	\$572
MFIs other than central banks	\$540	\$551	\$562	\$573
OFIs	\$541	\$552	\$563	\$574
Insurance corp. and pension funds	\$542	\$553	\$564	\$575
Non-financial corporations	\$543	\$554	\$565	\$576

1. Residency of the issuer

Issues by subsidiaries owned by the reporting country's non-residents operating in the reporting country's economic territory must be classified as issues by the reporting country's resident units.

Issues by head offices located in the reporting country's economic territory which operate internationally must also be considered as issues by resident units. Issues by head offices or subsidiaries located outside the reporting country's economic territory but owned by residents of the reporting country must be considered as issues by non-residents. For example, issues by Volkswagen Brazil are considered to have been carried out by units resident in Brazil and not in the reporting country's territory. In the absence of any physical dimension to an enterprise, its residence is determined according to the economic territory under whose laws the enterprise is incorporated or registered⁷.

To avoid double counting or gaps, the reporting of issues by special purpose entities (SPEs) must be addressed bilaterally, involving the reporters concerned. The NCBs, and not the BIS, must report issues by SPEs which fulfil the residency criteria of the ESA 2010 and are classified as euro area residents.

2. Sectoral breakdown of issuers

Issues must be classified according to the sector incurring the liability for the securities issued. The sectoral classification comprises the following 12 types of issuers:

- ECB/NCBs,

⁷ See paragraph 2.07 of the ESA 2010.

- other MFIs,
- OFIs,
- of which financial vehicle corporations engaged in securitisation,
- financial auxiliaries,
- captive financial institutions,
- insurance corporations and pension funds⁸,
- non-financial corporations,
- central government,
- State and local government,
- social security funds,
- international institutions.

Securities issued through SPEs where the ultimate liability for the issue is incurred by the parent organisation and not the SPE must be attributed to the parent organisation and not the SPE. For example, issues by an SPE of ‘AJAX Electronics’, a non-financial corporation located in the euro area country ‘Country A’, would have to be allocated to the non-financial corporation sector and reported by Country A. However, the SPE and its parent must be resident in the same country. Hence, where the parent company is not a resident of the reporting country, the SPE must be treated as a notional resident of the reporting country, and the issuing sector must be aligned with the economic function of the SPE. For example, if ‘ACME Motors’ was a non-financial corporation resident in Japan producing automobiles and ‘ACME Motor Finance’ was a subsidiary resident in euro area country ‘Country B’, issues by ACME Motor Finance would have to be attributed to captive financial institutions of Country B, because the parent company ACME Motors is not resident in the same country. The only exception to this is the case of SPEs owned by government, in which case the security is recorded as being issued by the government in the country of the parent organisation.⁹

A public corporation that becomes privatised by issuing listed shares must be allocated to the non-financial corporation sector. Similarly, a public credit institution (CI) that is privatised must be allocated to the MFIs other than central banks sector. Issues by households or non-profit institutions serving households must be classified as issues by non-financial corporations.

3. Maturity of issues

Short-term debt securities comprise securities that have an original maturity of one year or less, even if they are issued under longer-term facilities.

⁸ In practice debt securities are not issued by pension funds.

⁹ See paragraphs 2.17 to 2.20 of the ESA 2010.

Long-term debt securities comprise securities that have an original maturity of more than one year. Issues with optional maturity dates, the latest of which is more than one year away, and issues with indefinite maturity dates, are classified as long-term.

A two-year maturity split, as in the MFI balance sheet statistics, is not required.

4. Classification of long-term debt securities by interest rate

Long-term debt securities are divided into:

Fixed interest rate debt securities, i.e. debt securities which are issued and redeemed at par value and debt securities issued at a discount or premium to their par value.

Variable interest rate debt securities, i.e. debt securities where the coupon rate and/or underlying principal is linked to a general price index for goods and services (such as the consumer price index), an interest rate, or an asset price resulting in a variable nominal coupon payment over the life of the issue. For the purposes of securities issues statistics mixed interest rate debt securities are classified as variable interest rate¹⁰.

Zero coupon bonds issued at discount, i.e. instruments that have no interest payments and are issued at a considerable discount to par value. Most of the discount represents the equivalent of the interest accrued during the life of the bond.

5. Classification of issues

Issues are analysed under two broad groupings: (a) debt securities¹¹, and (b) listed shares¹². Securities issued via private placement are covered as far as possible. Money market paper is included indistinguishably as part of debt securities. Unlisted shares¹³ and other equity¹⁴ may be reported on a voluntary basis as two separate memorandum items. Shares/units issued by money market funds and other investment funds are excluded.

Non-exhaustive coverage of instruments in the securities issues statistics:

(a) Debt securities

(i) Short-term debt securities

The following instruments are included as a minimum.

- Treasury bills and other short-term paper issued by general government.

¹⁰ See paragraph 5.102 of the ESA 2010.

¹¹ Category F.3 of the ESA 2010.

¹² Category F.511 of the ESA 2010.

¹³ Category F.512 of the ESA 2010.

¹⁴ Category F.519 of the ESA 2010.

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- Negotiable short-term paper issued by financial and by non-financial corporations. A variety of terms are used for such paper including commercial paper, commercial bills, promissory notes, bills of trade, bills of exchange and certificates of deposit.
- Short-term securities issued under long-term underwritten note issuance facilities.
- Bankers' acceptances.

(ii) Long-term debt securities

The following instruments are illustrative and included as a minimum.

- Bearer bonds.
- Subordinated bonds.
- Bonds with optional maturity dates, the latest of which is more than one year away.
- Undated or perpetual bonds.
- Variable rate notes.
- Convertible bonds.
- Covered bonds.
- Index-linked securities where the value of the principal is linked to a price index, the price of a commodity or an exchange rate index.
- Deep-discounted bonds, which have small coupon payments and are issued at a discount to face value.
- Zero coupon bonds.
- Euro bonds.
- Global bonds.
- Privately issued bonds.
- Securities resulting from the conversion of loans.
- Loans that have become negotiable de facto.
- Debentures and loan stock convertible into shares, whether shares of the issuing corporation or shares of another company, so long as they have not been converted. Where separable from the underlying bond, the conversion option, which is considered to be a financial derivative, is excluded.
- Shares or stocks that pay a fixed income but do not provide for participation in the distribution of the residual value of the corporation on dissolution, including non-participating preference shares.

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- Financial assets issued as part of the securitisation of loans, mortgages, credit card debt, accounts receivable and other assets.

The following instruments are excluded:

- transactions in securities as part of repurchase agreements;
- issues of non-negotiable securities;
- non-negotiable loans.

(b) Listed shares

Listed shares include the following.

- Capital shares issued by limited liability companies.
- Redeemed shares in limited liability companies.
- Dividend shares issued by limited liability companies.
- Preferred or preference stocks or shares which provide for participation in the distribution of the residual value on dissolution of a corporation. These may be listed or unlisted on a recognised exchange.
- Private placements where possible.

If a company is privatised and the government keeps part of the shares of the privatised company but the rest are quoted on a regulated market, the whole value of the company's capital is recorded within the outstanding amounts of listed shares, since all shares could potentially be traded at any time at market value. The same applies if part of the shares is sold to large investors and only the remaining part, i.e. the free float, is traded on the stock exchange.

Listed shares exclude:

- shares offered for sale but not taken up on issue;
- debentures and loan stock convertible into shares, which are included once they are converted into shares;
- the equity of partners with unlimited liability in incorporated partnerships;
- government investments in the capital of international organisations that are legally constituted as corporations with share capital;
- issues of bonus shares at the time of issue only and split share issues; bonus shares and split shares are however included indistinguishably in the total stock of listed shares.

6. Currency of issue

Dual currency bonds must be classified according to the denomination of the bond. Dual currency bonds are defined as bonds that are scheduled to be redeemed or the coupon paid in a different currency from the denomination of the bond. If a global bond is issued in more than one currency, each portion must be reported as a separate issue, according to its currency of issue. Where issues are denominated in two currencies, e.g. 70 % in euro and 30 % in US dollars, the relevant components of the issue must be reported separately where possible according to the currency denomination. Hence, in the given example 70 % of the issue must be reported as issues in euro/national denominations¹⁵ and 30 % as issues in other currencies. Where it is not possible to separately identify the currency components of an issue, the actual breakdown made by the reporting country must be indicated in the national explanatory notes.

7. Time of recording issue

An issue is considered to have occurred when the issuer receives payment, and not when the syndicate takes up the commitment.

8. Reconciliation of stocks and flows

NCBs must submit information on outstanding amounts, gross issues, redemptions and net issues of short-term and long-term debt securities and on listed shares.

The chart below illustrates the link between stocks (i.e. outstanding amounts) and flows (i.e. gross issues, redemptions and net issues). In practice, the link is more complex due to price and exchange rate valuation changes, reinvested (i.e. accrued) interest, reclassifications, revisions and other adjustments.

(i)	Outstanding issues at end of reporting period	≈	Outstanding issues at end of previous reporting period	+	Gross issues during reporting period	-	Redemptions during reporting period	+	Reclassifications and other changes
(ii)	Outstanding issues at end of reporting period	≈	Outstanding issues at end of previous reporting period	+	Net issues during reporting period			+	Reclassifications and other changes

(a) Gross issues

Gross issues during the reporting period must include all issues of debt securities and listed shares where the issuer sells newly-created securities for cash. They concern the regular creation of new instruments. The point in time at which issues have been concluded is defined as the time at which payment is made; the recording of issues must therefore reflect as closely as possible the timing of payment for the underlying issue.

For listed shares, gross issues cover newly-created shares which are issued for cash by corporations listed on a stock exchange for the first time, including newly-created companies or private companies becoming public companies. Gross issues also cover newly-created shares which are issued against cash during the privatisation of public corporations when the corporation's shares are listed on a stock exchange. The

¹⁵ Block A for NCBs and Block B for the BIS.

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issue of bonus shares must be excluded¹⁶. Gross issues must not be reported in the event of a sole listing of a corporation on a stock exchange where no new capital is raised.

The exchange or transfer of existing securities during a takeover or merger is not covered¹⁷ within the reported gross issues or redemptions, except for new instruments which are created and issued against cash by a euro area resident entity.

Issues of securities which can later be converted into other instruments must be recorded as issues in their original instrument category; on conversion they are to be recorded as having been redeemed from this instrument category, with an identical amount then treated as gross issues in a new category¹⁸.

(b) Redemptions

Redemptions during the reporting period cover all repurchases of debt securities and listed shares by the issuer, where the investor receives cash for the securities. Redemptions concern the regular deletion of instruments. They cover all debt securities reaching their maturity date, as well as early redemptions. Company share buy-backs are covered if the company either repurchases all shares against cash prior to a change of its legal form, or repurchases part of its shares against cash and subsequently cancels them, leading to a reduction in capital. Company share buy-backs are not covered if they represent investments by a company in its own shares¹⁹.

Redemptions must not be reported in the event of a sole delisting from a stock exchange.

(c) Net issues

Net issues are the balance of all gross issues made minus all redemptions that have occurred during the reporting period.

The outstanding amounts of listed shares must cover the market value of all the listed shares of the resident entities. The outstanding amounts of listed shares reported by a euro area country may therefore increase or decrease following relocation of a listed entity. This also applies in the event of a takeover or merger where no instruments are created and issued against cash and/or redeemed against cash and cancelled. To avoid double counting or gaps for debt securities and listed shares in the event of an issuer relocating to another resident country, the relevant NCBs must coordinate the timing of reporting of such an event bilaterally.

9. Valuation

The value of a securities issue comprises a price component and, where an issue is denominated in a currency other than the reporting currency, an exchange rate component.

¹⁶ Not defined as a financial transaction; see paragraphs 5.158 and 6.59 of the ESA 2010, and Section 5(b) of this Part.

¹⁷ Transaction on a secondary market involving a change of the holder not covered by these statistics.

¹⁸ Considered as two financial transactions; see paragraphs 5.96 and 6.25 of the ESA 2010, and Section 5(a)(ii) of this Part.

¹⁹ Transaction on a secondary market involving a change of the holder is not covered by these statistics.

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NCBs must report short-term debt securities at face value²⁰ and listed shares at market value. For long-term debt securities different methods may be used for valuation depending on the interest rate type, resulting in a mixed valuation for the total. For example, fixed interest rate and variable interest rate issues are typically valued at face value, and zero coupon bonds at the nominal value. Generally, the relative amount of zero coupon bonds is small, so that no provision for a mixed valuation value is made in the code list; the total amount of long-term debt securities is reported at face value. Where the magnitude of the phenomenon is significant, the value 'Z' for 'not specified' is used. In general, whenever there is a situation where mixed valuation occurs, details are provided by the NCB at the attribute level in accordance with the attributes in Annex III.

(a) Price valuation

Stocks and flows of listed shares must be reported at market value.

An exception to the recording of stocks and flows of debt securities at face value is made in respect of deep-discounted and zero coupon bonds, where the outstanding amounts and gross issues are recorded at the nominal value, i.e. the discounted price at the time of issue plus accrued interest, and the redemptions at maturity at face value. The nominal value of the outstanding amounts of zero coupon bonds can be calculated as shown below.

$$A = E \times \left(\frac{100}{(E/P) \times 100} \right)^{\left(\frac{t}{T} \right)}$$

where

A = nominal value = effective amount paid and accrued interest

E = discounted price at time at issue (amount paid at the time of issuance)

P = face value (repaid at end of maturity)

T = time to maturity from issue date (in days)

t = time passed since issue date (in days)

There may be certain differences in the price valuation procedure used across countries.

The ESA 2010 price valuation approach, which requires flows for debt securities and shares to be recorded at transaction value and stocks at market value, is not applied in this context.

For deep-discounted and zero coupon bonds, the reporting NCB must calculate accrued interest where feasible.

(b) Reporting currency and exchange rate valuation

²⁰ For more detail on the definition of 'face value', 'market value' and 'nominal value' see paragraphs 5.90, 7.38 and 7.39 of the ESA 2010.

NCBs must report all data to the ECB expressed in euro, including historical series. For the conversion into euro of securities issued by domestic residents in other currencies (Block C)²¹, NCBs must follow as closely as possible the exchange rate valuation principles based on the ESA 2010²², as set out below.

- (i) Outstanding issues must be converted into euro/national denominations at the relevant mid-market exchange rate prevailing at the end of the reporting period, i.e. the close of business on the last working day of the reporting period.
- (ii) Gross issues and redemptions must be converted into euro/national denominations using the mid-market exchange rate prevailing at the time of payment. If it is not possible to identify the exact exchange rate applicable for the conversion, an exchange rate that is as close as possible to the mid-market rate at the time of payment may be used.

10. Conceptual consistency

Securities issues statistics and MFI balance sheet statistics are linked for the purpose of issues of negotiable instruments by MFIs. The coverage of instruments and of the MFIs that issue them are conceptually consistent, as well as the allocation of instruments to maturity bands and the currency breakdown. Differences between securities issues statistics and MFI balance sheet statistics exist regarding the valuation principles (i.e. with respect to debt securities, face value for the former and market value for the latter). Except for valuation differences and the netting of own holdings of securities on the balance sheet of MFIs for each country, the outstanding amount of securities issued by MFIs reported for securities issues statistics corresponds to item 11 ('debt securities issued') on the liability side of the MFI balance sheet. Short-term debt securities as defined for securities issues statistics correspond to debt securities issued up to one year. Long-term debt securities as defined for securities issues statistics equal the sum of debt securities issued over one and up to two years and debt securities issued over two years.

NCBs must review the coverage of the securities issues statistics and the MFI balance sheet statistics and indicate any conceptual differences to the ECB. Three types of consistency checks are performed in respect of issues by: (a) NCBs in euro/national denominations; (b) MFIs other than central banks in euro/national denominations; and (c) MFIs other than central banks in other currencies. Conceptual differences may arise between securities issue statistics and MFI balance sheet statistics, since the securities issues statistics and the MFI balance sheet statistics are derived from national reporting systems with different purposes.

²¹ Since 1 January 1999, for securities issued by domestic residents in euro (part of Block A) no exchange rate valuation is required, and securities issued by domestic residents in euro/national denominations (remaining part of Block A) are converted into euro applying the irrevocable conversion rates of 31 December 1998.

²² See paragraph 6.64 of the ESA 2010.

11. Data requirements

Statistical returns are expected from each country for each applicable time series. NCBs must notify the ECB promptly in writing with explanations if a particular item does not apply in a particular country. NCBs may be temporarily exempted from the reporting of a time series if the underlying phenomenon does not exist. NCBs must also notify this occurrence or any other departures from the reporting scheme described in Annex III. Furthermore, they must inform the ECB when revisions are sent together with explanations on the nature of these revisions.

Section 3: National explanatory notes

Each NCB must submit a report describing the data provided in the context of this exercise. The report must cover the topics detailed below and follow the proposed layout as closely as possible. NCBs must provide additional information on instances where data reported do not comply with this Guideline, or where they have not provided the data, and the reasons for this. The report must not be submitted later than the data.

1. Data sources/data collection system: details of the data sources used to compile securities issues statistics must be given: administrative sources for government issues, direct reporting from MFIs and other institutions, newspapers, and data providers such as the International Financial Review etc. NCBs must indicate whether the data are collected and stored on an issue-by-issue basis, and their criteria. Alternatively, NCBs must indicate whether the data are collected and stored indistinguishably as amounts issued by individual issuers during a reporting period, e.g. for direct data collection systems. NCBs must provide information on the criteria used in direct reporting to identify the reporting agents and the information to be submitted.

2. Compilation procedures: the method used to compile data in this exercise must be briefly described, e.g. aggregation of information on individual securities issues, arrangements for existing time series and whether published or not.

3. Residence of the issuer: NCBs must specify whether it is possible to fully apply the ESA 2010 (and IMF) definition of residency in classifying issues. If this is not possible, or only partially possible, NCBs must provide a full explanation of the criteria actually used.

4. Sectoral breakdown of issuers: NCBs must indicate deviations from the classification of issuers according to the sectoral breakdown defined in Section 2 point 2. The notes must explain the identified deviations and any grey areas.

5. Currency of issue: if it is not possible to separately identify the currency components of an issue, NCBs must explain deviations from the rules. Furthermore, NCBs that cannot distinguish for all securities between issues in local denominations, in other euro/national denominations and in other currencies, must describe where such issues have been classified and indicate the total amount of issues that were not properly allocated to illustrate the size of the distortion.

6. Classification of issues: NCBs must provide comprehensive information on the type of securities covered by the national data, including their national terms. If coverage is known to be partial, NCBs must explain existing gaps. In particular, NCBs must provide the information set out below.

- Private placements: NCBs must indicate whether or not they are covered in the reported data.
- Bankers' acceptances: if negotiable and included in the reported data for short-term debt securities, the reporting NCB must explain in the national explanatory notes the national procedures for recording these instruments and their nature.
- Listed shares: NCBs must indicate whether unlisted shares or other equity are covered in the reported data with an estimate of the amount of unlisted shares and/or other equity to illustrate the size of the distortion. NCBs must indicate in the national explanatory notes any known gaps in the coverage of listed shares.

7. Instrument analysis of long-term debt securities: if the sum of fixed rate, variable rate and zero coupon bonds does not add up to the total for long-term debt securities, NCBs must give the type and amount of long-term securities for which no such breakdown is available.

8. Maturity of issues: if the strict application of the short and long-term debt security definitions cannot be followed, NCBs must indicate where the reported data deviate.

9. Redemptions: NCBs must specify how they derive the information on redemptions and whether the information is collected by direct reporting or calculated by residual.

10. Price valuation: NCBs must specify in detail in the national explanatory notes the valuation procedure used for (a) short-term debt securities; (b) long-term debt securities; (c) discounted bonds; and (d) listed shares. Any valuation difference for stocks and flows must be explained.

11. Reporting frequency, timeliness and time range: NCBs must specify the extent to which the data compiled for this exercise has been provided in conformity with the user requirements, i.e. with a timeliness of five weeks for monthly data. The length of the time series provided must also be given. Any breaks in the series must be reported, e.g. differences in the coverage of securities over time.

12. Revisions: NCBs must provide brief explanatory notes for any revisions and clarify the reason for them and their extent.

13. Estimated coverage per instrument issued by domestic residents: NCBs must give national estimates of the coverage of securities for each category of issues by domestic residents, i.e. issues of short-term securities, long-term securities, and listed shares, in local currency, other euro/national denominations including ECU, and other currencies in accordance with the table below. The estimates for 'coverage in %' must indicate the share of securities covered in each instrument category as percentages of the total issue, which must be reported under the relevant heading following the reporting rules. Brief descriptions may be provided in 'comments'. NCBs must also indicate any changes in coverage as a result of joining the monetary union.

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			Coverage in %:	Comments:
Issues in euro/ national denominations	Local denomination	STS		
		LTS		
		QUS		
	Euro/national denominations other than the local currency including ECU	STS		
		LTS		
In other currencies		STS		
		LTS		

STS = short-term debt securities.

LTS = long-term debt securities.

QUS = listed shares.

Section 4: Requirements for the Bank for International Settlements

The reporting requirements of the BIS follow the same principles as those for NCBs outlined in sections 1-3, except for the following:

Table 3. Block B Reporting form for the BIS

	<i>ROW RESIDENT ISSUERS/EURO/NATIONAL DENOMINATIONS</i>		
	Outstanding amounts	Gross issues	Redemptions
	B1	B2	B3
9. SHORT-TERM DEBT SECURITIES			
Total	\$577	\$642	\$707
NCB	\$578	\$643	\$708
MFIs other than central banks	\$579	\$644	\$709
OFIs	\$580	\$645	\$710
Of which FVC	\$581	\$646	\$711
Financial auxiliaries	\$582	\$647	\$712
Captive financial institutions	\$583	\$648	\$713
Insurance corp. and pension funds	\$584	\$649	\$714
Non-financial corporations	\$585	\$650	\$715
Central government	\$586	\$651	\$716
State and local government	\$587	\$652	\$717
Social security funds	\$588	\$653	\$718
International organisations	\$589	\$654	\$719
10. LONG-TERM DEBT SECURITIES			
Total	\$590	\$655	\$720
NCB	\$591	\$656	\$721
MFIs other than central banks	\$592	\$657	\$722
OFIs	\$593	\$658	\$723
Of which FVC	\$594	\$659	\$724
Financial auxiliaries	\$595	\$660	\$725
Captive financial institutions	\$596	\$661	\$726
Insurance corp. and pension funds	\$597	\$662	\$727
Non-financial corporations	\$598	\$663	\$728
Central government	\$599	\$664	\$729
State and local government	\$600	\$665	\$730
Social security funds	\$601	\$666	\$731
International organisations	\$602	\$667	\$732

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10.1 of which fixed rate issues:			
Total	\$603	\$668	\$733
NCB	\$604	\$669	\$734
MFIs other than central banks	\$605	\$670	\$735
OFIs	\$606	\$671	\$736
Of which FVC	\$607	\$672	\$737
Financial auxiliaries	\$608	\$673	\$738
Captive financial institutions	\$609	\$674	\$739
Insurance corp. and pension funds	\$610	\$675	\$740
Non-financial corporations	\$611	\$676	\$741
Central government	\$612	\$677	\$742
State and local government	\$613	\$678	\$743
Social security funds	\$614	\$679	\$744
International organisations	\$615	\$680	\$745
10.2 of which floating rate issues:			
Total	\$616	\$681	\$746
NCB	\$617	\$682	\$747
MFIs other than central banks	\$618	\$683	\$748
OFIs	\$619	\$684	\$749
Of which FVC	\$620	\$685	\$750
Financial auxiliaries	\$621	\$686	\$751
Captive financial institutions	\$622	\$687	\$752
Insurance corp. and pension funds	\$623	\$688	\$753
Non-financial corporations	\$624	\$689	\$754
Central government	\$625	\$690	\$755
State and local government	\$626	\$691	\$756
Social security funds	\$627	\$692	\$757
International organisations	\$628	\$693	\$758
10.3 of which zero coupon bonds:			
Total	\$629	\$694	\$759
NCB	\$630	\$695	\$760
MFIs other than central banks	\$631	\$696	\$761
OFIs	\$632	\$697	\$762
Of which FVC	\$633	\$698	\$763
Financial auxiliaries	\$634	\$699	\$764
Captive financial institutions	\$635	\$700	\$765
Insurance corp. and pension funds	\$636	\$701	\$766
Non-financial corporations	\$637	\$702	\$767
Central government	\$638	\$703	\$768
State and local government	\$639	\$704	\$769
Social security funds	\$640	\$705	\$770
International organisations	\$641	\$706	\$771

Maturity of issues

With regard to maturity, the BIS considers all euro commercial paper ECP and other euro notes drawn under a short-term programme as short-term instruments, and all instruments issued under long-term documentation as long-term instruments whatever their original maturity.

Sectoral breakdown of issuers

The BIS follows the mappings between the sectoral breakdown of issuers available in the BIS database and those requested in the report forms, as shown in the chart below.

<i>Sectoral breakdown in BIS database</i>		Classification in report forms
Central bank	→	NCB and ECB
Commercial banks	→	MFIs
OFI	→	OFIs
Central government	→	Central government
Other government State agencies	→	State and local government
Corporations	→	Non-financial corporations
International institutions	→	International institutions (RoW)

Classification of issues

The following instruments contained in the BIS database are classified as debt securities in the securities issues statistics:

- certificates of deposit,
- commercial paper,
- treasury bills,
- bonds,
- euro commercial paper,
- medium-term notes,
- other short-term paper.

Valuation

Current BIS valuation rules are face value for debt securities and issue price for listed shares.

The BIS reports to the ECB all issues by RoW residents in euro/national denominations (Block B) in US dollars using the end-of-period exchange rate for amounts outstanding and the period’s average exchange rate for issues and redemptions. The ECB converts all data into euro using the same principle as initially applied by the BIS. For periods prior to 1 January 1999, the exchange rate between the ECU and the US dollar must be used as a proxy.’