



BANK ĊENTRALI TA' MALTA
EUROSISTEMA
CENTRAL BANK OF MALTA

Insurance Agents and Brokers (Guideline to the return)

Statistics Department

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Purpose of the questionnaire

The Insurance Agents and Brokers integrated questionnaire contains seven sheets. The following guidance notes explain how to fill in the questionnaire sheet by sheet. The data collected in these returns will be used to compile Balance of Payments (BOP), Financial Accounts (FA) and National Accounts (NA) statistics for Malta. Information reported in the questionnaire shall be treated as confidential and shall be used exclusively for statistical purposes. Confidentiality of all information collected is guaranteed by the Central Bank of Malta Act and the Malta Statistics Authority Act (2000).

Reporting

Reporting in all the sheets (including sheet “*InsAgBrok_P&L*”¹) should be in thousands of euro. Conversion of foreign currencies to euro for balance sheet figures should be based on the end of month exchange rates

(see link <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>).

Transactions are to be valued at the actual market prices agreed upon by the transacting parties. Transactions should be recorded when an economic value is created, transformed, exchanged, transferred or extinguished. In addition, all transactions should be recorded on a gross basis.

The Questionnaire is to be prepared in accordance with the latest International Accounting Standards issued by the International Standards Committee and in conformity with the Central Bank of Malta reporting requirements.

The Questionnaire should be completed and submitted to the Central Bank within one month of the reference period exclusively in electronic format. The returns are to be submitted either (1) on a CD and addressed to:

The Manager,
Monetary, Financial & External Statistics Office,
Statistics Department,
Central Bank of Malta,
St James Counterguard,
Valletta VLT 1060.

or (2) electronically at the email address sis@centralbankmalta.org using password protection or Pretty Good Privacy (PGP). However any queries on the return should be sent according to the sheet, as follows:

- ‘InsAgBrok Assets’/‘InsAgBrok Liabilities’ - mufa@centralbankmalta.org, (Tel:2550 4414)
- ‘P&L’ - fsquery@centralbankmalta.org, (Tel:2550 4420)
- All of the remaining sheet - bop@centralbankmalta.org, (Tel:2550 4419, 2550 4416)

The authorised official completing the questionnaire must be able to provide information on the developments implied by the data supplied compared with the previous period’s figures.

¹ Respondents were asked to fill this sheet in actual figures in the previous versions of this questionnaire.

Concept of 'Residence'

Residence is based on the transactor's (i.e. counterparty's) centre of economic interest. A transactor has a centre of economic interest in Malta when there exists some location - dwelling, place of production or other premises (owned or rented by the transactor) - within the economic territory of Malta in, or from which, the transactor engages and intends to continue engaging, either indefinitely or over a finite but long period of time, in economic activities and transactions on a significant scale. As a guideline, this period should be of one year or more. Thus, a transactor is said to have a centre of economic interest and to be a resident of Malta when engaged in a significant amount of production of goods and/or services or when owning land or buildings located in Malta. The address of his/her dwelling, office, or factory is deemed to be sufficient in itself to indicate whether the individual or company have a centre of economic interest in Malta. All other entities not meeting the above criteria are to be considered as non-resident units.²

Structure of this guidance note

This guidance note is divided in 7 different sections, one for each sheet in the return. The selectable fields, financial instruments, classifications and any other information required from the Insurance Agent/Broker are explained. An inputting example is given at the end of some of the sections to facilitate the understanding of the reporting concepts required to fill in the questionnaire.

² Please refer to Appendix 1 for further details on the classification of residency for special cases.

Cover Sheet

The Cover Sheet requires respondents to detail the Unit ID (which will be supplied by the Central Bank of Malta), information on the year, frequency and period to which the return pertains.

The year can be selected from the drop down menu by clicking on the cell and clicking on the down-facing arrow which appears to the right hand side of the cell. Frequency refers to the frequency at which the respondent is asked to submit the questionnaire. This can be chosen by using the drop down menu as explained previously. The possible entries are A, Q and H. These refer to annual, quarterly and half yearly respectively.³

The field 'Period' refers to the questionnaire number for the year. The selectable numbers (from the drop down menu) depend on the choice of 'Frequency' mentioned above. If 'A' is chosen as the frequency of the return, only the number '1' can be selected – since if the questionnaire is submitted at an annual frequency there can only be one questionnaire per year. If 'H' is chosen the respondents are asked to choose either '1' or '2'. If '1' is selected, the return pertains to the period 1st January to 30th June. Selecting '2' implies the return pertains to the second half of the year (1st July – 31st December). If 'Q' is selected, the selectable numbers (1,2,3 or 4) refer to the quarter number for which the return is being filled.

Respondents also need to input the contact details of the person responsible for filling the questionnaire and answering queries on the questionnaire.

Profit and Loss Sheet – [*InsAgBrok_P&L*]

The Profit and Loss sheet should be compiled for the period covered by the return. For example, if the respondent is asked to submit the return at an annual frequency, the period covered by the return shall be spanning from the 1st January to the 31st December. Accordingly the P&L should be compiled for the whole year. If the respondent is asked to fill the questionnaire at quarterly or bi-annual frequency the P&L shall cover three months or six months respectively.

Any queries regarding '*InsAgBrok_P&L*' should be directed to fsquery@centralbankmalta.org or by phone on 2550 4420.

³ Insurance Agents/Brokers will be informed at what frequency they need to submit the questionnaire by the Central Bank.

Balance Sheet – Assets [*InsAgBrok_Assets*] & Liabilities [*InsAgBrok_Liabilities*]

Reporting entities are required to detail their balance sheet positions as at the end of the reporting period. The asset balances should be detailed in sheet *InsAgBrok_Assets* whereas the liabilities should be reported in sheet *InsAgBrok_Liabilities*. In contrast to conventional balance sheets these sheets require further detail in respect to the counterparty of the balance sheet items. As such, for each type of asset or liability (e.g. loans, shares and other equity etc.) the sector of the counterparty must be specified. The counterparty for an asset held by the Insurance Agent/Broker is defined as the liability holder for the same balance sheet item. The opposite is true for liabilities held by the Insurance Agent/Broker. Summarily therefore, each asset or liability item is cross-classified by the sector of the debtors or creditors respectively.

The sector of the counterparty is represented in the columns of sheets *InsAgBrok_Assets* and *InsAgBrok_Liabilities*. The column classification shows the sector of the counterparty split up into the main resident sectors (detailed below) and the non-resident sector.

Counterparties in the domestic territory are broken down into six main categories, namely the General Government, the Monetary Financial Institutions (sub-classified into: the Central Bank of Malta, Credit institutions and Money Market Funds), Other Financial Institutions (sub-classified into Collective Investment Schemes, and Others), Insurance Principals, Non-Financial Companies (sub-classified into Private and State Enterprises), and Households & Non-Profit Organisations. Non-Resident entities are aggregated in a distinct column irrespectively of their sector classification. (I.e. whether the foreign counterpart is a bank or a non-financial company or any other type of entity is not important since all foreign entities are classified as ‘Non-Residents’).

The sector classification

This section describes the column headers used in sheets *InsAgBrok_Assets* & *InsAgBrok_Liabilities* as shown in the print screen here below. The sectoral classifications are identical in both sheets (assets and liabilities).

Insurance Agents/Brokers - Balance Sheet																
Name of Insurance Agent/Broker:												CONFIDENTIAL				
For the period ending:																
Currency:												EUR '000s				
Table 1 - Balance Sheet (Assets)																
Type of instrument	Classification by counterparty											Total Residents (a)	Non-residents (b)	Total (a) - (b)		
	General Government	Monetary Financial Institutions	OFIs and Financial Auxiliaries	Insurance Principals	Non-Financial Companies	Households & NPOs	Central Bank of Malta	Credit Institutions	Money Market Funds	Collective Investment Schemes	Others				Private Owned	State Owned
(1) Currency (Cash in hand)*		0												0	0	0
(11) Euro																
	1	2B	2B	2C	2	3A	3B	3	4	5A	5B	6	6	7		

Figure 1 - Sectoral classification used in the balance sheets

1. General Government

General Government includes the administrative departments of the State and other central agencies whose competence extends over the whole economic territory. This sector includes Local Councils.

2. Monetary Financial Institutions

The Monetary Financial Institutions (MFIs) sector includes the Central Bank of Malta and the Credit Institutions and the Money Market Funds.

2A. Central Bank - The Central Bank of Malta is a distinct corporate body having specialised functions assigned to the monetary authority of a country.

2B. Credit Institutions – The business of credit institutions is to receive deposits and from entities other than MFIs and, for their own account to grant credits and/or make investments in securities.

2C. Money Market Funds – are defined as those collective investment undertakings which primarily invest in money market instruments and/or in other transferable debt instruments with a residual maturity up to and including one year, and/or in bank deposits, and/or which pursue a rate of return that approaches the interest rates of money market instruments.

3. Other Financial Institutions

This sector consists of all financial companies which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits from units other than Monetary Financial Institutions. For the purposes of these Schedules, this sector distinguishes between -

3A. Locally-Based Investment Funds (excluding Money Market Funds)

3B. Others - mainly consisting of financial auxiliaries, such as foreign exchange companies, exchange bureau and Investment Service Providers.

4. Insurance Companies

Insurance Companies comprise non-monetary financial companies principally engaged in financial intermediation for the purpose of risk pooling. Their principal function is to provide life, accident, health, fire or other forms of insurance to individual institutional units or group of units. Pension funds are also included in this sector. Pension funds are established for the purposes of providing retirement benefits for specific groups of employees.

5. Non-Financial Companies

The Non-financial Companies include companies, partnerships or corporations that do not engage in financial intermediation but engage principally in the production of market goods and non-financial services.

5A. Private non-financial companies are under private ownership or control and are collectively owned by shareholders that have the authority to appoint directors responsible for general management and may be a source of profit or other financial gain to their owners.

5B. State entities (excluding authorities) are those non-financial corporations that are subject to control by government, 'control' being defined as the ability to determine general corporate policy.

6. Households and Non-Profit Organisations

Households and Non-Profit Organisations mainly comprise individuals or groups of individuals as consumers and non-profit institutions which are principally engaged in the provision of non-market goods and services to their members, or to households, without charge or at prices that are not economically significant. The latter include trade unions, political parties, church or religious societies, social, cultural, recreational and sports clubs, charity and aid organisations. Note that sole proprietors and other unincorporated businesses are also classified as households.

7. Non-Residents

Non-residents are all entities which do not have a centre of economic interest in Malta.

The next two sections describe the financial instruments (i.e. balance sheet items) found in the assets [**InsAgBrok_Assets**] and liabilities sheets [**InsAgBrok_Liabilities**].

InsAgBrok_Assets - Description of Asset Categories

The rows/balance sheet items included in the assets part of the balance sheet are described here below. The following (split) print screen illustrates part of the sheet. The paragraphs below are numbered according to the item numbering illustrated in the print screen.

Insurance Agents/Brokers - Balance Sheet		Insurance Agents/Brokers - Balance Sheet	
Name of Insurance Agent/Broker:		Name of Insurance Agent/Broker:	
For the period ending:		For the period ending:	
Currency:		Currency:	
		... continued from the left...	
Table 1 - Balance Sheet (Assets)		Table 1 - Balance Sheet (Assets)	
Type of instrument		Type of instrument	
(1) Currency (Cash in hand)¹		(5) Shares and other equity	
(1.1) Euro		(5.1) Investment Fund units	
(1.2) Foreign currency		(5.2) Other shares and equity	
(2) Bank deposits²		(5.2.1) Subsidiaries	
(2.1) Current		(5.2.1.1) Quoted	
(2.2) Savings		(5.2.1.2) Unquoted	
(2.2.1) Withdrawable on demand		(5.2.2) Associate companies	
(2.2.2) Redeemable at notice		(5.2.2.1) Quoted	
(2.3) Time		(5.2.2.2) Unquoted	
(3) Securities other than shares		(5.2.3) Non-associate companies	
(3.1) Bonds		(5.2.3.1) Quoted	
(3.2) Treasury Bills		(5.2.3.2) Unquoted	
(3.3) Malta Government Stocks		(6) Prepayments of insurance premiums	
(3.4) Other securities ³		(7) Debtors	
(3.5) Financial Derivatives		(8) Prepayments	
(4) Loans		(9) Fixed assets	
(4.1) Short-term loans		(10) Other assets	
(4.2) Long-term loans		(10.1) Other financial assets	
		(10.2) Other non-financial assets	
... continued on the right ...		Total Assets (1+...+10)	

Figure 2 - Balance Sheet (Assets)

1. Currency (or cash)

Currency and (Cash in Hand) represents holdings of euro and other foreign notes and coins that are used to make payments. This item is further subcategorised into (1.1) euro and (1.2) Foreign currency. The value of foreign currency should be changed into euro using the reference rates as at end of the reporting period

(see link <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>).

2. Bank Deposits

Bank deposits are those funds or other balances lodged with a bank or similar financial institution. Deposits are usually redeemable for cash at face value plus accrued interest. Deposits consists of (2.1) current deposits, (2.2) savings deposits split up into (2.2.1) withdrawable on demand and (2.2.2) redeemable at notice and (2.3) time deposits. The term “withdrawable on demand” means that such deposits do not require an advance notice before their withdrawal. The term “redeemable at notice” means that such deposits can be withdrawn only subject to a pre-announcement. Time deposits refer to deposits which may not be

withdrawn before a specified period. Bank deposits should also include deposits denominated in foreign currency. Interest income is recorded on an accrual basis.

3. Securities other than shares

Securities other than shares are assets which give their holders the unconditional right to receive stated fixed sums on a specified date or the unconditional right to fixed money incomes or contractually determined variable money incomes. This principally includes bonds issued by companies (3.1) and the Government (3.3). Treasury bills (3.2) are short term security, defined as having an original maturity of one year or less, issued by Government. Securities other than shares also include (3.5) financial derivatives i.e. assets whose values are contingent on the prices of other assets or on specific events. All securities must be recorded in the balance sheet at market value and according to their original maturity (i.e a 10-year Government Stock or a Corporate Bond maturing in 8 months time should be considered as long-term security). Interest income is recorded on an accrual basis.

4. Loans

Loans are financial assets that are created when the Insurance Agent/Broker lends funds to debtors, either directly or indirectly through brokers. This category is sub-divided into (4.1) Short-term loans, consisting of all financial transactions whose original maturity is normally one year or less, and (4.2) Long-term loans, i.e. loans whose original maturity is normally more than one year. Interest income on such loans is recorded on an accruals basis.

5. Shares and other equity

Shares and other equity are holdings of securities which represent property rights on companies. These securities generally entitle the holders to a share in profits of companies and to a share in their own funds in the event of liquidation. This category also includes units in other (5.1) investment schemes, unit funds, investment trusts and other collective schemes, whether they are open-ended or closed-ended funds.

Other shares and equity (5.2) is split into three categories according to the relation to the equity issuer (subsidiaries, associates and non-related). Subsidiaries (5.2.1) are defined as companies which are owned by the Insurance Agent/Broker or in which the Insurance Agent/Broker owns over 50% of the equity issued by the company. Associate companies (5.2.2) are defined as companies in which the Insurance Agent/Broker owns a significant stake (20% to 50%). All other companies are defined as non-associate (5.2.3).

For each relation classification mentioned above, shares are further classified as quoted and unquoted shares. Quoted shares refer to equities which are quoted on stock exchanges (e.g. Malta Stock Exchange).

The value of Shares and other equity should be based on the market prices or fair values. Fair values must be used to estimate shares in situations where market price data are unavailable. It is that value that approximates the value that would arise from a market transaction between unrelated parties. The two methods used to establish fair values are:

- ❖ Establish a fair value based on the market price of a market-traded financial instrument, similar in nature to a non-traded financial instrument.
- ❖ Basing fair values on the present value of future cash flows.

6. Prepayments of insurance premiums

Prepayments of insurance premiums refer to the outstanding value of insurance services paid by the Insurance Agent/Broker as at the end of the reporting period.

7. Debtors

Debtors should be presented at their net realisable value after deducting provision for bad debts.

8. Prepayments

Prepayments include prepaid formation expenses which will be written-off over a period of time

9. Fixed assets

This item incorporates non-financial tangible fixed assets owned by the reporting institution. They include land and buildings occupied by the reporting institution, as well as equipment, software, investment property and other infrastructures.

10. Other assets

This item includes other items not classified elsewhere. Such items can be other financial assets (10.1) or other intangible non-financial assets (10.2). The former may in some cases include assets resulting from timing differences between this transaction and the corresponding payment arising in the ordinary course of business transactions (other trade receivables).

InsAgBrok_Liabilities - Description of Liabilities

The rows/ balance sheet items included in the liabilities part of the balance sheet are described here below. The following (split) print screen illustrates part of the sheet. The paragraphs below are numbered according to the item numbering illustrated in the print screen.

Insurance Agents/Brokers - Balance Sheet		Insurance Agents/Brokers - Balance Sheet	
Name of Insurance Agent/Broker:		Name of Insurance Agent/Broker:	
For the period ending:		For the period ending:	
Currency:		Currency:	
Table 2 - Balance Sheet (Liabilities)		Table 2 - Balance Sheet (Liabilities)	
Type of instrument		Type of instrument	
		... continued from the left ...	
(1) Securities other than shares		(3) Shareholder's funds	
(1.1) Short-term securities		(3.1) Share Capital	
(1.2) Long-term securities		(3.2) Reserves	
(1.3) Financial Derivatives		(3.3) Profit and loss account	
(2) Loans		(4) Insurance technical reserves	
(2.1) Overdrafts and short-term borrowings		(4.1) Net equity for non-life insurance	
(2.1.1) Euro		(4.2) Net equity for life insurance	
(2.1.1) Foreign currency		(4.3) Prepayments of premiums	
(2.2) Long-term loans		(4) Creditors (excl. loans)	
(2.2.1) Euro		(4.1) Short-term (less than one year)	
(2.2.2) Foreign currency		(4.2) Long-term (more than one year)	
... continued on the right ...		(5) Accruals	
		(6) Other liabilities	
		Total liabilities (1+...+6)	

Figure 3 - Balance Sheet (Liabilities)

1. Securities other than shares

This category consists of all securities excluding shares issued by the Insurance Agents/Broker. These securities are often in the form of fixed income liabilities (such as bonds). Distinction is made between short-term securities (1.1) and long-term securities (1.2). The former refer to securities having an original maturity of one year or less, whereas long term securities refer to those having an original maturity spanning over one year. Financial derivatives (1.3) refer to contingent financial assets whose mark to market is negative (and therefore constitute a liability) as at end on the reporting period. Financial Derivatives, whose mark to market is negative at the end of the reporting period, constitute a liability, since the Insurance Agent/Broker would in effect owe to the counterparty holder of the derivative the difference between the market price and the strike price.

Securities must be recorded in the balance sheet at market value and according to their original maturity (i.e. a 5-year Corporate Bond maturing in 8 months time should be considered as long-term security). Interest income is recorded on an accrual basis.

2. Loans

Loans are created when creditors lend funds to the Insurance agent/Broker, which may or may not be evidenced by non-negotiable documents and may be interest-bearing. The conditions governing a loan are either fixed by the financial company granting the loan or negotiated by the lender and the borrower directly or through a broker. Loans with an original maturity of one year or less are classified as Short Term loans (2.1). Short term loans also include bank overdrafts. Long term loans (2.2) have an original maturity of more than one year. Interest income is recorded on an accrual basis. The balances are further sub-categorised into loans denominated in euro and foreign currency. Loans in currencies other than the euro should be converted into euro using the reference rate as at end of the reporting period

(see link <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>).

3. Shareholders' funds

Shareholders' funds comprise the Share Capital, Reserves and Profit and loss account. Capital and Reserves are amounts arising from the issue of equity capital to shareholders or other proprietors, representing for the holder property rights.

(3.1) Share Capital comprises amounts arising from the issue of equity capital to shareholders or other proprietors, representing for the holder property rights and generally an entitlement to a share in its profits and to a share in its own funds in the event of liquidation.

(3.2) Reserves include funds arising from non-distributed benefits or funds set aside in anticipation of future likely payments and obligations. Reserves therefore include capital reserve, share premium, retained profits, revaluation reserves, general provisions, debt capital instruments, subordinated debt and unrealised gains/losses on investments.

4. Creditors

This item should comprise any creditors arising out of direct insurance operations, reinsurance operations, amounts owed to banks, taxation and social security. Distinction should be made between long term creditors (over 1 year) and short term creditors (less than 1 year).

5. Accruals

These include accrued formation expenses which will be written-off over a period of time.

6. Other liabilities

This item includes other items not classified elsewhere.

The following section provides a simple example on how to fill the sectoral balance sheets **[InsAgBrok_Assets]** & **[InsAgBrok_Liabilities]** in the Insurance Agents/Brokers return.

Balance Sheet – Inputting Example

In the following table, the numbered entries refer to balance sheet items. The explanation of how to record the items is detailed below each numbered item.

Closing asset and liability balances as at end 20XX Quarter 1:-

Assets held by the Insurance Agent/Broker	
Since the following entries pertain to assets held by the Insurance Agent/Broker, figures should be inputted in the sheet named [InsAgBrok_Assets] .	
1.	<i>Cash at hand €500</i>
	Since the cash amounts are in euro, they are liability to the Central Bank of Malta. As such the outstanding figure should be inputted in 'Central Bank of Malta' column as shown in the following print screen. '0.5' should be inputted in the respective cell since figures are denominated in euro thousands.
2.	<i>Current Deposits held with a resident bank €10,000</i>
	Insert '10' in the row '2.1 Current' under the column 'Credit institutions'.
3.	<i>Time deposit held with a bank in the UK, denominated in sterling amounting to £3,000. The official middle exchange rate as at end of quarter 1 20XX was 1€ : 0.80£.</i>
	The time deposit is denominated in a currency other than the euro the figure should be converted using the appropriate exchange rate. The £3,000 should be converted to their equivalent in euro using the exchange rate as at the closing period date. The calculation results in the equivalent of €3,750. Insert '3.750' in the row '2.3 Time' under the column 'Non-Residents' (since the bank has a centre of economic interest in the UK not in Malta).
4.	<i>Maltese government stock with market value equal to €12,500.</i>
	Insert '12.5' in row (3.3) Malta Government Stocks under column "General Government".
5.	<i>Short term loan provided to a director of the Insurance Agent/Broker amounting to €5,000</i>
	The director forms part of the 'Household' sector. As such insert '5' in the row 4.1 Short-term loans in the column 'Households & NPO'.
6.	<i>Shares in a locally quoted non-financial company with market value of €3,750. The Insurance Agent/Broker owns less than one percent of the quoted company.</i>
	This asset consists of an amount of shares in a resident, non-related, non-financial

	company. As such the entry should be recorded as “Shares & other equity” under the heading (5.2.3) Non-associate companies in row (5.2.3.1) “Quoted”. Input the value of ‘€3.75’ under the column ‘Non-Financial Companies’.
7.	<i>Fixed assets including buildings, office furniture and IT systems having a net value (after accounting for depreciation) equal to €5,000.</i>
	The total value (‘5’) of fixed assets should be inputted in row ‘(9) Fixed assets’.

Liabilities owed by the Insurance Agent/Broker

Since the following entries pertain to liabilities owed by the Insurance Agent/Broker, figures should be inputted in the sheet named **[InsAgBrok_Liabilities]**.

	Overdraft in one of the company's current accounts (held with a local bank) amounting to €420.
	Overdrafts are short term loans and should be recorded in row (2.1.1) euro, which refers to Overdrafts and Short term borrowing made in euro. Since the overdraft facility was provided by the bank the figure '€0.42' should be inputted in the column headed 'Credit Institutions'.
	Amounts due next month to a local furniture manufacturing company for furniture bought €2,000.
	The value of €2,000 is owed to a local non-financial company within a month. As such the entry should be made in row (5.1) Short-term (less than one year), which refers to credits owed within one year. Input '€2' under the heading 'Non-Financial Companies'.
	€700 owed to Mr. Attard for transport of furniture from factory warehouse to the Insurance Agent/Broker offices. Payment must be made within three months.
	Mr. Attard is a resident sole proprietor. As such he is categorised in the 'Household and NPO' sector. The corresponding balance sheet item should be classified as short term credits as the previous input. Input '€0.7' in row (5.1) Short-term (less than one year) under the column heading 'Household and NPO'.
	Shares issued by the Insurance Agency/Broker amounting to €30,000. Half of the securities are owned by one of the directors. The other half is owned by another Maltese company.
	The €15,000 worth of shares owned by the director should be inputted in the row (3.1) Share Capital in the column 'Households'. The other €15,000 should be inputted in the same row but under the column 'Non-Financial Companies' (private companies).
	Reserves amounting to €7,380.
	The value of reserves as a total should be inputted in the rightmost cell in the row '(3.2) Reserves'. This value is automatically apportioned to the different sectors according to the latter's relative holding of the company's shares.

Consistency between Assets & Liabilities

Please note that the sum of assets and the sum of liabilities should be **equal**. In cases where this is not true an error message will appear in the 'Checks' sheet. Please make sure before submitting the return that no error messages are displayed, otherwise the respondent will be asked to resubmit the return.

Balance of Payments questionnaires – [Insurance & Other Services] & [Financial Account]

BOP questionnaires refer to the two tabs coloured in green. Respondents should only include data in respect of transactions or outstanding balances with non-residents. Economic interactions with resident entities are beyond the scope of the questionnaires in sheets “Insurance & Other Services” and “Financial Account”.

Insurance & Other Services

Respondents need to fill in information on balance of payments transactions i.e. transactions of insurance and other selected international service transactions of the reporting enterprise with non-residents, as agents or brokers of non-resident insurance companies. Service transactions are to be recorded when the services are actually rendered (i.e. delivered or received); the date often coinciding with the date on which the service/s is/are produced. This sheet is divided into two sections. Part A requires respondents to detail transactions of primary insurance, whereas the value of other receipts and payments paid to/by the Insurance Agent/Broker should be reported in Part B.

Insurance & Other Services - Part A

BOP 31 - INSURANCE AGENCIES , BROKERS AND BRANCHES ACTING ON BEHALF OF NON-RESIDENTS			
QUARTER			
CURRENCY UNIT		Euro '000	
A	B	C	D
PART A	Country	Premiums	Claims
PRIMARY INSURANCE		€ '000	€ '000

Figure 4 - Insurance & Other Services (Part A)

A. Type of insurance

Respondents should detail the type of insurance commissioned by the Insurance Agent/Broker or their clients. The type of insurance can be selected from the drop down menu in cells in the respective column. Respondents may choose from three categories of insurance described here below.

Life insurance and pension funds

Life insurance and pension funds include insurance on a contractual basis of the following items: life assurance (which covers assurance on survival to a stipulated age only, assurance on death only, assurance on survival to a stipulated age or an earlier death, life assurance with

return of premiums, marriage assurance and birth assurance), annuities, supplementary insurance (insurance against personal injury and disability resulting from an accident or sickness), and permanent health insurance.

Freight insurance

Freight insurance includes insurance on goods that are in the process of being exported or imported.

Other direct insurance

Other direct insurance include insurance against the following risks: accident, sickness, land vehicles, railway rolling stock, aircraft, ships, fire and natural forces, other damage to property, motor vehicle liability, aircraft liability, liability for ships, general liability, credit, suretyship, miscellaneous financial loss and legal expenses.

B. Country

Respondents must select the country of residence of the creditor or debtor from the available dropdown menu. The country of residence refers to the country of domicile of the counterparty entity.

C. Premiums

Premiums refer to the amounts payable to foreign principals during current period for insurance services.

D. Claims

Claims due are claims that became due, in the current periods, after the eventualities that gave rise to the claims.

In the following section an example is given to illustrate how the sheet Insurance & Other Services should be filled.

Insurance & Other Services - Part A – Inputting example

Transactions during the period ending 20XX Q1

1. Insured a sophisticated IT infrastructure for a local Non-financial company. The premiums due for this insurance service amount to €10,000.
2. Insured a German shipping company's freight. The receipts from this transaction amounted to €2,500.
3. An Italian exporter, who insured his transport fleet with the reporting Insurance Agent/Broker, reported that one of his vehicles broke down. His insurance claims amount to €5,600.

Inputting instructions

Transaction 1 should not be reported in the Insurance & Other Services sheet since the counterparty of the transaction is a local (i.e. resident company).

To record transaction 2, select 'Freight Insurance' (see 2A in the following print screen) from the drop down menu in the column 'Primary Insurance' and select 'Germany' as the country of the counter party (2B). Input '2.5' (since entries must be recorded in thousands of euro) in the 'Premium' column (2C).

To record transaction 3, select 'Other direct Insurance' from the drop down (3A), 'Italy' in the Country column (3B) and input '5.6' in the Claims column (3C).

The resulting table once the above transactions are inputted is displayed in the following print screen.

BOP 31 - INSURANCE AGENCIES, BROKERS AND BRANCHES ACTING ON BEHALF OF NON-RESIDENTS			
QUARTER	2012 Q1		
CURRENCY UNIT	Euro '000		
A	B	C	D
PART A	Country	Premiums	Claims
PRIMARY INSURANCE		€ '000	€ '000
2A Freight Insurance	Germany 2B	2.5 2C	
3A Other direct Insurance	Italy 3B		5.6 3C

Figure 5 - Insurance & Other Services (Part A) - Inputting example

Please note that should any of the required fields be left empty an error message would be displayed in various parts of the sheet and in the 'Checks' sheet. Respondents should ensure that there are no error messages in any of the sheets before submitting the return.

Other receipts or payments which cannot be classified as any of the above mentioned insurance services should be specified in the space provided at the bottom of the table (below Part B).

Insurance & Other Services - Part B

Respondents are required to detail the receipts from or payments to, non-residents. In this part of the sheet, the respondents can select the type of receipt or payment and country of the counterpart to the transaction from the drop down menu. The selectable items are described here below. The next screenshot illustrated 'Part B' of the 'Insurance & Other Services' sheet.

BOP 31 - INSURANCE AGENCIES , BROKERS AND BRANCHES ACTING ON BEHALF OF NON-RESIDENTS			
QUARTER			
CURRENCY UNIT	Euro '000		
A	B	C	D
PART B	Country	Received	Paid
COMMISSIONS & TAXES		€ '000	€ '000

Figure 6 - Insurance & Other Services (Part B)

A. Type of receipt/payment

Respondents must select the type of receipt or payment made from the drop down menu in the first column. The selectable items consist of either 'Commissions earned as agents/ brokers from non-residents' or 'Taxes paid in Malta by principals'.

Commissions earned as agents/ brokers from non-residents

Commissions earned include agency fees and commissions earned from the foreign principal.

Taxes paid in Malta by principals

This item includes any taxes paid in Malta by the foreign principal. These should be reported under column D. Any refunds of tax to the foreign principal should be reported under column E. Interest charges on the late payment of taxes should also be included.

B. Country

Please refer above for explanation.

C. Receipts or Payments

Receipts and payments refer to the value of inflows (i.e. receipts) or outflows (i.e. payments) of money in Malta in euro thousands.

Other services

In cases where the inflow or outflow of money is not due to any of the selectable items in Part A and Part B of this sheet, please use the provided empty cells in row 68 to 77 to detail the type of service rendered or commissioned or the type of income/expense earned/paid.

The following section provides a simple example to help illustrate how respondents should fill in Part B of the sheet 'Insurance & Other Services'.

Insurance & Other Services - Part B – Inputting example

Total value of insurance services sales made on behalf of a French Insurance principal amounted to €67,000. The Insurance Agent/Broker earns 5% of the total insurance revenue generated for the foreign Insurance company.

The value of taxes owed to the Maltese government by a US insurance company for selling its insurance services in Malta paid by the Insurance Agent/Broker on behalf of the foreign company amounting to \$12,500. The exchange rate as at the date of the transaction was €1 : \$1.20.

Inputting Instructions

Select 'Commissions earned/paid as agents/brokers from non-residents' in the first row from drop down menu (1a in the diagram below). Select 'France' from the drop down menu (1b). The value of commissions earned by the Insurance Agent/Broker are an inflow of money towards Malta. As such they should be classified under the column 'Receipts'. As such, input '3.35' (i.e. 5% of the total Insurance services revenue made on behalf of the French Insurance company, in thousands of euro) in the appropriate cell (1c).

Select 'Taxes paid in Malta by principals' in the first column (2a) and 'United States' in the 'Country' column (2b) using the respective drop down menus. Like the previous example, this transaction consists in an inflow of money towards Malta. As such, the value of '10.417' should be inputted in the appropriate cell under the heading 'Receipts' (2c).

BOP 31 - INSURANCE AGENCIES, BROKERS AND BRANCHES ACTING ON BEHALF OF NON-RESIDENTS			
QUARTER	2011 Q1		
CURRENCY UNIT	Euro '000		
A	B	C	D
PART B	Country	Received	Paid
COMMISSIONS, TAXES & OTHER SERVICES		€ '000	€ '000
Commissions earned/paid as agents/brokers from non-residents	France	3.35	
Taxes paid in Malta by principals	United States	10.417	

Diagram labels: 2a (row 1), 1a (row 2), 1b (row 3), 2b (row 4), 2c (row 5), 1c (row 6)

Figure 7 - Insurance & Other Services (Part B) - Inputting example

Financial account

This sheet covers balance of payments transactions together with the reconciliation of the external financial assets and liabilities of the reporting enterprise. Respondents are therefore required to detail balance sheet positions having a foreign counterparty and the value of transactions with respect to those balance sheet items.

Financial account transactions are considered to have taken place when both creditor and debtor have entered the claim and liability respectively in their books. In most transactions, the market price (almost) always corresponds with the agreed transaction price.

Transactions in foreign currency should be converted into euro either using the official middle rate on the transaction day

(see link <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>) or the actual exchange rate used in the transaction.

This sheet is divided into two parts – assets and liabilities. The fields and selectable items in each part are explained in the following subsections.

Financial Account - Assets

BOP 31 - INSURANCE AGENCIES , BROKERS AND BRANCHES ACTING ON BEHALF OF NON-RESIDENTS							
QUARTER	2012 Q1						
CURRENCY UNIT	Euro '000						
A	B	C	D	E	F	G	H
Part B: Selected external financial assets and liabilities of the reporting resident agency/branch	Country	Position at beginning of period	Increase due to transactions	Decrease due to transactions	Other changes	Position at end of period	Dividends interest received / paid
Assets							
A	B	C	D	E	F	G	H

Figure 8 - Financial Account (Assets)

A. Type of financial instrument

The type of financial instrument transacted or held at the end of the period can be selected from the drop down menu. The selectable items are briefly described here below.

Current account deposit held abroad

Current account deposits held abroad are transferable deposits that are exchangeable on demand at par without restriction or penalty, freely transferable by cheque or giro order, and otherwise commonly used to make payments. (Any overdrawn accounts should be included as liabilities).

Deposits held in foreign banks and other institutions abroad

Deposits held in foreign banks and other institutions abroad include all claims reflecting evidence of deposit other than transferable deposits. These include non-transferrable savings deposits, time deposits and deposits in savings and loan associations, building societies etc. These deposits are generally redeemable on demand or at a short notice but cannot be readily transferred to another party by way of check or similar payment order.

Receivables from foreign parent

Receivables from foreign parent include receivables from a foreign direct investor who is resident in another economy and in which the direct investor owns 10 percent or more of the ordinary shares or voting power in the reporting enterprise in Malta. Examples of receivables include any amount receivable from non-residents such as wages and salaries outstanding, prepayments of insurance premiums etc.

Receivables from other non-residents: short-term

Please refer to 'Receivables from foreign parent' for an explanation of receivables. This item however refers to balances which are due from others but the foreign parent. Please note that only receivables due within less than/in one year should be included in this category.

Receivables from other non-residents: long-term

Please refer to 'Receivables from foreign parent' for an explanation of receivables. This item however refers to balances which are due from others but the foreign parent. Please note that only receivables due within more than one year should be included in this category.

B. Country

Please refer to explanation given above.

C. Opening position

The financial claims and liabilities of the reporting enterprise and its domestic subsidiaries at the beginning of the period. The opening position should agree with the closing position reported for the previous period. Positions denominated in foreign currencies should be converted to euro using the exchange rate prevailing at the close of business on the last working day of the period.

D. Increase due to transactions

Refer to those transactions relating to the acquisition of the reporting enterprise's financial claims on or liabilities to non-residents.

E. Decrease due to transactions

Refer to those transactions relating to the disposal of the reporting enterprise's financial claims on, or liabilities to non-residents.

F. Other changes

Other changes refer to all gains/losses arising from movements in exchange rates and market price changes. This is calculated automatically. As such respondents do not need to calculate the value of other changes.

G. Position at end of period

Position at the end of the reporting period refers to the market value of the claims and liabilities as at the closing date for the period. Positions denominated in foreign currencies should be converted to euro using the exchange rate prevailing at the close of business on the last working day of the period

(see link <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>).

Other Assets

In some cases a particular financial instrument may not be classified in any of the selectable items from the drop down menu, use the allocated space below row 29 (“Other assets held with non-residents”) to specify the balance and/or transaction.

An inputting example is provided in the following section to illustrate how this return should be filled in by respondents.

Financial Account (Assets) – Inputting Example

Foreign Assets held by the Insurance Agent/Broker and transactions for the period 20XX Q1

1.	<p><i>Current deposit held with a bank operating in France. The opening balance at the start of the reporting period was €3,000. Another €1,750 was transferred during the period. A total of €20 in accrued interest was earned during the period.</i></p>
	<p>Select 'Current account deposits held abroad' from the first column using the drop down menu. Select 'France' as the country of the foreign counterparty. Insert '3' in the 'Position at beginning of period' column. Since €1,750 was added during the reporting period to the account, insert '1.75' in the column 'Increase due to transactions'. The closing values therefore should be (€3,000 + €1,750). Hence, input '4.75' in the 'Position at end of period' column. The interest earned ('0.02') should be reported in the rightmost column.</p>
2.	<p><i>A fixed account deposit with £25,000 in the UK. The account matured a month before the closing day for the period. The account was not renewed and the money was converted into euro and transferred into an account with a local bank. The exchange rates at the beginning and at the closing date of the account were €1:£0.80 and €1:£0.90 respectively.</i></p>
	<p>Select 'Deposits held in foreign banks and other institutions abroad' and 'United Kingdom' in the first two cells for the row in the table. The opening balance should be first converted into euro using the exchange rate as at that date, i.e. £25,000/£0.80, which results in '31.25' in euro thousand. Since the amount was transferred back to Malta at the maturity date, compute the value in euro of the transferred amount i.e. £25,000/£0.90. The closing value for the period should be zero. (The value of 'Other Changes' refers to the losses made due to the unfavourable movement in the exchange rate.)</p>
3.	<p><i>A total of €6,700 commissions owed by a German Insurance company are still due. An additional amount of commissions was earned for the period. A week before the end of the period, the foreign Insurance company paid €4,000 of the outstanding balance. The amounts due are should settled within six months.</i></p>
	<p>Since these balances should be settled in six months, select 'Receivables from other non-residents: short-term'. Select 'Germany' as the country of domicile of the counterparty. Input '6.7' as the opening balance. Since €4,000 was paid back by the German company, insert '4' in the column 'Increase due to transactions'. Insert '2.7' under the column 'Position at end of period'.</p>

BOP 31 - INSURANCE AGENCIES , BROKERS AND BRANCHES ACTING ON BEHALF OF NON-RESIDENTS							
QUARTER	20XX Q1						
CURRENCY UNIT	Euro '000						
A	B	C	D	E	F	G	H
Selected external financial assets and liabilities of the reporting resident agency/branch	Country	Position at beginning of period	Increase due to transactions	Decrease due to transactions	Other changes	Position at end of period	Dividends Interest received / paid
Assets							
Current account deposits held abroad	France	3	1.75		0	4.75	0.02
Deposits held in foreign banks and other institutions abroad	United Kingdom	31.25		27.778	-3.472	0	
Receivables from other non-residents: short-term	Germany	6.7		4	0	2.7	

Figure 9 - Financial Account (Assets) - Inputting example

Financial Account – Liabilities

The liabilities part of the sheet is very similar to the assets part described above. The descriptions of (B) Country, (C) Opening Position, (D) Increase due to transactions, (E) decrease due to transactions, (F) Other changes, and (G) closing position are identical to the above and hence will not be repeated here. The selectable items are however different. A brief description is given here below.

BOP 31 - INSURANCE AGENCIES, BROKERS AND BRANCHES ACTING ON BEHALF OF NON-RESIDENTS							
QUARTER	2012 Q1						
CURRENCY UNIT	Euro '000						
A	B	C	D	E	F	G	H
Part B: Selected external financial assets and liabilities of the reporting resident agency/branch	Country	Position at beginning of period	Increase due to transactions	Decrease due to transactions	Other changes	Position at end of period	Dividends interest received / paid
Liabilities							

Figure 10 - Financial Account (Liabilities)

A. Type of financial instrument.

Called up share capital (owned by non-residents) of less than 10%

This selectable item refers to holdings of less than 10% of the reporting enterprise's ordinary shares held by a non-resident corporate or unincorporated body. Any share premium should also be apportioned according to the percentage held.

Called up share capital (owned by non-residents) of more than 10%

Includes any holdings of more than 10% of the reporting enterprise's ordinary shares held by non-residents. Any share premium should also be apportioned according to the percentage held. The purpose of the equity investment must be to acquire a more or less permanent interest whereby a certain degree of control (i.e. 'significant influence' and a 'long-term relationship') is obtained in the management of the enterprise. This contrasts with the motives of for example portfolio investors, which do not assume significant positions (more than 10% of share capital) in the reporting agent.

Payables to foreign parent

This item includes payables to a direct investor who is resident in another economy and owns 10 percent or more of the ordinary shares or voting power in the reporting entity. Examples include wages and salaries outstanding, and premiums payables to foreign principles.

Payables to other non-residents: long-term

See 'Payables to foreign parent' for an explanation of payables. In this case however, only payables to non-residents, other than the foreign parent, with a maturity of more than one year should be included.

Payables to other non-residents: short-term

See 'Payables to foreign parent' for an explanation of payables. In this case however, only payables to non-residents, other than the foreign parent, with a maturity of less than or equal to one year should be included.

Other liabilities to non-residents

Covers any external liability not specified above. Please provide details of such liabilities in rows 62 to 70.

Financial Account (Liabilities) – Inputting Example

Liabilities owed to non-residents by the Insurance Agent/Broker and transactions for the period 20XX Q1

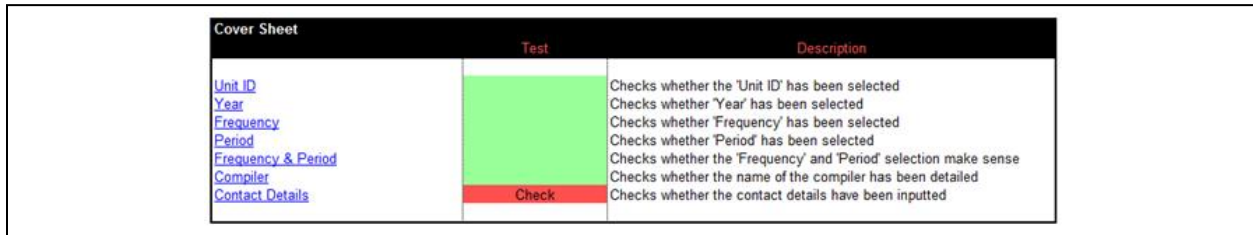
1.	15% of the €25,000 shares issued by the Insurance Agent/Broker company is held by an American Financial Company. No transactions were carried out for the period.
	Select 'Called-up share capital (of non-residents) of MORE than 10%' from the drop down menu in the first column. Select 'United States' as the country of the counterparty. Input '€25' in the Position at the beginning of the period. Since no transactions were effected during the period no figures should be inputted in the increase/decrease due to transactions. Input '€25' as the 'Position at end of period'.
2.	€7,300 due to an Italian IT consultancy firm were still due (within a year) by the Insurance Agent/Broker at the start of the reporting period. The company paid back half of the outstanding amount.
	Select 'Payables to other non-residents: short-term' in the first column, and 'Italy' as the country of domicile of the counterpart. Input '€7.3' in the opening balance. Since the company paid half of its debt back, insert '€3.65' in the column headed 'Decrease due to transactions'. Insert '€3.65' as the closing position.

BOP 31 - INSURANCE AGENCIES, BROKERS AND BRANCHES ACTING ON BEHALF OF NON-RESIDENTS							
QUARTER	20XX Q1						
CURRENCY UNIT	Euro '000						
A	B	C	D	E	F	G	H
Selected external financial assets and liabilities of the reporting resident agency/branch	Country	Position at beginning of period	Increase due to transactions	Decrease due to transactions	Other changes	Position at end of period	Dividends interest received / paid
Called-up share capital (of non-residents) of MORE than 10%	United States	25			0	25	
Payables to other non-residents: short-term	Italy	7.3		3.65	0	3.65	

Figure 13 - Financial Account (Liabilities) - Inputting example

Check Sheet

The '**Check Sheet**' contains a series of tests to verify that certain data is correctly inputted in the questionnaire. Please make sure not to submit the questionnaire unless all the tests indicate that the entries are correct. Incorrect entries will be highlighted in red and the word 'Check' will appear as displayed in the exhibit below.



Cover Sheet		
	Test	Description
Unit ID		Checks whether the 'Unit ID' has been selected
Year		Checks whether 'Year' has been selected
Frequency		Checks whether 'Frequency' has been selected
Period		Checks whether 'Period' has been selected
Frequency & Period		Checks whether the 'Frequency' and 'Period' selection make sense
Compiler		Checks whether the name of the compiler has been detailed
Contact Details	Check	Checks whether the contact details have been inputted

Figure 18 - Check Sheet

This sheet also contains three tests which verify the consistency of the questionnaire's responses: -

1. One which checks whether the total assets reported in sheet InsAgBrok_Assets equal the total liabilities in sheet InsAgBrok_Liabilities.
2. A second check verifies that the total assets having a foreign counterparty (i.e. the total in sheet InsAgBrok_Assets for the column 'Non-Residents') equals the total assets' closing position in sheet 'Financial Account'.
3. Another check verifies that the total liabilities having a foreign counterparty (i.e. the total in sheet InsAgBrok_Liabilities for the column 'Non-Residents') equals the total liabilities' closing position in sheet 'Financial Account'.

Please make sure that all of the checks are verified before submitting the return to the Central Bank.

Appendix 1

Residence of households

A household is defined as a Maltese resident for the purposes of these guidelines, if the household has its principal economic interest in Malta, i.e. household members maintain or intend to maintain a dwelling or succession of dwellings treated and used by members of the household as their principal dwelling. Being present for one year or more in Malta or intending to do so is sufficient to qualify as having a principal dwelling in Malta. If the household owns or rents two or more dwellings in different economic territories besides Malta, the principal dwelling is identified as the dwelling which is used for the longest length of time spent there.

In some cases (e.g. students, patients and temporary workers) the above may not apply. In these cases, some other connections are considered to be more important in determining residence.

Students

Individuals who go abroad for full-time study generally continue to be resident in the territory in which they were resident prior to studying abroad. This treatment is adopted even though their course of study may exceed a year. Students are however reclassified as non-residents they develop an intention to continue their presence in the territory of study after the completion of the studies.

Patients

People who go abroad for the purpose of medical treatment maintain their predominant centre of interest in the territory in which they were resident before they received the treatment. This classification applies also to cases in which the treatment takes a year or more.

Temporary workers

In cases where the individual will be working and residing in a foreign country (e.g. seasonal workers, and other short-term workers) but for a short period of time, i.e. less than one year, the individual is still treated as being a Maltese resident