



**BANK ĊENTRALI TA' MALTA**  
EUROSISTEMA  
**CENTRAL BANK OF MALTA**

**Circular addressed to the investment services industry regarding the  
Central Bank of Malta statistical requirements**

**January, 2014**

**1 Introduction**

According to Article 23 (1) of the Central Bank of Malta Act, 2000 CAP. 204 the Bank may “*require a reporting agent as defined in subarticle (3) to provide the Bank with such information as the Bank may consider necessary to carry out its functions under this Act or to implement instructions or guidelines issued in terms of the Treaty and the Statute, and the Bank may enquire into and ask for clarifications of any information so provided.*”

Furthermore, Article 23 (3) (g) of the Central Bank of Malta Act, 2000 allows the Central Bank of Malta (CBM) to collect data from “*a person who holds reserve assets and liabilities or carries out cross-border transactions which the Bank determines relevant to compile balance of payments statistics or to establish the balance sheet of the stock of external financial assets and liabilities for Malta, otherwise referred to as the international investment position.*” In addition, the Malta Statistics Authority Act, 2000, allows for the collection of data relating to banking and finance including external balance of payments.

In this regard, Investment Services Licence Holders (excluding credit institutions which are also Investment Services Licence Holders) are currently required to submit balance of payments (BOP) Statistics either on a quarterly or an annual basis to the Malta Financial Services Authority, for the purpose of compiling Malta’s Financial Accounts, Balance of Payments and International Investment Position.

In order to facilitate the reporting of statistics by Investment Services Licence Holders, the CBM undertook an exercise to streamline its data requirements and minimise reporting burden. The CBM, in conjunction with the MFSA, has also taken steps to ensure that the returns are easily accessible by Investment Services Licence Holders. In this regard, Investment Services Licence Holders will be provided with the opportunity to download the CBM returns either from the MFSA website or from the CBM website.

**2 The Amended CBM Returns**

The following table outlines the details of the revised sheets, which have been amended with the purpose of implementing the new statistical reporting requirements of the European Central Bank.

Sheet Name	Description
SBSA_NOM_HSE	Security by security data on securities held on behalf of resident households.
SBSA_NOM_NFC	Security by security data on securities held on behalf of resident non-financial companies.
SBSA_NON-NOM_HSE	Net transactions (Purchases - Sales) affected on behalf of non-nominee resident households during the reference period on a security by security basis.
SBSA_NON-NOM_NFC	Net transactions (Purchases - Sales) affected on behalf of resident non-nominee non-financial companies during the reference period on a security by security basis.
SBSA_OWN_ACC	Security by security data on securities held by the Investment Services Licence Holder.
Non_SBS_Nominee	Aggregate data (by type of security, country and issuing sector) on the opening position, purchase, sale and closing position of foreign and domestic securities <b>which do not have a valid ISIN code</b> and are held on behalf of resident households and resident non-financial companies.
Non-Resident_Nominee	Domestic securities (i.e. securities issued by Maltese residents) held on behalf of non-residents.
Non_Nominee	Aggregate transactions data (by type of security, country and issuing sector) on the purchase and sale of foreign and domestic securities <b>which do not have a valid ISIN code</b> made for resident households and non-financial companies which are not held under nominee services.
Transactions_for_period	Quarterly net transactions broken down by instrument and resident sectors (Own account, Households & NFCs) . All licence holders are required to report only those transactions reported in the SBS sheets.
Sectoral_Balance_Sheet	Balance sheet classified by sector of the counterparty to the outstanding amount.
Income_&_Services	Income earned/Services paid for, during the period.
External_Balance_Sheet	Foreign Assets held with/Liabilities owed to, non-residents including flows classified by country.

### 3 The Reporting Requirements

The reporting obligations of Investment Services Licence Holders with respect to the submission of the revised returns depend on the category of the investment services licence. The following table provides an outline of the sheets that are applicable to each

Investment Services Licence Holder (with the exception of credit institutions that are also Investment Services Licence Holders).

Sheet Name	Category 1a & 1b	Category 2 (Fund Managers & Other)	Category 3	Category 4
SBSA_NOM_HSE	-	✓ <sup>1</sup>	✓ <sup>1</sup>	-
SBSA_NOM_NFC	-	✓ <sup>1</sup>	✓ <sup>1</sup>	-
SBSA_NON-NOM_HSE	-	✓ <sup>1</sup>	✓ <sup>1</sup>	-
SBSA_NON-NOM_NFC	-	✓ <sup>1</sup>	✓ <sup>1</sup>	-
SBSA_OW_N_ACC	-	✓ <sup>1</sup>	✓ <sup>1</sup>	-
Non_SBS_Nominee	-	✓	✓	✓
Non-Resident_Nominee	-	✓	✓	✓
Non_Nominee	✓	✓	✓	-
Transactions_for_period	-	✓	✓	✓
Sectoral_Balance_Sheet	✓	✓	✓	✓
Income_&_Services	✓	✓	✓	✓
External_Balance_Sheet	✓	✓	✓	✓

#### 4 The Reporting Frequency

The reporting frequency varies according to the size of the reporting agent. Large ISPs will be requested to report on a quarterly frequency, whilst the small ISPs will be required to submit their return on an annual basis. For reporting purposes ISPs are sub- divided into two main categories:

1. Non-bank ISPs that hold assets on behalf of the resident (a) household and (b) non-financial sectors, and
2. All remaining non-bank ISPs.

The reporting frequency will be on a quarterly or annual basis and is to be determined as follows:

- For ISPs in (1) above, those ISPs that contribute to approximately 80 % of the total ISPs nominee holdings (held on behalf of the resident household and non-financial sectors) will report on a quarterly basis whilst the rest will report on an annual basis.
- For ISPs in (2) above, those ISPs that contribute to approximately 80 % of the total ISP services earned will report on a quarterly basis whilst the rest will report on an annual basis.

The CBM together with the MFSA will check the fulfilment of this condition periodically in order to revise, if necessary, the reporting obligations with effect from the start of each calendar year.

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<sup>1</sup> To be reported only by those ISPs who report on a quarterly frequency

## 5 Guidance Notes

The CBM has prepared a set of guidance notes in order to assist Investment Services Licence Holders to complete the relevant applicable sheets. These guidance notes are divided into eight sections:

Guidance Note I	SBSA Schedules
Guidance Note II	Non_SBS_Nominee
Guidance Note III	Non-Resident_Nominee
Guidance Note IV	Non_Nominee
Guidance Note V	Transactions_for_period
Guidance Note VI	Sectoral_Balance_Sheet
Guidance Note VII	Income_&_Services
Guidance Note VIII	External_Balance_Sheet

## 6 The Reporting Period

First reporting according to the new returns will commence for the reporting period 1 January to 31 March 2014.

The large ISPs will be requested to report on a security-by-security basis. The large ISPs (with nominee holdings) will also be requested to report on a one-off basis their positions as at end-2013 on a security-by-security basis, so that the CBM would be able to calculate flows statistics for the first quarter of 2014.

The deadline for the new returns will be consistent with the MFSA's deadline i.e. quarterly returns will be submitted together with the quarterly MFSA returns whilst the annual returns will be submitted with the end-year MFSA's returns.

Any revisions to such annual returns will be submitted with the returns submitted to the MFSA (based on the audited ISP accounts) four months after the end of the period.

Investment Services Licence Holders may access to all of the revised CBM returns and Reporting Instructions through the CBM webpage <http://www.centralbankmalta.org/returns-report-forms-and-instructions> under the heading '**Entities licensed to carry out activities related to the business of Securities and Markets**'. Direct access to each return is available through the following links:

- Reporting schedules for Investment Services Providers - Categories 1 & 4  
<http://www.mfsa.com.mt/pages/readfile.aspx?f=/files/LegislationRegulation/regulation/securities/investmentServices/Rules%20for%20ISP/Appendix%202A%20-%20Financial%20Return%20for%20Category%201%20and%20Category%204.xlsm>
- Reporting schedules for Investment Services Providers - Category 2 (Fund Managers)  
<http://www.mfsa.com.mt/pages/readfile.aspx?f=/files/LegislationRegulation/regulation/securities/investmentServices/Rules%20for%20ISP/Appendix%202B%20-%20Financial%20Return%20for%20Fund%20Managers.xlsm>
- Reporting schedules for Investment Services Providers - Categories 2 (excl. Fund Managers) & 3 - Automated COREP Return  
<http://www.mfsa.com.mt/pages/readfile.aspx?f=/files/LegislationRegulation/regulation/securities/investmentServices/Rules%20for%20ISP/Appendix%202C%20-%20Automated%20COREP%20Return.xlsm>

Investment Services Licence Holders may have access to the CBM Reporting Instructions through the following link:

- Reporting schedules for Investment Services Providers - CBM Reporting Instructions  
<http://www.centralbankmalta.org/file.aspx?f=774>

Investment Services Licence Holders for category 1 & category 4 and category 2 Fund Managers should submit these returns together with the automated financial return required in terms of the Investments Services Rules for Investments Services Providers to the following email address: [smsuфинret@mfsa.com.mt](mailto:smsuфинret@mfsa.com.mt).

COREP returns for category 2 (excluding Fund Managers) & Category 3 should be submitted through the MFSA FRED interface.

## 7 Contacts

Any queries relating to the return and the related guidance notes concerning the following returns should be addressed as indicated below:

- |                                                                                                                                                                                                             |   |                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• SBSA_NOM_HSE</li> <li>• SBSA_NOM_NFC</li> <li>• SBSA_NON-NOM_HSE</li> <li>• SBSA_NON-NOM_NFC</li> <li>• SBSA_OWN_ACC</li> <li>• Transactions_for_period</li> </ul> | } | <a href="mailto:sis@centralbankmalta.org">sis@centralbankmalta.org</a>   |
| <ul style="list-style-type: none"> <li>• Non_SBS_Nominee</li> <li>• Non-Resident_Nominee</li> <li>• Non_Nominee</li> <li>• Income_&amp;_Services</li> <li>• External_Balance_Sheet</li> </ul>               | } | <a href="mailto:bop@centralbankmalta.org">bop@centralbankmalta.org</a>   |
| <ul style="list-style-type: none"> <li>• Sectoral_Balance_Sheet</li> </ul>                                                                                                                                  | } | <a href="mailto:mufa@centralbankmalta.org">mufa@centralbankmalta.org</a> |

**Statistics Office  
Central Bank of Malta  
January 2014**

# **Investment Service Providers Balance of Payments and Financial Accounts Questionnaires Guidance Notes**

## Purpose

The data collected through this questionnaire shall be used to produce Malta's Balance of Payments, International Investment Position, Security Holding Statistics ('SBSA' sheets, 'Non\_SBS\_Nominee', 'Non-Resident\_Nominee', 'Non\_Nominee', 'Transactions\_for\_period', 'Sectoral\_Balance\_Sheet', 'Income\_&\_Services', 'External\_Balance\_Sheet') and Financial Accounts Statistics ('Sectoral\_Balance\_Sheet'). These Guidance Notes provide detailed instructions on how to complete the questionnaire.

## General Notes

### **Inputting**

All figures in all the above sheets should be reported in Euro and to the nearest thousand.

### **Valuation and time of recording**

Transactions are to be valued at the actual market prices agreed upon by parties of the transactions. Transactions should be recorded when economic value is created, transformed, exchanged, transferred or extinguished.

Positions of securities should be reported at the close market prices converted into Euro using the exchange rate prevailing at the close of business on the last working day of the reporting period.

### **Residency concept**

For Balance of Payments (BOP) and Financial Accounts (FA) purposes, a resident is defined as any individual, enterprise or any other organisation having a centre of economic interest in Malta – that is, engages for an extended period (one year or more) in economic activities in Malta. Branches, subsidiaries and affiliates of non-resident enterprises domiciled in Malta (and having economic interest in the country) are also regarded as residents of Malta.

Any individual, enterprise or other organisation having a centre of economic interest in a country other than Malta is not a resident of Malta for this questionnaire's purposes. For example, overseas branches and subsidiaries of Maltese enterprises are regarded as non-residents.

A household is resident in the economic territory in which 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 a territory or intending to do so is sufficient to qualify as having a principal dwelling there. If there is uncertainty about which dwelling is the principal dwelling, it is identified from the length of time spent there, rather than other factors such as presence of other family members, cost, size, or length of tenure.

### **Structure of the guidance notes**

The general approach of these guidance notes is to describe the purpose of each sheet, headings and selectable items. A working example is included in each section in order to facilitate understanding.

## Validation\_Checks\_CBM Sheet

### Description

The upper part of this sheet should be used to report details on the Investment Service Provider, reporting period and compiler. This sheet also contains a series of verifications to ensure that the return is correctly inputted (lower part of the sheet).

### Check Sheet – Upper Part

The following print screen illustrates the upper part of the Validation\_Checks\_CBM Sheet. The information fields required in this sheet are explained in the following paragraphs.

Investment Service Providers		Clear period & data inputted
C H E C K S H E E T S 1 8 t o 2 5		
1 UNIT ID:	12345	
2 NAME OF REPORTING INSTITUTION:	ABC Company Ltd	
3 BOP:	52	
4 YEAR:	2013	
5 FREQUENCY:	A	
6 PERIOD:	1	
7 MONTH BEGINNING: (for annual reporting ONLY)	1st April	
8 FOR THE PERIOD:	1st April 2013 - 31st March 2014	
9 REPORTING CURRENCY:	EURO	
10 COMPILED BY:	Mt Abcde Vwxyz	
11 CONTACT DETAILS:	Tel. No.: 12 345 678	Email: AbcCoLtd@xyz.com

Figure 1 – ‘Validation\_Checks\_CBM’ (Upper part)

1. **Unit ID:** This is a number which shall be supplied to each licence holder prior to their first submission.
2. **Name of Reporting Institution:** The official name of the licence holder as inputted in COVER SHEET cell C21.
3. **BOP:** This field refers to a two digit code which is used to distinguish between types of licence holders. This code will be provided to the reporting institution together with the Unit ID.
4. **Year:** Refers to the reference year of the return. Respondents may select the appropriate year by using the drop down menu.
5. **Frequency:** Refers to the reporting frequency at which the licence holder must submit the return. Monthly (M), Quarterly (Q), Half yearly (H) and Annual (A) frequencies are selectable. Respondents must use the drop down menu to select the reporting Frequency.
6. **Period:** Refers to the month/quarter/semester number. Respondents must use the drop down menu in order to select the period number. (The selectable items change according to the selection made for item 5 above.) Example: respondents will select the number 3 when reporting data for the third quarter of the year.

7. **Month beginning:** This field should only be filled by those respondents who report on an annual basis.
8. **For the Period:** This field is automatically filled in depending on the selections made in items 5 and 6 above.
9. **Reporting Currency:** All figures in the return must be reported in euro.
10. **Compiled by:** The name and surname of the person filling in the return should be reported in this field.
11. **Contact details:** The telephone number and email address of the person filling in the return should be reported in these fields.

The 'Clear period & data inputted' macro button erases details inputted in 'Validation Checks CBM' items 4,5,6,7 and all data inputted in the other CBM sheets pertaining to the Central Bank of Malta. This macro button comes in handy when one needs to erase all previously inputted data in order to update the returns for the next submission.

### Check Sheet – Lower Part

The lower part of the 'Validation\_Checks\_CBM' contains a series of checks which verify whether the return has been filled in correctly. The following print screen illustrates a section of the checks in place in this sheet.












Please ensure that all the checks are <b>OK</b> prior to submitting the returns		
Sheet result:		5 check/s 
Validation Checks CBM A	<a href="#">UnitID</a>	Missing 
	<a href="#">Institution</a>	Missing 
	<a href="#">BOP</a>	Missing 
	<a href="#">Year</a>	ok 
	<a href="#">Frequency</a>	ok 
	<a href="#">Period</a>	ok 
	<a href="#">Month beginning:</a>	ok 
	<a href="#">For the period</a>	ok 
	<a href="#">Compiled by</a>	Missing 
	<a href="#">Contact details</a>	Missing 
	B	C

Figure 2 – 'Validation\_Checks\_CBM' (Lower Part)

- A. This column indicates in which sheet the data being checked is located.
- B. The second column contains the name of the check being performed. Respondents may use these entries to be automatically redirected to the data on which the validation check is being performed.
- C. The third column indicates whether the validation check has been satisfied or not. An 'ok' message indicates that the check has been satisfied.

Respondents are kindly asked to verify that all the validation checks are correct before submitting the return.



## Guidance Note I –SBSA Schedules

### Description

The Security-by-Security Assets (SBSA) sheets require respondents to provide information on securities held on behalf of, or transacted for, resident households (HSE) and resident non-financial companies (NFC) clients and securities held on own account. Securities issued by resident and non-residents entities and held by the licence holder either on own account and/or on behalf of resident households (HSE) and/or resident non-financial companies (NFC) should be reported using their International Securities Identification Number (ISIN) in the appropriate sheet. (All securities held which have a valid ISIN code should be reported in the SBSA sheets).

### First submission

When a licence holder is submitting the SBSA sheets ‘SBSA\_NOM\_HSE’, ‘SBSA\_NOM\_NFC’ and ‘SBSA\_OWN\_ACC’ for the first time, the respective SBSA sheet for the previous reporting quarter/period should also be submitted. E.g. if a licence holder is due to submit the returns for the first time in June 20XX, and any of the above mentioned SBSA sheets will be included in the submission, the same sheet/s for the previous period i.e. March 20XX should be sent.

### SBSA Schedules

The interface in sheet ‘Index\_CBM’ illustrated in the print screen below should be used to select which SBSA sheet to view.

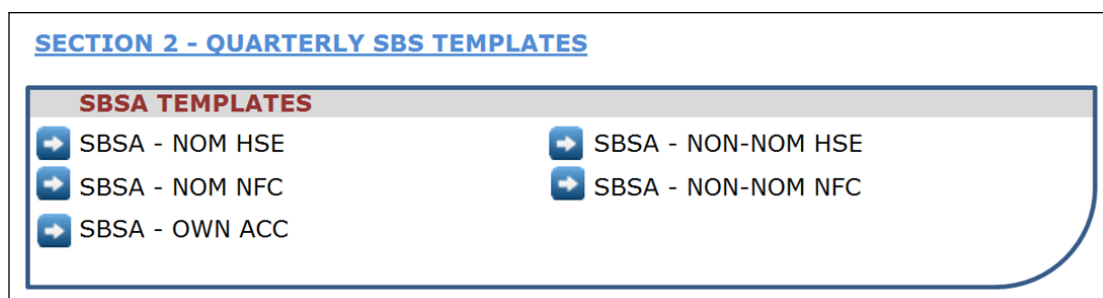


Figure 3 - SBSA Schedules

Name of schedule	Description
SBSA_NOM_HSE (Nominee Households)	Securities with a valid ISIN held on behalf of resident Households
SBSA_NOM_NFC (Nominee Non-Financial Corporations)	Securities with a valid ISIN held on behalf of resident Non-Financial Corporations
SBSA_NON-NOM_HSE (Non-Nominee Households)	Securities with a valid ISIN transacted on behalf of resident Households but not held under nominee services
SBSA_NON-NOM_NFC (Non-Nominee Non-Financial Corporations)	Securities with a valid ISIN transacted on behalf of resident Non-Financial Corporations but not held under nominee services
SBSA_OWN_ACC (Own Account)	Securities with a valid ISIN held by the Investment Service Provider

Table 1 - Description of SBSA Schedules

The SBSA sheet for Nominee Households, Nominee Non-Financial Corporations and Own Account share a common format which is described in the following section. The Non-Nominee sheets (SBSA Non-Nominee Households and SBSA Non-Nominee Non-Financial Corporations) have a slightly different format which is explained further below.

#### Type of clients

The category '**Households**' refers to resident individuals/groups of individuals who act on their own personal behalf. Unincorporated businesses are also included in this sector (e.g. sole proprietors).

The category '**Non-Financial Companies**' consists of resident incorporated businesses (i.e. bodies recognised as independent legal entities) whose principal activity is the production of goods and non-financial services. The institutional units covered under this heading include:

- private and public corporations which are market producers principally engaged in the production of goods and non-financial services;
- co-operatives recognised as independent legal entities which are market producers principally engaged in the production of goods and non-financial services;
- holding corporations controlling a group of corporations which are resident market producers of goods and non-financial services;

#### SBSA Nominees and Own Account

When any of the Nominee or Own Account sheet is selected from the 'Index\_CBM' interface (see Figure 3 - SBSA Schedules) the table reproduced in Figure 4 - SBSA Nominee & Own Account appears. The labelled items from this table are described below.

H G

Print Set up Show All CONFIDENTIAL



A REPORTING OF SECURITIES HELD ON BEHALF OF RESIDENT HOUSEHOLD CLIENTS (NOMINEE) ON A SECURITY BY SECURITY (SBS) BASIS

Company Name: ABC Company Ltd

Return for the quarter ending:

Position at end of period				
Security identifier code (ISIN)	Number of units/shares (in 000s and applicable for shares and other equity only)	Nominal value (in euro 000s and applicable for debt securities only)	Denominated currency	Market Price per unit/share in denomination currency
B	C	D	E	F

Figure 4 - SBSA Nominee & Own Account

- A. Description of the sheet delineating what data should be inputted in the sheet.
- B. **International Security Identifier Code (ISIN)** - code which identifies a security. All ISIN codes must be twelve characters long otherwise an error message will appear asking to input a twelve digit code.
- C. **Number of units/shares (in 000s and applicable for shares and other equity only)** - the total number of units of the security held on behalf of the respective sector (i.e. households or non-financial companies) or on own account at the end of the reporting period. **This field is not to be filled in for debt securities.**
- D. **Nominal value (in euro 000s)** - the total nominal value of debt securities held on behalf of the respective sector (i.e. households or non-financial companies) or on own account at the end of the reporting period. Debt securities denominated in foreign currencies should be converted into euro using the middle exchange rate prevailing at end of the respective quarter. **This field is not to be filled in for equity securities.**
- E. **Denomination currency** - the currency code of the security's denomination e.g. EUR for euro, GBP for Sterling.<sup>3</sup>
- F. **Market Price per unit in denomination currency** – The unit market value of the security in terms of the denomination currency should be reported in this column.
- G. ‘’ button can be used to return to the main ‘Index\_CBM’ menu whilst hiding the current sheet.
- H. ‘’ button can be used to return to the main ‘Index\_CBM’ menu without hiding the current sheet.

<sup>3</sup> Official currency denominations can be obtained from the following link: - [http://www.currency-iso.org/dam/downloads/table\\_a1.xls](http://www.currency-iso.org/dam/downloads/table_a1.xls)

In sheet 'SBSA\_NOM\_HSE' columns AA to AM contain validation and input checks. The number of occurrences of any error is shown in row 8 and a definition of the error is displayed in row 9

When copying any data to this sheet, please make sure to use only the 'Paste Special – Values' function.

### Inputting Example

#### Assets held on behalf of resident household clients as at end of reporting quarter:-

- 800 equities (euro denominated) in a Maltese Bank with ISIN MT0000000001. Their market price at the end of the reporting quarter was €5.23 per share.
- Debt securities (ISIN UK0000000002) issued by a UK non-financial company with nominal value of £10,000. Their market price as at the last trading day of the reporting quarter stood at £101.25 and the official exchange rate stood at €1.00 : £0.80

In the 'Index\_CBM' sheet click on the 'SBSA\_NOM\_HSE' button.

- Input the ISIN in the column '**Security identifier code (ISIN)**' (see 1a in Figure 5), insert '0.8' in the column '**Number of units/shares**' (1b) and EUR as '**Denominated Currency**' (1c). Input '5.23' as the securities' '**Market Price**' (1d).
- Input the ISIN in the column '**Security identifier code (ISIN)**' (2a), insert the euro thousand equivalent of £10,000 (i.e.  $\text{£}10,000/\text{£}0.80 = \text{€}12,500$ ) '12.5' in the column '**Nominal value**' (2b) and GBP as '**Denominated Currency**' (2c). Input '£101.25' as the securities' '**Market Price**' (2d). Note that the market price should not be converted to euro but reported in the denomination currency.

REPORTING OF SECURITIES HELD ON BEHALF OF RESIDENT HOUSEHOLD CLIENTS (NOMINEE) ON A SECURITY BY SECURITY (SBS) BASIS				
Company Name:		ABC Company Ltd		
Return for the quarter ending:		March 2014		
Position at end of period				
Security identifier code (ISIN)	Number of units/shares (in 000s and applicable for shares and other equity only)	Nominal value (in euro 000s and applicable for debt securities only)	Denominated currency	Market Price per unit/share in denomination currency
MT0000000001	0.8		EUR	5.23
UK0000000002		12.5	GBP	101.25

Figure 5 - Inputting Example: SBSA Nominee & Own Account

## SBSA Non-Nominees

The Non-Nominee sheets (Non-Nominee Households and Non-Nominee Non-Financial Companies) require only the ISIN of the security transacted and the net transaction value in euro thousand. Net transactions refer to the acquisition (purchases) less disposal (sales) of the respective securities carried out during the reporting period. When calculating the net transactions for debt securities, please include any purchased or sold interest.

### Inputting Example

**Transactions carried out on behalf of resident non-financial companies during the reference quarter/period:-**

1. Purchased €25,000 bonds (ISIN IR0000000001) issued by an Irish bank.
2. Sold 80 bonds (ISIN IR0000000001). The total market value of the sale amounted to €8,800
3. Sold equities worth €15,500 (ISIN MT0000000003)

In the 'Index\_CBM' Sheet click on the '**SBSA\_NON-NOM\_NFC**' button.

Input the ISIN in the column '**Security identifier code (ISIN)**' (see 1&2a in Figure 6). Since 1, and 2. above refer to the same security (see ISIN) the transactions should be netted off. In this case a net transaction of €16,200 (€25,000 - €8,800) was affected. Insert '16.2' in the column '**Net transactions**' (1&2b).

(3) Input the ISIN in the column '**Security identifier code (ISIN)**' (3a) and insert '15.5' in the column '**Net transactions**' (3b).

Company Name:		ABC Company Ltd	
Return for the quarter ending:		March	2014
Transaction			
Security identifier code (ISIN)			Net transactions (purchases less sales including purchased and sold interest) in euro '000
(1 & 2)a — IR0000000001			16.2 — (1 & 2) b
MT0000000003	3a		15.5 3b

Figure 6 - Inputting Example: SBSA Non-Nominee

## Guidance Note II – Non\_SBS\_Nominee

### Description

In some cases the security held on behalf of clients may not have a valid ISIN. This sheet requires respondents to detail securities (issued by resident and non-resident entities) held on behalf of resident households and non-financial company clients which do not have a valid ISIN. The reporting in this case is on an aggregate basis in terms of instrument, country and sector.

The sheet is divided into two parts. The first part contains a table for inputting data on securities without a valid ISIN held on behalf of resident households. The second part of the table (starting in row 78) requires the same information but for non-financial companies.

### Other Foreign Assets held on behalf of households and non-financial companies

If the instrument cannot be classified as any of the financial instruments selectable from the drop down menu, (e.g. financial derivatives), the respective balance should be detailed in the lower section of tables under the heading ‘Other foreign assets held on behalf of nominee resident Households’ and the Non-Financial Sector.

### Upper Part of Sheet ‘Non\_SBS\_Nominee’: - Financial Instruments Held on behalf of Households

NOMINEES - RESIDENT HOUSEHOLDS							
Instrument	Country of issuer	Sector of Issuer	Position at Beginning of Period	Increase due to Transactions	Decrease due to Transactions	Other Changes	Position at End of Period
Select instrument from dropdown list	Select country	Select sector	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
A						0	0
B						0	0
C						0	0

Figure 8 - Non\_SBS\_Nominee

### A. Type of Investment/Instrument

Investments are categorised in the drop down menu in Sheet ‘Non\_SBS\_Nominee’ into three:

- ❖ *Investment fund shares/units acquired/sold by Maltese Residents,*
- ❖ *Shares & Other Equities acquired/sold by Residents of Malta and*
- ❖ *Debt Securities acquired/sold by Residents of Malta*

*Investment fund shares/units acquired/sold by Maltese Residents* are units in collective investment undertakings through which investors pool funds for investment in financial or nonfinancial assets or both.

***Shares & Other Equities acquired/sold by Residents of Malta*** consist of financial assets which represent property rights on corporations. These financial assets generally entitle the holders to a share in the profits of the corporations and. This item includes:-

- Ordinary shares;
- Participating preference shares;
- Depository receipts e.g. American depository receipts;
- Equity securities that have been lent under a securities lending arrangement;
- Equity securities that have been sold under repurchase agreements.

***Debt Securities acquired/sold by Residents of Malta*** includes bonds, debentures and notes etc. that usually give the holder the unconditional right to a fixed money income or contractually determined variable money income. This category also includes bills, commercial paper, enterprises' acceptances, etc. that usually give the holder the unconditional right to receive a stated, fixed sum of money on a specified date. The following are also classified under this category

- Bonds such as treasury, zero coupon, deep discounted, currency linked, floating rate, convertible bonds and Eurobonds;
- Assets- backed securities such as mortgage-backed bonds;
- Index linked securities;
- Non-participating preference shares;
- Floating rate notes (FRN) such as variable rate notes (VRN), perpetual notes (PRN), etc;
- Euro medium term notes;
- Debentures;
- Negotiable certificates of deposit with contractual maturity of more than one year;
- Debt securities that have been lent under a securities lending arrangement.
- Treasury bills/notes;
- Enterprises' acceptances;
- Certificate of deposit with contractual maturity of one year or less;
- Commercial and financial paper;
- Promissory notes;

The type of instrument can be selected from the drop down menu in the column with the heading '***Instrument***', clicking the arrow that appears in the bottom right corner of the cell, and selecting the appropriate financial asset.

#### **B. Country of issuer**

***Country*** – corresponds to the country of domicile of the entity that has issued the security, irrespective of the stock exchange on which the security is quoted.

The country of domicile can be selected from the drop down menu in the respective cell.

#### **C. Sector of Issuer**

- ❖ ***Banks*** – consist of financial corporations principally engaged in financial intermediation and whose business is to receive deposits, and to grant loans and/or to make investments in securities. This category includes merchant and universal banks, savings banks (including savings and credit associations), postal cheque and giro services, post banks, giro banks, agricultural credit associations, co-operative credit institutions, credit associations and specialised banks. This

sector also includes Money Market funds i.e. collective investment schemes that invest primarily in money market instruments.

- ❖ **Government** – this sector includes the administrative institutions of the state, such as ministries. It also includes local organisations responsible for public administration, such as local councils.
- ❖ **Others** – all entities/institutions other than **Banks** and **Government** e.g. non-financial companies.

The sector of issuer can be selected from the drop down menu in the respective cell.

#### **D. Positions**

Respondents should report the opening and closing positions for the respective financial instrument held on behalf of clients. Figures should be converted into euro using the appropriate official middle rate on the respective date.<sup>4</sup>

#### **E. Transactions**

Respondents should input transactions (buying or selling of securities) carried out on behalf of resident household/non-financial company clients. Purchases of the respective financial instrument should be recorded under the column '**Increase due to Transactions**'. Sales are to be inputted in the column '**Decrease due to Transactions**'. In both cases the entries should be converted in euro using the official middle exchange rate as at date of the transaction in case the security is denominated in other currencies.

#### **F. Other changes**

Other changes refer to changes in the end period positions caused by market price changes, exchange rate changes (in cases where the security is denominated in currencies other than euro) and changes in volume (caused for example by change in residency). The value of other changes is calculated as a residual using the differences between the closing and opening balances and net transactions. (This value is calculated automatically).

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<sup>4</sup> Official middle rates can be accessed from the following link: - <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>



## Inputting Example

<b>Financial Assets held on behalf of Households</b>	
<b>1. Households Nominee opening balances (as at 1<sup>st</sup> January 20XX): -</b>	
1a.	Irish Non-Financial Company Shares with a market value of €30,000 as at 1 <sup>st</sup> January 20XX
1b.	German bank bonds valued €4,000 as at 1 <sup>st</sup> January 20XX
<b>2. Transactions for the period (1<sup>st</sup> January 20XX – 31<sup>st</sup> March 20XX): -</b>	
2a.	Bought €5,000 shares in Irish Non-Financial companies on behalf of households
2b.	Sold €2,000 German bank bonds on behalf of households
2c.	Bought £25,000 shares on 1 <sup>st</sup> March 20XX in a UK Collective Investment Scheme (CIS) on behalf of households
<b>3. Closing Balances (as at 31<sup>st</sup> March 20XX): -</b>	
3a.	Irish Non-Financial Company shares having a market value of €35,000 held on behalf of households
3b.	German bank bonds having a market value of €1,100 held on behalf of households
3c.	Collective Investment Schemes with a market value of £25,000
<b>Other Information (Official Middle exchange rate):-</b>	
1 <sup>st</sup> March 20XX	1 EUR : 0.80GBP
31 <sup>st</sup> March 20XX	1 EUR : 0.85GBP
<p>1a. Select '<b>Shares &amp; Other Equities acquired/sold by Residents of Malta</b>' from the drop down menu in the first column. Choose <b>Ireland</b> in the next cell and '<b>Others</b>' in the <b>Sector of Issuer</b> column. Input '30' in the '<b>Position at beginning of period</b>' column.</p> <p>1b. Select '<b>Debt Securities acquired/sold by Residents of Malta</b>' from instrument drop down menu and <b>Germany</b> as the country of issuer. Select '<b>Banks</b>' as the issuing sector and enter '4' as the position at the beginning of the period.</p> <p>2a. Since the ISP already holds Irish '<b>Shares &amp; Other Equities acquired/sold by Residents of Malta</b>' in non-financial companies on behalf of households, the same row can be reused to report transaction 2a. Since this is a purchase transaction input '5' in the column '<b>Increase due to transactions</b>'.</p> <p>2b. To record this transaction input '2' in the column '<b>Decrease due to transactions</b>' for the entry row made in step (1b) above.</p> <p>2c. Select '<b>Investment fund shares/units acquired/sold by Residents of Malta</b>' from the instrument drop down menu, <b>UK</b> as the country of issuer and '<b>Others</b>' as the type of issuer. Since this transaction consists of an acquisition of assets enter the respective value (converted into euro using the exchange rate as at date) of '31.250' in the column '<b>Increase due to transactions</b>'.</p> <p>3a, 3b &amp; 3c. Input the closing value of the respective securities in the '<b>Position at end of period</b>' column. 3c should be converted into euro using the official middle exchange rate as at last day of the reporting period.</p>	

**NOMINEE BUSINESS OF RESIDENT HOUSEHOLDS & NON FINANCIAL COMPANY CLIENTS**

ASSETS HELD ON BEHALF OF (NOMINEE) RESIDENT HOUSEHOLDS & NON FINANCIAL COMPANY NOT REPORTED ON A SECURITY BY SECURITY BASIS

Company Name:  Print Set up

Reporting Period:  Show All

NOMINEES - RESIDENT HOUSEHOLDS							
Instrument	Country of issuer	Sector of issuer	Position at Beginning of Period	Increase due to Transactions	Decrease due to Transactions	Other Changes	Position at End of Period
			EUR '000	EUR '000	EUR '000		EUR '000
Select instrument from dropdown list	Select country	Select sector					
1a Shares & Other Equities acquired/sold by Residents of Malta	Ireland	Others	30	5		0	35
1b Debt Securities acquired/sold by Residents of Malta	Germany	Banks	4		2	-1	1
Investment fund shares/units acquired/sold by Residents of Malta	United Kingdom	Others		31		-2	29

2c

2a      2b

Figure 9 - Inputting Example Non-SBS Nominee

(In this hypothetical case, the value of ‘other changes’ for the German bonds is the result of a decrease in the market value of the bonds. The ‘other changes’ for the CISSs was caused by exchange rate changes.)

In case the transactions/balances were carried out/held on behalf of resident non-financial companies please use the lower of the table in ‘Non\_SBS\_Nominee’, titled ‘*Nominees – Resident Non-Financial Companies*’ for inputting.

## Guidance Note III – Non-Resident\_Nominee

### Description

Respondents are required to detail in this sheet any positions held and/or transactions carried out, in respect of domestic securities (i.e. securities issued by Maltese entities) on behalf of non-resident clients.

The layout of this sheet is the same as ‘Non\_SBS\_Nominee’. For inputting instructions and example please refer to the previous section titled Guidance Note II – Non\_SBS\_Nominee’. The difference between ‘Non\_SBS\_Nominee’ and ‘Non-Resident\_Nominee’ is that the former refers to information regarding securities held and/or transacted on behalf of resident Households and NFCs whereas in ‘Non-Resident\_Nominee’, data pertaining to non-resident nominee clients should be included, without making any distinction between type of client.

Licence holders are required to detail the country of residence of the non-resident nominee client. The country of residence can be selected from the drop down menu found in the column “*Country of non-resident asset holder*”, which is indicated in Figure 10 – ‘Non-Resident\_Nominee’ (see label “A”).

**NOMINEE BUSINESS OF NON-RESIDENT CLIENTS**

DOMESTIC ASSETS HELD ON BEHALF OF NON-RESIDENTS

**Company Name:**

**Reporting Period:**

NOMINEES - NON-RESIDENTS							
Instrument	Country of non-resident asset holder	Sector of Issuer	Position at Beginning of Period	Increase due to Transactions	Decrease due to Transactions	Other Changes	Position at End of Period
Select instrument from dropdown list	Select country	Select sector	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
						0.000	
						0.000	

A

Figure 10 – ‘Non-Resident\_Nominee’

## Guidance Note IV - ‘Non\_Nominee’

### Description

*This return is to be filled in only if transactions carried out on behalf of resident NFCs are not reported on Security by Security basis in Sheet ‘SBSA\_NON-NOM\_HSE’ or Sheet ‘SBSA\_NON-NOM\_NFC’.*

Respondents are requested to provide information on the purchase and sale of investments (not held under nominee services) made on behalf of resident household and non-financial corporations. Respondents need to specify the country and sector of the issuer. A description of the items and definitions required to fill ‘Non\_Nominee’ is provided below.

NON - NOMINEE						
Instrument	Country of issuer	Sector of Issuer	Type of Client			
			HOUSEHOLDS		NON FINANCIAL COMPANIES	
			Purchases	Sales	Purchases	Sales
Select instrument from dropdown list	Select country	Select sector	EUR '000	EUR '000	EUR '000	EUR '000

Figure 11 – ‘Non\_Nominee’

### A - Type of Instrument

For a description of the selectable financial instruments please refer to Guidance Note II – Non\_SBS\_Nominee’. The type of instrument can be chosen from the drop down menu.

### B - Country

Note that all securities resident or non-resident should be reported. The country of issuer can be selected from the drop down menu. For further details please refer to Guidance Note II – Non\_SBS\_Nominee’.

### C- Sector of Issuer

This field requires the respondent to detail the sector of issuer of the respective financial instrument. For further details please refer to Guidance Note II – Non\_SBS\_Nominee’.

### D - Type of Client

This sheet should **only** include transactions carried out on behalf of non-nominee resident household and/or resident non-financial companies. **Instructions received from other local licence holders or any other type of client (e.g. banks or other financial companies) should not be reported here.** For further details regarding the definitions of household and non-financial company clients please refer to Guidance Note I – SBSA Schedules.

E - Type of transaction

‘**Purchases**’ refers to the market value of all acquisitions of financial assets, carried out on behalf of resident household or non-financial company (NFC) clients.

‘**Sales**’ corresponds to the market value of all disposals of financial assets, carried out on behalf of resident household or non-financial company (NFC) clients.

(Figures should be reported in thousands of euro. If the transaction was carried out in a currency other than euro, the value of the transaction should be converted into euro using the exchange rate prevailing at the time of the transaction.)

## Inputting Example

### **Non-nominee Transactions for the period**

*Example: - An individual (on his personal behalf) instructs ISP Limited to purchase €24,000 worth of bonds issued by a German insurance company but quoted on the Paris Stock exchange. The ISP carries out this transaction through a custodian in the UK.*

Select from the drop down menu (see A) **Debt Securities acquired/sold by Residents of Malta**. Choose **Germany** in the country column (B). Select '**Others**' in the sector of issuer column (C) and input '24' in the column '**Purchases**' under the '**Household**' heading (D) as shown in the following diagram.

**NON-NOMINEE BUSINESS (RESIDENT HOUSEHOLDS & NON FINANCIAL COMPANY CLIENTS)**

FINANCIAL ASSETS TRANACTED ON BEHALF OF NON-NOMINEE HOUSEHOLDS & NON FINANCIAL COMPANIES NOT REPORTED ON SECURITY BY SECURITY BASIS

Company Name:

Reporting Period:

NON - NOMINEE						
Instrument <small>Select instrument from dropdown list</small>	Country of issuer <small>Select country</small>	Sector of issuer <small>Select sector</small>	Type of Client			
			HOUSEHOLDS		NON FINANCIAL COMPANIES	
			Purchases <small>EUR '000</small>	Sales <small>EUR '000</small>	Purchases <small>EUR '000</small>	Sales <small>EUR '000</small>
Debt Securities acquired/sold by Residents of Malta	Germany	Others	24			

A B C D

Figure 12 - Inputting Example 1 (Sheet 'Non\_Nominee')

**Non-nominee Transactions for the period**

Example 2: - A non-financial company instructs ISP Ltd to sell its equities in a UK bank. The sale value amounts to £15,000. The official exchange rate as at the date of transaction is €1.00 : £0.70.

Select from the drop down menu (see A) ‘Shares & Other Equities acquired/sold by Residents of Malta’. Choose ‘United Kingdom’ in the country column (B). Select ‘Banks’ in the sector of issuer column (C) and input ‘21.429’ (‘000 euro equivalent of £15,000 with exchange rate €1.00 : £0.70) in the column ‘Sales’ under the ‘Non Financial Companies’ heading (D) as shown in the following diagram.

**NON-NOMINEE BUSINESS (RESIDENT HOUSEHOLDS & NON FINANCIAL COMPANY CLIENTS)**

FINANCIAL ASSETS TRANSACTED ON BEHALF OF NON-NOMINEE HOUSEHOLDS & NON FINANCIAL COMPANIES NOT REPORTED ON SECURITY BY SECURITY BASIS.

Company Name:

Reporting Period:

NON - NOMINEE							
Instrument <small>Select instrument from dropdown list</small>	Country of issuer <small>Select country</small>	Sector of issuer <small>Select sector</small>	Type of Client				
			HOUSEHOLDS		NON FINANCIAL COMPANIES		
			Purchases <small>EUR '000</small>	Sales <small>EUR '000</small>	Purchases <small>EUR '000</small>	Sales <small>EUR '000</small>	
Shares & Other Equities acquired/sold by Residents of Malta	United Kingdom	Banks					21.429

A B C D

Figure 13 - Inputting Example 2 (Sheet ‘Non\_Nominee’)

**Other foreign assets acquired/sold by Maltese Residents**

The respective details for transactions of instruments other than those selectable from the drop down menu (e.g. deposits with foreign institutions) should be recorded in the lower part of the sheet below the heading ‘Other foreign assets acquired/sold by Maltese Residents’ (see following figure), in row 115. The sector of the counterparty is not required in such cases. Respondents need only to specify the financial instrument transacted, country of domicile of the counterparty and the value of transactions in the appropriate column.

Other foreign assets transacted on behalf of non-nominee resident Households & Non-Financial Companies							
Instrument <small>Please specify instrument</small>	Country of issuer <small>Select country</small>		Type of Client				
			HOUSEHOLD		NON FINANCIAL COMPANY		
			Purchases <small>EUR '000</small>	Sales <small>EUR '000</small>	Purchases <small>EUR '000</small>	Sales <small>EUR '000</small>	

Figure 14 - Other foreign Assets (‘Non\_Nominee’)


## Guidance Note V - ‘Transactions\_for\_period’

### Description

This sheet shall be used to obtain data on the transactions in financial securities carried out during the period on behalf of resident Households, resident Non-financial companies and own account. In this sheet report only the total amount of transactions for securities (nominee business & own account) reported in ‘SECTION 2 – QUARTERLY SBS TEMPLATES’. Transactions for non-nominee business (SBSA \_NON-NOM\_HSE & SBSA\_NON-NOM\_NFC should be excluded.

This part is to be filled only by those ISPs that report quarterly securities data in sheet SBSA.

Figure 15 – contains a print screen of said sheet. The information items required (which are labelled in the print screen) are explained in the paragraphs below.



### Quarterly Net Transactions \*

**Company Name:**

**Reporting Period:**

Type of security	Asset holder	Net transactions Eur'000s
Debt Securities	Resident Households	
	Resident Non-Financial Companies	
	Own Account	
Shares & Other Equities including Investment fund shares/units	Resident Households	
	Resident Non-Financial Companies	
	Own Account	

\* This return is to be filled in only by those ISPs which report holdings on a Security by Security basis (SBSA sheets)

A
B

Figure 15 – ‘Transactions\_for\_period’

- A. Transactions are to be classified by type of security (*Debt Securities, Shares & other Equities, including Investment Fund shares/units*). For a description of the financial securities please refer to **Guidance Note II – Non\_SBS\_Nominee**. All securities irrespective of the residency of the issuer should be included in this table.
  
- B. Only data pertaining to resident Households, nominee and non-nominee resident Non-financial companies and own account should be included in the table in Sheet ‘Transactions\_for\_period’. For the definitions of ‘Households’ and ‘Non-financial companies’ clients please refer to Guidance Note I.



## **Guidance Note VI – ‘Sectoral\_Balance\_Sheet’**

### **Description**

Sheet ‘Sectoral\_Balance\_Sheet’ contains a balance sheet with various columns representing sectoral counterpart (i.e. the corresponding party of an asset/liability held by the licence holder). This balance sheet should only include own account assets and liabilities. Each balance sheet item (except for ‘*Fixed Assets/Non-Financial Assets*’ and ‘*Reserves*’) should be categorised according to the counterpart. The sectoral counterparts and balance sheet instruments are described in the following two sub sections.

### **Sectors**

#### **General Government**

This sector includes the administrative institutions of the state, such as ministries. It also includes local organisations responsible for public administration, such as, local councils.

#### **Monetary Financial Institutions**

##### ***Banks***

This sector consist of all financial corporations which are principally engaged in financial intermediation and whose business is to receive deposits and to grant loans and/or to make investments in securities. These include merchant and universal banks, savings banks (including savings and credit associations), postal cheque and giro services, post banks, giro banks, agricultural credit associations, co-operative credit institutions, credit associations and specialised banks.

##### ***Money Market Funds***

Money Market Funds (MMFs) are collective investment schemes that raise funds by issuing shares or units to the public but invest only in money market Instruments.

#### **Other Financial Institutions including Auxiliaries**

##### ***Investment Funds***

Investment Funds are non-MMF investment schemes that raise funds by issuing shares or units to the public.

##### ***Others***

Business which provide some form of financial service but are not banks, money market funds, investment funds or insurances should also be included under this heading. This sector includes the following financial institutions: insurance brokers, loan brokers, flotation corporations, stock exchanges, foreign exchange bureaus, money transfer operators and central supervisory authorities of financial intermediaries financial markets.

#### **Insurance Companies**

Consist of all financial corporations which are principally engaged in financial intermediation as the consequence of the pooling of risks. Their principal function is to provide life, accident, health, fire, or other forms of insurance to individual institutional units or groups of units or reinsurance services to other insurance corporations.

#### **Non-Financial Companies**

The category ‘*Non-Financial Companies*’ consists to incorporated businesses (i.e. bodies recognised as independent legal entities) whose principal activity is the production of goods and non-financial services. The institutional units covered under this heading include:

- private and public corporations which are market producers principally engaged in the production of goods and non-financial services;
- co-operatives recognised as independent legal entities which are market producers principally engaged in the production of goods and non-financial services;
- holding corporations controlling a group of corporations which are resident market producers of goods and non-financial services;

### **Households and NPISH**

A household is defined as a group of persons who share the same living accommodation, who pool some or all of their income and wealth, and who consume certain types of goods and services collectively. Enterprises which are not incorporated such as sole proprietors are also included in this sector. Non-profit institutions serving households (NPISH) are entities mainly engaged in providing goods and services to households or the community at large free of charge or at prices that are not economically significant. Examples include charities, trade unions, religious institutions, and social, cultural, and recreational clubs that do not charge economically significant prices.

### **Euro Area Residents**

Non-resident units including governments, households, financial and non-financial companies etc. which are residents of the euro area. (Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Slovakia, Slovenia and Spain) excluding Malta.

### **Rest of the World**

Non-resident sectoral units including governments, households, financial and non-financial companies etc. which reside outside the euro area.

### **Balance Sheet Items – Assets Side**

#### ***1) Debt Securities***

Debt instruments are those instruments that require the payment of principal and/or interest at some point(s) in the future. These financial assets which are typically represented by documents intended to circulate, and whose nominal value is determined on issue. This balance sheet item includes bills, bonds, certificates of deposit, commercial paper, debentures, and similar instruments normally traded in the financial markets. (Financial derivatives should not be included under this heading). Debt securities are sub categorised into short and long term debt.

- a) Short Term Debt: Debt securities with an original maturity of one year or less.
- b) Long Term Debt: Debt securities with an original maturity of more than one year.

#### ***2) Equity and Investment Fund Shares***

Equity and investment fund shares have the distinguishing feature that the holders own a residual claim on the assets of the institutional unit that issued the instrument. Equity represents the owners' funds in the institutional unit.

- a) Equity: Equity consists of all instruments and records that acknowledge claims on the residual value of a corporation, after the claims of all creditors have been met. Includes listed and unlisted shares.

- b) Money market fund shares/units: Money market fund shares are share/units in investment funds that invest only or primarily in short-term money market securities such as treasury bills, certificates of deposit, and commercial paper.
- c) Non MMF investment fund shares/units Non-MMF investment funds are shares/units in collective investment schemes that raise funds by issuing shares or units to the public.

### 3) *Financial derivatives*

A financial derivative contract is a financial instrument that is linked to another specific financial instrument or indicator or commodity and through which specific financial risks (such as interest rate risk, foreign exchange risk, equity and commodity price risks, credit risk, and so on) can be traded in their own right in financial markets.

### 4) *Loans*

Loans are financial assets that (a) are created when a creditor lends funds directly to a debtor, and (b) are evidenced by documents that are not negotiable. Loans are further sub categorised into short and long term loans.

- a) Short Term Loans: Loans with an original maturity of one year or less.
- b) Long Term Loans: Loans with an original maturity over one year.

### 5) *Deposits and cash balances*

Cash balances consist of notes and coins that are of fixed nominal values and are issued or authorized by central banks or governments.

Deposits include all claims that are on deposit-taking corporations (banks) and represented by evidence of deposit. A deposit is usually a standard contract, open to the public at large, that allows the placement of a variable amount of money. The nominal value of deposits is usually fixed in terms of the currency in which the deposits are denominated.

Both transferable and non-transferable deposits are Included in this category. **“Non-transferable deposits”** include 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 cheque or similar payment order. **“Transferable deposits”** are exchangeable on demand at par without restriction or penalty, freely transferable by cheque or giro order, and otherwise commonly used to make payments.

### 6) *Trade Credits, Advances and Other Receivables*

Trade credit and advances consist of credit extended directly by the license holder for services provided to their customers and advances for work commissioned by the license holder, that is still in progress (or is yet to be undertaken) and prepayment for goods and services not yet provided.

Other accounts receivable includes accounts receivable other than those included in trade credit and advances or other instruments. It includes liabilities for taxes, lending fees, wages and salaries, dividends, and social contributions that have accrued but not yet paid.

**7) Land and buildings**

This item includes investment in land and buildings/offices directly owned by the enterprise. This item is not allocated to any particular counterpart but the split of land and buildings owned in Malta, and abroad, is required.

**8) Other Fixed Assets/Non-Financial Assets**

This item consists of tangible assets such as machinery, equipment (e.g. computer software and databases), and intangible assets (e.g. research and development).

**9) Other assets not specified elsewhere**

Under this category include assets which are nowhere else classified.

**Total Assets**

Summation of the items 1 to 9.

**Balance Sheet Items – Liabilities Side**

**10) Debt securities issued**

Refers to financial instruments issued by the licence holder which entail the payment of principal and/or interest at some future point in time (e.g. bonds issued).

**11) Financial Derivatives**

A financial derivative contract which due to unfavourable price movements of the underlying asset the licence holder owes money to the counterpart of the contract.

**12) Trade Credits and Other Payables**

Consist of credit extended directly by suppliers of goods and services provided to the ISP and advances for work commissioned to the license holder, that is still in progress (or is yet to be undertaken).

Other accounts receivable includes accounts receivable other than those included in trade credit and advances or other instruments. It includes liabilities for taxes, lending fees, wages and salaries, dividends, and social contributions that have accrued but not yet paid.

**13) Loans**

Please refer to the definition provided in item (4) above.

**14) Other Liabilities not specified elsewhere**

Any type of liability that cannot be classified into any of the above categories.

**Total Liabilities**

Summation of items 10 to 14.

**15) Called up share capital**

Comprises amounts arising from the issue of equity capital to shareholders or other proprietors, representing the holder's 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.

**16) Reserves**

Any part of shareholders' equity, except for called up share capital share capital (e.g. funds arising

from non-distributed benefits or funds set aside in anticipation of future likely payments and obligations).

### ***Total Capital & Reserves***

Summation of items 15 and 16

### Inputting example

*Assets held and liabilities owed by ISP Ltd at end of reporting period March 20XX: -*

*Assets: -*

1. Treasury bills amounting to €80,000, issued by the Maltese Government.
2. German Government Bonds, €15,000
3. Equities in a British non-financial company, valued £7,500. (Exchange rate as at end of the reference reporting period stood at €1: £0.75).
4. €12,000 deposit held with a resident bank
5. Office premises in Valletta, valued at €50,000

*Liabilities: -*

6. €7,000 still owed to a resident Web development company for the development of the company's website.
7. €60,000 loan with original maturity of 7 years provided by a resident bank
8. Share capital amounting to €80,000. 40% of the shares are held by a resident insurance company. The remaining portion are owned by a British company.
9. €20,000 reserves

*Inputting instructions: -*

1. Since treasury bills are debt securities with a short term maturity (i.e. mature in less than one year), the respective balance should be inputted in the row (1b). The figure should be inputted in the column titled "General Government". (Financial assets held by one entity, which in this case consists of short term government securities, generally imply a liability for another entity. In this case the liability holder is the entity which issued the financial instrument, i.e. government.)
2. In this case the government securities have an original maturity over one year and were issued by a foreign, euro-area, government. The respective balance should be recorded in row (1a) in the column "Euro Area Residents".
3. Since the equities were issued by a foreign non-euro area company the balance should be reported in row (2a) in the column "Rest of the World. The value should be converted into euro by using the appropriate exchange rate at the end of the reference period.
4. Since the deposits are held with a resident bank the respective figures should be inputted in row (5) under the column "Banks".
5. Fixed assets do not involve a counterparty as in the case of financial assets considered in examples 1 to 4 above. Since the offices are in a Maltese territory the balance should be inputted in row (7) in the column "Total Resident".

The examples above illustrated in Figure 16 - Inputting example 'Sectoral\_Balance\_Sheet' (Assets).

*Liabilities: -*

6. In this case the balance pertains to trade transaction which has not been paid yet. As such it should be recorded in row (12). Since the balance is owed to resident NFC the figure should be inputted in the column headed "Non Financial Companies".
7. Since the loan has an original loan maturity over one year the figure should be inputted in (13a) in the column "Banks".
8. The amount of share capital should be inputted in row (15) in the columns "Insurance

- Companies” (40% of €80,000) and “Rest of the World” (60% of €80,000) respectively.
9. The €20,000 reserves should be allocated in row (16) in the column “Total”. (The balance is recorded in this column because there is no counterparty to this liability.).

The examples above illustrated in Figure 16 - Inputting example Sectoral\_Balance\_Sheet' (Liabilities).

	Resident										Non Residents			Total
	General Government	Monetary Financial Institutions		Other Financial Institutions including Auxiliaries		Insurance Companies	Non Financial Companies	Households & NPISH	Total Resident	Euro Area Residents	Rest of the World	Total Non Residents		
		Banks	Money Market	Investment Funds	Others									
Assets	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	
1) Debt Securities	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	80.0	15.0	0.0	15.0	95.0	
a) Long term (maturity > 1 year)									0.0	15.0		15.0	15.0	
b) Short term (maturity < = 1 year)	80.0								80.0			0.0	80.0	
2) Equity and investment fund shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	10.0	10.0	
2.1) Listed									0.0			0.0	0.0	
a) Equity									0.0		10.0	10.0	10.0	
b) Money market fund (MMF) shares/units									0.0			0.0	0.0	
c) Investment fund (excl. MMFs) shares/units									0.0			0.0	0.0	
2.2) Unlisted									0.0			0.0	0.0	
a) Equity									0.0			0.0	0.0	
b) Money market fund (MMF) shares/units									0.0			0.0	0.0	
c) Investment fund (excl. MMFs) shares/units									0.0			0.0	0.0	
3) Financial derivatives									0.0			0.0	0.0	
4) Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
a) Long term (maturity > 1 year)									0.0			0.0	0.0	
b) Short term (maturity < = 1 year)									0.0			0.0	0.0	
5) Deposits and cash balances		12.0							12.0			0.0	12.0	
6) Trade Credits, Advances and Other Receivables									0.0			0.0	0.0	
7) Land and buildings									50.0			0.0	50.0	
8) Other Fixed/Non-Financial Assets														
9) Other assets not specified elsewhere									0.0			0.0	0.0	
<b>Total Assets</b>	<b>80.0</b>	<b>12.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>92.0</b>	<b>15.0</b>	<b>10.0</b>	<b>25.0</b>	<b>117.0</b>	

Figure 16 - Inputting example 'Sectoral\_Balance\_Sheet' (Assets)

	Resident										Non Residents		Total	
	General Government	Monetary Financial Institutions		Other Financial Institutions including Auxiliaries		Insurance Companies	Non Financial Companies	Households & NPISH	Total Resident	Euro Area Residents	Rest of the World	Total Non Residents		
		Banks	Money Market	Investment Funds	Others									
Liabilities	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	
10) Debt securities issued									0.0				0.0	0.0
11) Financial Derivatives									0.0				0.0	0.0
12) Trade Credits & Other Payables								70.0	70.0				0.0	70.0
13) Loans:	0.0	60.0	0.0	0.0	0.0	0.0	0.0	0.0	60.0	0.0	0.0	0.0	0.0	60.0
a) Long term (maturity > 1 year)		60.0							60.0				0.0	60.0
b) Short term (maturity <= 1 year)									0.0				0.0	0.0
14) Other Liabilities not specified elsewhere									0.0				0.0	0.0
<b>Total Liabilities</b>	0.0	60.0	0.0	0.0	0.0	0.0	0.0	70.0	130.0	0.0	0.0	0.0	0.0	130.0
Capital & Reserves	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	Euro '000	
15) Called up share capital	0.0						32.0		32.0		48.0		48.0	80.0
16) Reserves	0.0	0.0	0.0	0.0	0.0	8.0	0.0	0.0	8.0	0.0	12.0	12.0	12.0	20.0
<b>Total Capital &amp; Reserves</b>	0.0	0.0	0.0	0.0	0.0	40.0	0.0	0.0	40.0	0.0	60.0	60.0	60.0	100.0

7
6
9

8

Figure 17 - Inputting example 'Sectoral\_Balance\_Sheet' (Liabilities)



### Selected Off-balance sheet information

Respondents are required to detail information on the value of equity and debt securities held on behalf of resident households and resident non-financial companies. (For the definitions of households and non-financial companies, please refer to Sectoral definitions provided at the start of this section).

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## Guidance Note VII - Sheet 'Income\_&\_Services'

### Description

Sheet 'Income\_&\_Services' requires respondents to report: -

- income in the form of interest and dividends earned on securities (issued by non-residents) which are not reported in any of the SBSA reports. [Upper part of the sheet.]
- income earned from services rendered by the ISP to non-residents and services commissioned to non-residents. [Lower part of the sheet.]

### Upper part of Sheet 'Income\_&\_Services' - Interest and Dividend earned

Interest and dividends earned from / paid to non-residents		
Type of Income	Receipts	Payments
	EUR '000	EUR '000
Interest on own account (earned from / paid to non-residents) <sup>1</sup>		
Dividends on own account (earned from / paid to non-residents) <sup>1</sup>		
Interest received obo resident household & non financial companies on foreign securities not reported on a SBS basis		
Dividends received obo resident household & non financial companies on foreign securities not reported on a SBS basis		

<sup>1</sup> Do not include interest and/or dividends earned on securities reported on SBSA - Own Account (i.e. Sheet 18e)

Figure 18 - Sheet 'Income\_&\_Services'

#### A - Interest on own account not reported on SBSA

The value of interest in thousands of euro received on foreign securities or other financial assets held with non-residents (e.g. foreign bank deposits) by the investment service provider on its own account or interest payable to non-residents by the licence holder. The former should be inputted in the '*Receipts*' column. The latter should be recorded under the '*Payments*' heading.

#### B - Dividends on own account not reported on SBSA

The value of dividends in thousands of euro received from securities issued by non-residents and held by the licence holder on its own account or the amount of dividends paid to non-residents. The former should be inputted in the '*Receipts*' column. The latter should be recorded under the '*Payments*' heading.

#### C - Interest received obo Households and Non-Financial Companies

Interest received on behalf of resident households and non-financial companies on foreign securities which were not reported in the SBSA sheets (i.e. the non-resident securities reported in the Nominee sheet).

#### D - Dividends received obo Households and Non-Financial Companies

Dividend received on behalf of resident households and non-financial companies on foreign securities which were not reported in the SBSA sheets (i.e. the non-resident securities reported in the Nominee sheet).

## Inputting Example

<b>Interest and Dividends earned for the period 1<sup>st</sup> January 20XX – 31<sup>st</sup> March 20XX</b>	
<i>Interest earned on own account, on behalf of Households and Non-financial Companies</i>	
1. Interest Earned on non-resident financial instruments held on own account	€15,000
1a. Of which reported in SBSA – Own Account	€12,000
1b. Of which not reported in SBSA – Own Account	€3,000
2. Interest earned on behalf of Households & NFCs on non-resident securities	€135,000
2a. Of which securities reported in SBSA Sheets <sup>5</sup>	€100,000
2b. Of which on securities having without a valid ISIN	€35,000
3. Interest Paid on debt securities issued by the ISP	€27,000
<i>Dividends earned on own account, on behalf of Households and Non-financial Companies</i>	
4. Dividends earned from non-resident financial instruments held on own account	€20,000
4a. Of which reported in SBSA – Own Account	€18,000
4b. Of which not reported in SBSA – Own Account	€2,000
5. Dividends earned on behalf of Households & NFCs	€180,000
5a. Of which securities reported in SBSA Sheets	€80,000
5b. Of which on securities having without a valid ISIN	€100,000
6. Dividends paid to non-resident shareholders	€13,000

Items 1a, 2a, 4a, and 5a must not be reported since they are included in the SBSA sheets. The remaining items should be recorded in the table as illustrated in the following print screen.

Interest and dividends earned from / paid to non-residents		
Type of Income	Receipts	Payments
	EUR '000	EUR '000
Interest on own account (earned from / paid to non-residents) <sup>1</sup>	3.000	27.000
Dividends on own account (earned from / paid to non-residents) <sup>1</sup>	2.000	13.000
Interest received obo resident household & non financial companies on foreign securities not reported on a SBS basis	35.000	
Dividends received obo resident household & non financial companies on foreign securities not reported on a SBS basis	100.000	

1 Do not include interest and/or dividends earned on securities reported on SBSA – Own Account (i.e. Sheet 18e)

1    4    5b    2

**Figure 19- Inputting Example: Sheet 'Income & Services' (upper part)**

### Lower Part of Sheet 'Income & Services' - Services, wages and rents received from/provided to non-residents

Sheet 'Income & Services' requires respondents to detail receipts and payments for other business services (which can be chosen from a drop down menu) provided to/by non-residents. For both receipts and payment the country of residency of the client/supplier should be reported.

<sup>5</sup> SBSA - Nominee Households or SBSA – Nominee Non-Financial Companies.

Services, wages and rents received from/provided to non-residents			
Type of service	Country of counterparty	Receipts	Payments
Select instrument from dropdown list	Select country	EUR '000	EUR '000
A	B	C	

Figure 20 - Lower Part of Sheet 'Income\_&\_Services'

### A –Type of Service

Refers to the type of services commissioned or rendered. The type of service can be selected from the drop down menu which contains the following services: -

- **Accounting, auditing and book-keeping;** Include those activities related to accounting and audit services.
- **Advertising, market research and public opinion polling;** Include design, creation, marketing, placement and purchase of advertisement trade fair exhibition services and promotion, market research and public opinion polls.
- **Advisory Fees;** Advisory fees not classified elsewhere.
- **Business and management consultancy;** Include planning, organisation cost projecting and human resource management.
- **Commissions;** Commissions earned for services rendered.
- **Communication;** services include telecommunications (broadcasting, satellite, electronic mail etc.), postal, courier, newspaper and magazine delivery services etc.
- **Compensation of Employees;** Wages and other forms of remuneration to employees.
- **Computer and information services;** Include data base development, storage and on-line series facilities, data processing, tabulation processing services (on a time share or specific basis) and processing management services, hardware consultancy, software design, development and customised implementation and programming, maintenance and repairs of computers and peripheral equipment and news agency service.
- **Financial services;** Include fees for intermediation services such as lending, financial leasing, letters of credit, bankers acceptances, lines of credit, foreign exchange transactions and travellers' cheques transactions, commissions and fees associated with security brokerage, placements of issues, underwriting, redemption, swaps, options and commodity futures and portfolio and other financial management fees.
- **Foreign Tax paid;** Includes any taxes paid to non-residents as well as any refund of taxes from abroad. Interest charges on the late payment of taxes should also be included.

- **Public relations services;** Include any receipts and payments related to public relations.
- **Rent;** Receipts from/payments for renting offices, building, hardware to/from non-residents etc.
- **Tax consultancy services;** Include those activities related to tax consultancy and related services.

#### **B – Country of Counterparty**

Refers to the country of residency of the counterparty of the service commission or rendered. The respective country can be selected from the drop down menu.

#### **C – Receipt/Payment**

Income earned from rendering services should be recorded under the '*Receipts*' heading. Costs incurred for business services paid for should be recorded under the '*Payments*' heading.

[In cases where the Business Service cannot be categorised in any of the items from the drop down list, use the lower part of the table to specify the nature of the business service and the respective receipts/payments under the appropriate headings.]

## Inputting Example

*Business Services rendered/commissioned to foreign clients/businesses for the period 1<sup>st</sup> January 20XX – 31<sup>st</sup> March 20XX:*

1. *ISP Limited commissioned a British domiciled IT company to develop a specialised database management system. The total cost of the project amounted to £20,000. The payment was effected on 31<sup>st</sup> March. Exchange rate as at that date was 1EUR = 0.80GBP.*
2. *ISP Limited received a total value of €20,000 for security brokerage services effected on behalf of French residents.*
3. *Tax consultancy services provided to a German company (€10,000).*

1. Select '**Computer and information services**' (see 1a. in the following print screen) from the drop down menu in the first column, '**United Kingdom**' (1b.) as the country of counterparty and the euro (thousand) equivalent of £20,000 i.e. '25' under the '**Payments**' heading (1c.).
2. Select '**Financial Services**' as type of service (2a.), '**France**' as the country of counterparty (2b.) and '20' in the '**Receipts**' column (2c.).
3. Select '**Tax consultancy services**' as type of service (2a.), '**Germany**' as the country of counterparty (2b.) and '10' in the '**Receipts**' column (2c.).

Services, wages and rents received from/provided to non-residents				
Type of service <i>Select instrument from dropdown list</i>	Country of counterparty <i>Select country</i>	Receipts	Payments	
		EUR '000	EUR '000	
1a — Computer and information services	United Kingdom		25.000	1c
2a — Financial services	France	20.000		2c
3a — Tax consultancy services	Germany	10.000		2c

3b
2b
1b
2c
3c

**Figure 21 - Inputting Example Sheet 'Income\_&\_Services' (lower part)**

## Guidance Note VIII – Sheet ‘External\_Balance\_Sheet’

### Description

Respondents are to report in Sheet ‘External\_Balance\_Sheet’ the opening and closing balances of, and transactions in, foreign assets held and liabilities owed to non-residents by the licence holder. The sheet is divided into two parts. The upper part of the sheet should be used to report foreign assets held by the license holder whereas the lower part of the sheet should be used to report (foreign) liabilities.

### Upper part of Sheet ‘External Balance Sheet’: Foreign Assets held

**BREAKDOWN OF FOREIGN ASSETS & LIABILITIES OF LICENCE HOLDER**

Company Name:

Reporting Period:

FOREIGN ASSETS HELD BY THE LICENCE HOLDERS							
Instrument <sup>1</sup>	Country	Sector of Issuer (to be filled for debt and equity securities incl. investment funds Select sector)	Position at Beginning of Period	Increase due to Transactions	Decrease due to Transactions	Other Changes	Position at End of Period
<i>Choose instrument from dropdown list</i>	<i>Choose country</i>		EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
						0.000	

Annotations: A points to Instrument, B to Country, C to Position at Beginning of Period, E to Increase due to Transactions, D to Position at End of Period, and F to Other Changes.

Figure 22 - Upper Part of Sheet ‘External\_Balance\_Sheet’: Foreign Assets Held

#### A – Instrument

Refers to the type of financial instrument held by the license holder. Only assets which have a foreign counterpart should be reported, i.e. assets having a resident counterpart (e.g. deposit with a resident bank) are to be excluded from this balance sheet. Interest accrued and unpaid should be included with the instrument on which it is earned. The type of instrument can be selected from the drop down menu which contains the following options: -

- **Bank Deposits held with foreign banks;** Include both transferable and non-transferable deposits. “*Non-transferable deposits*” include 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 cheque or similar payment order. “*Transferable deposits*” are exchangeable on demand at par without restriction or penalty, freely transferable by cheque or giro order, and otherwise commonly used to make payments.
- **Debt securities issued by non-residents;** includes bonds, debentures and notes etc. that usually give the holder the unconditional right to a fixed money income or contractually determined variable money income. This category also includes bills, commercial paper, enterprises’ acceptances, etc. that usually give the holder the unconditional right to receive a stated, fixed sum of money on a specified date. [Securities already reported in the *SBSA – Own Account* should not be reported here.]

- **Equities issued by non-residents**; consist of financial assets which represent property rights on corporations. These financial assets generally entitle the holders to a share in the profits of the corporations and to a share in their net assets in the event of liquidation. [Securities already reported in the *SBSA – Own Account* should not be reported here.]
- **Financial derivatives**; financial instrument that is linked to another specific financial instrument or indicator or commodity and through which specific financial risks (such as interest rate risk, foreign exchange risk, equity and commodity price risks, credit risk, and so on) can be traded in their own right in financial markets.
- **Investment fund share/units issued by foreign institutions**; are units in collective investment undertakings through which investors pool funds for investment in financial or nonfinancial assets or both. [Securities already reported in the ‘*SBSA\_OWN\_ACC*’ should not be reported here.]
- **Receivables from non-residents**; Cover any receivables from non-residents. Examples of receivables include amounts due from foreign counterparts, such as unpaid brokerage fees.

#### **B - Country**

The residency/country of domicile of the counterpart to the asset (i.e. the holder of the liability) should be selected from the drop down menu in the second column.

#### **C – Sector of Issuer**

This field should be reported only for *Debt securities issued by non-residents*, *Equities issued by non-residents* and *Investment fund share/units issued by foreign institutions*. Respondents can choose amongst three sectors: - Banks, Government and Others from the drop down menu. (See **Guidance Note II – Non\_SBS\_Nominee** for a description of these sectors).

#### **D – Positions**

Respondents should report the opening and closing positions for the respective financial instrument held on own account. In the eventuality that the financial instrument is denominated in currencies other than euro, the opening and closing positions should be converted into euro using the official exchange rate as at the first/last day of the reporting period respectively.

#### **E – Transactions**

Transactions refer to increases (purchases) or decreases (sales) of financial assets made during the reporting period. Transactions carried out in currencies other than the euro should be converted into Euro using the official middle rate on the transaction day.

#### **F – Other changes**

Other changes are obtained as a residual. It is calculated as the difference between the change in position (closing – opening) and the net transactions.

#### **Other Foreign Assets**

In cases where the foreign asset cannot be categorised in any of the items from the drop down list in the first column, use the lower part of the table (row 62) to specify the nature of the asset (e.g. property abroad) and the opening and closing balances and transaction under the appropriate headings.



## Inputting Example

<b>Foreign assets opening balances as at 1<sup>st</sup> January 20XX:</b>			
1.	Deposit held in a German domiciled bank	€14,000	
2.	Deposit with a US domiciled bank	\$50,000	
3.	Bonds issued by Italian companies*	€34,000	
<b>Transactions carried out during the period 1<sup>st</sup> January 20XX – 31<sup>st</sup> March 20XX:</b>			
4.	Drew from the deposit held with the German Bank	€10,000	
5.	Bought equities issued by French NFCs on 20 <sup>th</sup> Feb *	€60,000	
6.	Bought UK government bonds on 20 <sup>th</sup> February. *	£50,000	
<b>Foreign assets closing balances as at 31<sup>st</sup> March 20XX:</b>			
7.	Deposit with a German domiciled bank	€4,000	
8.	Deposit with a US domiciled bank	\$50,000	
9.	Bonds issued by Italian companies (market value)*	€34,000	
10.	Equities issued by French companies (market value)*	€60,000	
11.	UK Government Bonds (market value)	£55,000	
*Not reported in SBSA – Own Account			
<b>Exchange Rates (Official Middle Rate)</b>			
	1st January	20th February	31st March
EUR:USD	1 EUR : 1.50 USD	-	1 EUR : 1.10 USD
EUR:GBP	-	1 EUR : 0.80 GB	1 EUR : 0.80 GBP
<ol style="list-style-type: none"> <li>1. Select '<b>Bank Deposits held with foreign banks</b>' from the drop down menu, '<b>Euro Area excluding Ireland &amp; Luxembourg</b>' as the country of the counterparty to the asset and input '14' as the position at the beginning of the period.</li> <li>2. Select '<b>Bank Deposits held with foreign banks</b>' from the drop down menu, '<b>United States</b>' as the country of the counterparty to the asset and input '33' as the position at the beginning of the period (the euro [thousand] equivalent of the deposit in dollars, i.e. \$50,000/1.50)</li> <li>3. Select '<b>Debt securities issued by non-residents</b>' (when selecting this item the cell in the '<b>Sector</b>' column changes colour to white to indicate that the sector of the issuer of the security needs to be reported). Choose '<b>Euro Area excluding Ireland &amp; Luxembourg</b>' as the country of the counterparty to the asset and '<b>Others</b>' as the issuing sector. Input '34' as the opening position.</li> <li>4. Use the first row (created for entry number 1 above). Input '10' in the '<b>Decrease due to Transactions</b>'.</li> <li>5. Select '<b>Equities issued by non-residents</b>' (when selecting this item the cell in the '<b>Sector</b>' column changes colour to white to indicate that the sector of the issuer of the security needs to be reported). Choose '<b>Euro Area excluding Ireland &amp; Luxembourg</b>' as the country of the counterparty to the asset and '<b>Others</b>' as the issuing sector. Input '60' as an '<b>Increase due to Transactions</b>'.</li> <li>6. Select '<b>Debt securities issued by non-residents</b>', '<b>United Kingdom</b>' and '<b>Government</b>' as the issuing sector of the securities. Input '62' (euro [thousand] equivalent of £50,000 using the official exchange rate as at date) in the '<b>Increase due to Transactions</b>' column.</li> </ol>			

7, 8, 9, 10, and 11 only require respondents to input the respective (euro-equivalent) closing figures in the column 'Position at End of Period'.

**BREAKDOWN OF FOREIGN ASSETS & LIABILITIES OF LICENCE HOLDER**

Company Name:

Reporting Period:

FOREIGN ASSETS HELD BY THE LICENCE HOLDERS							
Instrument <sup>1</sup> <small>Choose instrument from dropdown list</small>	Country <small>Choose country</small>	Sector of issuer <small>(to be filled for debt and equity securities incl. investment funds. Select sector)</small>	Position at Beginning of Period	Increase due to Transactions	Decrease due to Transactions	Other Changes	Position at End of Period
			EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
1 Bank Deposits held with foreign banks	Other Euro Area excluding Ireland & Luxembourg		14,000		10,000	0,000	4,000
2 Bank Deposits held with foreign banks	United States		33,000			12,000	45,000
3 Debt securities issued by non residents	Other Euro Area excluding Ireland & Luxembourg	Others	34,000			0,000	34,000
5 Equities issued by non residents	Other Euro Area excluding Ireland & Luxembourg	Others		60,000		0,000	60,000
6 Debt securities issued by non residents	United Kingdom	Government		62,000		6,000	68,000

4

**Figure 23 - Inputting Example: Sheet 'External\_Balance\_Sheet'**

Lower part of Sheet 'External\_Balance\_Sheet': Foreign Liabilities owed

Liabilities owed to non-resident entities are to be reported in the lower part of the table in Sheet 'External\_Balance\_Sheet'.

FOREIGN LIABILITIES HELD BY THE LICENCE HOLDER							
Instrument <small>Choose instrument from dropdown list</small>	Country <small>Choose country</small>		Position at Beginning of Period	Increase due to Transactions	Decrease due to Transactions	Other Changes	Position at End of Period
			EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
						0,000	

A                      B                      D                      E

**Figure 24 - Lower Part of Sheet 'External\_Balance\_Sheet': - Foreign Liabilities Owed**

**A- Instrument**

The type of liability can be selected from the drop down menu in the first column of the table. Interest accrued and unpaid should be included with the instrument on which it is payable. The items in the drop down menu are described below.

- **Called up share capital (of non-residents) of LESS than 10%**; refers to holdings of less than 10% of ordinary shares held by a non-resident corporate or unincorporated body in the company.
- **Called up share capital (of non-residents) of MORE than 10%**; refers to holdings of more than 10% of ordinary shares held by a non-resident corporate or unincorporated body in the company. Any share premium should also be recorded according to the relative holding. (e.g. if a non-resident holds 40% of the total ordinary share capital, then 40% of the share premium should also be recorded).

- **Financial derivatives**; a financial derivative contract which due to unfavourable price movements of the underlying asset the licence holder owes money to the counterpart to the contract.
- **Loans from non-residents: long-term**; financial liabilities created through the direct borrowing of funds by the company for its own account from non-residents (lenders). Only loans from non-residents (including foreign parent and foreign subsidiaries) with a maturity of one year or over should be reported under this item.
- **Loans from non-residents: short-term**; financial liabilities created through the direct borrowing of funds by the company for its own account from non-residents (lenders). Only loans from non-residents (including foreign parent and foreign subsidiaries) with a maturity of one year or less should be reported under this item.
- **Payables to non-residents**; Covers any payables to non-residents.
- **Retained Earnings/(Losses)**; Comprise foreign shareholders' share of retained profits/accumulated losses and other reserves. Profits (or losses) should be net of taxes, profit appropriation (dividends) and extraordinary items.<sup>6</sup> Please report any profits under the column "increase due to transactions" and any losses under the column "decrease due to transactions". The amount of Retained Earnings/(Losses) reported should be in proportion to the amount of ordinary share capital owned by non-residents. E.g. if the total proportion of shares held by non-residents is 70%, then 70% of the retained earnings (as defined above) is to be included.

## **B - Country**

The residency/country of domicile of the counterpart to the liability (i.e. the holder of the asset) should be selected from the drop down menu in the second column. [The list of countries that can be selected is smaller than for the other sheets in order to reduce the reporting burden].

## **C – Positions**

Respondents should report the opening and closing positions for the respective financial liability. In the eventuality that the liability is quoted or denominated in currencies other than euro, the opening and closing positions should be converted into euro using the official exchange rate as at the first/last day of the reporting period respectively.

## **D – Transactions**

Transactions refer to increases or decreases in liabilities owed to non-residents made during the reporting period. Transactions affected using currencies other than the euro should be converted into Euro using the official middle rate on the transaction day.

## **E – Other changes**

Other changes are obtained as a residual. It is calculated as the difference between the change in position (opening – closing) and the net transactions.

## **Other Foreign Liabilities**

Liabilities owed to non-residents which cannot be classified as any of the items from the drop down list should be detailed on the lower part of the table for liabilities.

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<sup>6</sup> Examples of extraordinary profits (or losses) are capital gains and provisions.

## Inputting Example

<b>Liabilities owed to non-residents opening balances as at 1<sup>st</sup> January 20XX:</b>			
1.	Short term loan provided by German related company	€30,000	
2.	ISP's Called up share capital 100% held by Swiss company	€25,000	
3.	Payments still due to a British IT company	£10,000	
<b>Transactions carried out during the period 1<sup>st</sup> January 20XX – 31<sup>st</sup> March 20XX</b>			
4.	Loan repayments to the German related company	€20,000	
5.	Further IT services commissioned to the British IT company (but not paid) 20 <sup>th</sup> Feb	£1,000	
<b>Liabilities owed to non-residents closing balances as at 31<sup>st</sup> March 20XX:</b>			
6.	Short term loan provided by German related company	€10,000	
7.	ISP's Called up share capital 100% held by Swiss company	€25,000	
8.	Payments still due to a British IT company	£11,000	
<b>Exchange Rates (Official Middle Rate)</b>			
	1st January	20th February	31st March
UR:GBP	1 EUR : 0.70 GBP	1 EUR : 0.80 GBP	1 EUR : 0.80 GBP

1. Select 'Loans from non-residents: short-term' from the drop down menu, 'Euro Area excluding Ireland & Luxembourg' and '30' as the opening position.
2. Since the non-resident holder of equity owns more than 10% of the company select 'Called up share capital (of non-residents) of MORE than 10%\*' from the drop down menu, 'Switzerland' as the country of residence/domicile of the counterpart and '25' in the 'Position at Beginning of Period' column.
3. Select 'Payables to non-residents' and 'UK' in the country field. Input '14.286' (the euro [thousand] equivalent of the outstanding £10,000 i.e £10,000/0.70) as the opening balance.
4. Use the row already created for inputting entry number 1 above. Input 20 in the 'Decrease due to Transactions'.
5. Input '1.25' (the euro thousand equivalent of £1,000 (i.e. £1,000/0.80) using the exchange rate at date the expense was charged).

For entries 6, 7 and 8 just input the (euro thousand equivalent) values in the column 'Position at End of Period' in the appropriate row. The '**Other Changes**' column is automatically calculated.

FOREIGN LIABILITIES HELD BY THE LICENCE HOLDER							
Instrument	Country		Position at Beginning of Period	Increase due to Transactions	Decrease due to Transactions	Other Changes	Position at End of Period
			EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Loans from non-residents: short-term	Other Euro Area excluding Ireland & Luxembourg		30,000		20,000	0.000	10,000
Called up share capital (of non-residents) of MORE than 10%*	Switzerland		25,000			0.000	25,000
Payables to non-residents	United Kingdom		14,286	1,250		-1,786	13,750
				5	4	0.000	

Figure 25 - Inputting Example: Sheet 'External\_Balance\_Sheet' - Liabilities owed to non-residents