



**CENTRAL BANK OF CYPRUS  
EUROSYSTEM**

**THE CENTRAL BANK OF CYPRUS LAWS OF 2002 to 2007  
138(I)/2002, 166(I)/2003 and 34(I)/2007**

**Directive under sections 20(3)(b) and 64**

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**DIRECT REPORTING SYSTEM  
ON STATISTICAL DATA  
FOR THE FINANCIAL ACCOUNT OF THE BALANCE OF PAYMENTS,  
THE ASSOCIATED INCOME  
AND THE INTERNATIONAL INVESTMENT POSITION OF CYPRUS**

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**138(I)/2002 ,166(I)/2003 and 34(I)/2007**

**Directive for the direct reporting system on statistical data  
for the financial account of the balance of payments, the associated income  
and the international investment position of Cyprus**

**Directive under sections 20 (3)(b) and 64**

138(I) of 2002  
166(I) of 2003  
34(I) of 2007

Pursuant to subsection (1) of section 64 of the Central Bank of Cyprus Laws of 2002 to 2007, the Central Bank of Cyprus may require from banks, government services, public corporations, as well as any natural person or legal entity resident of Cyprus, to report to the Bank all the data and information in their possession, as specified in directives, issued by the Central Bank of Cyprus under subsection (2) of section 64, for the compilation of the balance of payments and the international investment position of the Republic as well as the financial accounts of the individual sectors of the economy.

Pursuant to subsection (2) of section 64, the Central Bank of Cyprus may specify, by issuing pertinent directives, the data and information which the natural persons and legal entities referred to above are required to obtain and report in relation to their transactions and to their asset and liability position vis-à-vis residents or non-residents of Cyprus. The Central Bank of Cyprus may also determine the manner, time, procedure and every other relevant detail according to which these data and information are to be reported.

In the context of the Central Bank's statistical obligations which emanate from Cyprus's entry into the European Union and the eurozone, in particular those stemming from the provisions of Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005, on Community statistics concerning

Official Journal of the  
EU: L354, 30.11.2004,  
p.34

Official Journal of the  
EU: L159, 20.6.2007,  
p.48

balance of payments, international trade in services and foreign direct investment, and the provisions of the Guideline of the European Central Bank of 16 July 2004 on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics and the international reserves template, ECB/2004/15, as subsequently amended, the Central Bank of Cyprus implements a direct reporting system on balance of payments statistics.

The direct reporting system on statistical data aims at the data compilation of the financial account of the balance of payments, the associated income and the international investment position of Cyprus, based on the reporting requirements imposed by the European Central Bank, Eurostat and the International Monetary Fund.

The compilation of the required data can be effected through the carrying out of four surveys (foreign direct investment, securities, financial derivatives, other investment), which form the basis of the direct reporting system.

The Central Bank of Cyprus, by virtue of the powers vested in it by the provisions of paragraph (b) of subsection (3) of section 20 and subsection (2) of section 64 of the Central Bank of Cyprus Laws of 2002 to 2007, issues this Directive on the direct reporting system on statistical data for the financial account of the balance of payments, the associated income and the international investment position of Cyprus, with which it specifies the detailed rules of the system

**PART I**  
**TITLE, DEFINITIONS AND SCOPE**

Short title	1. This Directive may be cited as the Direct Reporting System on Balance of Payments Statistics Directive 2008.
Definitions and Scope	2. In this Directive, unless the context otherwise requires-
Annex Two	“associate company” has the meaning assigned to it in Annex Two of this Directive;
66(I) of 1997 74(I) of 1999 94(I) of 2000 119(I) of 2003 4(I) of 2004 151(I) of 2004 231(I) of 2004 235(I) of 2004 20(I) of 2005	“bank” has the meaning assigned to this word by the Banking Laws of 1997 to 2005;
Annex Two	“branch” has the meaning assigned to it in Annex Two of this Directive;
	"Central Bank" means the Central Bank of Cyprus;
	"claims of residents" refers to the financial assets of residents vis a vis non residents;

“credit institution” has the meaning assigned to it by the Banking Operations Laws of 1997 to 2008;

66(I) του 1997  
74(I) του 1999  
94(I) του 2000  
119(I) του 2003  
4(I) του 2004  
151(I) του 2004  
231(I) του 2004  
235(I) του 2004  
20(I) του 2005  
80(I) του 2008

“custodians” means the legal entities with a physical presence in Cyprus, which provide custody services for securities on behalf of third parties;

“Cyprus Stock Exchange” means the Stock Exchange established under section 3 of the Securities and Stock Exchange Laws of 1993 to 2007;

14(I) of 1993  
32(I) of 1993  
91(I) of 1994  
45(I) of 1995  
74(I) of 1995  
50(I) of 1996  
16(I) of 1997  
62(I) of 1997  
71(I) of 1997  
83(I) of 1997  
29(I) of 1998  
137(I) of 1999  
19(I) of 2000  
20(I) of 2000  
39(I) of 2000  
42(I) of 2000  
49(I) of 2000  
50(I) of 2000  
136(I) of 2000  
137(I) of 2000  
141(I) of 2000  
142(I) of 2000  
175(I) of 2000  
9(I) of 2001  
37(I) of 2001  
43(I) of 2001  
66(I) of 2001  
79(I) of 2001  
80(I) of 2001  
81(I) of 2001  
82(I) of 2001  
105(I) of 2001  
119(I) of 2001  
120(I) of 2001  
1(I) of 2002  
87(I) of 2002  
147(I) of 2002  
162(I) of 2002  
184(I) of 2003  
205(I) of 2004  
43(I) of 2005  
99(I) of 2005  
115(I) of 2005  
93(I) of 2006  
28(I) of 2007



- Annex Two “debt securities” has the meaning assigned to it in Annex Two of this Directive;
- Annex Two “direct investment relationship” has the meaning assigned to it in Annex Two of this Directive;
- Annex Two “financial derivatives” has the meaning assigned to it in Annex Two of this Directive;
- Annex Two “financial intermediary” has the meaning assigned to it in Annex Two of this Directive;
- Annex Two “foreign currency” means any currency other than the euro;
- Annex Two “foreign direct investment” has the meaning assigned to it in Annex Two of this Directive;
- 144(l) of 2007 “investment firm” has the meaning assigned to it by the Investment Services and Activities and Regulated Markets Law of 2007;
- “investment services” has the meaning assigned to it by the Investment Services and Activities and Regulated Markets Law of 2007;
- “Law” means the Central Bank of Cyprus Laws of 2002 to 2007;
- “legal person” includes a company or any association of persons incorporated either in or outside the Republic;
- “liabilities of residents” refers to the financial liabilities of residents vis a vis non residents;
- “monetary financial institutions” (MFIs) comprise all credit institutions and all other financial institutions the principal activity of which is to receive deposits and/or close substitutes for deposits from entities other than Monetary Financial Institutions and, for their own account (at least in economic terms), to grant credits and/or make investments in securities;
- “middle rate” means the average between the buying and the selling price of a currency;
- “non resident” means any natural or legal person which does not fall under the term “resident of Cyprus” as assigned to it in the Directive

on the definition of the term "resident of Cyprus" for statistical purposes of 2008;

Annex Two

"other investment" has the meaning assigned to it in Annex Two of this Directive;

"related entity" means any entity with which the investor has a direct investment relationship, and includes a holding entity, subsidiary or associate company, branch or sister company, as they are defined in Annex Two of this Directive;

Annex Two

"reporting entity" means a person who reports data and information to the Central Bank of Cyprus pursuant to paragraph 3(1) of this Directive;

"reporting period" refers to the period for which data required by the surveys on foreign direct investment, securities, financial derivatives and other investment, in Annex One of this Directive, are submitted;

Annex One

Official Gazette of the Republic  
Annex Three (I)  
27.6.2008

"resident" has the meaning assigned to it in the Directive on the meaning of the term "resident of Cyprus" for statistical purposes of 2008;

Annex Two

"subsidiary company", has the meaning assigned to it in Annex Two of this Directive;

"system" refers to the direct reporting system on statistical data for the financial account of the balance of payments, the associated income and the international investment position of Cyprus;

13(I) of 1996

"working day" means any day other than those specified as bank holidays by the Bank Holidays Law of 1996.

(b) The present directive specifies:

- (i) the categories of persons which are under the obligation to report data to the Central Bank of Cyprus,
- (ii) the data and information which are required through the four surveys, and which the above mentioned persons are under the obligation to report to the Central Bank of Cyprus,
- (iii) the identification, valuation base, time of recording and method of sending data to the Central Bank of Cyprus, and
- (iv) the reporting periods.

**PART II  
OBLIGATION TO PROVIDE DATA AND INFORMATION TO THE  
CENTRAL BANK**

Obligation to provide data and information to the Central Bank

3.-(1) Banks, government services, public corporations, as well as any other natural or legal persons, residents of Cyprus, which fulfil the preconditions of paragraphs 5, 6, 7, 8, 9 or 10 respectively, provided the Central Bank so requests, are obliged to report the data and information defined by the four surveys (foreign direct investment, securities, financial derivatives and other investment) in Annex One of this Directive.

Annex One

(2) The data or information provided to the Central Bank will only be used for statistical purposes.

Data collection objective

4. The data presented in subparagraph (1) of paragraph 3 are needed for the compilation of the financial transactions of the balance of payments, the associated income and the calculation of the international investment position of Cyprus.

**PART III  
IMPLEMENTATION**

Persons to which the foreign direct investment survey is addressed  
Annex 1.1

5. Subject to the provisions of subparagraph (1) of paragraph 3, the foreign direct investment survey, which is presented in Annex 1.1, is addressed to residents who are in a direct investment relationship with non residents, with whom they also carry out transactions that constitute foreign direct investment. In particular, the survey is addressed to residents:

- (a) whose equity share capital is directly owned by non residents with participation of at least ten percent ( $\geq 10\%$ ), and / or
- (b) whose equity share capital is directly owned by related non resident entities with participation of less than ten percent ( $< 10\%$ ), and / or

- (c) who are non autonomous branches of non resident entities, and/or
- (d) who own directly at least ten percent ( $\geq 10\%$ ) of the equity share capital issued by non resident enterprises, and / or
- (e) who own directly less than ten percent ( $< 10\%$ ) of the equity share capital issued by related non resident enterprises, and / or
- (f) who have legal non autonomous foreign based branches or branch offices, and/or
- (g) who have borrowed funds, for example loans or trade credits from related non resident entities, or lent funds, for example loans or trade credits to related non resident entities, or issued debt securities, both short-term and long-term, which are held by related non resident enterprises, or hold debt securities, both short-term and long-term, which are issued by related non resident enterprises, and / or
- (h) who directly own real estate abroad.

Transactions of financial intermediaries that fall under the survey of foreign direct investment

6.-(1) (a) Only equity and permanent debt transactions carried out by a resident financial intermediary with its related financial intermediaries established abroad should be reported in the relevant forms of the foreign direct investment survey.

(b) All other financial transactions (except equity and permanent debt) carried out by a resident financial intermediary with its related financial intermediaries established abroad are not reported under the foreign direct investment survey, but instead under the securities or other investment survey, as appropriate.

(2) All financial transactions carried out by a resident financial intermediary with its related non financial intermediaries established abroad are reported under the foreign direct investment survey.

Persons to which the securities survey is addressed Annex 1.2

7. Subject to the provisions of subparagraph (1) of paragraph 3, the securities survey, which is presented in Annex 1.2, is addressed to residents who:

- (a) as end investors, own securities that are in self custody, self management or in custody or under management by non-residents; or
- (b) offer investment services or service No.1 of Part II of the Third Appendix of the Investment Services and Activities and Regulated Markets Law of 2007, resident clients or
- (c) have issued debt securities;

Persons to which the financial derivatives survey is addressed Annex 1.3

8. Subject to the provisions of subparagraph (1) of paragraph 3, the financial derivatives survey, which is presented in Annex 1.3, is addressed to residents which carry out transactions in financial derivatives as debtors and/or creditors with non residents.

Persons to which the other investment survey is addressed Annex 1.4

9. Subject to the provisions of subparagraph (1) of paragraph 3, the other investment survey which is presented in Annex 1.4, is addressed to residents who have lent money to non residents or who have borrowed money from non residents and/or maintain deposits with non residents or have deposits from non residents and there is no direct investment relationship between the resident and the non resident counterparty.

Transactions of financial intermediaries and monetary financial institutions that fall under the other investment survey

10.-(1) All financial transactions (other than equity and permanent debt) carried out by a resident financial intermediary with its related financial intermediaries established abroad should be reported under the survey of other investment.

(2) (a) Any form of lending by resident monetary financial institutions to their non-resident clients and any deposits maintained by non-residents in such institutions, should not be reported.

(b) All other forms of borrowing and deposits of resident monetary financial institutions with non-resident legal persons – i.e. all their treasury transactions – should be included under the other investment survey.

**PART IV**  
**REPORTING THROUGH A REPRESENTATIVE**

Submission of data and information to the Central Bank through a representative

11. A reporting entity which has the obligation to submit data and information to the Central Bank may apply for permission to submit this data/information through an intermediary third party (a representative). The representative shall be any natural person or legal entity, resident of Cyprus, which is authorised to submit all the data/information which should be submitted by the reporting entity for which it is acting as representative.

Permission to submit data and information to the Central Bank through a representative

12.-(1) Any application for permission to submit data or information through a representative, as described in paragraph 11, shall be addressed to the Central Bank, and shall include a copy of an agreement between the representative and the applicant in which both parties express their consent to that arrangement.

(2) In the case of termination of this agreement, a notice period of at least 3 months must be provided.

(3) (a) Upon compliance with the above conditions, the Central Bank may grant the applicant permission to submit data or information through a representative.

(b) Such permission shall be effective from the start of the first reporting period following the date permission is granted, and shall continue for the duration of the aforementioned agreement. The Central Bank shall send all correspondence in the name of the reporting entity to the representative's correspondence address.

Responsibility for compliance with the submission of data and information to the Central Bank

13. The responsible person for compliance regarding submission or/and the timely submission of data, in accordance with the conditions of this Directive, is the reporting entity and not the representative, who is acting as intermediary for the submission of data to the Central Bank.

**PART V**  
**REPORTING PERIODS AND DEADLINE FOR**  
**SUBMISSION OF DATA**

- Reporting periods for the foreign direct investment and the other investment surveys
14. The reporting periods for the foreign direct investment survey and the other investment survey shall be the calendar quarters. The reporting periods start and finish as follows:
- (a) 1 January – 31 March,
  - (b) 1 April – 30 June,
  - (c) 1 July – 30 September and
  - (d) 1 October – 31 December
- Reporting periods for the securities and financial derivatives surveys
15. The reporting periods for the securities survey and the financial derivatives survey shall be the calendar months, that is each reporting period shall start on the first day of each month and shall end on the last day of the same month.
- Deadline for the submission of quarterly data
16. The relevant quarterly reports must be in the Central Bank's possession by no later than 40 working days after the end of each quarter.
- Deadline for the submission of monthly data
17. The relevant monthly reports must be in the Central Bank's possession by no later than 10 working days after the end of each month.

**PART VI**  
**REPORTING CURRENCY**

- Reporting currency
18. Reporting of data should be in euro rounded to the nearest unit.
- Conversion of balances
19. When reporting in euro, opening and closing balances denominated in foreign currencies are to be converted at the euro foreign exchange reference rate formulated by the European Central Bank at the beginning and end of the appropriate reporting period respectively.

Conversion of transactions	20. When reporting in euro, transactions denominated in foreign currencies are to be converted at the euro foreign exchange reference rate formulated by the European Central Bank on the date of transaction, or at the middle rate of the euro foreign exchange reference rate in the appropriate reporting period.
Reporting in foreign currency	21. Transactions or balances should be reported in foreign currency wherever it is clearly specified in the forms to do so.

## **PART VII SIGN CONVENTION**

Opening and closing balances	<p>22.-(1) In general, positions at the beginning and/or end of the period reported (without a sign) on the forms for the liabilities of residents should be regarded as debts, and positions at the beginning and/or end reported on the forms (without a sign) for the assets of residents should be regarded as claims vis-à-vis non residents. Positions of both assets and liabilities are therefore reported as positive amounts (without a sign).</p> <p>(2) Excluded from this general rule are the cases where it is specifically defined in the forms that opening or closing balances should be reported with a negative sign.</p>
Transactions	<p>23.-(1) Transactions should be reported without a sign in the cases where the forms distinguish, for example, between sales and purchases, withdrawals and redemption of loans.</p> <p>(2) In the cases where reporting of transactions is required on a net basis, preceding signs should be used as instructed in the specific surveys.</p>
Valuation and other changes	24.-(1) Valuation and other changes should be reported as an increase or a decrease of a position.



(2) Changes leading to an increase should be reported with a plus sign and changes leading to a decrease should be reported with a minus sign.

**PART VIII  
SUBMISSION OF PROVISIONAL AND REVISED DATA**

Submission of provisional data

25. If actual figures are not available for any item, provisional figures must be submitted on the basis of prudent estimates in order to ensure that submission takes place within the set time limit.

Submission of revised data

26 A revised report with actual figures should not be submitted to the Central Bank. Any changes from the provisional figures already submitted, should be reported in the next reporting period as "changes due to revision of provisional figures previously submitted" in the appropriate forms. Subsequently, the positions at the beginning of the reporting period must agree with the positions at the end of the previous reporting period.

**PART IX  
TRANSMISSION OF DATA**

Method of transmitting data to the Central Bank

27. The transmission of data to the Central Bank will be effected through a web application. Designated users transmitting data files will need to have access to the internet through a "Web Browser". They will be given a user id and password by the Central Bank. Data transmission will be secured by using an encrypted connection.

**PART XI  
FINAL PROVISIONS**

Entry into force

28. This Directive shall enter into force on ..... 2008.



**CENTRAL BANK OF CYPRUS**  
EUROSYSTEM

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**SURVEY ON FOREIGN DIRECT INVESTMENT (FDI)**

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## **Aim of the Survey**

The aim of the survey is to collect quarterly data on both resident entities' direct investments\* abroad (outward investments) and non resident entities' direct investments in Cyprus (inward investments). In particular, this survey aims to collect data and information on positions and movements in the value of equity investments made by residents abroad and by non residents in Cyprus, residents' other non equity financial assets and liabilities vis-à-vis non resident group\*\* entities and residents' investments in real estate abroad. More analytically:

1. **Direct investments with participation of 10% or more in the equity share capital that has been:**
  - Issued by non residents and owed by residents (outward investment, FDI survey forms section 2). This category also comprises all legal non autonomous foreign based branches or branch offices that form part of the reporting entity and/or group (as defined for the purposes of this survey) resident subsidiaries.
  - Issued by residents and owed by non residents (inward investment, FDI survey forms section 3). This category also comprises all legal non autonomous Cyprus based branches or branch offices that form part of the enterprises established abroad.
2. **Direct investments with participation of 10% or less in the equity share capital that has been:**
  - Issued by non resident related\*\* companies and owed by resident entities.
  - Issued by resident companies and owed by non resident related entities.
3. **The borrowing and lending of funds (loans\*, trade credits\* etc) between resident and non resident related entities**, including issue/holding of debt securities\* (both short-term and long-term), held/issued by related entities [FDI survey forms 2(III), 2(IV) & 3(III), 3(IV)].
4. **Investments in real estate abroad** (only real estate owned or acquired/sold directly by residents) [FDI survey form 1(III)].

The data to be collected will be used for the compilation of the balance of payments and the international investment position of Cyprus, in accordance with the methodology and degree of analysis defined by the European Central Bank (ECB), the European Commission (Eurostat) and the International Monetary Fund (IMF).

## **Where is the survey addressed to?**

The FDI survey is addressed to **resident entities** which have a direct investment relationship\* with non-residents, with whom they also carry out transactions that constitute foreign direct investment\*. The said resident entities are under the obligation to report the required data when notified by the Central Bank.

## **What forms are included in the survey and when should they be completed?**

The FDI survey is divided into three sections as follows:

### ***Section I***

#### ***Form 1(I) - General reporting form:***

- Details of the person responsible for filling in the FDI survey
- Current reporting details

*The completion of this form is compulsory.*

#### ***Form 1(II) - Details of the resident reporting entity:***

- Identification details of the resident entity
- Resident entity's share capital details
- Reporting method

*The completion of this form is compulsory.*

#### ***Form 1(III) - Investment in real estate:***

*This form should be completed only if the resident reporting entity owns directly (not through a foreign subsidiary) any real estate property, located abroad.*

\* See definition in annex 2

\*\*For the identification of group/related entities, please refer to explanatory notes(part III).

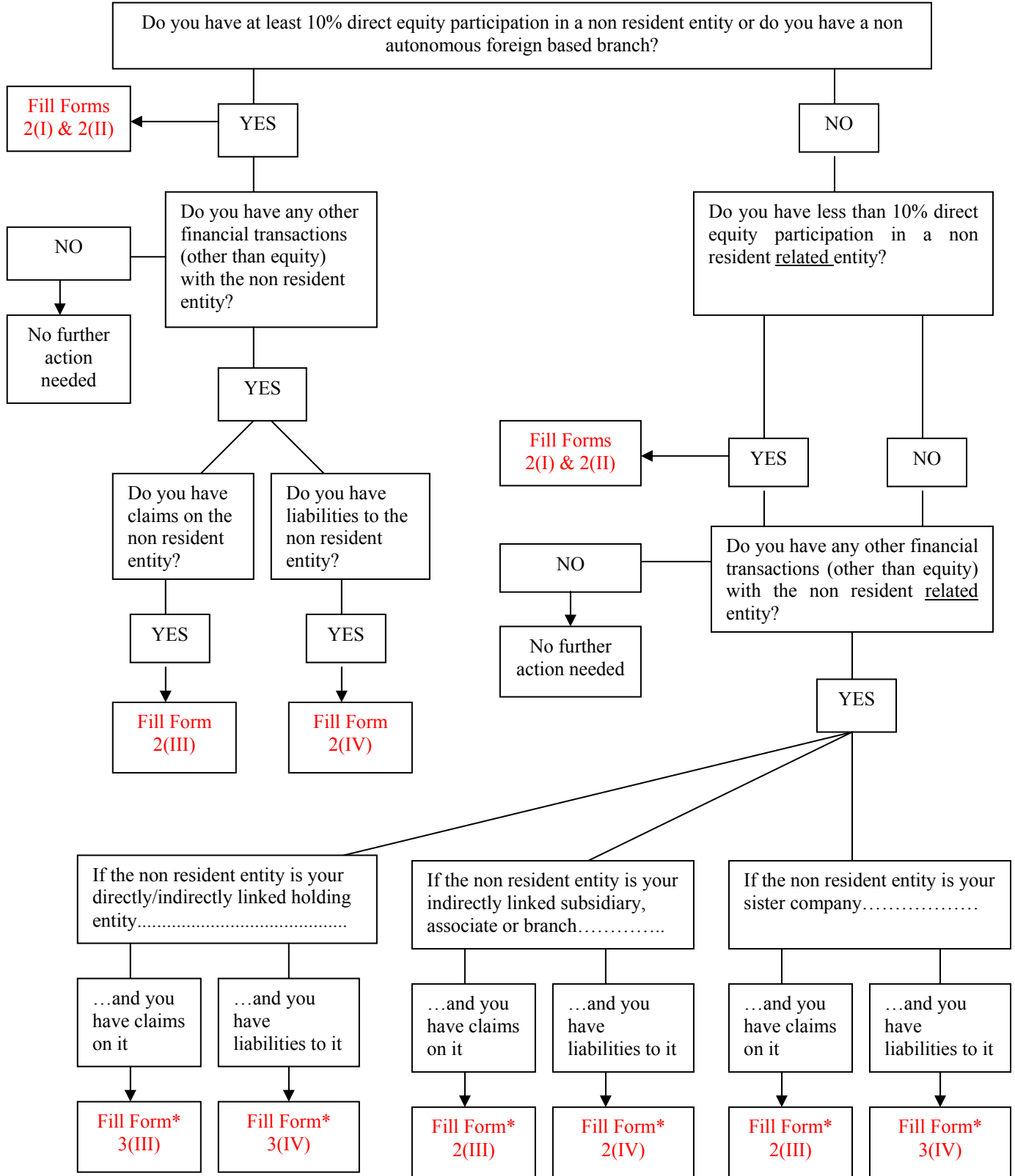
**Section 2 (Forms 2(I), 2(II), 2(III), 2(IV)):** Outward Investment.

*This Section should be completed only if the resident reporting entity:*

- i. Owns directly at least 10% of the equity capital of a non resident entity, or
- ii. Owns directly less than 10% of the equity capital of a non resident related entity, or
- iii. Has a non autonomous foreign based branch or foreign office, and/or
- iv. Has other non equity financial claims on or liabilities to a non resident related enterprise.

***This Section must be completed for each direct investment relationship separately.***

The following flowchart as well as the summary table on page 7 will help you to determine which forms must be completed.



\*In the case of financial transactions (other than equity) carried out with indirectly linked entities or sister companies (with no equity participation), the relevant forms requesting details of the foreign counterparty (2(I) or 3(I)) should also be completed.

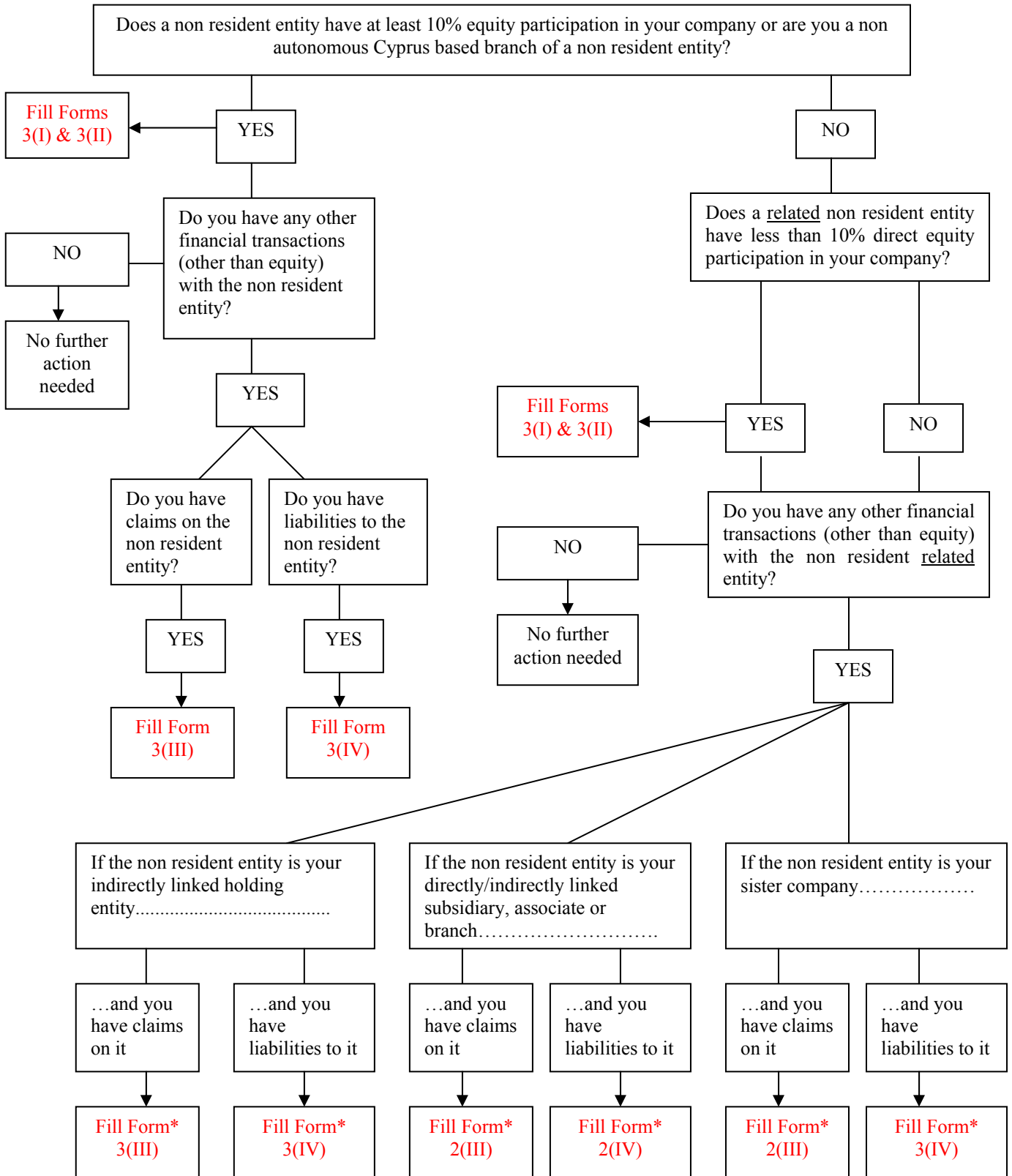
**Section 3(Forms 3(I), 3(II), 3(III), 3(IV)):** Inward Investment.

*This Section should be completed only if the resident reporting entity:*

- i. Is directly owned by a non resident entity (non resident shareholding of at least 10%)
- ii. Is directly owned, by a non resident related entity, with a shareholding of less than 10%, , or
- iii. Is a Cyprus based branch or office of a non resident entity, and/or
- iv. Has other non equity financial claims on or liabilities to a non resident related enterprise.

***This Section must be completed for each direct investment relationship separately.***

The following flowchart as well as the summary table on page 7 will help you to determine which forms must be completed.



\*In the case of financial transactions (other than equity) carried out with indirectly linked entities or sister companies (with no equity participation), the relevant forms requesting details of the foreign counterparty (2(I) or 3(I)) should also be completed.

**SUMMARY TABLE FOR DETERMINING WHICH FORMS MUST BE COMPLETED UNDER SECTIONS 2 AND 3**

	<b>FORMS THAT MUST BE COMPLETED</b>	<b>OTHER FORMS TO BE COMPLETED WHERE APPROPRIATE</b>			
		Non resident entity has direct equity participation <10% in the resident reporting entity	Resident entity has direct equity participation <10% in the non resident entity	Resident entity has financial claims other than equity vis-à-vis the non resident entity	Resident entity has financial liabilities other than equity vis-à-vis the non resident entity
<b>If the non resident entity is the resident reporting entity's:</b>					
1. Holding* entity					
• Directly linked	<b>Form 3(I)</b> <b>Form 3(II)</b>		Form 2(I) Form 2(II)	Form 3(III)	Form 3(IV)
• Indirectly linked		Form 3(I) Form 3(II)	Form 2(I) Form 2(II)	Form 3(I) Form 3(III)	Form 3(I) Form 3(IV)
2. Branch*/Head office					
• Branch	<b>Form 2(I)</b> <b>Form 2(II)</b>	Form 3(I) Form 3(II)		Form 2(III)	Form 2(IV)
• Head Office	<b>Form 3(I)</b> <b>Form 3(II)</b>		Form 2(I) Form 2(II)	Form 3(III)	Form 3(IV)
3. Subsidiary*/Associate* company					
• Directly linked	<b>Form 2(I)</b> <b>Form 2(II)</b>	Form 3(I) Form 3(II)		Form 2(III)	Form 2(IV)
• Indirectly linked		Form 3(I) Form 3(II)	Form 2(I) Form 2(II)	Form 2(I) Form 2(III)	Form 2(I) Form 2(IV)
4. Sister* company		Form 3(I) Form 3(II)	Form 2(I) Form 2(II)	Form 2(I) Form 2(III)	Form 3(I) Form 3(IV)

\* See definition in annex 2



## **Centralised Reporting**

Once a resident entity is selected by the Central Bank to provide information relevant for the balance of payments statistics then, that entity should report to the Central Bank data which covers only its own cross border transactions. However, if it wishes, it may ask the Central Bank for permission to compile and submit centralised reports, which will include its own figures as well as those of several other resident reporting enterprises which form part of the same group in Cyprus. This means that reports submitted for several group companies should bear a single identification number.

The reporting enterprise which compiles and submits centralised reports is responsible for the fulfilment of the reporting requirements of the enterprises on whose behalf is acting and shall be liable in case of failing to meet the reporting requirements or not meeting them on time. Any correspondence with respect to centralised reporting shall be sent to the correspondence address of the enterprise that compiles and submits centralised reports.

The Central Bank shall, in principle, consent to centralised reports being made if the following conditions are met:

- i. The enterprises which are covered by centralised reports form part of the same group in Cyprus, where the reporting enterprise is the holding enterprise and the others are subsidiaries, whose figures have been fully consolidated in the figures of the reporting enterprise.
- ii. The enterprises which are covered by centralised reports have the same economic activity (refer to annex 3.3).
- iii. The foreign assets and liabilities of the enterprises which are covered by centralised reports are fully incorporated in these reports.

## **Frequency of reporting and deadline for submission:**

This survey will be carried out on a quarterly basis. The relevant quarterly reports must be in the Bank's possession by *no later than 40 working days after the end of each quarter*.

## **Reporting currency:**

Reporting entities are required to report data in euro (rounded to the nearest unit).

When reporting in euro, opening and closing balances denominated in foreign currencies are to be converted at the euro foreign exchange reference rate formulated by the European Central Bank prevailing at the beginning and end of the appropriate reporting period respectively.

When reporting in euro, transactions denominated in foreign currencies are to be converted at actual rates on the date of transaction, or otherwise, at the middle rate of the euro foreign exchange reference rate in the appropriate reporting period.

For information on exchange rates, please visit the Bank's website <http://www.centralbank.gov.cy>.

## **Explanatory notes and definitions:**

Please read carefully the explanatory notes in part III and the instructions given in part IV of this survey before completing the FDI forms.

The survey contains some balance of payments terminology that may be unfamiliar to you. To assist you with the terminology, a number of definitions have been included in Annex 2 of the Directive.

## II. FDI SURVEY FORMS

CENTRAL BANK OF CYPRUS  
EUROSYSTEM

### SECTION 1

Quarterly FDI survey

#### FORM 1(I) GENERAL REPORTING FORM

##### DETAILS OF THE PERSON RESPONSIBLE FOR FILLING IN THE FDI SURVEY/ REPRESENTATIVE

Name:

Name of  
employer:

Telephone  
number:

Mailing  
address:

Telefax  
number:

E-mail  
address:

##### DETAILS OF CURRENT REPORTING

Reporting period :

Quarter	
Year	

*Enter Q1 for Jan-March, Q2 for Apr-Jun, Q3 for Jul-Sep and Q4 for Oct-Dec and the respective year of reporting, e.g. period which covers data for the first quarter of 2006 should be stated as Q1 in the cell for "quarter" and 2006 in the cell for "year". It should be indicated at the top left hand side of each form.*

In case your organisation/company does not have any amounts to report, please tick (✓) this box

Please submit the completed reporting forms within 40 working days after the end of the reference quarter.

**FORM 1 (II)**  
**DETAILS OF THE RESIDENT**  
**ENTITY**

**IDENTIFICATION OF THE RESIDENT ENTITY**

**Name of resident entity:**  
(as recorded in official registers)

**Address:**

**Reference number of resident entity:**

*For a natural person, enter the identity card number of the person involved.*

*For a legal entity, enter the company registration number assigned by the Registrar of Companies in Cyprus preceded by the appropriate letters: HE = Onshore limited company, O = Overseas company, P = Partnership, EE = Business name.*

*For an entity not registered with the Registrar of Companies, please enter the Value Added Tax number of the entity, preceded by the letters VAT or the Social Insurance Number preceded by the letters SI.*

*Once you enter this number here, it will automatically appear at the top right hand side of each form.*

**Economic activity (NACE) code:**

*Enter the four digit code that best describes the resident enterprise's main activity, on the basis of the NACE statistical classification (see annex 3.3). To be completed only if not previously communicated to the Central Bank or if it has changed from previous reporting.*

**DETAILS OF THE RESIDENT ENTITY'S SHARE CAPITAL**

**Total number of shares issued by the resident entity:**

**Type of resident entity:** Listed  Not Listed

*Tick whether the equity securities of the resident entity are traded or not in organised stock exchanges.*

*If listed please indicate*

**ISIN Code**

*Enter the 12 digit International Securities Identification Number (ISIN) assigned to the security of the resident entity reported. If no ISIN is available, then give another code or description below, which uniquely identifies the security reported. For definition see annex 2.*

**Other Code**  
(please specify)

*Enter the code, other than the ISIN, assigned to the security of the resident entity reported or give a description that uniquely identifies the security reported.*

**REPORTING METHOD**

**Method of reporting:**

Individual Reporting	<input type="checkbox"/>
Centralised Reporting	<input type="checkbox"/>

*Tick, if the report covers only the reporting entity's data.*

*Tick, if the report covers data for a number of resident group entities (including the reporting entity's data), provided they all belong to the same economic sector.*

**If individual reporting:** Please list in the table below, only the name and registration number of all the resident companies which form part of the same group in Cyprus (columns 1 & 2).

**If centralised reporting:** Please list in the table below, the name and registration number of all the resident companies which form part of the same group in Cyprus and indicate  $\sqrt$  under column 3, if they are covered under the centralised report (columns 1, 2 & 3).

Name of resident entity 1	Company Registration Number 2	$\sqrt$ if the company is covered under a centralised report 3

Reporting period.....

Ref. Number.....

## FORM 1 (III) REAL ESTATE OWNERSHIP ABROAD

**Country Code**   *This is the country where the real estate is located. A list of country codes is included in annex 3.2.*

**Currency Code**    *This is the original currency of the contract, i.e. the currency used to acquire the real estate or the currency received from the sale of the real estate. A list of currency codes is included in annex 3.1.*

**Year of acquisition**     *This is the year in which the resident reporting entity has bought the real estate abroad.*

### VALUE OF THE RESIDENT ENTITY'S OWNERSHIP IN REAL ESTATE ABROAD

	Value €	
<b>(A) OPENING POSITION</b>	<input style="width: 100%;" type="text"/>	<i>The market value of the asset at the beginning of the reporting period, which must agree with the value at the end of the previous reporting period.</i>
<b>(B) TRANSACTIONS (Increases):</b>		
Acquisition of real estate	<input style="width: 100%;" type="text"/>	<i>Should be valued at the price at which the real estate was purchased.</i>
Valuation changes due to exchange rate movements	<input style="width: 100%;" type="text"/>	
Valuation changes due to price movements	<input style="width: 100%;" type="text"/>	
Other; please specify	<input style="width: 100%;" type="text"/>	<i>All transactions (other than acquisition and valuation changes mentioned) increasing the stock of real estate abroad, i.e. acceptance of contribution in kind, acceptance free of charge, value enhancement investments (renewals) etc.</i>
<b>TOTAL B</b>	<input style="width: 100%;" type="text"/>	
<b>(C) TRANSACTIONS (Decreases):</b>		
Sale of real estate	<input style="width: 100%;" type="text"/>	<i>Should be valued at the price at which the real estate was sold.</i>
Valuation changes due to exchange rate movements	<input style="width: 100%;" type="text"/>	
Valuation changes due to price movements	<input style="width: 100%;" type="text"/>	
Other; please specify	<input style="width: 100%;" type="text"/>	<i>All transactions (other than sale and valuation changes mentioned) decreasing the stock of real estate abroad, i.e. granting as contribution in kind, transfer free of charge, replacement, etc.</i>
<b>TOTAL C</b>	<input style="width: 100%;" type="text"/>	
<b>(D) PROFIT (+) / LOSS (-) on disposal of real estate:</b>	<input style="width: 100%;" type="text"/>	
<b>(E) CLOSING POSITION</b> <b>E=(A+B-C+D)</b>	<input style="width: 100%;" type="text"/>	<i>The market value of the asset, at the end of the reporting period.</i>
<b>OPERATING INCOME FROM REAL ESTATE:</b>	<input style="width: 100%;" type="text"/> €	<i>Enter the operating yields (e.g. rental income) from the directly held real estate.</i>
<b>OPERATING COSTS FOR REAL ESTATE:</b>	<input style="width: 100%;" type="text"/> €	<i>Enter the operating costs relating to the directly held foreign real estate (e.g. the cost charged by the foreign manager for the management and maintenance of the real estate, excluding any taxes paid).</i>
<b>TAXES PAID DURING THE PERIOD:</b>	<input style="width: 100%;" type="text"/> €	<i>Enter the amount of any type of taxes paid during the reporting period which relate to the property owned abroad.</i>

Reporting period.....

Ref. Number.....

**FORM 2(I)**  
**DETAILS OF THE NON RESIDENT ENTITY**

**IDENTIFICATION OF THE NON RESIDENT ENTITY**

**Name of the non resident entity:**  
(as recorded in official registers)

**Country of residence code:**

*Enter the two digit code that corresponds to the country where the non resident entity is located (see annex 3.2).*

**Identification number of the non resident:**

*Enter the registration number, assigned to the non resident enterprise by the responsible authority in the country of its residence. This number should be reported throughout the questionnaire whenever the reporting data concerns the non resident entity.*

**Economic Activity (NACE) code:**

*Enter the four digit code that best describes the non resident enterprise's main activity, on the basis of the NACE statistical classification (see annex 3.3). To be completed only if not previously communicated to the Central Bank or if it has changed from previous reporting.*

**DETAILS OF THE NON RESIDENT ENTITY'S SHARE CAPITAL**

**Total number of shares issued by the non resident entity:**

**Type of non resident entity:** Listed  Not Listed

*Tick whether the equity securities of the non resident entity are traded or not in organised stock exchanges.*

*If listed please indicate*

ISIN Code

*Enter the 12 digit International Securities Identification number assigned to the security of the non resident entity reported. If no ISIN is available, then give another code or description below, which uniquely identifies the security reported. For definition see annex 2.*

Other Code (please specify)

*Enter the code or description, other than the (ISIN), assigned to the security of the non resident entity reported, that uniquely identifies the security reported.*

*If not listed please indicate*

Currency of Denomination

*Enter the ISO code (see annex 3.1), that corresponds to the currency in which the security being reported is denominated.*

## INVESTMENT RELATIONSHIP OF THE NON RESIDENT ENTITY WITH THE RESIDENT

(√ and fill in appropriate boxes)

Directly Owned  $\geq 10\%$  :  
resident entity's % holding     
(as at the end of the period)

*Tick here, if the non resident entity is directly owned by the resident enterprise by at least 10%. This % should be used when calculating the resident entity's share in non resident's financial assets/liabilities.*

Directly Owned  $< 10\%$  :  
resident entity's % holding   
(as at the end of the period)

*Tick here, if the non resident entity is directly owned by the resident enterprise by less than 10%. This % should be used when calculating the resident entity's share in non resident's financial assets/liabilities.*

Directly/indirectly linked holding entity

*Tick here, if the directly owned ( $< 10\%$ ) non resident entity is the resident entity's directly or indirectly linked holding entity.*

Indirectly linked subsidiary or associate

*Tick here, if the directly owned ( $< 10\%$ ) non resident entity is the resident entity's indirectly linked subsidiary or associate.*

Sister company

*Tick here, if the directly owned ( $< 10\%$ ) non resident entity is the resident entity's sister company.*

Previously Direct Investment Enterprise

*Tick here, if the resident's % holding at the beginning of the reporting period has been at least 10% and has dropped below 10% during the reporting period.*

Foreign Branch or Branch Office

*Tick here, if the non resident entity is the resident entity's foreign branch or branch office.*

Indirectly linked subsidiary or associate

*Tick here, if the non resident entity is the resident entity's indirectly linked subsidiary or associate company and has non equity liabilities to or claims on the resident entity.*

Sister company

*Tick here, if the non resident entity is a sister to the resident entity (no direct or indirect equity participation), and has non equity liabilities to the resident entity.*

**New investment:** Yes  No

*Indicate whether the investment relationship with the non resident entity has been established during the reporting period or not.*

**If the non resident entity is not your Ultimate Beneficial Affiliate (UBA), please state:**

*The ultimate beneficial affiliate (UBA) of a given entity is the entity which, while going down the chain of directly and indirectly owned affiliates, does not own more than 50 per cent of another entity, i.e. the resident entity's affiliate which is at the bottom of its ownership chain.*

Name of the UBA entity:  
(as recorded in official registers)

Country code of the UBA  
residence:

*Enter the two digit code that corresponds to the country where the UBA entity is located (see annex 3.2).*

Economic Activity (NACE)  
Code of UBA:

*Enter the four digit code that best describes the UBA entity's main activity, on the basis of the NACE statistical classification (see annex 3.3).*

Reporting period.....

**FORM 2(II)**

Ref. Number.....

**VALUE OF THE RESIDENT ENTITY'S SHAREHOLDING IN NON RESIDENT ENTITY ID.No.....**

		BOOK VALUE*			MARKET VALUE*
		Share Capital <sup>a</sup> 1	Reserves <sup>b</sup> 2	Total own funds at book value <sup>c</sup> 3=1+2	No. of shares held times market price
		€	€	€	€
(A) OPENING POSITION:	Number of Shares held				
(B) CLOSING POSITION:					
DIFFERENCE (B-A):					

**DIFFERENCE IS EXPLAINED BY:**

**(C) Increases due to transactions in shares:**  
(relevant for both market and book valuation)

*These are to be valued at the price at which they are entered in the resident entity's books, i.e. the market price, in most cases, corresponds with the agreed transaction price.*

	Value of Transaction €
Acquisition of shares	
Exchange of shares for other shares	
Contribution of assets in exchange of shares	
Contributions to cover losses	
Conversion of loans (resident entity's claims) into shares	
Conversion of dividends into shares	
Conversion of current account credits into shares	
Other; please specify	
<b>TOTAL C</b>	

*Purchase of equity shares (including new issue of shares), valued at the price applicable at the time of transfer of ownership, i.e. the purchase price.*

*Exchange of shares that results in an increase in the resident entity's shareholding, e.g. exchange of non voting shares with voting shares.*

*Capital increase performed by the resident entity in the form of contribution by tangibles (e.g. tangible assets, goods in stock, etc.).*

*Informal capital contribution in the non resident enterprise by the resident entity. This does not cover contributions in the form of loans.*

*When dividend is paid in the form of new shares. The value is determined on the basis of the market value of the newly issued shares on the date on which the dividend is made available.*

**(D) Decreases due to transactions in shares:**  
(relevant for both market and book valuation)

*These are to be valued at the price at which they are entered in the resident entity's books, i.e. the market price, in most cases, corresponds with the agreed transaction price.*

Sale of shares	
Repayment of capital	
Exchange of shares for other shares	
Offsetting of non resident entity's claims	
Exceptional* dividends	
Other; please specify	
<b>TOTAL D</b>	

*Disposal of equity shares, valued at the price applicable at the time of transfer of ownership, i.e. the sale price.*

*Exchange of shares that results in a decrease in the resident entity's shareholding, e.g. exchange of voting shares with non voting shares.*

*Resident entity's share in the amount of dividends stemming from exceptional capital gains of the non resident entity and its affiliates ( in proportion to the % of indirect ownership) during the reporting period.*

\*See definition in annex 2



**(E) Increases due to Profits:***These are to be valued at the price at which they are entered in the resident entity's books.*

(relevant only for book valuation)

	Book Value €
Profits* for the period	
Branch profits	
<b>TOTAL E</b>	

*Resident entity's share in non resident entity's profits for the reporting period. Profits are calculated on the basis of current operating performance concept\*, as explained in Annex 2, and include the non resident entity's share in the reinvested earnings of its affiliates.**Non resident branch profits.***(F) Decreases due to Losses and Dividends:***These are to be valued at the price at which they are entered in the resident entity's books.*

(relevant only for book valuation)

Losses* for the period	
Dividends declared*	
Dividends paid*	
Branch losses	
<b>TOTAL F</b>	

*Resident entity's share in non resident entity's losses for the reporting period. Losses are calculated on the basis of current operating performance concept\*, as explained in Annex 2.**Resident entity's share in the amount of dividends declared (gross of any taxes) by the non resident entity during the reporting period.**Resident entity's share in the amount of dividends actually paid by the non resident entity during the reporting period.**Non-resident branch losses.***(G) Increases or decreases due to valuation & other changes:**

(relevant for both market and book valuation)

	Book Value €	Market Value €
Valuation changes due to exchange rate movements		
Valuation changes due to price movements		
Changes due to revision of provisional figures previously submitted		
-Profits		
-Losses		
-Dividends declared		
-Dividends paid		
Other; please specify		
<b>TOTAL G</b>		

*In the case of both book and market value, this refers to an increase or a decrease in value of resident entity's holdings (% ownership) as a result of changes in exchange rates.**In the case of both book and market value, this refers to an increase or a decrease in value of resident entity's holdings (% ownership) as a result of price movements ( in the case of book valuation, this refers to a change in revaluation reserves and in the case of market valuation, this refers to a change in the market price of the security concerned).**If, in the previous reporting period, actual figures were not available and provisional figures have been submitted instead, then, any differences in value between the actual and the provisional figures already submitted should be reported here.**In the case of book valuation, this refers to an increase or a decrease in value of resident entity's holdings as a result of all other differences in value (not reported above), e.g. Extraordinary items, abnormal write-offs of bad debts and related provisions, realised/unrealised capital gains/losses.**In the case of market valuation, this refers to an increase or a decrease that may have occurred in the market value of resident entity's holdings for reasons other than changes in the number of shares held, shares market price changes or exchange rate*<sup>a</sup> *Share Capital* = resident entity's share in the total value of the share capital of the directly owned non resident entity as stated on the liabilities side of the non resident entity's balance sheet.<sup>b</sup> *Reserves* = resident entity's share in the total value of the group (as defined for the purposes of this survey) reserves of the directly owned non resident entity. Reserves include, amongst others, the reinvested earnings reserve account (in which the non resident entity's profits for the reporting period are included), all the items which were excluded from the calculation of profits for the period, and the share premium account.<sup>c</sup> *Total Own Funds at Book Value* = resident entity's share in the sum of non resident's paid-up capital (excluding own shares), all types of reserves (including shares premium accounts and investment grants) and non-distributed profits net of losses (including results for the current period).

\*See definition in annex 2

Reporting period.....

Ref. Number.....

**FORM 2(III)**

**RESIDENT ENTITY'S FINANCIAL CLAIMS ON NON RESIDENT ENTITY ID No.....**

**Short Term Financial Claims (up to one year)**

Type of financing granted to the non resident entity	Opening position	Extension of new financing	Repayment of financing	Other Transactions (+/-)	Changes due to revision of provisional data previously submitted (+/-)	Changes due to fluctuation of exchange rates (+/-)	Changes due to fluctuation of Prices (+/-)	Other Changes (+/-)	Interest due from the non resident entity	Interest received from the non resident entity	Closing position
	<b>1</b>	<b>← 2 →</b>									<b>3=1+2</b>
<b>€</b>											
Loans*							N/A				
Deposits*							N/A				
Trade credits*							N/A				
Financial Leases*											
Money Market instr/nts*											
Other, e.g. declared dividend due											

**Long Term Financial Claims (over one year)**

Type of financing granted to the non resident entity	Opening position	Extension of new financing	Repayment of financing	Other Transactions (+/-)	Changes due to revision of provisional data previously submitted (+/-)	Changes due to fluctuation of exchange rates (+/-)	Changes due to fluctuation of Prices (+/-)	Other Changes (+/-)	Interest due from the non resident entity	Interest received from the non resident entity	Closing position
	<b>1</b>	<b>← 2 →</b>									<b>3=1+2</b>
<b>€</b>											
Loans*							N/A				
Deposits*							N/A				
Trade credits*							N/A				
Financial Leases*											
Bonds & Notes*											
Permanent Debt*											
Other, e.g. prepayments											

**Opening Position:** This is the position at the beginning of the reporting period. It must agree with the position at the end of the previous reporting period. It should include any accrued interest (i.e. interest due/earned but outstanding).

**Other Transactions:** All transactions other than extension or repayment of financing, e.g. exchange of shares, contribution of assets in return of non voting shares, conversion of loans into shares, conversion of interest payment into shares, other reclassification, write-off of claim, cancellation of claim (debt forgiveness), etc.

**Other Changes:** Changes other than those foreseen in the table.

**Interest Due:** This is the interest accrued. Only interest pertaining to the reporting period is to be entered i.e. the interest calculated on a daily basis is to be summed over the number of days in the reporting period.

**Interest Received:** This is the interest actually received. Only interest pertaining to the reporting period is to be entered i.e. the interest calculated on a daily basis is to be summed over the number of days in the reporting period.

**Closing Position:** This is the outstanding amount of asset at the end of the reporting period, reflecting the level of asset at the start of the period, and financial transactions, valuation changes, other adjustments and interest that occurred during the period.

\*See definition in annex 2

Reporting period.....

Ref. Number.....

## FORM 2(IV)

RESIDENT ENTITY'S FINANCIAL LIABILITIES TO NON RESIDENT ENTITY ID No.....

### Short Term Financial Liabilities (up to one year)

Type of financing received from the non resident entity	Opening position	Extension of new financing	Repayment of financing	Other Transactions	Changes due to revision of provisional data previously submitted	Changes due to fluctuation of exchange rates	Changes due to fluctuation of Prices	Other Changes	Interest due to the non resident entity	Interest paid to the non resident entity	Closing position
				(+/-)	(+/-)	(+/-)	(+/-)	(+/-)			
	<b>1</b>	<b>←2→</b>								<b>3=1+2</b>	
<b>€</b>											
Loans*							N/A				
Deposits*							N/A				
Trade credits*							N/A				
Financial Leases*											
Money Market instr/nts*											
Other, e.g. declared dividend owed											

### Long Term Financial Liabilities (over one year)

Type of financing received from the non resident entity	Opening position	Extension of new financing	Repayment of financing	Other Transactions	Changes due to revision of provisional data previously submitted	Changes due to fluctuation of exchange rates	Changes due to fluctuation of Prices	Other Changes	Interest due to the non resident entity	Interest paid to the non resident entity	Closing position
				(+/-)	(+/-)	(+/-)	(+/-)	(+/-)			
	<b>1</b>	<b>←2→</b>								<b>3=1+2</b>	
<b>€</b>											
Loans*							N/A				
Deposits*							N/A				
Trade credits*							N/A				
Financial Leases*											
Bonds & Notes*											
Permanent Debt*											
Other, e.g. accruals											

**Opening Position:** This is the position at the beginning of the reporting period. It must agree with the position at the end of the previous reporting period. It should include any accrued interest (i.e. interest due/earned but outstanding).

**Other Transactions:** All transactions other than extension or repayment of financing, e.g. exchange of shares, contribution of assets in return of non voting shares, conversion of loans into shares, conversion of interest payment into shares, other reclassification, cancellation of debt (debt forgiveness), etc.

**Other Changes:** Changes other than those foreseen in the table.

**Interest Due:** This is the interest accrued. Only interest pertaining to the reporting period is to be entered i.e. the interest calculated on a daily basis is to be summed over the number of days in the reporting period.

**Interest Paid:** This is the interest actually paid. Only interest pertaining to the reporting period is to be entered i.e. the interest calculated on a daily basis is to be summed over the number of days in the reporting period.

**Closing Position:** This is the outstanding amount of liability at the end of the reporting period, reflecting the level of liability at the start of the period, and financial transactions, valuation changes, other adjustments and interest that occurred during the period.

\*See definition in annex 2

Reporting period.....

Ref. Number.....

**FORM 3(I)**

**DETAILS OF THE NON RESIDENT ENTITY**

Name of the non resident entity:

Country of residence code:

Enter the two digit code that corresponds to the country where the non resident entity is located (see annex 3.2)

Identification number of the non resident:

  
number

   
country of issue code

For natural person, enter the number and country of issue code of the non resident identity card.  
For legal person, enter only the registration number, assigned to the non resident enterprise by the responsible authority in the country of its residence. This number should be reported throughout the questionnaire whenever the reporting data concerns the non resident entity.

Economic Activity (NACE) code:

Enter the four digit code that best describes the non resident enterprise's main activity, on the basis of the NACE statistical classification (see annex 3.3). To be completed only if not previously transmitted to the Central Bank or if it has changed from previous reporting.

**INVESTMENT RELATIONSHIP OF THE NON RESIDENT ENTITY WITH THE RESIDENT**

(√ and fill in appropriate boxes)

Direct Investor  $\geq 10\%$  :  
non resident's % holding  
(as at the end of the period)

Tick here, if the non resident entity directly owns at least 10% of the equity capital of the resident enterprise. This % should be used when calculating the non resident entity's share in resident's financial assets/liabilities.

Direct Investor  $< 10\%$  :  
non resident's % holding  
(as at the end of the period)

Tick here, if the non resident entity directly owns less than 10% of the equity capital of the resident enterprise. This % should be used when calculating the non resident entity's share in resident's financial assets/liabilities.

Indirectly linked holding entity

Tick here, if the non resident direct investor entity ( $< 10\%$ ) is the resident entity's indirectly linked holding entity.

Directly/indirectly linked subsidiary or associate

Tick here, if the non resident direct investor entity ( $< 10\%$ ) is the resident entity's directly/indirectly linked subsidiary or associate.

Sister company

Tick here, if the non resident direct investor entity ( $< 10\%$ ) is the resident entity's sister company.

Previously Direct Investor

Tick here if the non resident's % holding at the beginning of the reporting period has been at least 10% and has dropped below 10% during the reporting period.

Foreign Head Office

Tick here, if the non resident entity is the resident entity's foreign head office.

Indirectly linked holding entity

Tick here, if the non resident entity is an indirectly linked holding entity to the resident entity and has non equity liabilities to or claims on the resident entity.

Sister company

Tick here, if the non resident entity is a sister to the resident entity (no direct or indirect equity participation), and has non equity claims on the resident entity.

**New Investment:**

Yes  No

*Indicate whether the investment relationship with the resident entity has been established during the reporting period or not.*

**If the non resident entity is not your Ultimate Beneficial Owner (UBO), please state:**

*The ultimate beneficial owner (UBO) of a given entity is the entity which, while going up the chain of direct and indirect investors, is not owned by more than 50 per cent by another entity, i.e the reporting entity's parent which is at the top of its ownership chain.*

Name of the UBO entity:  
(as recorded in official registers)

Country code of the UBO  
residence:

*Enter the two digit code that corresponds to the country where the UBO entity is located (see annex 3.2) .*

Economic Activity (NACE)  
Code of UBO:

*Enter the four digit code that best describes the UBO entity's main activity, on the basis of the NACE statistical classification (see annex 3.3).*

Reporting period.....

Ref. Number.....

## FORM 3(II)

### VALUE OF THE NON RESIDENT ENTITY'S ID. No..... SHAREHOLDING IN THE RESIDENT ENTITY

		BOOK VALUE*			MARKET VALUE* = No. of shares held times market price
		Share Capital <sup>a</sup> 1	Reserves <sup>b</sup> 2	Total own funds at book value <sup>c</sup> 3=1+2	
		€	€	€	€
(A) OPENING POSITION:	Number of Shares held				
(B) CLOSING POSITION:					
DIFFERENCE (B-A):					

#### DIFFERENCE IS EXPLAINED BY:

#### (C) Increases due to transactions in shares: (relevant for both market and book valuation)

*These are to be valued at the price at which they are entered in the non resident entity's books, i.e. the market price, in most cases, corresponds with the agreed transaction price.*

	Value of Transaction €
Acquisition of shares	
Exchange of shares for other shares	
Contribution of assets in exchange of shares	
Contributions to cover losses	
Conversion of loans (non resident entity's claims) into shares	
Conversion of dividends into shares	
Conversion of current account credits into shares	
Other; please specify	
<b>TOTAL C</b>	

*Purchase of equity shares (including new issue of shares), valued at the price applicable at the time of transfer of ownership, i.e. purchase price.*

*Exchange of shares that results in an increase in the non resident entity's shareholding, e.g. exchange of non voting shares with voting shares.*

*Capital increase performed by the non-resident entity in the form of contribution by tangibles (e.g. tangible assets, goods in stock, etc.).*

*Informal capital contribution in the resident enterprise by the non resident entity. This does not cover contributions in the form of loans.*

*When dividend is paid in the form of new shares. The value is determined on the basis of the market value of the newly issued shares on the date on which the dividend is made available..*

#### (D) Decreases due to transactions in shares: (relevant for both market and book valuation)

*These are to be valued at the price at which they are entered in the non resident entity's books, i.e. the market price, in most cases, corresponds with the agreed transaction price.*

Sale of shares	
Repayment of capital	
Exchange of shares for other shares	
Offsetting of resident entity's claims	
Exceptional* dividends	
Other; please specify	
<b>TOTAL D</b>	

*Disposal of equity shares, valued at the price applicable at the time of transfer of ownership, i.e. the sale price.*

*Exchange of shares that results in a decrease in the non resident entity's shareholding, e.g. exchange of voting shares with non voting shares.*

*Non resident entity's share in the amount of dividends stemming from exceptional capital gains of the resident entity and its affiliates (in proportion to the % of indirect ownership) during the reporting period.*

\*See definition in annex 2

**(E) Increases due to Profits:**

(relevant only for book valuation)

*These are to be valued at the price at which they are entered in the non resident entity's books.*

	Book Value €
Profits* for the period	
Branch profits	
<b>TOTAL E</b>	

*Non resident entity's share in resident entity's profits for the reporting period. Profits are calculated on the basis of current operating performance concept\*, as explained in Annex 2, and include the resident entity's share in the reinvested earnings of its affiliates.**Resident branch profits.***(F) Decreases due to Losses and Dividends:**

(relevant only for book valuation)

*These are to be valued at the price at which they are entered in the non resident entity's books.*

Losses* for the period	
Dividends declared*	
Dividends paid*	
Branch losses	
<b>TOTAL F</b>	

*Non resident entity's share in resident entity's losses for the reporting period. Losses are calculated on the basis of current operating performance concept\*, as explained in Annex 2, and include the resident entity's share in the reinvested earnings of its affiliates.**Non resident entity's share in the amount of dividends declared (gross of any taxes) by the resident entity during the reporting period.**Non resident entity's share in the amount of dividends actually paid by the resident entity during the reporting period.**Resident branch losses.***(G) Increases or decreases due to valuation & other changes:**

(relevant for both market and book valuation)

	Book Value €	Market Value €
Valuation changes due to exchange rate movements		
Valuation changes due to price movements		
Changes due to revision of provisional figures previously submitted		
-Profits		
-Losses		
-Dividends declared		
-Dividends paid		
Other; please specify		
<b>TOTAL G</b>		

*In the case of both book and market value, this refers to an increase or a decrease in the value of the non resident entity's holdings (% ownership) as a result of changes in exchange rates.**In the case of both book and market value, this refers to an increase or a decrease in value of non resident entity's holdings (% ownership) as a result of price movements ( in the case of book valuation, this refers to a change in revaluation reserves and in the case of market valuation, this refers to a change in the market price of the security concerned).**If, in the previous reporting period, actual figures were not available and provisional figures have been submitted instead, then, any differences in value between the actual and the provisional figures already submitted should be reported here.**In the case of book valuation, this refers to an increase or a decrease in value of non resident entity's holdings as a result of all other differences in value (not reported above), e.g. Extraordinary items, abnormal write-offs of bad debts and related provisions, realised/unrealised capital gains/losses.**In the case of market valuation, this refers to an increase or a decrease that may have occurred in the market value of the non resident entity's holdings for reasons other than changes in the number of shares held, shares market price changes or exchange rate*<sup>a</sup> **Share Capital** = non resident entity's share in the total value of the share capital of the directly owned resident entity as stated on the liabilities side of the resident entity's balance sheet.<sup>b</sup> **Reserves** = non resident entity's share in the total value of the group (as defined for the purposes of this survey) reserves of the directly owned resident entity. Reserves include, amongst others, the reinvested earnings reserve account (in which the resident entity's profits for the reporting period are included), all the items which were excluded from the calculation of profits for the period, and the share premium account.<sup>c</sup> **Total Own Funds at Book Value** = non resident entity's share in the sum of resident's paid-up capital (excluding own shares), all types of reserves (including shares premium accounts and investment grants) and non-distributed profits net of losses (including results for the current period).

\*See definition in annex 2

Reporting period.....

**FORM 3(III)**

Ref. Number.....

**RESIDENT ENTITY'S FINANCIAL CLAIMS ON NON RESIDENT ENTITY**

ID. No.....

**Short Term Financial Claims (up to one year)**

Type of financing granted to the non resident entity	Opening position	Extension of new financing	Repayment of financing	Other Transactions	Changes due to revision of provisional data previously submitted	Changes due to fluctuation of exchange rates	Changes due to fluctuation of Prices	Other Changes	Interest due from the non resident entity	Interest received from the non resident entity	Closing position
	<b>1</b>	<b>←2→</b>								<b>3=1+2</b>	
<b>€</b>											
Loans*							N/A				
Deposits*							N/A				
Trade credits*							N/A				
Financial Leases*											
Money Market instr/nts*											
Other, e.g. declared dividend due											

**Long Term Financial Claims (over one year)**

Type of financing granted to the non resident entity	Opening position	Extension of new financing	Repayment of financing	Other Transactions	Changes due to revision of provisional data previously submitted	Changes due to fluctuation of exchange rates	Changes due to fluctuation of Prices	Other Changes	Interest due from the non resident entity	Interest received from the non resident entity	Closing position
	<b>1</b>	<b>←2→</b>								<b>3=1+2</b>	
<b>€</b>											
Loans*							N/A				
Deposits*							N/A				
Trade credits*							N/A				
Financial Leases*											
Bonds & Notes*											
Permanent Debt*											
Other, e.g. prepayments											

**Opening Position:** This is the position at the beginning of the reporting period. It must agree with the position at the end of the previous reporting period. It should include any accrued interest (i.e. interest due/earned but outstanding).

**Other Transactions:** All transactions other than extension or repayment of financing, e.g. exchange of shares, contribution of assets in return of non voting shares, conversion of loans into shares, conversion of interest payment into shares, other reclassification, write-off of claim, cancellation of claim (debt forgiveness), etc.

**Other Changes:** Changes other than those foreseen in the table.

**Interest Due:** This is the interest accrued. Only interest pertaining to the reporting period is to be entered i.e. the interest calculated on a daily basis is to be summed over the number of days in the reporting period.

**Interest Received:** This is the interest actually received. Only interest pertaining to the reporting period is to be entered i.e. the interest calculated on a daily basis is to be summed over the number of days in the reporting period.

**Closing Position:** This is the outstanding amount of asset at the end of the reporting period, reflecting the level of asset at the start of the period, and financial transactions, valuation changes, other adjustments and interest that occurred during the period.

\*See definition in annex 2



Reporting period.....

**FORM 3(IV)**

Ref. Number.....

**RESIDENT ENTITY'S FINANCIAL LIABILITIES TO NON RESIDENT ENTITY**  
**ID. No.....**

**Short Term Financial Liabilities (up to one year)**

Type of financing received from the non resident entity	Opening position	Extension of new financing	Repayment of financing	Other Transactions	Changes due to revision of provisional data previously submitted	Changes due to fluctuation of exchange rates	Changes due to fluctuation of Prices	Other Changes	Interest due to the non resident entity	Interest paid to the non resident entity	Closing position
				(+/-)	(+/-)	(+/-)	(+/-)	(+/-)			
	<b>1</b>	<b>←2→</b>								<b>3=1+2</b>	
<b>€</b>											
Loans*							N/A				
Deposits*							N/A				
Trade credits*							N/A				
Financial Leases*											
Money Market instr/nts*											
Other, e.g. declared dividend owed											

**Long Term Financial Liabilities (over one year)**

Type of financing received from the non resident entity	Opening position	Extension of new financing	Repayment of financing	Other Transactions	Changes due to revision of provisional data previously submitted	Changes due to fluctuation of exchange rates	Changes due to fluctuation of Prices	Other Changes	Interest due to the non resident entity	Interest paid to the non resident entity	Closing position
				(+/-)	(+/-)	(+/-)	(+/-)	(+/-)			
	<b>1</b>	<b>←2→</b>								<b>3=1+2</b>	
<b>€</b>											
Loans*							N/A				
Deposits*							N/A				
Trade credits*							N/A				
Financial Leases*											
Bonds & Notes*											
Permanent Debt*											
Other, e.g. accruals											

**Opening Position:** This is the position at the beginning of the reporting period. It must agree with the position at the end of the previous reporting period. It should include any accrued interest (i.e. interest due/earned but outstanding).

**Other Transactions:** All transactions other than extension or repayment of financing, e.g. exchange of shares, contribution of assets in return of non voting shares, conversion of loans into shares, conversion of interest payment into shares, other reclassification, cancellation of debt (debt forgiveness), etc.

**Other Changes:** Changes other than those foreseen in the table.

**Interest Due:** This is the interest accrued. Only interest pertaining to the reporting period is to be entered i.e. the interest calculated on a daily basis is to be summed over the number of days in the reporting period.

**Interest Paid:** This is the interest actually paid. Only interest pertaining to the reporting period is to be entered i.e. the interest calculated on a daily basis is to be summed over the number of days in the reporting period.

**Closing Position:** This is the outstanding amount of liability at the end of the reporting period, reflecting the level of liability at the start of the period, and financial transactions, valuation changes, other adjustments and interest that occurred during the period.

\*See definition in annex 2

## What constitutes a "Direct Investment"?

### 1. Equity participation

For balance of payments purposes, a foreign direct investment\* (FDI) is considered to occur through the establishment of a foreign branch\* or when an investor resident in one country acquires directly 10% or more of the equity capital (shares) of an enterprise in another country. The investor is then designated as "direct investor\*" and the enterprise is referred to as "direct investment enterprise\*". The direct investor and the direct investment enterprise are said to be in a direct investment relationship\* with each other and therefore belonging to the same group, for statistical purposes.

The direct investment relationship extends to the case whereby an investor resident in one country indirectly owns an enterprise in another country, through the direct participation of its subsidiaries\* or associates\* in the equity capital of the enterprise, by more than 50%.

Direct investment involves both the initial equity transaction between the direct investor and the direct investment enterprise- i.e. the transaction which establishes the direct investment relationship - and all subsequent transactions between them.

An exception to the minimum 10% rule of direct equity participation is when an investor in one country directly owns less than 10% of the equity capital of an enterprise in another country, which, according to the statistical rules of consolidation, belongs to the same group and thus is related.

### 2. Other capital transactions (inter-company debt transactions between related entities)

Other capital transactions or inter-company debt transactions cover the borrowing and lending of funds in the form of loans\*, trade credits\*, etc., including investments in debt securities\* between:

- direct investors and direct investment enterprises (subsidiaries, branches and associates), and/or
- two direct investment enterprises that have the same direct investor (sister companies).

Therefore, when two direct investment enterprises resident in **different countries** but belonging to the same group, have financial transactions between themselves, these transactions should be recorded as FDI transactions [forms 2(III), 2(IV) & 3(III), 3(IV)] irrespective of the existence of equity ownership of one unit into the other.

Inter company debt transactions must be recorded for assets (claims) and liabilities of residents vis-à-vis non residents.

### 3. Investment in Real Estate

By convention, **all land and buildings** located within an economy must be regarded as being owned by a resident unit. If the actual owner is a non resident, he is treated as if he has transferred his ownership to a resident notional institutional unit that is deemed to own the land and buildings. The non resident has a financial investment in this notional unit (100% ownership), which is therefore a direct investment enterprise and should be recorded.

Therefore, if a resident entity owns any real estate property located abroad, it is said to have a direct investment in that country and must complete Form 1(III) of the FDI survey.

The initial investment by the direct investor is equal to the purchase price of the real estate. If the real estate is subsequently sold, the sale is considered a withdrawal of direct investment, which is recorded on the basis of the sale price. This treatment applies to all types of immovable assets, whether or not the assets are used for productive purposes. For example, a resident's ownership of a holiday house in a foreign country is treated in this manner.

\*See definition in annex 2

## Which entities are regarded as related (group) for the purpose of this survey?

Each entity in an ownership chain should determine its immediate counterparts up or down its own position in the chain on the basis of the existence of a direct investment relationship (direct ownership of 10% or more). From there on, the investment chain extends upwards to cover indirectly linked holding entities, which themselves own more than 50% of other directly / indirectly linked holding companies, and downwards to cover indirectly owned entities in which the percentage ownership of the direct investor is more than 50%.

Based on the above, once a direct investor owns directly at least 10% of a direct investment enterprise, certain other enterprises in which the direct investment enterprise owns directly more than 50% (i.e. indirectly owned enterprises) are also regarded as direct investment enterprises and considered as group (related) enterprises to the direct investor. Sister enterprises are also considered to be in a direct investment relationship with each other.

### ***Indirectly owned enterprises:***

The coverage of these enterprises is through a detailed specification of the affiliates that should be considered as subsidiaries\*, associates\* and branches\*, respectively.

In particular:

- **For determining the existence of the indirect FDI interest**, the following rules apply:
  - ❖ If the directly owned enterprise (DOE) is a subsidiary (more than 50%), the FDI relationship extends to the DOE's subsidiaries\* and sub-subsidiaries.
  - ❖ If the directly owned enterprise (DOE) is an associate\* (between 10% and 50% for balance of payments statistical purposes), DOE's subsidiaries and sub-subsidiaries are also considered associates of the DI. DOE's associates are not considered to be in FDI relationship with the DI.
  - ❖ Branches have the same treatment as subsidiaries.

*Therefore, for the purpose of this survey, group (related) companies for a direct investor are all immediate direct investment enterprises, owned by at least 10%, and in addition, as of the second level (indirectly owned entities), every direct investment enterprise in which the immediate investor has more than 50% ownership. See examples 1 and 2 .*

These indirectly owned enterprises should be taken into account when calculating the value of foreign equity investment. **In particular, the value of the reserves of the indirectly owned enterprises (in proportion to % shareholding along the chain of ownership) should be assigned to the direct investor when calculating the value of foreign direct investment.**

### ***Sister enterprises:***

These are enterprises which have the same holding entity, without any direct or indirect links between themselves. Any transactions between these companies are regarded as FDI transactions and should be recorded under this survey.

**Table 1 below, lists all the enterprises which are regarded as "Group or Related" for a direct investor:**

**TABLE 1**

1. <b><i>Subsidiaries</i></b> (that is, an enterprise in which the direct investor owns directly more than 50% of its equity share capital) <b><i>and Branches</i></b> of a direct investor
2. <b><i>Associates</i></b> of a direct investor (that is, an enterprise in which the direct investor owns directly between 10% and 50% of its share capital)
3. Enterprises in which subsidiaries of a direct investor have direct equity participation of more than 50%, i.e. <b><i>subsidiaries of subsidiaries</i></b>
4. Enterprises in which associates of a direct investor have direct equity participation of more than 50%, i.e. <b><i>subsidiaries of associates</i></b>
5. Enterprises in which 3 & 4 above have equity participation of more than 50%, i.e. <b><i>subsidiaries of sub-subsidiaries</i></b>
6. <b><i>Sister enterprises</i></b>

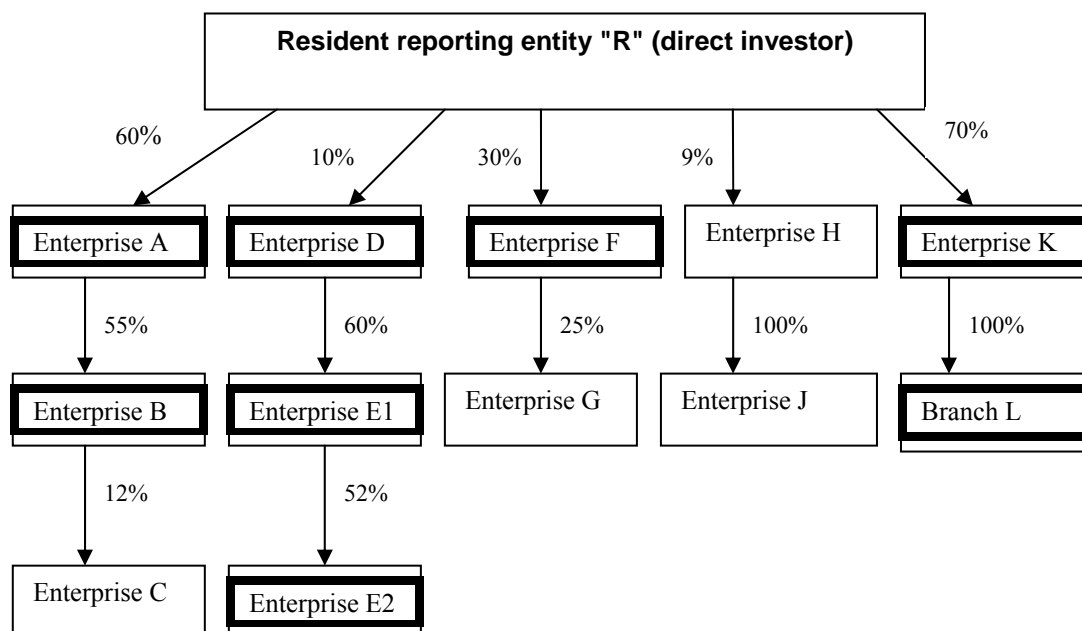
\*See definition in annex 2

**Example 1 (Identification of related (group) entities for an entity which is at the top of an ownership chain):**

The following diagram illustrates a group of non resident entities owned by a resident entity (outward investments). When reporting under "FDI Survey", the resident entity needs to report on:

- 1. each direct investment ( $\geq 10\%$ ) made in the equity capital of the non resident enterprises indicated in bold (first row), and/or**
- 2. the inter-company transactions with all the group enterprises (directly and indirectly owned) indicated in bold.**

The same rules apply for inward investments.



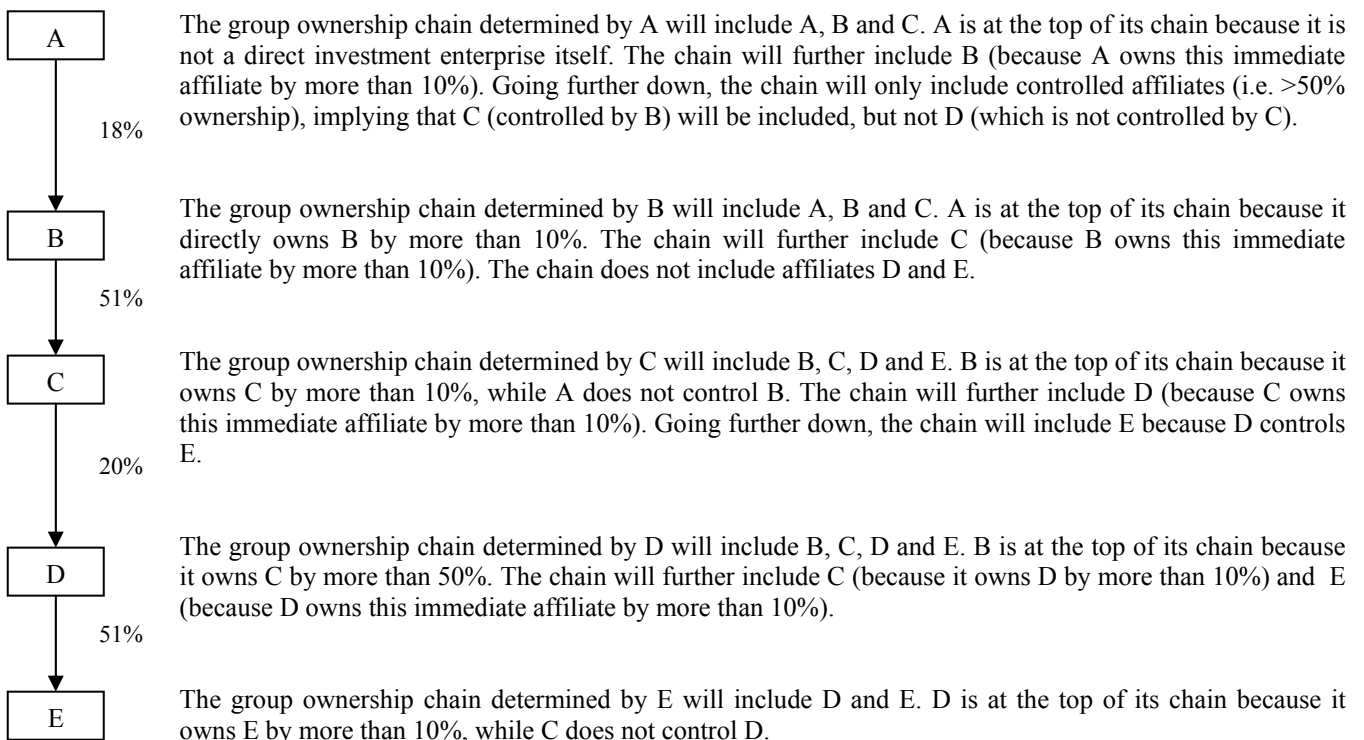
**Enterprise:**

- A = Subsidiary of R » Investment *should be reported*
- B = Subsidiary of A » Subsidiary of R and therefore it *should be taken into account* when calculating the value of equity investment in A
- C = Associate of B » **Not of R therefore no reporting**
- D = Associate of R » Investment *should be reported*
- E1 = Subsidiary of D » Associate of R and therefore it *should be taken into account* when calculating the value of equity investment in D
- E2 = Subsidiary of E1 » Associate of R and therefore it *should be taken into account* when calculating the value of equity investment in D
- F = Associate of R » Investment *should be reported*
- G = Associate of F » **Not of R therefore no reporting**
- H = Neither an Associate nor a Subsidiary » **No reporting**
- J = Subsidiary of H » **Not of R therefore no reporting**
- K = Subsidiary of R » Investment *should be reported*
- L = Branch of K » Branch of R and therefore it *should be taken into account* when calculating the value of equity investment in K

Enterprises A,B,D,E1,E2,F,K,L are involved in a direct investment relationship with R and with each other. They all belong to the same group and any financial transactions between them represent direct investment transactions or inter company transactions.

## **Example 2 (Identification of related (group) enterprises for each entity in an ownership chain):**

Consider the following ownership chain.



The table that follows summarises the above analysis.

For Entity	Group entities	Entity at the top of the chain	Enterprise at the bottom of the chain
A	A, B and C	A (is not owned itself)	C (A owns B $\geq 10\%$ ; B controls C; C doesn't control D)
B	A, B and C	A (A owns B $\geq 10\%$ )	C (B owns C $\geq 10\%$ ; C doesn't control D)
C	B, C, D and E	B (B owns C $\geq 10\%$ ; A doesn't control B)	E (C owns D $\geq 10\%$ ; D controls E)
D	B, C, D and E	B (C owns D $\geq 10\%$ ; B controls C)	E (D owns E $\geq 10\%$ )
E	D and E	C (D owns E $\geq 10\%$ ; C doesn't control D)	E (E has no affiliates itself)

## How do you value foreign direct investment?

Market value should be used to report all holdings of securities. Assets and liabilities should be recorded at current, rather than historical value.

### (a) Valuation of equity securities\*: Forms 2(II) and 3 (II)

Equity securities should be reported as follows:

- **For enterprises listed on the stock exchange**, opening and closing positions should be reported at both market values and book values. The market value of equity securities holdings should be calculated using the market price prevailing at the beginning and end of the reporting period.

**Market Value** = Number of shares held X stock exchange price

- **For non listed enterprises**, if market value (MV) is not available, opening and closing positions should be reported only on the basis of book value of equity holdings.

### **Book Value\*** is calculated as follows:

1. **Value of equity capital** = the % of ownership of the direct investor X the nominal capital of the directly owned enterprise

**PLUS**

2. **Value of reserves (all types of reserves, including share premium account, reinvested earnings account and investment grants)** = the % of ownership of the direct investor X the group (as defined for the purposes of this survey) reserves of the directly owned enterprise (1 & 2 in table 1), which include the reserves of all indirectly owned enterprises (controlled enterprises 3, 4 & 5 in table 1).

### **NOTE**

#### **Outward Investment**

If the directly owned non resident company is itself a holding company of other resident or non resident companies, then all the reserves of those affiliates should be attributed to their holding company which in turn will attribute them to the resident investor in proportion to its % holding, i.e. the reserves figure to be reported should be calculated as the % holding of the resident direct investor on the group (as defined for the purposes of this survey) reserves of the directly owned non resident company. This is important when completing form 2(II). See examples 3 and 4.

#### **Inward Investment**

If the directly owned resident company is itself a holding company of other resident or non resident companies, then all the reserves of those affiliates should be attributed to their holding resident company which in turn will attribute them to the non resident investor in proportion to its % holding i.e. the reserves figure to be reported should be calculated as the % holding of the non resident direct investor on the group (as defined for the purposes of this survey) reserves of the directly owned resident company. This is important when completing form 3(II). See example 5.

### (b) Valuation of opening and closing positions: (other than equity and debt securities) (Forms 1(III), 2(III), 2(IV), 3 (III) and 3 (IV))

- The balances to be reported (for opening and closing periods) are in principle to be valued at current market prices. If however, the market value is not available, then a recent assessment of the value by the directors or otherwise the historical cost may be used instead. Opening positions should be stated on the basis of closing position exchange rates from the preceding reporting period. Closing positions should be valued at market prices at the end of the period; in this connection, amounts in foreign currency should be converted into euro using the Euro foreign exchange reference rate formulated by the European Central Bank on the last trading day of the reporting period.

### (c) Valuation of transactions: (Forms 1 (III), 2 (II), 2 (III), 2 (IV), 3 (II), 3 (III) and 3 (IV))

- Transactions/flows are to be valued at the price at which they are entered in the reporting entity's or the non resident entity's books, i.e. at the agreed transaction price, which in most cases corresponds with the market price.
  - Transactions in foreign currency should be converted into euro according to the actual rate on the date of transaction, or the average of the Euro foreign exchange reference rate formulated by the European Central Bank in the reporting period.

\*See definition in annex 2

- Transactions involving the conversion of one type of foreign asset or liability to another should be treated as a disposal of one for the acquisition of the other, and should be reported as equal and opposite entries in the appropriate forms so that the transaction value be equal to the value of the relevant asset/liability or the reduction in asset/liability. The value of the transaction is determined by the current market value of the relevant asset/liability. See example 6.

**(d) Valuation of debt securities\*: (Forms 2 (III), 2 (IV), 3 (III), and 3 (IV))**

Debt securities should be recorded using one of the market valuation methods listed below and converted to the monetary unit of the Republic, using the exchange rate prevailing at the reporting date. The calculation of the market value of debt securities (other than equity) can be made using one of the following valuation methods, depending on the type of security held:

- For listed securities, the market price prevailing at the last day of the reporting period
- The present value of the expected stream of future payments or receipts associated with the securities
- For deep-discount or zero-coupon securities, the issue price plus amortisation of the discount or
- For unlisted securities, the price used to value securities for accounting or regulatory purposes
- For debt instruments issued at a premium, the issue price less the amortisation of the premium.

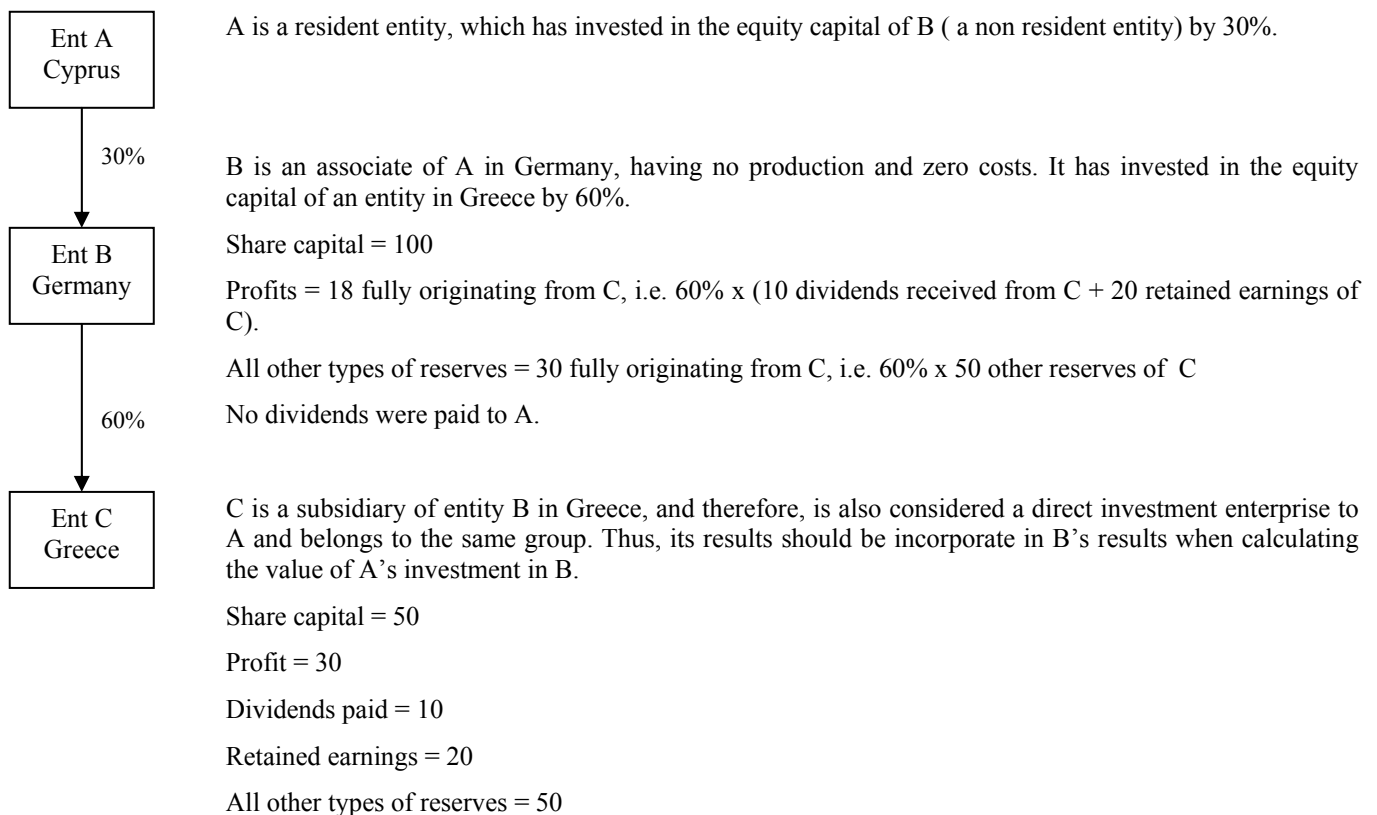
**(e) Valuation of income: (Forms 1 (III), 2 (II), 2 (III), 2 (IV), 3 (II), 3 (III) and 3 (IV))**

Dividends, interest and rents are to be valued at the price at which they are entered in the reporting entity's or the non resident entity's books.

Profits\* should be calculated based on the Current Operating Performance Concept\* and reported on a group (as defined for the purposes of this survey) basis, i.e. they should include the investor's share of the reinvested earnings\* of any affiliate entity.

**Example 3 (Reporting of equity investment (stocks and flows) based on book valuation):**

Consider the following ownership chain and assume that it was created during the reporting period, i.e. opening balances are zero.



B's profit represents B's group reinvested earnings reserves, since no dividends were paid to A, and they also include the retained earnings of B's affiliate.

B's all other types of reserves are B's group "other reserves" since they fully originate from its subsidiary.

\*See definition in annex 2

Therefore, when reporting its direct investment in B, A should report:

Share capital = 30 which is calculated as 30% x 100 (= share capital of B only)

Reinvested earnings reserves = 5.4 which is calculated as 30% x 18 (= B's group Reinvested Earnings reserves)

Other types of reserves = 9 which are calculated as 30% x 30 (= B's group other reserves)

Therefore B's total own funds at book value = 30 + 5.4 + 9 = 44.4

**Form 2 (II): Treatment of equity investment**

		BOOK VALUE		
		Share Capital 1	Reserves 2	Total own funds at book value 3=1+2
		€	€	€
(A) Opening Position:	Number of Shares held 0	0	0	0
(B) Closing Position:	30	30	14.4	44.4
<b>DIFFERENCE (B-A):</b>				<b>44.4</b>

Difference is explained by:

**Increases**

Acquisition of shares	30	30% x 100 share capital of B
Profits for the period	5.4	30% x 18 group profit of B
Movement in all other types of reserves	9	30% x 30 other group reserves

**Example 4 (valuation of outward investment):**

A resident company X owns all the ordinary shares (1.000.000 shares) in a UK company, Y. Y's share capital at the beginning of the reporting period was €1.000.000 and "group" reserves €250.000. The corresponding figures for the closing position are €1.000.000 and €300.000. The market value of Y at the end of the period is €1.700.000 (1.500.000 at the previous period end). Y's "group" profit for the period is €50.000. Dividends of €1.000 were paid during the period. All transactions were converted into € from Stg£ but for simplicity the effect of exchange rates has been ignored.

**Form 2 (II): Treatment of equity investment**

		BOOK VALUE			MARKET VALUE
		Share Capital 1	Reserves 2	Total own funds at book value 3=1+2	
		€	€	€	€
(A) Opening Position:	Number of Shares held 1.000.000	1.000.000	250.000	1.250.000	1.500.000
(B) Closing Position:	1.000.000	1.000.000	300.000	1.300.000	1.700.000
<b>DIFFERENCE (B-A):</b>				<b>50.000</b>	<b>200.000</b>

Difference is explained by:

**Increases**

Profits for the period (for Book Valuation)	50.000	100% x €50.000 = €50.000
Valuation changes due to price movements (for Book Valuation)	1.000	
Valuation changes due to price movements (for Market Valuation)	200.000	Security's market price has increased from €1,5 to €1,7

**Decreases:**

Dividends paid (for Book Valuation)	1.000	100% x €1.000 = €1.000
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### **Example 5 (Valuation of inward investment):**

A resident company X is owned by an English company Y.

**At the start of the reporting period:**

Y's share in X was 1.000.000 shares (nominal value €1 each).  
 The market value of X, in proportion to equity investment, was €1.400.000 .  
 X's reserves were €400.000

**At the end of the reporting period:**

Y's share in X was 1.100.000 shares (nominal value €1 each, which represents 50% holding).  
 The market value of X, in proportion to equity investment, was €2.000.000.  
 X's reserves were €420.000

**During the reporting period:**

X's profit for the period was €200.000.  
 Dividends paid by X to Y were €100.000.

All transactions were converted into € from Stg£ and for simplicity the effect of exchange rates has been ignored.

**Form 3 (II): Treatment of equity investment**

		BOOK VALUE			MARKET VALUE
	Number of Shares held	Share Capital 1	Reserves 2	Total own funds at book value 3=1+2	
		€	€	€	€
(A) Opening Position:	1.000.000	1.000.000	200.000	1.200.000	1.400.000
(B) Closing Position:	1.100.000	1.100.000	210.000	1.310.000	2.000.000
<b>DIFFERENCE (B-A):</b>				<b>110.000</b>	<b>600.000</b>

**Difference is explained by:**

**Increases**

Acquisition of shares(for book and market valuation)	100.000	
Profits for the period (for book valuation)	100.000	50% x €200.000 = €100.000
Valuation changes due to price movements (for market valuation)	500.000	Security's market price has increased

**Decreases:**

Dividends paid	50.000	50% x €100.000 = €50.000
Valuation changes due to price movements (for book valuation)	40.000	

## Time of recording data:

### **(1) Securities and other financial assets**

The positions and flows relating to securities or other financial assets holdings must, in principle, be reported when change of ownership takes place or when the assets are produced, i.e. on the basis of trade date. Whenever this is not possible, data may also be reported when payment is effected for their purchase or their sale, i.e. on the basis of settlement date.

The **trade date** is the date on which the transaction is effected i.e. when change of ownership is considered to have taken place. Change of ownership could be said to have occurred when the contract committing both parties legally to a transaction in financial assets/liabilities is signed.

The **settlement date** is the date on which actual monetary settlement takes place.

### **(2) Transactions/Flows**

Transactions/flows must be reported whenever an economic value is created, transformed or disappeared or whenever assets and liabilities are created, transformed or cancelled.

### **(3) Interest**

Interest must be reported in the period in which it appears, irrespective of whether it is actually paid or not during that period, i.e. interest should be reported on an accrual basis.

### **(4) Dividends**

Dividends must be reported:

- during the period in which they are declared, i.e. when they are due for payment or receivable
- during the period in which they are actually paid or received.

## Treatment of special cases:

### **1. Loans:**

When a foreign loan (from a related entity) is taken out in the name of the reporting resident entity and the proceeds of the loan are not transferred to Cyprus but instead deposited in an inter company deposit account held by the reporting entity abroad, the following reporting rule applies:

- If the funds remain in the account on the last day of the reporting period, the loan is not only reported in form 2 (IV) or 3 (IV) under "loans", but also in form 2 (III) or 3 (III) under "deposits".

When a foreign loan (from a related entity) is taken out in the name of the reporting resident entity and the proceeds of the loan are not transferred to Cyprus but instead relent to a foreign subsidiary or used to finance an acquisition of equity capital, the following reporting rule applies:

- The loan is not reported only in form 2(IV) under "loan", but also in form 2(III) under "loans" (if relent) or form 2(II) (if used to finance equity acquisition).

### **2. Deposits:**

If we assume that a resident enterprise has a positive deposit of €1.000 on an account with a related entity abroad at the beginning of the period (deposit), but a negative balance of €200 at the end of the period (debt), the difference of €1.200 is to be distributed as follows:

- €1.000 is entered as a negative transaction on "deposits" - form 2(III) or 3(III) – so that the balance on the form becomes zero at the end of the period
- The negative balance of €200 is entered as a positive transaction on "loans" – form 2(IV) or 3(IV) – so that the position at the end of the period on this form is equivalent to the debt on the overdraft account at the end of the period

### **3. Repurchase agreements and securities lending arrangements:**

*If the reporting enterprise has lent liquidity to a non resident related entity against securities as collateral (repo transactions and buy and sell back agreements)*

- The loan granted must be included under form 2(III) or 3(III).
- The securities acquired under these arrangements are not to be included in the reporting entity's holdings. If, however, they are subsequently sold to a third party, this transaction should be stated on form 2(III) or 3(III) under "other transaction decreases" on the loan.
- Interest received in connection of the repo loan (typically calculated using the difference between the sales price and the buy back price) must be stated under the interest column on form 2(III) or 3(III).
- Coupon interest – paid/accrued to the collateralised securities received by the reporting enterprise – should not be stated.

*If the reporting enterprise has borrowed liquidity from a non resident related entity against securities as collateral (repo transactions and sell and buy back agreements)*

- The loan received must be included under form 2(IV) or 3(IV).
- The securities sold under these arrangements are to be included in the reporting entity's holdings.
- Interest paid in connection of the repo loan (typically calculated using the difference between the sales price and the buy back price) must be stated under the interest column on form 2(IV) or 3(IV).
- Coupon interest – paid/accrued to the collateralised securities surrendered by the reporting enterprise – should be stated.

### **4. Financial Leases:**

- Drawings of leasing credits are calculated as the market value of the leasing object.
- Periodic leasing payments made according to the terms of the leasing agreement should be split into repayment of principal (under repayment of financing column) and interest (under interest column). Opening and closing positions of financial leases should include the capital and interest element.
- Repayments are calculated according to the terms of the agreement except for the final quarter of the agreement. The repayment reported for the final quarter is equal to the liability/asset of the preceding quarter.
- The outstanding debt based on a leasing agreement can be calculated by deducting the sum of all principal and interest repaid in preceding quarters (including the reporting quarter) from the market value of the leased object.

### **5. Bonds:**

- Conversions of bonds (issued by residents and held by non resident related entities) into shares are regarded as bond (loan) repayments and are reported at market value. Accordingly, such shares are deducted from liabilities.
- Conversions of bonds (issued by non residents and held by resident related entities) into shares are regarded as bond (loan) repayments and are reported at market value. Accordingly, such shares are deducted from assets.

### **6. Interest:**

- Interest should be recorded on an accrual basis (that is, when due/earned) for the relevant liabilities and assets under "Interest" columns.
- Accrued interest for each reporting period should be reported even if they are actually paid or added to the opening capital.
- Only interest pertaining to the reporting period is to be entered (i.e. the interest calculated on a daily basis is to be summed over the number of days in the reporting period).

- Conversion of interest in arrears into loan should be reported as interest due/earned under the "interest" column and the interest should be added to the opening position under "other transactions".
- Interest should be recorded gross of any withholding taxes.

The treatment of interest, in connection with repo transactions, is explained under repurchase agreements.

## **7. Stock Dividend:**

When dividend is paid in the form of new shares,

- Both issue proceeds and the payment of dividend must be reported, i.e. dividends reinvested should be recorded as dividends payable/receivable and also as increases of equity liabilities or assets.
- The value of both items can be determined on the basis of the market value of the newly issued shares
- The market value must be calculated as the total number of shares issued multiplied by the market price per share on the date on which the dividend is made available

Any possible cash dividend still has to be reported under dividend paid during the relevant quarter.

## **8. Reclassification of shares from Portfolio Investment to Direct Investment and vice versa:**

### ***(a) From Portfolio Investment to Direct Investment:***

If an investor has enterprise shareholdings of less than 10% prior to becoming the direct investor then,

- the shares acquired in the transaction that makes the investor a direct investor are classified as a direct investment transaction (increase) and should be recorded under acquisition of shares, form 2(II) or form 3(II), respectively.
- The adjustment for the value of shares previously classified as Portfolio Investment should be recorded under "G" as transaction increases "other" in form 2 (II) or form 3 (II) respectively.

### ***(b) From Direct Investment to Portfolio Investment:***

If an investor has enterprise shareholdings of 10% or more prior to selling then,

- the shares sold are classified as a direct investment transaction (decrease) and should be recorded under sale of shares, form 2(II) or form 3(II) respectively.
- The adjustment for the value of shares previously classified as direct investment should be recorded under "G" as transaction decreases "other" in form 2 (II) or form 3 (II) respectively.

### **Example 6 (Conversion of loan into shares):**

A resident company X converts a three year loan valued at €100.000 in a UK *unlisted sister company Y* into 50.000 shares of €1 nominal value each in Y. X had no other investment in Y and the shares obtained represent 10% of Y's share capital and *therefore X becomes a direct investor in Y*. Y's profit for the period is €100.000 and "group" reserves at the end of the period are €600.000. The treatment of interest has been excluded for simplicity.

The entries should be as follows:

#### **Form 2(III): Treatment of conversion of loan**

##### **Long Term Financial Claims (over one year)**

Type of financing granted to the non resident entity	Opening position	Extension of new financing	Repayment of financing	Other Transactions	Changes due to revision of provisional data previously submitted	Changes due to fluctuation of exchange rates	Changes due to fluctuation of Prices	Other Changes	Interest due from the non resident entity	Interest received from the non resident entity	Closing position
	<b>1</b>			(+/-)	(+/-)	(+/-)	(+/-)	(+/-)			<b>3=1+2</b>
	← <b>2</b> →										
	€										
Loans	100.000			-100.000			N/A				0

#### **Form 2 (II): Treatment of acquisition of shares**

		<b>BOOK VALUE</b>			<b>MARKET VALUE</b>
		<b>Share Capital 1</b>	<b>Reserves 2</b>	<b>Total own funds at book value 3=1+2</b>	
		€	€	€	€
<b>(A) Opening Position:</b>	<b>Number of Shares held</b> 0	0	0	0	N/A
<b>(B) Closing Position:</b>	50.000	50.000	60.000	110.000	N/A
<b>DIFFERENCE (B-A):</b>				110.000	N/A

Difference is explained by:

##### **Increases:**

Conversion of loans into shares	100.000
Profits for the period	10.000

### **NOTES FOR COMPLETING SECTION I FDI FORMS**

#### **FORM 1(I) – General Reporting Form**

Completion of this form is compulsory by all entities to which this survey is addressed. It requires general information on the person responsible for filling in this survey and the period for which reporting is made.

If there are no amounts to be reported please tick (√) the appropriate box.

#### **FORM 1(II) – Details of the resident entity**

Form 1(II) requires general information on the reporting enterprise, its share capital and its preferred method of reporting.

Completion of this form is compulsory.

The form must be completed by:

- i. all resident entities reporting directly to the Central Bank of Cyprus, without the intervention of any representative, and/or
- ii. all representatives reporting on behalf of resident entities.

#### ***Name of the reporting entity***

- In the case of independent reporting, i.e. without the intervention of a representative: this cell must state the name of the resident entity whose individual or group data is reported.
- In the case of individual reporting (i.e. reporting entity's own data only) through a representative: this cell must state the name of the resident entity on behalf of which the representative is reporting.
- In the case of centralised reporting (i.e. reporting on behalf of a group of companies) through a representative: this cell must state the name of the top level holding company in Cyprus.

#### ***Table***

##### **If the reporting entity has chosen to submit an individual report then:**

- it must list in the table, only the names and registration numbers of all the resident enterprises which belong to the same group in Cyprus (columns 1 and 2 only).

##### **If the reporting entity has chosen to submit a centralised report then:**

- it must list in the table, the names and registration numbers of all the resident enterprises which belong to the same group in Cyprus (columns 1 and 2), and
- it must indicate in the table, which of the resident group companies are included in the report (column 3),

Note: The enterprises included in a centralised report must be fully consolidated (100 %) in the report. This also applies even if the reporting entity's ownership interest in the individual consolidated enterprises is less than 100%.

All the enterprises covered by the centralised report must have the same economic activity.

## **FORM 1(III) – Real estate ownership abroad**

This form must be filled in for each real estate located abroad, which is

- owned by the resident reporting entity, or
- acquired or disposed of by the reporting entity

during the reporting period.

A direct investment in real estate abroad, relates to holiday and other residences owned (directly not through a foreign subsidiary) by residents abroad, whether for personal use or leased to others.

### **Example 7 (Acquisition of real estate abroad):**

During the reporting period, a resident company purchases land and buildings located in Greece and valued at €250.000. Gross rent receivable is €20.000, property taxes €2.000 and other costs incurred in Greece € 3.000. The net income from rent, €15.000, is repatriated to Cyprus. At the end of the reporting period, the resident company sells the land and buildings to a non resident, for the amount of €280.000.

**Form 1(III) entries should be:**

€

<b>(A) OPENING POSITION:</b>	<b>0</b>
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**(B) Increases:**

Acquisition of real estate	<b>250.000</b>
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**(C) Decreases:**

Sale of real estate	<b>280.000</b>
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<b>(D) Profit from the disposal of real estate</b>	<b>30.000</b>
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<b>(E) CLOSING POSITION=(A+B-C+D)</b>	<b>0</b>
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**Operating Income from real estate = €20.000**

**Operating Costs from real estate = €3.000**

**Taxes Paid during the period = €2.000**

## **NOTES FOR COMPLETING SECTIONS 2 AND 3 OF FDI FORMS**

### **FORMS 2 (I) & 3 (I)**

A separate sheet of **form 2(I)** should be completed for each non resident entity with which the resident reporting entity has a direct investment relationship (participation of a resident in the equity capital of a non resident or other capital transactions). This applies both in the case where the reporting entity reports individually or as a group.

A separate sheet of **form 3(I)** should be completed for each non resident enterprise with which the resident reporting entity has a direct investment relationship (participation of a non resident in the equity capital of a resident or other capital transactions). This applies both in the case where the reporting entity reports individually or as a group.

### **What is the relationship of the non resident entity to the resident entity?**

#### **(1) Direct Participation $\geq$ 10%**

##### ***Form 2(I)***

Tick this box if at the end of the reporting period, the resident entity owns directly 10% or more of the equity share capital of an enterprise established abroad.

##### ***Form 3(I)***

Tick this box if a non resident entity directly owns 10% or more of the equity share capital of the resident reporting entity.

#### **(2) Direct Participation $<$ 10%**

##### ***Form 2(I)***

Tick this box, if the reporting enterprise has a direct interest of less than 10% in the equity capital of a non resident related entity, i.e. in its directly / indirectly linked holding company, its indirectly linked subsidiary and associate or its sister company and in the case of previously direct investment enterprise.

Tick the box "Direct Investment Enterprise" if the resident investor has, during the reporting period, sold, totally or partially, its participation in the non resident entity, and as a result, its % holding has fallen below 10%.

- In such a case, the investment must be reported for the last time. For example, if at the end of the previous reporting period, a resident investor had a foreign equity investment with participation of 15% and during the period in question has sold 8% of its holding, then, although the % holding as at the end of the current reporting period is 7%, and under normal circumstances such an investment is not reported, he must complete the relevant form 2 (II) to show the termination of the foreign direct investment relationship.

Note: In the case of directly linked holding company, there must also be an inward investment relationship and therefore forms 3 (I) and 3 (II) must have been completed.

##### ***Form 3(I)***

Tick this box, if the reporting enterprise is direct owned with participation of less than 10% by a non resident related entity, i.e. its indirectly linked holding company, its directly/indirectly linked subsidiary and associate or its sister company and in the case of previously direct investor.

Tick the box "Direct Investor" if the non resident investor has, during the reporting period, sold, totally or partially, its participation in the resident entity, and as a result, its % holding has fallen below 10%.

- In such a case, the investment must be reported for the last time. For example, if at the end of the previous reporting period, a non resident investor had an equity investment in the resident entity with participation of 15% and during the period in question has sold 8% of its holding, then, although the % holding as at the end of the current reporting period is 7%, and under normal circumstances such an investment is not reported, the reporting entity must complete the relevant form 3 (II) to show the termination of the foreign direct investment relationship.

Note: In the case of directly linked subsidiary or associate, there must also be an outward investment relationship and therefore forms 2 (I) and 2 (II) must have been completed.

***Cross-holdings greater than or equal to 10% must be reported as a new relationship and "Direct Participation  $\geq$  10%" box must be ticked instead.***



### **(3) Branch/ Branch Office or Head Office**

#### **Form 2(I)**

Tick this box, if the non resident entity is a legal non autonomous foreign based branch or branch office that forms part of the reporting entity and/or group (as defined for the purposes of this survey) resident subsidiaries.

#### **Form 3(I)**

Tick this box, if the non resident entity is the head office of the resident legal non autonomous Cyprus based branch or branch office that forms part of the non resident enterprise.

### **(4) Indirectly linked company**

#### **Forms 2(I) and 3(I)**

Tick this box if the reporting entity has any financial transactions other than equity (e.g. borrowing or lending of funds) with a non resident company with which it is indirectly related. If this is the case, then only forms 2 (III) , 2 (IV) or 3 (III) and 3 (IV) need to be completed, depending on the direction of the direct equity investment, through which the relationship of the resident and the non resident entity has been established.

### **(5) Sister Company**

#### **Forms 2(I) and 3(I)**

Tick this box if the reporting enterprise has cross border financial transactions other than equity (e.g. borrowing or lending of funds) with a non resident sister company (i.e. two direct investment enterprises that share the same direct investor). If this is the case, then only forms 2 (III) or 3 (IV) need to be completed, depending on the direction of the flow of funds.

## **FORMS 2 (II) & 3 (II)**

#### **Form 2(II)**

This form is only relevant for direct equity investments (including branches and branch offices) and, therefore, it should be completed only in the case where the reporting entity has a *direct equity participation* of:

- (i) 10% or more in a non-resident company, or
- (ii) 10% or less in a related non-resident company.

This form should record equity stocks (opening and closing positions) and flows (transaction increases/decreases).

A separate sheet of this form should be completed for each directly owned investment made by the resident reporting entity (either individually or as a group) in the non resident entity whose details have been submitted in form 2 (I).

#### **Form 3(II)**

This form is only relevant for direct equity investments (including branches and branch offices) and therefore it should be completed only in the case where the non resident enterprise has a direct *equity participation* of:

- (i) 10% or more in the resident reporting entity, or
- (ii) 10% or less in the resident related reporting entity.

This form should record equity stocks (opening and closing positions) and flows (transaction increases/decreases).

A separate sheet of this form should be completed for each directly owned investment made by a non resident enterprise (whose details have been submitted in form 3 (I)), in the resident reporting entity.

### **Opening Position:**

This is the position of the investment at the beginning of the reporting period and must agree with the position at the end of the previous reporting period.

*In the case of listed securities*, the opening position should be stated on the basis of both market value and book value of the securities owned at the end of the preceding reporting period.

#### **Form 2(II)**

Based on the resident entity's equity investment participation (%) in the non resident entity (the % indicated as direct link in form 2(I)), this must state:

- (a) the share in the market value of the non resident entity (market valuation), and
- (b) the share in the value of the non resident's capital and its group reserves (book valuation), at the beginning of the reporting period.

### **Form 3(II)**

Based on the non resident entity's equity investment participation (%) in the resident entity (the % indicated as direct link in form 3(I)), this must state:

- (a) the share in the market value of the resident entity (market valuation), and
  - (b) the share in the value of the resident's capital and its group reserves (book valuation),
- at the beginning of the reporting period.

***In the case of unlisted securities, where the current market prices are not available, then only positions at book value should be reported.***

### **Closing Position:**

This is the position of the investment at the end of the reporting period.

***In the case of listed securities,*** the closing position should be stated on the basis of both market value and book value of the securities owned at the end of the reporting period.

### **Form 2(II)**

Based on the resident entity's equity investment participation (%) in the non resident entity (the % indicated as direct link in form 2(I)), this must state:

- (a) the resident entity's share in the market value of the non resident entity (market valuation), and
  - (b) the resident entity's share in the value of the non resident's capital and its group reserves (book valuation),
- at the end of the reporting period.

### **Form 3(II)**

Based on the non resident entity's equity investment participation (%) in the resident entity (the % indicated as direct link in form 3(I)), this must state:

- (a) the non resident entity's share in the market value of the resident entity (market valuation), and
  - (b) the non resident entity's share in the value of the resident's capital and its group reserves (book valuation),
- at the end of the reporting period.

***In the case of unlisted securities, where the current market prices are not available, then only positions at book value should be reported.***

### **Valuation of opening and closing position**

#### **Individual reporting**

#### **MARKET VALUATION:**

##### ***Form 2 (II)***

Opening and closing positions are calculated as the product of the number of the non resident entity's shares held directly by the resident entity, times the market price (prevailing at the time) of the security concerned.

##### ***Form 3 (II)***

Opening and closing positions are calculated as the product of the number of the resident entity's shares held directly by the non resident entity, times the market price (prevailing at the time) of the security concerned.

#### **BOOK VALUATION (capital + all types of reserves):**

**Paid up capital:** ***Form 2 (II)*** is calculated as the proportion of direct % holding of the resident entity in the nominal capital of the directly owned non resident enterprise.

***Form 3 (II)*** is calculated as the proportion of direct % holding of the non resident entity in the nominal capital of the directly owned resident enterprise.

#### **Reserves:**

***Form 2 (II)*** are calculated as the proportion of direct % holding of the resident entity in the group (as defined for the purposes of this survey) reserves of the directly owned non resident enterprise (i.e. reserves which include the reserves generated by the affiliates (both resident and non resident) of that non resident enterprise).

***Form 3 (II)*** are calculated as the proportion of direct % holding of the non resident entity in the group (as defined for the purposes of this survey) reserves of the directly owned resident enterprise (i.e. reserves which include the reserves generated by the affiliates of the resident enterprise both in Cyprus and abroad).

#### **Centralised reporting**

## **MARKET VALUATION:**

### ***Form 2 (II)***

Opening and closing positions are calculated as the product of the number of the non resident entity's shares held by the group of entities (covered by the centralised report), times the market price (prevailing at the time) of the security concerned.

### ***Form 3 (II)***

Opening and closing positions are calculated as the product of the number of the resident reporting entity's shares ( which is the parent company of the enterprises covered by the centralised report) held by the non resident entity, times the market price (prevailing at the time) of the security concerned.

## **BOOK VALUATION (capital + all types of reserves):**

**Paid up capital: Form 2 (II)** is calculated as the total proportion (%) of direct holding of the resident entities (covered by the centralised report) in the nominal capital of the non resident directly owned enterprise.

**Form 3 (II)** is calculated as the proportion (%) of direct holding of the non resident entity in the nominal capital of the resident reporting entity (which is the parent company of the enterprises covered by the centralised report).

### **Reserves :**

**Form 2 (II)** are calculated as the total proportion (%) of direct holding of the resident entities (covered by the centralised report) in the group (as defined for the purposes of this survey) reserves of the directly owned non resident enterprise ( i.e. reserves which include the reserves generated by the affiliates (both resident and non resident) of the foreign enterprise).

**Form 3 (II)** are calculated as the total proportion (%) of direct holding of the non resident entity in the group (as defined for the purposes of this survey) reserves of the reporting entity (i.e. reserves which include the reserves generated by the affiliates of the reporting entity both in Cyprus and abroad).

## **Increases or Decreases in the value of investment due to:**

### **(1) Profits/Losses (calculated on the basis of the current operating performance concept, as explained in Annex 2)**

**Form 2 (II)** This is the profit or loss of the resident reporting entity's directly owned foreign entity, after tax and depreciation, and before profit appropriation, attributable to the equity investment, i.e. resident entity's % direct participation x non resident entity's profit/loss, which is calculated after taking into account other current earnings (such as dividend receipts, rents, net interest receipts, other current transactions and the non resident entity's share in the reinvested earnings of any affiliate entity) .

**Form 3 (II)** This is the profit or loss of the resident reporting entity, after tax and depreciation, and before profit appropriation, attributable to the foreign investor, i.e. non resident entity's % direct participation x resident entity's profit/loss, after taking into account other current earnings (such as dividend receipts, rents, net interest receipts, other current transactions and the resident entity's share of the reinvested earnings of any affiliate entity).

**Important note:** Extraordinary items, abnormal write-offs of bad debts and related provisions, realised/unrealised capital gains/losses, revaluation gains/losses and realised/unrealised exchange gains/losses, should be excluded from profit calculation, but should be included in reserves and thus shown under "G" in forms 2(II) or 3(II).

### **(2) Dividends Declared:**

These are the dividends declared and attributable to the equity investment, which are:

**Form 2 (II)** receivable by the resident entity from the non- resident enterprise during the reporting period. These dividends have ***not actually been received by the resident entity.***

**Form 3(II)** payable by the resident entity to the foreign direct investor, during the reporting period. These dividends have ***not actually been paid to the foreign investor.***

Dividends stemming from exceptional capital gains should be reported under "D". Declared dividends which have not been received/paid, should also be recorded under the relevant forms 2 (III) / 2(IV) or 3 (III) / 3(IV).

### **(3) Dividends Paid:**

These are the dividends, attributable to the equity investment, which have:

**Form 2 (II) actually been received by the resident entity** during the reporting period.

**Form 3 (II) actually been paid to the foreign investor**, during the reporting period.

Dividends stemming from exceptional capital gains should be reported under "D".

### **FORMS 2 (III), 2 (IV) & 3 (III), 3 (IV)**

FDI Forms 2 (III) and 2 (IV) are identical to forms 3 (III) and 3 (IV). What determines which forms must be filled in, is (in the case of transactions between holding companies, subsidiaries, associates or branches) the direction of equity investment through which the relationship of the resident and the non resident entity has been established or (in the case of sister companies) the direction of the flow of funds. In other words:

- section 2 forms must be completed, if a resident directly/indirectly linked holding company carries out transactions with a non resident subsidiary, associate or branch or if the resident entity lends funds to a sister company, and
- section 3 forms must be completed if the a resident directly/indirectly linked subsidiary, associate or branch carries out transactions with a non resident holding company or if the resident entity borrows funds from a sister company.

### **Forms 2 (III) & 2 (IV)**

These forms cover the borrowing and lending of funds, including trade credits and investments in debt securities, between the resident direct investor entity and its non resident subsidiaries, branches, associates or non resident sister entities. In particular:

- If the reporting entity has borrowed funds from a non resident branch, subsidiary or associate enterprise, then form 2 (IV) should be completed.
- If the reporting entity has lent funds to a non resident branch, subsidiary, associate enterprise or sister company, then form 2 (III) should be completed.

### ***Loans***

**2(III)** Report, loans extended by the reporting entity to a non resident subsidiary, associate, branch or sister company.

**2(IV)** Report, loans drawn by the reporting entity on a non resident subsidiary, associate or branch.

### ***Deposits***

**2(III)** Report, reporting entity's intra group account assets vis-à-vis a non resident subsidiary, associate, branch or sister company.

**2(IV)** Report, reporting entity's intra group account liabilities to a non resident subsidiary, associate or branch.

### ***Trade Credits***

**2(III)** Report, reporting entity's import advances and export claims connected with goods and services trade with a non resident subsidiary, associate, branch or sister company.

**2(IV)** Report, reporting entity's import related suppliers' credits and export advances connected with goods and services trade with a non resident subsidiary, associate or branch.

### ***Financial Leases***

**2(III)** Report, leasing credits connected with leasing objects leased to a non resident subsidiary, associate, branch or sister company.

**2(IV)** Report, leasing credits connected with leasing objects leased from a non resident subsidiary, associate or branch.

### ***Money Market Instruments***

**2(III)** Report, the reporting entity's holdings of marketable bonds with original maturity of no more than one year issued by a non resident subsidiary, associate, branch or sister company.

**2(IV)** Report, the non resident subsidiary's, associate's or branch's holding of marketable bonds with original maturity of no more than one year issued by the reporting entity.

### ***Bonds and Notes***

- 2(III)** Report, the reporting entity's holdings of marketable bonds with original maturity of more than one year issued by a non resident subsidiary, associate, branch or sister company.
- 2(IV)** Report, the non resident subsidiary's, associate's or branch's holding of marketable bonds with original maturity of more than one year issued by the reporting entity.

The reporting entity should record positions (opening and closing) and flows (transaction increases/decreases) with each non resident entity, whose details have been reported in form 2(I).

### **Forms 3 (III) & 3 (IV)**

These forms cover the borrowing and lending of funds, including trade credits and investments in debt securities, between the non resident direct investor entity and its resident subsidiaries, branches, associates or resident sister entities. In particular:

- If the reporting entity has borrowed funds from a non resident directly/indirectly linked holding company or from a non resident sister company, then form 3 (IV) should be completed.
- If the reporting entity has lent funds to a non resident directly/indirectly linked holding company, then form 3 (III) should be completed.

### ***Loans***

- 3(III)** Report, loans extended by the reporting entity to its non resident directly/indirectly linked holding company or head office.
- 3(IV)** Report, loans drawn by the reporting entity on its non resident directly/indirectly linked holding company, head office or a sister company.

### ***Deposits***

- 3(III)** Report, reporting entity's intra group account assets vis-à-vis its non resident directly/indirectly linked holding company or head office.
- 3(IV)** Report, reporting entity's intra group account liabilities to its non resident directly/indirectly linked holding company, head office or a sister company.

### ***Trade Credits***

- 3(III)** Report, reporting entity's import advances and export claims connected with goods and services trade with its non resident directly/indirectly linked holding company or head office.
- 3(IV)** Report, reporting entity's import related suppliers' credits and export advances connected with goods and services trade with its non resident directly/indirectly linked holding company, head office or a sister company.

### ***Financial Leases***

- 3(III)** Report, leasing credits connected with leasing objects leased to its non resident directly/indirectly linked holding company or head office.
- 3(IV)** Report, leasing credits connected with leasing objects leased from its non resident directly/indirectly linked holding company, head office or a sister company.

### ***Money Market Instruments***

- 3(III)** Report, the reporting entity's holdings of marketable bonds with original maturity of no more than one year issued by its non resident directly/indirectly linked holding company or head office.
- 3(IV)** Report the non resident directly/indirectly linked holding company's, head office or a sister company's holding of marketable bonds with original maturity of no more than one year issued by the reporting entity.

### ***Bonds and Notes***

- 3(III)** Report, the reporting entity's holdings of marketable bonds with original maturity of more than one year issued by its non resident directly/indirectly linked holding company or head office.
- 3(IV)** Report the non resident directly/indirectly linked holding company's, head office or a sister company's holding of marketable bonds with original maturity of more than one year issued by the reporting entity.

The reporting entity should record positions (opening and closing) and flows (transaction increases/decreases) with each non resident entity, whose details have been reported in form 3(I).

### **Example 8 (Borrowing from a non resident holding enterprise):**

A resident company X is fully owned by a USA company, Y. Y advanced a short term loan of €500.000 to X last reporting period.

**At the start of the reporting period:**

The share capital of X was 1.000.000 shares (nominal value €1 each).

The market value of X, was €1.300.000 .

X's reserves were €200.000

**At the end of the reporting period:**

The share capital of X was 1.000.000 shares (nominal value €1 each).

The market value of X, was €1.900.000 .

X's reserves were €250.000

**During the reporting period:**

X's profit for the period was €400.000. (after charging interest of €40.000, concerning the loan)

Dividends paid by X to Y were €200.000.

For simplicity, the effect of exchange rates has been ignored.

The entries should be:

**Form 3 (II): Treatment of equity investment**

	Book Value			Market Value	
	Share Capital		Reserves		Total own funds at book value 3=1+2
	1	2	3		
	No. of Shares	€	€	€	€
<b>(A) Opening Position:</b>	1.000.000	1.000.000	200.000	1.200.000	1.300.000
<b>(B) Closing Position:</b>	1.000.000	1.000.000	250.000	1.250.000	1.900.000
<b>Difference (B – A)</b>				<b>50.000</b>	<b>600.000</b>

**Difference is explained by:**

**Increases**

Profits for the period (for Book Valuation)	400.000	100% x €400.000 = €400.000
Valuation changes due to price movements (for Market Valuation)	600.000	Security's market price has increased

**Decreases:**

Dividends paid	200.000	100% x €200.000 = €200.000
Valuation changes due to price movements (for Book Valuation)	150.000	

**Form 3 (IV): Treatment of loan**

**Short Term Financial Liabilities (up to one year)**

Type of financing received from the non resident entity	Opening position	Extension of new financing	Repayment of financing	Other Transactions	Changes due to revision of provisional data previously submitted	Changes due to fluctuation of exchange rates	Changes due to fluctuation of Prices	Other Changes	Interest due to the non resident entity	Interest paid to the non resident entity	Closing position
	1			(+/-)	(+/-)	(+/-)	(+/-)	(+/-)			3=1+2
	← 2 → €										
Loans	500.000						N/A		40.000	40.000	500.000



**CENTRAL BANK OF CYPRUS**  
EUROSYSTEM

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**SECURITIES SURVEY**

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## I. INTRODUCTION

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### Purpose of the Survey

This survey aims at the collection of monthly data – on a security-by-security basis – on:

- Asset holdings by residents of Cyprus of securities (please refer to definitions on page 16) issued by residents and unrelated<sup>1</sup> non-residents.
- Debt securities issued by resident legal entities of Cyprus.

The data to be collected will be used for the compilation of the balance of payments, the international investment position of Cyprus in accordance with the methodology and degree of analysis defined by the International Monetary Fund (IMF), the European Commission (Eurostat) and the European Central Bank (ECB).

### Legal power to collect statistical data

The information requested is collected pursuant to the Central Bank of Cyprus Laws of 2002 – 2007.

### Confidentiality

The data submitted will be treated in strict confidence by the Central Bank of Cyprus. Data are collected solely for statistical purposes and will only be published as aggregate figures without revealing the identity of any parties involved.

### Obligation to respond

All entities that receive a copy of this report must respond. Specifically,

- All contacted residents who, as end investors, own securities that are in self custody, self management or in custody/ under management by non-residents, as at the end of the reference month, must complete form **MS1** of this survey.

*End investor means any resident who, for his own account, has investments in securities*

- All contacted residents, who offer investment services, and act as custodians or other investment intermediaries, must complete form **MS2** of this survey on behalf of their resident clients.

*Custodians (e.g. banks) are defined as entities located in Cyprus who manage the safekeeping of securities for the account of third parties; and*

*Other investment intermediaries (e.g. investment managers) are defined as entities located in Cyprus who have the authority to administer/manage securities, on behalf of third parties.*

- All contacted residents who have issued debt securities must complete form **MS3** of this survey.

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<sup>1</sup> Holdings of securities issued by related non-residents are outside the scope of this survey. Such holdings should be reported in the quarterly survey on Foreign Direct Investment.

### **Reporting Currency**

Securities Holdings, i.e MS1 & MS2: All amounts should be reported in Euros. Opening balances denominated in foreign currencies are to be converted at mid-market exchange rates prevailing at the beginning of the appropriate reporting period, and closing balances denominated in foreign currencies are to be converted at closing mid-market exchange rates at the end of the appropriate reporting period. Transactions denominated in foreign currencies are to be converted at actual rates on the date of transaction, or otherwise, at the average mid-market rate in the appropriate reporting period.

Securities Issues, i.e. MS3: All amounts, except where otherwise stated, should be reported in the currency of issue/denomination.

### **Individual Reporting**

Please check that there is no double counting or over recording within your company / group. For example, make sure that there is no consolidation of data of resident subsidiaries that may report separately to the Central Bank of Cyprus.

### **Insufficient space on the form**

When the space provided on a form is insufficient to permit a full answer, you must insert new rows in the reporting spreadsheet form. Please note that you must place the mouse in the table you want to insert new rows and press the “Insert new Line” button.

### **Frequency and deadline of reporting**

The survey is conducted on a monthly basis and must be submitted to the Central Bank of Cyprus **no later than 10 working days** after the end of reference month.

### **Submission details**

To ensure a **secured electronic transmission** of data, the survey reporting file must be submitted through the “CBC Direct Reporting E-Business Platform” (<https://www.ebus.centralbank.gov.cy/DirectReporting>). Please refer to the instructions included in the “Direct Reporting User Manual” for further details on activating your account, downloading and submitting the reporting file.

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## II. GENERAL INSTRUCTIONS ON REPORTING

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The Securities Survey is concerned with (i) securities holdings for equity (including mutual funds) shares, long-term (i.e. *bonds and notes*) and short-term (i.e. *money market instruments*) debt securities and with (ii) issues of debt securities.

**1. FORMS TO BE COMPLETED** - This survey consists of 4 forms. Please fill in the relevant forms according to the reporting instructions.

- **GENERAL REPORTING FORM**
- **FORM MS1:** Report of holdings of securities for own account.
- **FORM MS2:** Report of holdings of securities by sector of resident client.
- **FORM MS3:** Data on debt securities issued by the reporting entity.

### **1.1. SECURITIES HOLDINGS REPORT – FORMS MS1 and MS2**

The **Securities Holdings Report** covers resident holdings of equity and debt securities (issued by residents and unrelated non-residents) **as at the end of each month**.

#### **1.1.1 FORM MS1: Securities held for own account**

Holdings for own account must include securities (issued by residents and non-residents) owned by the reporting entity, that are **in self custody, self management or in custody/under management by overseas fund managers**.

#### Further notes:

Please *do not report* the following items in this section:

- All foreign securities held that the owner has a foreign direct investment relationship with the non-resident company issuing the securities (more than 10% equity participation - see section IV). Such holdings should be reported under the quarterly Foreign Direct Investment Survey.
- Any investments that are managed by other resident **custodians** or **fund managers** (Banks and authorized Investment Firms), or investments through the resident IFCs, which will be obtained from them directly under Form MS2 of this survey.
- Securities deposited at the Cyprus Central Depository (CDRC), i.e all securities quoted on the Cyprus Stock Exchange.
- Equity/Debt securities acquired under repurchase agreements and securities lending arrangement (see section IV).
- Financial Derivatives, which are outside the scope of this survey.

### 1.1.2 FORM MS2: Securities reported on behalf of resident clients

This section covers investment in securities by **resident investment intermediaries** (e.g. custodians, investment managers) acting on behalf of resident clients.

#### Further notes:

- Do not include own account holdings in this section; these should be reported on Form MS1, as appropriate.
- Securities deposited at the Cyprus Central Depository (CDRC), i.e all securities quoted on the Cyprus Stock Exchange, should be excluded.
- Securities issued by entities that are related to the investor should not be reported (see *section IV: Exclusion of securities issued by related enterprises*).
- In the case the management or the safekeeping of your clients' holdings is subsequently entrusted to another resident investment intermediary (that may report separately to the Central Bank of Cyprus), do not report these holdings.

Please note that, assets reported on behalf of resident clients are to be broken down according to the institutional sector to which the holder of the securities is classified.

#### **Securities holdings broken down by sector of resident client**

Resident holders of securities should be classified into institutional sectors and sub-sectors on the basis of their economic behaviour, in accordance with the principles of the European System of Accounts (ESA 95). Please refer to *annex 3.4* for guidance notes on these classifications. Depending on the sector of the resident holder, different report categories should be applied. The sectoral breakdown requested appears in bold letters in the following table:

<b>ESA 95, Institutional Sectors and Sub-sectors</b>	<b>Report Category /Sector</b>
<b>1) Non-Financial Corporations</b>	<b>S.11</b>
Financial Corporations	S.12
<b>2) Other Monetary Financial Institutions<sup>2</sup></b>	<b>S.122</b>
Other Financial Intermediaries, except Insurance Corporations and Pension Funds	S.123
<b>3) Investment Funds<sup>3</sup></b>	<b>S.123.1</b>
<b>4) Other Financial Intermediaries</b>	<b>S.123.2</b>
<b>5) Financial Auxiliaries<sup>4</sup></b>	<b>S.124</b>
Insurance Corporations and Pension Funds	S.125
<b>6) Insurance Companies</b>	<b>S.125.1</b>
<b>7) Pension Funds</b>	<b>S.125.2</b>
General Government	S.13
<b>8) Local Government</b>	<b>S.1313</b>
<b>9) Households</b>	<b>S.14</b>
<b>10) Non-Profit Institutions Serving Households</b>	<b>S.15</b>

<sup>2</sup> Credit Institutions and Co-operative Credit and Savings Societies should be included under Report Category S.122.

<sup>3</sup> The Investment Companies authorised by the Cyprus Securities and Stock Exchange Laws and Regulations, as well as the International Collective Investment Schemes constituted according to the International Collective Investments Schemes Law No 47(I) of 1999, should be included under Report Category S.123.1.

<sup>4</sup> The Cypriot Investment Firms authorised by the Cyprus Securities and Exchange Commission should be included under Report Category S.124.

*Please note that, a list of the names and the registration numbers<sup>5</sup> of the resident legal entities, as recorded in official registries, must accompany each report category submitted related to legal entities, on Sub-form MS2.1. The identification of the legal entities will only be used by the Central Bank of Cyprus for quality checks regarding the residency and sector allocation of the holder, and to avoid double counting with reporting to the Central Bank of Cyprus directly as end-investors. The identification of the households/natural persons (report category S.14) is **not** required.*

## **1.2 SECURITIES ISSUED REPORT**

### **FORM MS3: Data on debt securities issued by the reporting entity**

Primary data on debt securities issued by the reporting entity, irrespective of the country of issuance, must be reported on Form MS3 according to the definitions included in these explanatory notes (section V).

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<sup>5</sup> As allocated by the Registrar of Companies and Official Receiver Organisations Department, Ministry of Commerce, Industry and Tourism.

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### III. SECURITIES SURVEY FORMS

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#### GENERAL REPORTING FORM

##### IDENTIFICATION OF THE RESIDENT ENTITY

**Name of resident entity:**  
(as recorded in official registers)

**Address:**

**Reference number  
of the resident entity:**

*For a natural person, enter the identity card number of the person involved.  
For a legal entity, enter the company registration number assigned by the  
Registrar of Companies in Cyprus preceded by the appropriate letters:  
C or HE = Onshore limited company  
O = Overseas company  
P = Partnership  
EE = Business name*

Once you enter this number here, it will automatically appear at the top right hand side of each form.

**Economic activity (NACE) code:**

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------	----------------------

*Enter the four digit code that best describes the resident enterprise's main activity, on the basis of the NACE statistical classification (see annex 3.3). To be completed only if not previously communicated to the Central Bank or if it has changed from previous reporting.*

##### DETAILS OF THE PERSON RESPONSIBLE FOR FILLING IN THE SECURITIES SURVEY/ REPRESENTATIVE

**Name:**

**Name of  
employer:**

**Telephone  
number:**

**Mailing  
address:**

**Telefax  
number:**

**E-mail  
address:**

## DETAILS OF CURRENT REPORTING

Reporting period :

Month	
Year	

**For checking purposes, please indicate the completed forms submitted for the reference month:**

- Form MS1       Form MS2  
 List MS2.1       Form MS3

**In case your organisation/ company does not have any amounts to report, please tick (✓) this box**

## OTHER INFORMATION

The following questions should serve as guidance for completing the appropriate sections of this survey.

### (1) Own portfolio details (Please tick appropriate box):

(i) Who is responsible for the **management** of all or part of your company's own securities holdings ?

- Own management **Fill in Form MS1 of this survey**  
 Other resident investment intermediary. Please specify: ..... **DO NOT REPORT THESE HOLDINGS**  
 Non-resident investment intermediary **Fill in Form MS1 of this survey**

(ii) Who has the **custody** of all or part of your company's own securities holdings ?

- Own custody **Fill in Form MS1 of this survey**  
 Other resident custodian(s). Please specify: ..... **DO NOT REPORT THESE HOLDINGS**  
 Non-resident custodian(s) **Fill in Form MS1 of this survey**

**(2) Services offered by the reporting entity (Please tick appropriate box):**

(i) Services offered by your company include:

- |  |  |
|--|--|
| <input type="checkbox"/> Custodian Services            | <b>Fill in Form MS2</b> of this survey |
| <input type="checkbox"/> Portfolio Management Services | <b>Fill in Form MS2</b> of this survey |
| <input type="checkbox"/> None of the above             | <b>Skip Form MS2</b> of this survey    |

(ii) Do you offer any investment related services listed in (i) above through **resident** counterparts?

(If 'Yes' or 'Partly', give the name(s) of the other resident counterpart)

- |  |  |
|--|--|
| <input type="checkbox"/> Yes . Please specify: .....   | <b>DO NOT REPORT THESE HOLDINGS</b>    |
| <input type="checkbox"/> Partly. Please specify: ..... | <b>DO NOT REPORT THESE HOLDINGS</b>    |
| <input type="checkbox"/> No                            | <b>Fill in Form MS2</b> of this survey |

**(3) The reporting entity has issued debt securities:**

- |                              |                                     |
|------------------------------|-------------------------------------|
| <input type="checkbox"/> YES | <b>Fill in MS3</b> of this survey   |
| <input type="checkbox"/> NO  | <b>Skip Form MS3</b> of this survey |

**Please submit the completed reporting forms within 10 working days after the end of the reference month.**






Reporting Period.....

Ref. Number.....

**FORM MS2: REPORT ON HOLDINGS OF SECURITIES ON BEHALF OF RESIDENT CLIENTS**

**Form MS2 : Report on securities holdings by sector of owner**

Where reporting using ISIN codes, the data in the highlighted area  need not to be reported.

Required only:  
- in the first submission, and  
- if previous reporting of the specific security holding was not based on ISIN codes

Official security code ( ISIN code)	Name of security	Country of issuer	Security Type	Currency of denomination	Issuer Classification (ESA 95)	Net market value of transactions during the reporting month		Stock as at the end of the reference month		Stock as at the end of the previous month
						Purchases minus Sales		Number of securities held	Market Value	Number of securities held

<b>Report Category:</b>	<b>S.11 - Non-Financial Corporations</b>										

<b>Report Category:</b>	<b>S.122 - Other Monetary Financial Institutions</b>										

<b>Report Category:</b>	<b>S.123.1 - Investment Funds</b>										

Contin.

Report Category	S.123.2 - Other Financial Intermediaries									

Report Category	S.124 - Financial Auxiliaries									

Report Category	S.125.1- Insurance Companies									

Report Category	S.125.2 - Pension Funds									

Report Category	S.1313 - Local Government									

Report Category	S.14 - Households									

Report Category	S.15 - Non-Profit Institutions Serving Households									

Reporting Period.....

Ref. Number.....

**LIST MS2.1: LEGAL ENTITIES** whose securities holdings are included on Form MS2

Name of legal entities (as recorded in official registers):	Registration Number
Investment intermediaries should list the names and the registration numbers of the resident legal entities whose securities holdings are included under each Report Category on Form MS2	

Report Category:	S.11	Non-Financial Corporations
.....		

Report Category:	S.122.	Other Monetary Financial Institutions
.....		

Report Category:	S.123.1	Investment Funds
.....		

Report Category:	S.123.2	Other Financial Intermediaries
.....		

Report Category:	S.124	Financial Auxiliaries
.....		

Report Category:	S.125.1	Insurance Companies
.....		

Report Category:	S.125.2	Pension Funds
.....		

Report Category:	S.1313	Local Government
.....		

Report Category:	S.15	Non-Profit Institutions Serving Households
.....		





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## IV. COVERAGE AND DEFINITIONS

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### 1. TYPES OF FINANCIAL INSTRUMENTS COVERED BY THE SURVEY - *Definition of equity, including mutual fund shares, long and short-term debt securities*

A **security** is defined as an instrument that is *traded or tradable* in organised and other financial markets. It includes instruments structured in a form identical to instruments of a negotiable nature, even though they may not actually be traded in secondary markets and are placed directly with investors. Examples of equities, long-term and short-term debt securities are given below:

**1.1 Equity securities** cover all financial instruments representing the holder's claims to the residual values of enterprises after the claims of all creditors have been met. They include:

- ordinary shares
- participating preference shares
- depository receipts (e.g., American depository receipts) denoting ownership of equity securities issued by non-residents
- shares/ units in mutual funds and investment trusts. Please note that, all residents' holdings of funds should be reported, irrespective of the underlying securities held by the fund.

***Mutual Fund Shares** are defined as shares issued by financial corporations, whose exclusive purpose is to invest the funds collected on the money market, the capital and/or real estate market, i.e. mutual funds, unit trusts, investment trusts and, as well as other collective investment schemes (e.g. UCITS), which can be open-end, semi-open or closed-end funds. Mutual Fund shares can be quoted or unquoted. When they are unquoted, they are usually repayable on request, at a value corresponding to their share in the own funds of the corporation. These own funds are revalued regularly on the basis of the market prices of their various components.*

They exclude:

- non-participating preference shares (which are included under long-term debt)
- rights, options, warrants and other derivative instruments

**1.2 Long-term debt securities** cover bonds, debentures, notes, etc. that usually give the holder the unconditional right to a fixed money income or contractually determined variable money income, and have an original term to maturity of over one year. They include:

- bonds such as treasury, zero coupon, stripped, deep discounted, currency linked (e.g., dual-currency), floating rate, equity-related (e.g., convertible bonds), and eurobonds
- asset-backed securities such as mortgage backed bonds, collateralized mortgage obligations (CMO)
- index-linked securities (e.g. property index certificates)
- non-participating preference shares

- floating rate notes (FRN) such as perpetual notes (PRN), variable rate notes (VRN), structured FRN, reverse FRN, collared FRN, step up recovery FRN (SURF), range/corridor/accrual notes
- euro medium-term notes (EMTN)
- schuldscheine (German) notes
- bonds with optional maturity dates, the latest of which is more than one year after issue
- debentures
- negotiable certificates of deposits with contractual maturity of more than one year
- bearer depository receipts denoting ownership of debt securities
- other long-term securities

They exclude:

- derivative instruments
- loans
- trade credit and accounts receivable
- money market instruments (e.g., treasury notes, banker's acceptances, certificates of deposit with contractual maturity of one year or less, note issuance facilities, revolving underwriting facilities, and promissory notes)

**1.3 Short-term debt securities** refer to bills, commercial paper, bankers' acceptances, etc. that usually give the holder the unconditional right to receive a stated, fixed sum of money on a specified date and have an original term to maturity **of one year or less**. Money market instruments usually are issued at a discount, in organized markets. They include:

- money market instruments with an original term to maturity of one year or less, such as treasury bills/notes bankers' acceptances, commercial and financial paper
- certificates of deposit with contractual maturity of one year or less
- short-term notes issued under note issuance facilities or revolving underwriting facilities and promissory notes.

They exclude:

- any securities listed earlier under *long-term debt securities*
- derivative instruments
- loans
- trade credit and accounts receivable



## 2 TREATMENT OF CERTAIN SECURITIES

*Please note the special treatment of certain securities, in accordance with the international statistical guidelines, to be reported under the Securities Holdings Report:*

### **Exclusion of securities issued by non-resident related enterprises<sup>6</sup>**

Securities (equity or debt) issued by a non-resident enterprise that is related to the resident owner of those securities should be **excluded** from this report. Related non-resident enterprises are enterprises in which an enterprise group has an equity interest of 10 percent or more or where a non-resident has a holding of 10 percent or more in the resident group. Ownership is measured in terms of ordinary shares or voting stock of incorporated enterprises or equivalent beneficial interests in unincorporated enterprises. Where such a relationship exists, exclude all securities (debt and equities).

### **Exclusion of financial derivatives<sup>7</sup>**

Holdings of **Financial Derivatives** are **not** to be reported with this survey. Financial derivatives are not considered to be securities: they are considered as separate instruments. Record the value of the underlying security separately from any derivative that may be held in relation to it. However, if a security has an embedded derivative, do not attempt to separate the security from the embedded security.

### **Treatment of securities involved in repurchase and securities lending arrangements**

A **repurchase agreement** (repo) is an arrangement involving the sale of securities at a specified price with a commitment to repurchase the same or similar securities at a fixed price on a specified future date or on demand. A reverse repo is the same transaction seen from the other side, that is, an agreement whereby a security is purchased at a specified price with a commitment to resell the same or similar securities at a fixed price on a specified future date or on demand.

**Securities (or stock or bond) lending** is an arrangement whereby the ownership of a security is transferred in return for collateral under the condition that the security or similar securities will revert to its original owner at a specified future date.

In order to avoid double counting of securities involved in repurchase and securities lending arrangements on a world wide perspective, the following treatment is required:

- Securities **acquired** under reverse repurchase agreements or securities borrowing arrangements are to be **excluded** from the report form;
- Securities **sold** under repurchase agreements or **lent** under securities lending arrangements are to be **included** in the report form, i.e. reported as if no repurchased agreement or securities lending arrangement has occurred.
- Securities acquired under reverse repurchase or securities borrowing arrangements and subsequently sold to a third party should be reported as a negative holding, namely, a short position; and
- All valuations of positions in securities under repurchase or securities lending arrangements should be at market value as at the close of business of the reference month.

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<sup>6</sup> These holdings should be reported in the quarterly survey on Foreign Direct Investment.

<sup>7</sup> Transactions and positions in financial derivatives (assets and liabilities) should be reported in the monthly Financial Derivatives Survey.

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## V. NOTES FOR COMPLETING THE SURVEY FORMS

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### 1. GENERAL REPORTING FORM

Completion of this form is compulsory by all entities to which this survey is addressed to. It requires general information on the resident reporting entity (organisation/company), the name and contact details of the person responsible for filling in this survey and the period for which reporting is made.

For checking purposes, you are required to indicate the completed forms submitted for the reference month.

If there are no amounts to be reported please tick (✓) the appropriate box **only**.

### 2. SECURITIES HOLDINGS REPORTING FORMS: Forms MS1 and MS2

Securities Holdings Report covers investment by residents in securities (issued by resident and **unrelated** non-residents), and includes equity, long-term debt securities, with an **original** term to maturity of more than one year; and short-term debt securities, with an **original** term to maturity of one year or less.

The following instructions should serve as guidance for completing the securities holdings report. The instructions are the same for reporting holdings of securities for own account (form MS1) and on behalf of clients (form MS2).

#### 2.1 REPORTING STRUCTURE

The reporting structure of the survey is based on reporting holdings on a security-by-security basis. When the official international security identification numbers (ISINs) are unavailable, additional data is required to be filled in the appropriate forms.

##### 2.1.1 Reporting on the basis of ISIN code

The reporting structure is based on reporting security-by-security identified by the intentional securities identification numbers. Further security classification is not required.

*ISIN* – International Security Identification Number

You must enter the security **ISIN code** used to identify the security reported. *These codes are required; if they are not available, additional data must be reported (see 2.1.2 below).*

*ISIN code*

*The ISIN (“international securities identification number”) code is a number that uniquely identifies each security and has been assigned, in accordance with international standards, by the competent authorities (national numbering agencies, e.g. stock exchanges) of the countries where the securities have been issued. The ISIN code consists of 12 characters, the first two of which are the code (ISO 3166) of the country of residence of the issuer in the case of equity securities, or of the country of the lead underwriter in the case of debt securities.*

Please use only official identification numbers. Do not use internally generated codes that have not been assigned by the recognised numbering agency.

- **STOCK AS AT THE END OF THE REFERENCE MONTH**

NUMBER OF SECURITIES HELD

- For equity securities enter the number of shares held. In the case of units of mutual funds, report the number of units held rounded to the nearest unit.

- For debt securities, the nominal/face value held should be recorded. If a debt security is traded in units then calculate the face value as: (face value of each unit)\* (the number of units held) and report the result in this field.

VALUATION OF POSITIONS

Portfolio securities should be recorded on the basis of market values at the reference date (end of respective month). All amounts should be reported in the Euros.

**Market valuation**

All holdings must be reported on the basis of market value of the security, namely the price quoted on an organized market. If no market prices are available, the value of the securities must be reported using one of the valuation methods stated below, according to the type of the security.

Holdings of **equity securities** should be reported at **market value**.

- For enterprises listed on a stock exchange, the market value of your holding of their equity securities should be calculated using the market price on their main stock exchange prevailing at the close of business on the last day of the reference month.
- For equities not quoted on stock exchanges or not regularly traded and a market value is not available at the close of business on the last day of the reference month, estimate the market value of your holding of equity securities by using either prices of comparable quoted shares or theoretical prices derived from enterprises' net asset value.

**Debt securities** should be recorded using one of the valuation methods listed below *in order of preference*.

- Use of a quoted traded market price at the close of business on the last day of the reference month;
- the net present value of the expected stream of future payments/receipts associated with the securities;
- for unlisted securities, use of the price used to value securities for accounting or regulatory purposes etc;
- for deep discount or zero coupon securities, use of the issue price plus amortisation of the discount **or**
- for debt instruments issued at a premium, use of the issue price less the amortisation of the premium.

Amounts must be stated excluding commissions and/or brokerage charges.

- **STOCK AS AT THE END OF THE PREVIOUS MONTH**

This column is compulsory **only** in the case:

- this is the first Securities Survey report submitted to the Central Bank of Cyprus.
- the reporting of the specific security holding changes over from reporting without ISIN code to reporting with ISIN code.

The number of shares (in units) in the case of equity securities and the nominal value in the case of debt securities, held as at the end of the preceding month, should be stated.

Further Notes:

When securities holdings are reported using ISIN codes, the following columns need **not** to be completed (these data will be derived by the CBC using the security codes):

- Name of security
- Country of non-resident issuer
- Security Type
- Currency of Issue
- Issuer Classification (ESA 95)
- Net market value of transactions during the reporting period.

For data reported using ISIN codes, the CBC will obtain the above information using a securities reference database. Net transactions will be estimated by the CBC, using data on valuation and other changes during the month per security. Do not replace/delete the zero value “0” in column “Net market value of transactions”, if ISIN is reported. This is necessary for automated processing by the Central Bank of Cyprus.

### **2.1.2 Reporting without using official ISIN codes**

When the reporting is not based on an official international security identification number, (e.g. the security is not quoted or no official ISIN is available), additional data must be reported in the appropriate fields.

Additional data to be completed when reporting **without ISIN codes**:

- **SECURITY TYPE:** Indicate the type of instrument according to the ESA 95 instrument classification that distinguishes debt securities by their original maturity, equity securities by whether they are quoted or not, and mutual funds. The full split of ESA 95 codes breakdown to be used is as follows:

Security Type	ESA 95 instrument classification
<b>Debt excluding financial derivatives</b>	
Short-term (up to 1 year)	F.331
Long-term (more than a year)	F.332
<b>Equity</b>	F.51
- quoted shares	F.511
- unquoted shares	F.512
- other equity	F.513
<b>Mutual Funds shares</b>	F.52

- **COUNTRY OF ISSUER-** geographical allocation principle

Investment in a security should be reported and classified to the country of residence of the issuer of the security (and not to the country of the market of issue or any other substitute for the country of issuer). Please note that, securities issued by international organisations, e.g EIB and IADB, should be shown under the separate code for the specific international organisation, not included under the country in which the organisation is located. A list of the relevant country codes (ISO) is enclosed (see annex 3.2).

- **CURRENCY OF DENOMINATION** - enter code according to annex 3.1.

- **ISSUER CLASSIFICATION ESA 95**

Please refer to attached list *ESA 95 Issuer Classification* (annex 3.4) for the appropriate code to be used that best describes the activity of the issuer of the security. Each of the sectors and sub-sectors groups together the institutional units, which have a similar type of economic activity. The (sub) categories should be provided according to the highest level of detail possible.

- **MARKET VALUE OF TRANSACTIONS DURING THE REPORTING PERIOD**

The transactions value during the month must be reported on a net basis (i.e purchases minus sales). Transactions should be valued at purchase or sale price on the transaction date, i.e. at the effective price paid or received less commissions and expenses. Net sales must be reported with a minus sign.

### **3. SECURITIES ISSUED REPORTING FORM: FORM MS3**

#### **Data on securities issued by the reporting entity**

“Form MS3” collects data on debt securities issued by the reporting entity. Securities issued by residents are classified as domestic issues, irrespective of the currency of denomination and the market of issue. Please report the required security attributes according to the descriptions outlined below.

**All monthly submissions should include outstanding securities as at the end of the reference month and new issues during the month.**

#### **3.1. SECURITY IDENTIFIERS**

- **SHORT NAME:** The short name of the security defined according to the characteristics of the issue.
- **ISIN CODE:** ISIN code of the security.

*ISIN* – International Security Identification Number

You must enter the security **ISIN code** used to identify the security reported. *These codes are required; if they are not available, alternative identifiers must be reported (see below).*

Please use only official identification numbers. Do not use internally generated codes that have not been assigned by the recognised numbering agency.

▪ *ALTERNATIVE SECURITIES IDENTIFIERS*

*Alternative securities identifier-Code*

Standardised (public or private) code(s) for the identification of the financial instrument should be provided in this field, e.g.

- CUSIP / SEDOL code
- Common code (Cedel, Euroclear)
- Identifiers provided by other sources (e.g. internal)

In cases where multiple codes are provided, the data should be separated from each other with a comma.

*Alternative securities identifier- Type*

Please indicate the type of the alternative security code(s) provided under “Alternative securities identifier-Code”, e.g. CUSIP, SEDOL.

In cases where multiple code types are provided, the data should be separated from each other with a comma.

***The provision of a security identification code (ISIN or alternative) is compulsory. If no “official” security identification number is available, please give an internally generated code or contact the Central Bank of Cyprus.***

### 3.2. GENERAL CHARACTERISTICS DESCRIBING SECURITIES

▪ *INSTRUMENT BREAKDOWN :*

Please indicate the type of debt instrument according to the ESA 95 instrument classification that distinguishes debt securities by their original maturity as follows:

Original Maturity	ESA 95 instrument
Short-term (up to 1 year)	F.331
Long-term (more than a year)	F.332

▪ *CURRENCY OF ISSUE:*

The currency of issue of a security is defined as the nominal currency of a security. Please specify the currency as defined according to the ISO 4217 standard classification that may be found in the *list of currencies* attached to this report.

▪ *ISSUE DATE* indicated in the dd/mm/yyyy format.

This is the date on which the coupon starts accruing and from which the income stream is calculated.

▪ *ISSUE PRICE:*

The issue price of the debt instrument should be *indicated as a percentage rate of the nominal value.*

- **AMOUNT ISSUED:**

Please enter the amount of this debt instrument that has been raised at issue (Nominal value). For a strip this column indicates the amount the coupon/principal has been stripped at. For a security issued in tranches this column indicates the cumulative amount issued. “Nominal currency” indicates the currency in which this amount should be given in.

- **AMOUNT OUTSTANDING:** Report the outstanding amount (in nominal value).

For securities issued in tranches this should indicate the cumulative amount issued to date net of redemptions.

- **MATURITY DATE:** Report the planned date of the final repayment amount at maturity, in the dd/mm/yyyy format.

### 3.3 REDEMPTION RELATED FIELDS:

- **REDEMPTION TYPE:** Report the redemption type using the following codes:

Code	Description
01	Perpetual
02	Bullet
11	Structured <sup>8</sup>
15	Serial <sup>9</sup>
16	Annuity
21	Index linked
31	At any time
41	Irregular
99	Other

- **REDEMPTION DATE:** Date on which the debt instrument is finally redeemed in the dd/mm/yyyy format.

- **REDEMPTIONS FREQUENCY:** Number of redemptions per year for a debt instrument, codified as follows:

Code	Description
00	Perpetual
01	Annual
02	Semiannual
03	Quarterly
04	Monthly
06	Biannually
09	Other regular timing
21	Irregular
31	On a specific schedule
41	One time only
51	Event linked
99	Other

<sup>8</sup> Structured redemption is used for debt securities with a combination of debt and equity features, such as the high yield bonds or convertible bonds, where the issuer has the option to redeem the bond in pre-define shares at a fixed conversion price.

<sup>9</sup> Serial redemption refers to a staggered redemption at pre-defined redemption dates using the serial numbers of the papers. From the investor’s perspective, the debt instrument resembles one which has an embedded partial call redemption option by the issuer, while from the issuer’s perspective it is a sinking fund provision.

- *REDEMPTION PRICE*: Final redemption price.
- *CURRENCY OF REDEMPTION*: ISO code of currency of the payment of the principal (see *list of currencies* attachment).

**COUPON RELATED FIELDS:**

- *COUPON TYPE*: Debt instruments must be classified according to their coupon as follows:

Coupon	Description
01	Fixed
02	Stepped
03	Floating
04	Zero Coupon
05	Index-Linked
99	Other

Note: Index-linked code is to be used only if payment flows (coupons) are linked to equity indices. If coupons are linked to other underlyings (e.g. FX rates, commodities, ratings, etc) please use the category "Other".

- *COUPON FREQUENCY*: Please use the following codes to indicate the number of coupons per year:

Code	Description
00	Zero coupon
01	Annual
02	Semiannual
04	Quarterly
06	Every two months
12	Every month
24	Fortnightly
97	Irregular coupon
98	Unknown
99	Other periodicity

- *COUPON RATE*: Current coupon annual rate. In cases of complex or changing calculations of annualised coupon, please provide this information on a best estimate basis.
- *COUPON CURRENCY*: ISO code of the coupon currency (annex 3.1).

**Element of the non-resident holding:**

Please provide the percentage element (%) of the total outstanding amount of the issue that is held by non-residents, e.g. 100 should be reported in the case the entire outstanding amount is being held by non-residents. In the case no actual data is available, please provide this information on the best estimate basis. An indication of the basis of reporting, i.e "A" for actual or "E" for estimated, should also be provided in the appropriate column.





**CENTRAL BANK OF CYPRUS**  
EUROSYSTEM

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**FINANCIAL DERIVATIVES SURVEY**

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## I. INTRODUCTION

### **Purpose of the Survey**

This survey aims at the collection of monthly data on derivatives contracts between residents of Cyprus and non-residents.

The data collected will be used for the compilation of the balance of payments and the international investment position of Cyprus in accordance with the methodology and degree of analysis defined by the International Monetary Fund (IMF), the Statistical Service of the European Commission (Eurostat) and the European Central Bank (ECB).

### **Who Must Report**

All entities that receive this survey and carry out transactions in financial derivatives, as debtors and/or creditors, with non residents must report.

### **Reporting Currency**

All amounts should be reported in the monetary unit of the Republic. Opening balances denominated in foreign currencies are to be converted at mid-market exchange rates prevailing at the beginning of the appropriate reporting period, and closing balances denominated in foreign currencies are to be converted at closing mid-market exchange rates at the end of the appropriate reporting period. Transactions denominated in foreign currencies are to be converted at actual rates on the date of transaction, or otherwise, at the average mid-market rate in the appropriate reporting period.

### **Individual Reporting**

Please check that there is no double counting or over recording within your company / group. For example, make sure that there is no consolidation of data of resident subsidiaries that may report separately to the Central Bank of Cyprus.

### **Insufficient space on the form**

When the space provided on a form is insufficient to permit a full answer, please insert new rows in the reporting spreadsheet forms.

### **Frequency of reporting and deadline for submission**

Please submit the survey reporting forms duly completed **no later than 10 working days** after the end of the reference month, to the Balance of Payments and General Economic Statistics Section of the Statistics Department of the Central Bank of Cyprus.

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## II. GENERAL INSTRUCTIONS ON REPORTING

This survey aims at the collection of monthly data on derivatives contracts between residents of Cyprus and non-residents.

Financial derivatives are financial instruments that are linked to a specific financial instrument, indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right.

Transactions in financial derivatives must be treated as separate transactions, rather than as integral parts of the value of the underlying transactions to which they may be linked. For practical reasons relating to measurement, *embedded derivatives*<sup>1</sup> should not be separately distinguished from the underlying instruments to which they are linked.

The information to be reported concerns both exchange-traded contracts and Over-The-Counter (OTC) contracts, irrespective of the nature of the underlying asset. In this context, the underlying value refers to a security, an index, a commodity or (other) financial instrument, the price of which determines the value of the contract.

All derivative contracts made with non-residents must be classified according to the contract type on the appropriate form.

**1. FORMS TO BE COMPLETED** - This survey consists of 5 forms. Please fill in the relevant forms according to the reporting instructions.

### GENERAL REPORTING FORM

**FORM DS1. Options sold to non-residents (Option-style margining)**

**FORM DS2: Options bought from non-residents (Option-style margining)**

**FORM DS3: Futures settled daily (including Future-style margining options)**

**FORM DS4: Other OTC derivatives**

Future-style margining

*Is the system where the changes in the value of the contract are settled daily.*

Option-style margining

*Is the system where the changes in the value of the contract are settled on expiry.*

### 2. GENERAL REPORTING STRUCTURE

#### Country of foreign counterparty

All forms require a breakdown by the country of residence of the counterparty. For financial derivatives traded in organised markets, report the country of the stock exchange on which the contract is traded. For non-exchange traded financial derivative, report the country in which the direct counterparty is resident. – Country code (annex 3.2).

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<sup>1</sup> An embedded derivative is not considered a financial derivative for balance of payments purposes. The instrument should be valued and classified according to its primary characteristics, e.g. a security or a loan, even though its value may be different due to the embedded derivative.

**Position at the beginning of the month/Position at the end of the month**

Positions at the beginning of the month must be reported on the basis of the market value i.e. price on the stock exchange. If no market price is available, other fair value methods such as options models or discounted present values may be used to value derivatives. Positions at the beginning of the month should agree with the positions at the end of the previous reporting month.

**Transactions**

All transactions must be stated at the current purchase/sales price. Amounts should be stated excluding any commissions, fees and charges.

Payment flows during the reporting month from contracts entered into with non-residents must be reported under the column 'Net Transactions'. Transactions include premiums paid and premiums received (non repayable margin payments) during the life of the contracts as well as net settlements between parties at the close of the contracts.

If a contract results in the delivery of the underlying item, the difference between the current market price of the underlying asset and the exercise price must be reported.

Net transactions should be reported; i.e. opposing payment flows (to/from foreign counterparties) are netted, and therefore the net amount paid or received should be included for the reporting month. A positive or a negative sign should be used according to the direction of the net payment i.e net inflow (+)/ net outflow (-).

**Other changes**

Other changes must state changes in the value of the derivative contracts during the month due to market price changes and exchange rate changes.

## II. FINANCIAL DERIVATIVES SURVEY FORMS

### GENERAL REPORTING FORM

#### IDENTIFICATION OF THE RESIDENT ENTITY

Name of resident entity:  
(as recorded in official registers)

Address:

Reference number  
of the resident entity:

*For a natural person, enter the identity card number of the person involved.  
For a legal entity, enter the company registration number assigned by the  
Registrar of Companies in Cyprus preceded by the appropriate letters:  
HE = Onshore limited company  
O = Overseas company  
P = Partnership  
EE = Business name  
For an entity not registered with the Registrar of Companies, please enter the  
Value Added Tax number of the entity, preceded by the letters VAT or the Social  
Insurance Number preceded by the letters SI.  
Once you enter this number here, it will automatically appear at the top right hand  
side of each form.*

Economic activity (NACE) code:

*Enter the four digit code that best describes the resident enterprise's main  
activity, on the basis of the NACE statistical classification (see annex 3.3). To  
be completed only if not previously communicated to the Central Bank or if it  
has changed from previous reporting.*

#### DETAILS OF THE PERSON RESPONSIBLE FOR FILLING IN THE FINANCIAL DERIVATIVES SURVEY/ REPRESENTATIVE

Name:

Name of  
employer:

Telephone  
number:

Mailing  
address:

Telefax  
number:

E-mail  
address:

## DETAILS OF CURRENT REPORTING

**Reporting period :**

Month	
Year	

**For checking purposes, please indicate the completed forms submitted for the reference quarter:**

- Form DS1       Form DS2  
 Form DS3       Form DS4

**In case your organisation/ company does not have any amounts to report, please tick (✓) this box**

**Please submit the completed reporting forms within 10 working days after the end of the reference month.**











## IV. NOTES FOR COMPLETING THE SURVEY FORMS

### GENERAL REPORTING FORM

Completion of this form is compulsory by all entities to which this survey is addressed to. It requires general information on the resident reporting entity (organisation/company), the name and contact details of the person responsible for filling in this survey and the period for which reporting is made.

For checking purposes, you are required to indicate the completed forms submitted for the reference month.

If there are no amounts to be reported please tick (✓) the appropriate box **only**.

### **FORMS DS1 AND DS2**

#### **Options sold to/ bought from non-residents with option-style margining.**

An option is an instrument that gives the purchaser the right, but not the obligation, to buy or sell a specific amount of a particular financial instrument or commodity from/to the writer (seller) of the option within a given period, or at some future time, at a specified price. Options can be either exchange traded or over-the-counter (OTC) instruments.

Option-style margining is the system where the changes in the value of the contract are settled on expiry.

#### **FORM DS1. Options sold to non-residents (*Option-style margining*)**

Form DS1 must be used to report all options written/sold during the reporting month to a non-resident, and are settled only on expiry. A written/sold option may be a call option (entailing the obligation to sell the underlying asset if the buyer of the option chooses to exercise the option) or a put option (entailing the obligation to buy the underlying asset if the buyer chooses to exercise the option). The form should be used for both exchange traded and non-exchange traded (OTC) options.

#### **FORM DS2: Options bought from non-residents (*Option-style margining*)**

Form DS2 must be used to report all options bought during the reporting month from a non-resident. A purchased option may be a call option (entailing the right, but not the obligation, to buy the underlying asset) or a put option (entailing the right, but not the obligation to sell the underlying asset). The form should be used for both exchange traded and non-exchange traded (OTC) options.

### REPORTING DATA ON FORMS DS1 AND DS2

Position at the beginning of the month must agree with the positions at the end of the previous month.

Transactions must include premiums paid and premiums received as well as any net settlements received/paid at the close of contracts on exercise of the option.

#### *Treatment of premiums payable*

The buyer of an option pays a premium (option price) to the seller in return for the right acquired. The full price of the premium should be recorded under transactions, in the reporting month that is receivable/payable.

#### *Treatment of initial margins*

Initial margin payments related to option contracts are repayable to the payer and should therefore not be regarded as transactions in derivatives. These should be recorded as transactions under other investment<sup>2</sup> (annex 1.4).

#### *Settlement of options*

At the close of the contract, when the option is settled, the value of the option (difference between the underlying market price and the strike price) should be reported under *transactions*.

If a bought option is sold before it expires, the selling price should be reported as a premium received under options bought (DS2). If a sold (written) option is bought before it expires, the purchase price should be reported as a premium paid under sold options (SD1).

All settlement transactions should be reported at the settlement price, excluding any commission, service and brokerage fees.

Other changes must state changes in the value of the options due to market price changes and exchange rate changes. The residual value of a position may also be stated here, i.e. any profit or loss at settlement and delivery of the underlying value (with the position at the end of the month reduced to zero).

Changes can be reported as an increase or a decrease of a position. Changes leading to an increase in the value should be reported with a positive sign (+), while changes leading to a decrease should be reported with a minus sign (-).

Position at the end of the period must be stated on the basis of closing prices at the last date of trading in the reporting month. If no market price is available, the price may be determined on the basis of a generally accepted model such as the Black-Scholes formula.

### **FORM DS3**

#### **Futures with daily settlements of changes in value (including future-style margining options)**

Form DS3 must be used to report futures and options concluded on foreign stock exchanges that are subject to 'future-style margining'.

A futures contract is a form of forward contract in that it conveys the obligation to purchase or sell a specific quantity of an asset at a set price on a fixed future date. The terms of the contract are standardised. Futures contracts are marked-to-market daily.

Future-style margining is the system where the changes in the value of the contract are settled daily.

#### **REPORTING DATA ON FORM DS3**

Only the net transactions (variation margins paid and variation margins received) need to be reported for these contracts.

- At the start of the contract, no transaction is to be recorded
- Futures style variation margin payments that are made during the life of the contract with a non-resident counterparty, are non-repayable and should be recorded as transactions (amounts paid or received during the period should be recorded).
- The initial margin payments, which are repayable, should not be recorded (should be recorded as transactions in 'other investment').
- Market values of futures with daily margining, are close to zero at the end of each day, and thus should not be reported.

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<sup>2</sup> Initial repayable margins should be treated as transactions in deposits in the balance of payments "Other Investment Survey".

## **FORM DS4**

### **Other OTC derivatives (incl. forward contracts, interest rate swaps and forward rate agreements)**

Form DS4 must be used to report OTC derivatives excluding OTC options (reported on forms DS1 and DS2)

A forward contract is an agreement between two parties to purchase/sell something at a predetermined price at a later date. Forwards are always OTC contracts. Swaps are contractual agreements between two parties who agree to exchange sets of cash flows. Forward rate agreements (FRAs) are pure interest rate forward contracts.

Swaps, forwards and FRAs are instruments the value of which can switch from positive to negative and vice versa throughout the life of the contract.

### **REPORTING DATA ON FORM DS4**

Positions at the beginning and end of the month must be stated, broken down into contracts with positive market values and contracts with negative market values. The positions at the beginning of the month should correspond with the positions at the end of the preceding month.

The sum of the values of contracts with positive market values should be entered as *assets*, while the sum of the values of contracts with negative market values must be recorded as *liabilities*.

*Assets: The sum of the values of contracts with positive market values at the beginning/ end of the month.*

*Liabilities: The sum of the values of contracts with negative market values at the beginning/ end of the month.*

The market value of a contract is positive when the non-resident counterparty has a net payment liability to the resident reporting entity if the contract would be settled immediately, i.e. at the end of the reference month. The market value of the contract is negative when the resident reporting entity has a net payment liability to the non-resident counterparty.

The creation of interest rate swaps and FRA contracts normally requires no entries as there is no exchange of value at *inception*. Net cash settlement payments for interest rate swaps and FRAs should be classified as transactions in the financial derivative.

#### Transactions

Interest payments and receipts relating to FRAs, interest rate swaps and cross-currency interest rate swaps must be stated under *transactions*. For forward contracts, the difference between the agreed contract price and the market price at the close of the contract should be reposted under transactions. Transactions need not be broken down into contracts with positive value and contracts with negative value. Transactions should be reported on a net basis, i.e. net inflows (+)/ net outflows (-).

Other changes must state changes in the value of the contract due to market price changes and exchange rate changes. The residual value of a position may also be stated here i.e. any profit or loss at settlement and delivery of the underlying value.

Please note that, *other changes* must be reported as an increase or a decrease of the net position (assets minus liabilities), in order for the reconciliation adjustment of positions and transactions to hold.

#### *Reconciliation:*

Net position at the beginning of the month (assets minus liabilities)  
- Net transactions (inflows minus outflows)  
+ Other changes  
= Net position (assets minus liabilities) at the end of the month.

More specifically, any changes leading to an increase in the net asset (assets > liabilities) position, or to a decrease in the net liability (liabilities > assets) position, must be reported with a positive sign. Any changes leading to an increase in a net liability position or a decrease in a net asset position should be reported with a negative sign.



**CENTRAL BANK OF CYPRUS**  
EUROSYSTEM

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**SURVEY ON OTHER INVESTMENT**  
**(BORROWING AND DEPOSITS OF RESIDENTS OF CYPRUS FROM / WITH NON RESIDENTS)**

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## I. INTRODUCTION

### 1. General Information

The data to be collected will be used for the compilation of the balance of payments, the external debt and the international investment position of Cyprus.

#### 1.(i) Survey on borrowing from non-residents

##### a) Purpose for the collection of data on borrowing

The purpose of this survey is to collect data relating to the borrowing of residents of Cyprus from non residents during the period under review. Any borrowing from non-residents with whom a direct investment relationship exists should not be reported.

##### b) Exception with regard to Foreign Direct Investment (FDI) relationships

Foreign Direct Investment is the investment whereby a resident of one country acquires at least 10% of the share capital of a non resident entity. It should be noted that any form of borrowing between such related companies/entities should not be reported under this survey, but it should be included under the FDI survey.

However, any lending between credit institutions and their branches, subsidiaries or related companies carried out through usual banking operations between such companies should be reported.

##### c) Coverage of the survey

The survey covers all forms of borrowing (e.g. loans, current accounts, trade credits etc.) as at the end of the reference period irrespective of the currency in which the facility was granted. In addition to existing forms of borrowing, in cases where you are aware for any planned new borrowing from abroad that your company/organisation is considering for the next year, where known, please fill in the corresponding form.

#### 1.(ii) Survey on deposits with non-resident entities

##### a) Purpose for the collection of data on deposits

The purpose of this survey to collect data relating to the deposits maintained by residents of Cyprus, during the period under review, with non-resident credit institutions. The survey covers all forms of deposits irrespective of the currency in which the accounts were kept, as well as the working balances possibly kept with non-residents. Any deposits with non-resident credit institutions with which there is a direct investment should not be reported.

##### b) Exception with regard to Foreign Direct Investment (FDI) relationships

Foreign Direct Investment is the investment whereby a resident of one country acquires at least 10% of the share capital of a non resident entity. It should be noted that any form of deposits between such related companies/entities should not be reported under this survey, but it should be included under the FDI survey.

However, any deposits between credit institutions and their branches, subsidiaries or related companies carried out through usual banking operations between such companies should be reported.

##### c) Coverage of the survey

The survey covers all forms of deposits (including working balances) held by residents of Cyprus with non residents as at the end of the reference period.

### 2. Where is the survey addressed to?

The survey is addressed to all residents of Cyprus who have lent money to non residents or who have borrowed money from non residents (in any of the forms described in part III), and/or maintain deposits with non residents, or have deposits from non residents, and there is no direct investment relationship between the resident and the non resident counterparty. The said resident entities are under the obligation to report the required data when notified by the Central Bank. The definitions of resident and non resident are for statistical purposes only and may differ from other definitions, such as for income tax purposes.

### 3. Frequency of survey and deadlines

This survey will be carried out on a quarterly basis. The requested information must be submitted to the Central Bank of Cyprus within the deadline provided. In the case of this survey, the data should be submitted maximum within 40 working days after the end of the reference period.

Reporting Period.....

Ref. Number.....

## II. OTHER INVESTMENT SURVEY FORMS

### GENERAL REPORTING FORM

#### IDENTIFICATION OF THE RESIDENT BORROWER / DEPOSITOR

Name of resident entity:  
(as recorded in official registers)

Address:

Reference number  
of the resident entity:

*For a natural person, enter the identity card number of the person involved.  
For a legal entity, enter the company registration number assigned by the  
Registrar of Companies in Cyprus preceded by the appropriate letters:  
HE = Onshore limited company, O = Overseas company, P = Partnership,  
EE = Business name.  
For an entity not registered with the Registrar of Companies, please enter the  
Value Added Tax number of the entity, preceded by the letters VAT or the  
Social Insurance Number preceded by the letters SI.  
Once you enter this number here, it will automatically appear at the top right  
hand side of each form.*

Economic activity (NACE) code:

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*Enter the four digit code that best describes the resident enterprise's main  
activity, on the basis of the NACE statistical classification (see annex 3.3). To  
be completed only if not previously communicated to the Central Bank or if it  
has changed from previous reporting.*

#### DETAILS OF THE PERSON RESPONSIBLE FOR FILLING IN THE OTHER INVESTMENT SURVEY/ REPRESENTATIVE

Name:

Name of  
employer:

Telephone  
number:

Mailing  
address:

Telefax  
number:

E-mail  
address:

## DETAILS OF CURRENT REPORTING

**Reporting period :**

Quarter	
Year	

*Enter Q1 for Jan-March, Q2 for Apr-Jun, Q3 for Jul-Sep and Q4 for Oct-Dec and the respective year of reporting, e.g. period which covers data for the first quarter of 2006 should be stated as Q1 in the cell for "quarter" and 2006 in the cell for "year". It should be indicated at the top left hand side of each form.*

**For checking purposes, please indicate the completed forms submitted for the reference quarter:**

- Form G1       Form G2  
 Form D1       Form D2       Form D3       Form D4  
 Form F1       Form F2

**In case your organisation/ company does not have any amounts to report, please tick (✓) this box**

**Please submit the completed reporting forms within 40 working days after the end of the reference quarter.**









Reporting Period.....

Ref. Number.....

**FORM F1**

**TRANSACTIONS RELATING TO LOANS / CREDIT FACILITIES DURING THE REPORTING PERIOD**

Account reference number (as stated in form G1)	Currency of transaction (Currency) Code	Month of transaction	Disbursements (In original currency)	Repayments (In original currency)	Interest accruing for the reference period (In original currency) (*)
			Amount	Amount	Amount

Note:(\*) The interest accruing per month for the reference period for every loan / credit facility.









### III. NOTES FOR THE COMPLETION OF THE FORMS

The following instructions are provided to assist you for completing the attached questionnaire relating to the borrowing and deposits of residents of Cyprus from/with non residents. **Please note that in the cases of groups of companies, a separate questionnaire must be completed for each company and not one for the group as a whole.**

#### GENERAL REPORTING FORM

Completion of this form is compulsory by all entities to which this survey is addressed to. It requires general information on the resident reporting entity (organisation/company), the name and contact details of the person responsible for filling in this survey and the period for which reporting is made.

For checking purposes, you are required to indicate the completed forms submitted for the reference quarter.

If there are no amounts to be reported please tick (✓) the appropriate box **only**.

#### FORM G1 (GENERAL PART FOR BORROWING)

This form must be completed by all resident entities that had any form of borrowing with non residents. The following information should be provided:

- Name of the non resident lender
- Country of residence of the non-resident lender
- Business activity of the non-resident lender
- Account number of loan, current account etc.
- Currency (the original currency in which the facility was granted)
- Rate of interest (percentage or way of calculation)
- Initial maturity of loan
- Collateral (Only in cases of government guarantee)

**Please note that this form should be completed only once at the beginning for all existing forms of borrowing, and in the future for any new forms of borrowing.**

##### **Name of the non resident lender**

The full name of the organisation, company etc from whom the borrowing has been obtained should be provided.

##### **Country of residence of the non-resident lender**

For geographical allocation purposes, the various forms of borrowing should be recorded separately one by one, per lender on the basis of the country of residence of the lender. In the cases of borrowing from International Organisations (e.g. European Investment Bank) please give only the name of the organisation. In annex 3.2 the full list of countries and international organisations with their respective codes is provided for your assistance.

**Business activity of non-resident lender**

In this column, the business activity of the non resident lender is requested. Under business activity, it is clarified that the following types are included:

- Various credit institutions
  - Banks
  - Building societies
  - Insurance companies
  - Factoring companies
- Other financial companies
- International organisations (e.g. European Investment Bank, Council of Europe, etc.)
- Foreign governments
- Non financial companies

Please note that the non resident lender should not have any direct investment relationship with your organisation/company (see exceptions in part I above). In annex 3.3 the list with NACE activity codes is provided which includes the codes for some major categories of economic activity for your help.

**Account reference number**

In order to avoid double-counting, we ask for the account reference number for loans and overdrafts/current accounts with a credit balance (from the reporter's view). This number could be either the number assigned by the lender or a unique number given by the reporting entity. Either of the two is equally accepted.

**Currency**

Please indicate the original currency in which the borrowing has been obtained from the list of currencies provided in annex 3.1.

**Interest rate**

The interest rate of the facility, as indicated on the borrowing agreement (e.g. 7% fixed, floating (basic+margin 1,5%), LIBOR 3M (EUR)+0.75% etc) should be provided.

**Initial maturity of the facility**

In this case the initial maturity of the loan/credit facility is requested expressed in years in integer numbers (e.g. 2, 3, etc). In case the duration of the loan is e.g. 2½ years, the number 2 should be written in the years' column and 6 in the months' column. In cases of facilities with a duration less than or equal to one year, the duration should be expressed in months only.

**Existence of a government guarantee**

In those cases where the credit facility is secured with a government guarantee, please indicate so with letter (Y) in this column.

**Amounts**

For any form of borrowing as at the end of the reference period, the amounts to be reported should not include capitalised interest. In addition, where possible, the interest relating for the period under review, should be provided separately. **In particular, the interest to be reported should be the interest accrued for the period and not the amount actually paid.**

**Value**

In the cases of bank facilities (e.g. loans) the amounts to be reported should be the same as shown on the bank statements. In all other cases, the agreed value to be paid to your creditor should be reported. In the cases of new loans or rescheduling of existing facilities, to the extent possible, the amounts to be reported should exclude any commissions, study fees, monitoring fees etc.

**Syndicated loans**

In the cases of the existence of such loans, please mark with the letters (SL) in the account reference number column after the loan reference number.

## **FORM D1 (SHORT TERM BORROWING)**

**(For existing short-term borrowing with an original maturity equal to or less than one year)**

This form concerns all companies and organisations who had obtained short term borrowing from non residents. Short term borrowing refers to any form of borrowing with initial maturity of one year or less. The various forms include: loans, current accounts, trade credits etc., which must be repaid within a year from the date of issue.

**This category includes the following forms of borrowing:**

- Overdraft accounts
- Loans with initial maturity equal to or less than one year
- Trade credits and accounts payable within a year from their approval

**This category does not include:**

- Trade credits and accounts payable in more than one year
- Financial leasing
- Loans with initial maturity of more than one year

## **FORM D2 (LONG TERM BORROWING)**

**(For existing long-term borrowing with an original maturity of more than one year)**

This form is addressed to all companies and organisations who had obtained long term borrowing from non residents. Long-term borrowing refers to any form of borrowing with an initial maturity of more than one year. It includes: loans, current accounts, trade credits, accounts payable etc. The borrower must repay the facility within a period of more than one year from the date of issue.

**This category includes the following forms of borrowing:**

- Loans with initial maturity of more than one year
- Trade credits with initial maturity of more than one year
- Accounts payable with initial maturity of more than one year
- Financial leasing

**This category does not include:**

- Trade credits and accounts payable with initial maturity equal to or less than one year
- Overdraft accounts
- Loans with initial maturity equal to or less than one year

## **FORM D3 (PLANNED NEW BORROWING)**

**(For any planned new borrowing irrespective of maturity)**

This form relates to any planned new borrowing for the next year for the purpose of making better projections of the economy of Cyprus. Next year, means the year following the year in which this form is completed. The form should be completed where there is available information. In exceptional cases, where it will be necessary to obtain new facilities, the corresponding amounts could be given in forms D1 and D2 (as the case may be) in the next reference period. The explanations on how to fill in this form are the same with those provided in the case of form G1.

## **FORM F1 (TRANSACTIONS RELATING TO LOANS / CREDIT FACILITIES)**

In this form, all disbursements and repayments as well as the corresponding interest should be provided per loan / credit facility, separately for each month of the reference period. As far as the interest is concerned, in case the interest accruing is not available, estimates are acceptable.

## **FORM G2 (GENERAL PART FOR DEPOSITS)**

In this form, all types of deposits (e.g. time, sight, certificates of deposit etc) as well as any working balances accounts maintained with non-resident business contacts, banks and other institutions should be reported. The following information is to be provided for each type of deposit:

- Name of the non-resident deposit taking institution
- Country of residence of non-resident deposit taking institution
- Business activity of non-resident deposit taking institution
- Account number of deposit
- Currency (the original currency in which the deposit is maintained)
- Rate of interest (percentage or way of calculation)
- Balance of deposit at the end of the reporting period

Please note that the non-resident deposit-taking institution, should not have any direct investment relationship with your organisation/company (see exceptions given in part I above)

**Please note that this form should be completed only once at the beginning for all existing forms of deposits and in the future for any new forms of deposit.**

### **Name of the non resident deposit taking institution**

Please give the full name of the credit institutions at which the deposits are maintained.

### **Country of residence of the deposit taking institution**

For geographical allocation purposes, the various forms of deposits should be recorded separately one by one, per institution on the basis of the **country of residence of the institution**. In annex 3.2 the full list of countries and international organisations with their respective codes is provided for your assistance.

### **Business activity of non-resident lender**

The same instructions apply as in the case of borrowing from non residents. In annex 3.3 the list with NACE activity codes is provided which includes the codes for some major categories of economic activity for your help.

### **Account reference number**

In order to avoid double-counting, we ask for the account reference number for deposits and overdrafts/current accounts with a debit balance (from the reporter's view). This number could be either the number assigned by the deposit taking institution or a unique number given by the reporting entity. Either of the two is equally accepted.

### **Currency**

Please indicate the original currency in which the deposit is maintained from the list of currencies provided in annex 3.1.

### **Interest rate**

The same information should be provided as in the case of borrowing from non-residents.

### **Amounts -value**

For any form of deposit as at the end of the reference period, the amounts to be reported should not include capitalised interest. In addition, where possible, the interest relating for the whole period should be provided separately. In particular, the interest to be reported should include the interest accrued for the period and not the amount actually paid.

**Other clarifications**

**Bank deposits**

In this category, all usual types of deposits such as sight, time, savings, etc are included.

**Certificates of Deposits**

Certificates of deposits are in essence negotiable deposits which are usually in the form of bearer deposits. Their maturity can be anything between one month and seven years. These deposits are classified as portfolio investment and are beyond the scope of this survey, and they should be reported under the Securities survey. However, there is a small minority of such deposits which are not negotiable. In this case these deposits should be reported.

**Working balances**

Certain enterprises and institutions in their normal course of operations and in order to facilitate their receipts and payments from/to abroad, may maintain accounts in foreign currency either with banks or with companies and institutions with which they have transactions. The balances of these accounts should also be reported with the necessary explanations (i.e. whether they are debit of credit) from the reporter's point of view.

**FORM D4  
(BALANCES OF DEPOSITS)**

In this form, the balance of each deposit should be reported separately for each month of the reference period.

**FORM F2  
(TRANSACTIONS RELATING TO DEPOSITS)**

In this form, all deposits and withdrawals as well as the corresponding interest accruing should be provided per deposit separately for each month of the reference period. As far as the interest is concerned, in case the interest accruing is not available, estimates are acceptable.



**TERMS AND DEFINITIONS****ASSOCIATE COMPANY:**

Company A is an associate of enterprise N if

- i. N, owns directly, **between 10% and 50%** of the shareholders' or members' voting power in A (directly linked associate); or
- ii. other directly owned associates of N, own directly, more than 50% of the equity capital or voting rights of A (indirectly linked associate); or
- iii. other indirectly linked associates of N, own directly, more than 50% of the equity capital or voting rights of A.

**BOOK VALUE:**

This is the value at which equity or other capital asset or liability is recorded in the balance sheet of an entity. Book value can reflect one of the following valuation methods:

- Historical cost;
- Replacement cost;
- An interim adjusted price, which is not the current market price; or
- Current market price.

In the case of equity valuation, book value should be understood as the % of ownership of the direct investor times the value of the investment company based on its volume of own funds, which should be calculate as follows:

- Paid-up capital (net of own shares)
- All types of reserves (including shares premium accounts and investment grants)
- Net value of non-distributed profits and losses (including results for the current reporting period)

**BRANCH:**

A direct investment branch is an unincorporated enterprise in the host country that:

- is a permanent establishment or office of a foreign direct investor; or
- is an unincorporated partnership or joint venture between a foreign direct investor and third parties; or
- is land, structures (except those owned by foreign government entities), and immovable equipment and objects, in the host country, that are directly owned by a foreign resident; or
- is mobile equipment (such as ships, aircraft, gas and oil drilling rigs) that operates within an economy for at least one year if accounted for separately by the operator and is so recognised by the tax authorities. This is considered to be direct investment in a notional enterprise in the host country.

**COUNTRY OF RESIDENCE:**

1. In the case of real estate this is the country in which the asset is located.
2. In the case of non-resident equity investors, country of non-resident is the country of the non-resident investor, i.e. where the counter party is ordinarily domiciled. If there is doubt as to the country of domicile, then, as a general rule, the country of residence of any enterprise can be taken as where it is legally incorporated. In the absence of legal incorporation, the country where its centre of economic activity exists or where it is legally domiciled should be entered.
3. Securities which are categorised as assets are to be attributed to the country of residence of the issuer of the securities. Please note that the country of residence of the issuer may differ from the currency issue, the place of issue, or the country of the guarantor of the security.
4. Securities which are categorised as liabilities are to be attributed to the country of the beneficial owner of the securities.

If you have difficulties to attribute the country of the issuer of the securities, you may refer to the first two digits of the ISIN code, at least as far as the equity securities are concerned.

**CURRENT OPERATING PERFORMANCE CONCEPT (COPC):**

The application of this concept is one of the two main approaches to measuring earnings. When earnings are measured on the basis of this concept, such earnings consist of income from normal enterprise operations and do not include:

- Capital and exchange gains/losses, realised or unrealised (in particular dealing profits earned from capital gains on debt securities)
- Abnormal write-offs of bad debts and related provisions
- Revaluation gains/losses
- Extraordinary items

For further information on what is included/excluded from profit calculation based on this concept, please refer to the definition of Profit/Loss.



## **DEBT SECURITIES:**

Debt securities cover all tradable securities, excluding those classified as equity securities.

Debt securities cover:

- Bonds, debentures, notes, etc
- Money market or negotiable debt instruments
- Non participating preference shares

### ***Bonds and Notes:***

Bonds and notes usually give the holder the unconditional right to a fixed money income or contractually determined variable money income. With the exception of perpetual bonds, bonds and notes also provide the holder with the unconditional right to a fixed sum as a repayment of principal on a specified date or dates.

This type of instrument usually has a maturity of one year and over.

### ***Examples of bonds and notes Include:***

- Debentures
- Non participating preferred stocks or shares
- Convertible bonds
- Bonds with optional maturity dates
- Negotiable certificates of deposit with maturity of more than one year
- Dual currency bonds
- Zero coupon and other deep discounted bonds
- Index-linked securities (property index securities)
- Floating rate notes such as perpetual notes, variable rate notes etc
- Asset-backed securities, such as collateralised mortgage obligations and participation certificates
- Debt securities that have been **sold** under repurchase agreements
- Debt securities that have been **lent** under securities lending arrangement

### ***Exclude:***

- Derivative instruments
- Loans
- Trade credits and accounts receivable
- Long-term debt securities that have been **bought** under repurchase agreements
- Long-term debt securities that have been **acquired** under securities lending arrangement

### ***Money Market Instruments:***

Money market instruments generally give the holder the unconditional right to receive a stated, fixed sum of money on a specified date. These instruments usually are traded, at a discount, in organised markets; the discount is dependent upon the interest rate and the time remaining to maturity.

These instruments usually have a maturity of less than a year (in some markets up to two years), are typically “liquid”, and are traded in the money markets. Longer term tradable securities are classified under bonds and notes.

### ***Examples of money market instruments include:***

- Treasury bills and other short term tradable Government debt securities
- Commercial and financial paper
- Bankers’ acceptances
- Negotiable certificates of deposit (with original maturity of one year or less)
- Short-term notes issued under note issuance facilities
- Short-term debt securities that have been **sold** under repurchase agreements
- Short-term debt securities that have been **lent** under securities lending arrangement

## **DEPOSITS:**

Deposits comprise both transferable and other deposits between entities.

- The sub-category transferable deposits consists of all transactions in transferable deposits that is deposits (in national or in foreign currency) which are immediately convertible into currency or which are transferable by cheque, banker's order, debit entry or the like, both without any kind of significant restriction or penalty.
- The sub-category other deposits consists of all transactions in other deposits that is deposits (in national or in foreign currency) other than transferable deposits. Other deposits cannot be used to make payments at any time and they are not convertible into currency or transferable deposits without any kind of significant restriction or penalty.

Examples of what this sub-category includes are:

1. Time deposits. These deposits are not immediately disposable because they are subject to a fixed term or a period of prior notice before withdrawal.
2. Savings deposits, savings books, savings certificates or certificates of deposit all of which are not negotiable, or whose negotiability, while theoretically possible, is very restricted.
3. Deposits resulting from a savings scheme or contract. These deposits often involve an obligation on the part of the depositor to make regular payments over a given period, and the capital paid and interest accrued do not become available until a fixed term has elapsed.
4. Evidence of deposit issued by savings and loan associations, building societies, credit unions, and the like, sometimes called shares, which are legally, or in practice, redeemable on demand or at relatively short notice

#### **DIRECT INVESTMENT ENTERPRISE:**

A direct investment enterprise is an incorporated or unincorporated enterprise in which an investor resident in another economy owns directly 10 % or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise).

Direct investment enterprises comprise those entities that are directly owned by the direct investor and comprise:

- Subsidiaries (an enterprise in which a non resident investor owns more than 50%),
- Associates (an enterprise in which a non resident investor owns between 10% and 50%), and
- Branches (unincorporated enterprises wholly or jointly owned by a non resident investor).

Direct ownership of at least 10% of the ordinary shares of an entity or voting stock, is the first criterion for determining the existence of a direct investment relationship. When the 10 % ownership requirement for establishing a direct investment link with an enterprise is met, certain other enterprises, in which the first enterprise has  $\geq 50\%$  ownership, are also regarded as direct investment enterprises.

Hence the definition of direct investment enterprise extends to branches, subsidiaries of subsidiaries and subsidiaries of associates of the direct investor (so called indirectly owned direct investment enterprises).

#### **DIRECT INVESTMENT RELATIONSHIP:**

A direct investment relationship is created when a resident investor in one economy owns directly 10% or more of the ordinary shares or voting power for an incorporated enterprise, or the equivalent for an unincorporated enterprise, that is resident in another economy. The investor is designated as “direct investor” and the enterprise is referred to as “direct investment enterprise” or “affiliate enterprise” or “related enterprise”.

A direct investment relationship is also created when two entities are indirectly linked, through an intermediary entity in an ownership chain, which is an affiliate to the first and a holding of more than 50% to the other entity. This relationship can therefore extend to indirect relationships, such as subsidiaries of subsidiaries, subsidiaries of associates and subsidiaries of branches.

Direct investment enterprises that are considered to be in a direct investment relationship with a direct investor are also considered to be in a direct investment relationships with each other. Hence, sister companies are also in a direct investment relationship with each other.

#### **DIRECT INVESTOR:**

A direct investor is an individual, an incorporated or unincorporated public or private enterprise, a government, a group of related individuals, or a group of related incorporated and/or unincorporated enterprises that has a direct investment enterprise (that is, a subsidiary, associate or branch) operating in a country other than the country of residence of the foreign direct investor.

#### **DIVIDENDS:**

Dividends are the distribution of earnings allocated to shares and other forms of participation in the equity of incorporated private enterprises, co-operatives, and public corporations. These should be recorded on the date they are declared payable/receivable and at the time they are paid/received (**gross of any withholding taxes**).

##### ***Dividends paid/received:***

These are dividends actually paid/received during the reporting period, irrespective of the period they refer to.

##### ***Declared Dividends:***

These are dividends payable to/receivable from non-residents in the reporting period but not actually received/paid.

***Reinvested Dividends:***

These are dividends received in the form of equity, e.g. scrip dividends (as opposed to earnings not distributed) and should be shown as increases of equity liabilities/assets.

***Exceptional Dividends:***

These are very large amounts of dividends stemming from exceptional capital gains. These dividends should not be recorded under income but rather as withdrawals of capital i.e. separately under “other” decreases of equity liabilities/assets.

**EQUITY SECURITIES:**

Equity securities cover all instruments and records acknowledging, after the claims of all creditors have been met, claims to the residual values of incorporated enterprises. Shares, stocks, participation, or similar documents, such as depository receipts, usually denote ownership of equity. Shares in mutual funds and investment trusts also are included.

***Include in equities:***

- ordinary shares
- stocks
- participating preference shares
- depository receipts denoting ownership of equity securities issued
- shares/units in mutual funds and investment trusts
- equity securities that have been sold under repurchase agreements
- equity securities that have been lent under a securities lending arrangement

***Exclude from equities:***

- non-participating preference shares(include these instruments under bonds & notes)
- rights, options, warrants, and other derivative instruments
- equity securities that have been bought under repurchase agreements
- equity securities that have been acquired under a securities lending arrangement

**FINANCIAL DERIVATIVES:**

Financial derivatives are financial instruments that are linked to a specific financial instrument, indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. Transactions in financial derivatives are treated as separate transactions rather than as integral parts of the value of underlying transactions to which they may be linked.

**FINANCIAL INTERMEDIARY:**

For the purposes of balance of payments data, a financial intermediary is defined as being any:

- i. Other depository institution (bank, other than the central bank);
- ii. Other financial intermediary, except an insurance company and a pension fund; and
- iii. Financial auxiliary.

The definition would therefore include Special Purpose Enterprises (SPEs), whose sole function is financial intermediation, and enterprises such as security dealers, whose function is the provision of services auxiliary to financial intermediation.

For further information on the notional units included under each sector or sub-sector, please refer to Annex 3.4 (List of international sector codes).

**FINANCIAL LEASES:**

Financial leasing is an alternative form for acquiring fixed assets instead of the outright purchase. The financial leasing (loan) is created at the same time the lessee acquires the fixed asset. In order to classify a leasing transaction as a financial one, the lessee should undertake all the risks and benefits from the asset bought, the duration of the lease should cover all or the biggest part of the asset’s useful economic life and the lessee should have the option to purchase the asset by paying a small and typical amount.

**FOREIGN DIRECT INVESTMENT:**

A foreign direct investment (FDI) is considered to occur when an investor resident in one country acquires 10% or more of the equity capital (shares) of an enterprise in another country. The investor is then designated as “direct investor” and the enterprise is referred to as “direct investment enterprise” or “affiliate enterprise” or “related enterprise”. The acquisition by an investor resident in one country of less than 10% of the equity capital of an unrelated enterprise in another country is classified as portfolio investment and is not covered under FDI, but in the case of related entities, the investment is covered under FDI.

Direct investment usually occurs through the establishment of a branch or a new subsidiary company wholly or partly owned by the direct investor or through the purchase of part or the whole of an existing company. The term direct investment implies a long-term relationship between the investor and the affiliated company and a significant degree of influence or participation by the investor in the management of the company.

Not only the initial acquisition of 10% or more of the equity capital is classified as direct investment, but also other capital transactions between direct investors and affiliated entities, including subsequent increase in equity participation, partial or total liquidation of the direct investment, and loans granted by the direct investor to the related entities or vice versa.

However, in the case of resident financial intermediaries, only equity and permanent debt transactions carried out with their related financial intermediaries established abroad should be reported under the FDI survey. All other financial transactions carried out between themselves are reported under the “other investments” survey.

#### **HOLDING ENTITY:**

H is a holding entity of enterprise A if, and only if:

- i. H directly owns 10% or more of A’s equity share capital (directly linked holding entity); or
- ii. H directly owns more than 50% of the equity capital of A’s directly linked holding company (indirectly linked holding entity); or
- iii. H directly owns more than 50% of the equity capital of A’s indirectly linked holding company.

#### **INCOME ON DEBT:**

This consists of interest payable on inter-company debt (including debt securities and suppliers’ credits) to/from direct investors from/to associated enterprises abroad.

- Interest should be recorded on an accrual basis (that is, due/earned) for the relevant liabilities and assets under “Interest” columns.
- Accrued interest for each reporting period should be reported even if they are actually paid or added to the opening capital.
- Only interest pertaining to the reporting period is to be entered (i.e. the interest calculated on a daily basis is to be summed over the number of days in the reporting period).
- Interest should be recorded gross of any withholding taxes.

The treatment of interest, in connection with repo transactions, is explained on page 40, under repurchase agreements.

#### **ISIN CODE:**

The ISIN (international securities identification number) code is a number that uniquely identifies each security and has been assigned, in accordance with international standards, by the competent authorities (national numbering agencies, e.g. stock exchanges) of the countries where the securities have been issued. The ISIN code consists of 12 characters, the first two of which are the code (ISO 3166) of the country of residence of the issuer in the case of equity securities, or of the country of the lead underwriter in the case of debt securities.

#### **LOANS:**

Loans comprise those financial assets created through the direct lending of funds by a creditor (lender) to a debtor (borrower) through an arrangement in which the lender either receives no security evidencing the transaction or receives a non negotiable document or instrument. Included under loans are loans to finance trade, other loans and advances (including mortgages), and repurchasing agreements between related entities.

#### **MARKET PRICE:**

This is the amount of money that willing buyers would pay to acquire a financial asset from a willing seller. The use of market prices for the valuation of assets and liabilities is one of the key principles of balance of payments compilation.

#### **MATURITIES:**

- Assets and liabilities with original maturities of *more than 12 months* are classified as *long-term* assets and liabilities, as are assets and liabilities without fixed maturity.
- Assets and liabilities with original maturities of *less than 12 months* are classified as *short-term* assets and liabilities.

#### **OTHER INVESTMENT:**

Other investment is defined as a residual category that includes all financial transactions not covered in the direct investment, portfolio investment or financial derivatives categories. Other investment covers trade credits, loans, currency and deposits and other assets/other liabilities. It also encompasses the offsetting entries for accrued income on instruments classified under other investment.

**PERMANENT DEBT:**

Permanent debt refers to long term financing arrangements such as subordinated loan capital, or other long term non equity capital. (Note: In BOP statistics, permanent debt extended by one enterprise to another implies the creation of a direct investment relationship between the two enterprises.)

**PORTFOLIO INVESTMENT:**

Portfolio investment consists of transactions between residents and non-residents in securities usually traded in organised stock exchanges or money markets, unless they are categorised as foreign direct investment. Securities include shares (equity securities) as well as bonds, debentures, notes and money market instruments such as treasury bills (debt securities). Investment in such securities is classified as portfolio investment if the investor's participation in the equity (share) capital of the company in which he/she invests is less than 10%. If the investor's participation is 10% or more, the investment is classified as direct investment.

Financial derivatives as well as repurchase agreements and securities lending are excluded from portfolio investment.

**PROFIT/LOSS:**

Direct investment earnings are measured on the basis of current operating performance. Operational earnings represent income from normal operations of an enterprise and do not include any realised or unrealised holding (capital and exchange) gains or losses arising from valuation changes and write-offs. Therefore, Profit for Balance of Payments purposes broadly follows the same method of calculation as standard Profit & Loss statements for *Profit after tax, interest and depreciation*, before profit appropriation, and after taking into account the following inclusions/exclusions:

***Included in profit calculation:***

- Net interest income
- Income from shares in group companies
- Net fees and commissions
- Income from associated undertakings
- Administrative expenses
- Share in reinvested earnings of affiliates

***Excluded from profit calculation:***

- Capital and exchange gains/losses, realised or unrealised (in particular dealing profits earned from capital gains on debt securities)
- Abnormal write-offs of bad debts and related provisions
- Revaluation gains/losses
- Extraordinary items

**REINVESTED EARNINGS:**

Reinvested earnings are the earnings of subsidiaries and associates that are not distributed as dividends to direct investors, and earnings of branches and other unincorporated enterprises that are not remitted to direct investors.

**REPURCHASE AGREEMENT (repo):**

Is an arrangement involving the sale of securities at a specified price with a commitment to repurchase the same or similar securities at a fixed price on a specified future date or on demand. A reverse repo is the same transaction seen from the other side, that is, an agreement whereby a security is purchased at a specified price with a commitment to resell the same or similar securities at a fixed price on a specified future date or on demand.

***Securities (or stock or bond) lending arrangement***

Is an arrangement whereby the ownership of a security is transferred in return for collateral under the condition that the security or similar securities will revert to its original owner at a specified future date.

**SISTER COMPANY:**

Two companies are regarded as sister companies if they have the same parent company, without any other direct or indirect link between themselves.

### **SUBSIDIARY COMPANY:**

Company S is a subsidiary of enterprise N if, and only if:

1. enterprise N either
  - i. owns directly **more than 50%** of the shareholders' or members' voting power in S (directly linked subsidiary); or
  - ii. has the power to control the financial and operational decisions of S; or
  - iii. has the right to appoint or remove a majority of the members of S's administrative, management or supervisory body; or
2. other directly owned subsidiaries of N, own directly, **more than 50%** of the equity capital or voting rights of S (indirectly linked subsidiaries); or
3. other indirectly linked subsidiaries of N, own directly, **more than 50%** of the equity capital or voting rights of S

### **SYNDICATED LOAN:**

A very large loan made to one borrower by group of banks headed by one lead bank, which usually takes only a small percentage of the loan itself, syndicating the rest to other banks and financial institutions. The borrower can reserve the right to know the names of all members of the syndicate. A syndicated bank facility is usually a revolving one. There is only one loan agreement.

### **TRADE CREDITS:**

Trade credits consist of claims and liabilities arising from the direct extension of credit by suppliers and buyers (related entities) for transactions in goods and services and advance payments for work in progress (or to be undertaken) that is associated with such transactions. Funding provided by an enterprise other than the supplier for the purchasing of goods and services is generally regarded as a loan and not as trade credit.





CENTRAL BANK OF CYPRUS  
EUROSYSTEM

### LIST OF CURRENCY CODES

CURRENCY NAME	CODE
AFGHANI	AFA
ALGERIAN DINAR	DZD
ANDORIAN PESETA	ADP
ARGENTINE PESO	ARS
ARMENIAN DRAM	AMD
ARUBAN GUILDER	AWG
AUSTRALIA DOLLAR	AUD
AZERBAIJANIAN MANAT	AZM
BAHAMIAN DOLLAR	BSD
BAHRAINI DINAR	BHD
BALBOA	PAB
BARBADOS DOLLAR	BBD
BELARUSSIAN RUBLE	BYB
BELARUSSIAN RUBLE (NEW)	BYR
BELIZE DOLLAR	BZD
BERMUDIAN DOLLAR	BMD
BOLIVAR	VEB
BOLIVIANO	BOB
BRAZILIAN REAL	BRL
BRUNEI DOLLAR	BND
BULGARIAN LEVA	BGN
BURUNDI FRANC	BIF
CANADIAN DOLLAR	CAD
CAPE VERDE ESCUDO	CVE
CAYMAN ISLANDS DOLLAR	KYD
CEDI	GHC
CFA FRANC BCEAO	XOF
CFA FRANC BEAC	XAF
CFP FRANC	XPF
CHILEAN PESO	CLP
CHINESE YUAN RENMINBI	CNY
COLOMBIAN PESO	COP
COMORO FRANC	KMF
CONVERTIBLE MARKS	BAM
CORDOBA ORO	NIO

CURRENCY NAME	CODE
COSTA RICAN COLON	CRC
CUBAN PESO	CUP
CYPRUS POUND	CYP
CZECH KORUNA	CZK
DALASI	GMD
DANISH KRONE	DKK
DENAR	MKD
DJIBOUTI FRANC	DJF
DOBRA	STD
DOMINICAN PESO	DOP
DONG	VND
EAST CARIBBEAN DOLLAR	XCD
EGYPTIAN POUND	EGP
EL SALVATOR COLON	SVC
ESTONIAN KROON	EEK
ETHIOPIAN BIRR	ETB
EURO	EUR
FALKLAND ISLANDS POUND	FKP
FIJI DOLLAR	FJD
FRANC CONGOLAIS	CDF
GIBRALTAR POUND	GIP
GOURDE	HTG
GUARANI	PYG
GUINEA FRANC	GNF
GUINEA-BISSAU PESO	GWP
GUYANA DOLLAR	GYD
HONG KONG DOLLAR	HKD
HUNGARIAN FORINT	HUF
ICELAND KRONA	ISK
INDIAN RUPEE	INR
INDONESIAN RUPIAH	IDR
IRANIAN RIAL	IRR
IRAQI DINAR	IQD
ISRAELI SHEKEL	ILS
JAMAICAN DOLLAR	JMD
JORDANIAN DINAR	JOD
KENYAN SHILLING	KES
KINA	PGK
KIP	LAK
KOREAN WON (REPUBLIC)	KRW
KROATIAN KUNA	HRK

CURRENCY NAME	CODE
KUWAITI DINAR	KWD
KWACHA	MWK
KWACHA	ZMK
KWANZA	AOA
KYAT	MMK
LARI	GEL
LATVIAN LATS	LVL
LEBANESE POUND	LBP
LEK	ALL
LEMPIRA	HNL
LEONE	SLL
LEV	BGL
LIBERIAN DOLLAR	LRD
LIBYAN DINAR	LYD
LILANGENI	SZL
LITHUANIAN LITAS	LTL
LOTI	LSL
MALAGASY FRANC	MGF
MALAYSIAN RINGGIT	MYR
MALTESE LIRA	MTL
MANAT	TMM
MAURITIUS RUPEE	MUR
METICAL	MZM
MEXICAN PESO	MXN
MEXICAN UNIDAD DE INVERSION (UDI)	MXV
MOLDOVAN LEU	MDL
MOROCCAN DIRHAM	MAD
MVDOL	BOV
NAIRA	NGN
NAKFA	ERN
NAMIBIA DOLLAR	NAD
NEPALESE RUPEE	NPR
NETHERLANDS ANTILLIAN GUILDER	ANG
NEW DINAR	YUM
NEW TAIWAN DOLLAR	TWD
NEW ZEALAND DOLLAR	NZD
NGULTRUM	BTN
NORTH KOREAN WON	KPW
NORWEGIAN KRONE	NOK
NUEVO SOL	PEN
UGUIYA	MRO

CURRENCY NAME	CODE
PA'ANGA	TOP
PAKISTAN REPEE	PKR
PATACA	MOP
PESO URUGUAYO	UYU
PHILIPPINE PESO	PHP
POLISH (NEW) ZLOTY	PLN
POUND STERLING	GBP
PULA	BWP
QATARI RIAL	QAR
QUETZAL	GTQ
RAND	ZAR
RIAL OMANI	OMR
RIEL	KHR
ROMANIA LEU	ROL
ROUBLE (NEW)	RUB
RUFYAA	MVR
RUSSIAN ROUBLE	RUR
RWANDA FRANC	RWF
SAUDI RIYAL	SAR
SEYCHELLES RUBBE	SCR
SINGAPORE DOLLAR	SGD
SLOVAK KORUNA	SKK
SLOVENIAN TOLAR	SIT
SOLOMON ISLANDS DOLLAR	SBD
SOM	KGS
SOMALI SHILLING	SOS
SOMONI	TJS
SRI LANKA RUPEE	LKR
ST. HELENA POUND	SHP
SUDANESE DINAR	SDD
SURINAM GUILDER	SRG
SWEDISH KRONA	SEK
SWISS FRANC	CHF
SYRIAN POUND	SYP
TAJIK RUBLE	TJR
TAKA	BDT
TALA	WST
TANZANIAN SHILLING	TZS
TENGE	KZT
THAI BHAT	THB
TIMOR ESCUDO	TPE

CURRENCY NAME	CODE
TRINIDAD AND TOBAGO DOLLAR	TTD
TUGRIK	MNT
TUNISIAN DINAR	TND
TURKISH LIRA	TRL
UAE DIRHAM	AED
UGANDA SHILLING	UGX
UKRAINIAN HRVYVNIA	UAH
UNIDADES DE FOMENTO	CLF
US DOLLAR	USD
UZBEKISTAN SUM	UZS
VATU	VUV
YEMENI RIAL	YER
YEN	JPY
ZIMBABWE DOLLAR	ZWD



CENTRAL BANK OF CYPRUS  
EUROSYSTEM

## LIST OF COUNTRY CODES

COUNTRY NAME	CODE
AFGHANISTAN	AF
ÅLAND ISLANDS	AX
ALBANIA	AL
ALGERIA (El Djazair)	DZ
AMERICAN SAMOA	AS
ANDORRA	AD
ANGOLA	AO
ANGUILLA	AI
ANTARCTICA	AQ
ANTIGUA AND BARBUDA	AG
ARGENTINA	AR
ARMENIA	AM
ARUBA	AW
ASCENSION ISLAND	AC
AUSTRALIA	AU
AUSTRIA	AT
AZERBAIJAN	AZ
BAHAMAS	BS
BAHRAIN	BH
BANGLADESH	BD
BARBADOS	BB
BELARUS	BY
BELGIUM	BE
BELIZE	BZ
BENIN	BJ
BERMUDA	BM
BHUTAN	BT
BOLIVIA	BO
BOSNIA AND HERZEGOVINA	BA
BOTSWANA	BW
BOUVET ISLAND	BV
BRAZIL	BR

COUNTRY NAME	CODE
BRITISH INDIAN OCEAN TERRITORY	IO
BRUNEI DARUSSALAM	BN
BULGARIA	BG
BURKINA FASO	BF
BURUNDI	BI
CAMBODIA	KH
CAMEROON	CM
CANADA	CA
CAPE VERDE	CV
CAYMAN ISLANDS	KY
CENTRAL AFRICAN REPUBLIC	CF
CHAD (Tchad)	TD
CHILE	CL
CHINA	CN
CHRISTMAS ISLAND	CX
COCOS (KEELING) ISLANDS	CC
COLOMBIA	CO
COMOROS	KM
CONGO, REPUBLIC OF	CG
CONGO, THE DEMOCRATIC REPUBLIC OF THE (formerly Zaire)	CD
COOK ISLANDS	CK
COSTA RICA	CR
CÔTE D'IVOIRE (Ivory Coast)	CI
CROATIA (Hrvatska)	HR
CUBA	CU
CYPRUS	CY
CZECH REPUBLIC	CZ
DENMARK	DK
DJIBOUTI	DJ
DOMINICA	DM
DOMINICAN REPUBLIC	DO
ECUADOR	EC
EGYPT	EG
EL SALVADOR	SV
EQUATORIAL GUINEA	GO
ERITREA	ER

COUNTRY NAME	CODE
ESTONIA	EE
ETHIOPIA	ET
FAEROE ISLANDS	FO
FALKLAND ISLANDS (MALVINAS)	FK
FIJI	FJ
FINLAND	FI
FRANCE	FR
FRENCH GUIANA	GF
FRENCH POLYNESIA	PF
FRENCH SOUTHERN TERRITORIES	TF
GABON	GA
GAMBIA, THE	GM
GAMBIA, THE	GM
GEORGIA	GE
GERMANY (Deutschland)	DE
GHANA	GH
GIBRALTAR	GI
GREAT BRITAIN	GB
GREECE	GR
GREENLAND	GL
GRENADA	GD
GUADELOUPE	GP
GUAM	GU
GUATEMALA	GT
GUERNSEY	GG
GUINEA	GN
GUINEA-BISSAU	GW
GUYANA	GY
HAITI	HT
HEARD ISLAND AND MCDONALD ISLANDS	HM
HONDURAS	HN
HONG KONG (Special Administrative Region of China)	HK
HUNGARY	HU
ICELAND	IS
INDIA	IN



COUNTRY NAME	CODE
INDONESIA	ID
IRAN (Islamic Republic of Iran)	IR
IRAQ	IO
IRELAND	IE
ISLE OF MAN	IM
ISRAEL	IL
ITALY	IT
JAMAICA	JM
JAPAN	JP
JERSEY	JE
JORDAN (Hashemite Kingdom of Jordan)	JO
KAZAKHSTAN	KZ
KENYA	KE
KIRIBATI	KI
KOREA (Democratic Peoples Republic of [North] Korea)	KP
KOREA (Republic of [South] Korea)	KR
KUWAIT	KW
KYRGYZSTAN	KG
LAO PEOPLE'S DEMOCRATIC REPUBLIC	LA
LATVIA	LV
LEBANON	LB
LESOTHO	LS
LIBERIA	LR
LIBYA (Libyan Arab Jamahirva)	LY
LIECHTENSTEIN (Fürstentum Liechtenstein)	LI
LITHUANIA	LT
LUXEMBOURG	LU
MACAO (Special Administrative Region of China)	MO
MACEDONIA (Former Yugoslav Republic of	MK
MADAGASCAR	MG
MALAWI	MW
MALAYSIA	MY
MALDIVES	MV
MALI	ML
MALTA	MT
MARSHALL ISLANDS	MH

COUNTRY NAME	CODE
MARTINIQUE	MO
MAURITANIA	MR
MAURITIUS	MU
MAYOTTE	YT
MEXICO	MX
MICRONESIA (Federated States of Micronesia)	FM
MOLDOVA	MD
MONACO	MC
MONGOLIA	MN
MONTSERRAT	MS
MOROCCO	MA
MOZAMBIQUE (Mocambique)	MZ
MYANMAR (formerly Burma)	MM
NAMIBIA	NA
NAURU	NR
NEPAL	NP
NETHERLANDS	NL
NETHERLANDS ANTILLES	AN
NEW CALEDONIA	NC
NEW ZEALAND	NZ
NICARAGUA	NI
NIGER	NE
NIGERIA	NG
NIUE	NU
NORFOLK ISLAND	NF
NORTHERN MARIANA ISLANDS	MP
NORWAY	NO
OMAN	OM
PAKISTAN	PK
PALAU	PW
PALESTINIAN TERRITORIES	PS
PANAMA	PA
PAPUA NEW GUINEA	PG
PARAGUAY	PY
PERU	PE
PHILIPPINES	PH

COUNTRY NAME	CODE
PITCAIRN	PN
POLAND	PL
PORTUGAL	PT
PUERTO RICO	PR
QATAR	QA
RÉUNION	RE
ROMANIA	RO
RUSSIAN FEDERATION	RU
RWANDA	RW
SAINT HELENA	SH
SAINT KITTS AND NEVIS	KN
SAINT LUCIA	LC
SAINT PIERRE AND MIQUELON	PM
SAINT VINCENT AND THE GRENADINES	VC
SAMOA (formerly Western Samoa)	WS
SAN MARINO (Republic of)	SM
SAO TOME AND PRINCIPE	ST
SAUDI ARABIA (Kingdom of Saudi Arabia)	SA
SENEGAL	SN
SERBIA AND MONTENEGRO (formerly	CS
SEYCHELLES	SC
SIERRA LEONE	SL
SINGAPORE	SG
SLOVAKIA (Slovak Republic)	SK
SLOVENIA	SI
SOLOMON ISLANDS	SB
SOMALIA	SO
SOUTH AFRICA (Zuid Afrika)	ZA
SOUTH GEORGIA AND THE SOUTH	GS
SPAIN (España)	ES
SRI LANKA	LK
SUDAN	SD
SURINAME	SR
SVALBARD AND JAN MAYEN	SJ
SWAZILAND	SZ
SWEDEN	SE

COUNTRY NAME	CODE
SWITZERLAND (Confederation of Helvetia)	CH
SYRIAN ARAB REPUBLIC	SY
TAIWAN ("Chinese Taipei" for IOC)	TW
TAJKISTAN	TJ
TANZANIA	TZ
THAILAND	TH
TIMOR-LESTE (formerly East Timor)	TL
TOGO	TG
TOKELAU	TK
TONGA	TO
TRINIDAD AND TOBAGO	TT
TUNISIA	TN
TURKEY	TR
TURKMENISTAN	TM
TURKS AND CAICOS ISLANDS	TC
TUVALU	TV
UGANDA	UG
UKRAINE	UA
UNITED ARAB EMIRATES	AE
UNITED KINGDOM (Great Britain)	GB
UNITED STATES	US
UNITED STATES MINOR OUTLYING ISLANDS	UM
URUGUAY	UY
UZBEKISTAN	UZ
VANUATU	VU
VATICAN CITY (Holy See)	VA
VENEZUELA	VE
VIET NAM	VN
VIRGIN ISLANDS, BRITISH	VG
VIRGIN ISLANDS, U.S.	VI
WALLIS AND FUTUNA	WF
WESTERN SAHARA (formerly Spanish Sahara)	EH
YEMEN (Arab Republic)	YE
YUGOSLAVIA (Federal Republic of)	YU
ZAMBIA	ZM
ZIMBABWE	ZW

## ***INTERNATIONAL ORGANISATIONS***

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1B	UNITED NATIONS ORGANISATIONS
4A	EUROPEAN UNION INSTITUTIONS, ORGANS AND ORGANISMS (EXCLUDING ECB)
4F	EUROPEAN CENTRAL BANK
5	OTHER INTERNATIONAL ORGANISATIONS
6	OTHER INTERNATIONAL ORGANISATIONS

## ***INTERNATIONAL ORGANISATIONS***

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### **1B United Nations Organisations**

- 1C IMF (International Monetary Fund)
- 1D WTO (World Trade Organisation)
- 1E IBRD (International Bank for Reconstruction and Development)
- 1F IDA (International Development Association)
- 1G Other UN Organisations
- 1H UNESCO (United Nations Educational, Scientific and Cultural organisation)
- 1J FAO (Food and Agriculture Organisation)
- 1K WHO (World Health Organisation)
- 1L IFAD (International Fund for Agricultural Development)
- 1M IFC (International Finance Corporation)
- 1N MIGA (Multilateral Investment Guarantee Agency)
- 1O UNICEF (United Nations Children's Fund)
- 1P UNHCR (United Nations High Commissioner for Refugees)
- 1Q UNRWA (United Nations Relief and Works Agency for Palestine)
- 1R IAEA (International Atomic Energy Agency)
- 1S ILO (International Labour Organisation)
- 1T ITU (International Telecommunication Union)

### **4A European Union Institutions, Organs and Organisms (excluding ECB)**

- 4B EMS (European Monetary System)
- 4C EIB (European Investment Bank)
- 4D EC (European Commission)
- 4E EDF (European Development Fund)
- 4G EIF (European Investment Fund)
- 4H ECSC (European Community of Steel and Coal)
- 4J Other European Union Institutions, Organs and Organisms covered by the General budget
- 4K European Parliament
- 4L European Council
- 4M Court of Justice
- 4N Court of Auditors

- 4P Economic and Social Committee
- 4Q Committee of Regions
- 4Z Other European Union Institutions, Organs and Organisms (excluding ECB)

#### **4F European Central Bank**

### **5 Other International Organisations**

- 5A OECD (Organisation for Economic Co-operation and Development)
- 5B BIS (Bank for International Settlements)
- 5C IADB (Inter-American Development Bank)
- 5D AfDB (African Development Bank)
- 5E AsDB (Asian Development Bank)
- 5F EBRD (European Bank for Reconstruction and Development)
- 5G IIC (Inter-American Investment Corporation)
- 5H NIB (Nordic Investment Bank)
- 5J IBEC (International Bank for Economic Co-operation)
- 5K IIB (International Investment Bank)
- 5L CDB (Caribbean Development Bank)
- 5M AMF (Arab Monetary Fund)
- 5N BADEA (Banque arabe pour le développement économique en Afrique)
- 5P CASDB (Central African States' Development Bank)
- 5Q African Development Fund
- 5R Asian Development Fund
- 5S Fonds spécial unifié de développement
- 5T CABEI (Central American Bank for Economic Intergration)
- 5U ADC (Andean Development Corporation)

### **6 Other International Organisations**

- 6B NATO (North Atlantic Treaty Organisation)
- 6C Council of Europe
- 6D ICRC (International Committee of the Red Cross)
- 6E ESA (European Space Agency)
- 6F EPO (European Patent Office)
- 6G EUROCONTROL (European Organisation for the Safety of Air Navigation)
- 6H EUTELSAT (European Telecommunications Satellite Organisation)
- 6J INTELSAT (International Telecommunication Satellite Organisation)
- 6K EBU/UER (European Broadcasting Union/Union européenne de radio-télévision)
- 6L EUMETSAT (European Organisation for the Exploitation of Meteorological Satellites)
- 6M ESO (European Southern Observatory)
- 6N ECMWF (European Centre for Medium-Range Weather Forecasts)
- 6O EMBL (European Molecular Biology Laboratory)
- 6P CERN (European Organisation for Nuclear Research)
- 6Q IOM (International Organisation for Migration)
- 6Y Other International Organisations (financial institutions)
- 6Z Other International Organisations (non-financial institutions)

**LIST OF ECONOMIC ACTIVITY CODES**

CODE	ECONOMIC ACTIVITY
<b>0595</b>	<b>AGRICULTURE, HUNTING, FISHING AND FORESTRY</b>
	<b>MINING AND QUARRYING</b>
1100	Extraction of petroleum and gas
1490	Mining and quarrying n.e.c.
	<b>MANUFACTURING</b>
1605	Food products, beverages and tobacco
1805	Textiles and wearing apparel
2205	Wood, paper products, publishing and printing
2300	Coke, refined petroleum products and nuclear fuel
2400	Chemicals and chemical products
2500	Rubber and plastic products
2805	Basic metals and fabricated metal products
2900	Machinery and equipment n.e.c.
3000	Office machinery and computers
3200	Radio, television, communication equipment and apparatus
3400	Motor vehicles and trailers
3500	Other transport equipment (motorcycles, bicycles, ships, aircraft, etc.)
3990	Manufacturing n.e.c.
<b>4195</b>	<b>ELECTRICITY, GAS AND WATER SUPPLY</b>
<b>4500</b>	<b>CONSTRUCTION</b>
	<b>TRADE AND REPAIRS</b>
5000	Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel
5100	Wholesale trade and commission trade (except of motor vehicles and motor cycles)
5200	Retail trade (except of motor vehicles and motor cycles) and repair of personal and household goods
<b>5500</b>	<b>HOTELS AND RESTAURANTS</b>
	<b>TRANSPORT, STORAGE AND COMMUNICATION</b>
6000	Land transport and transport via pipelines
6100	Water transport
6200	Air transport
6300	Supporting and auxiliary transport activities; activities of travel agencies
6410	Post and courier activities
6420	Telecommunications
	<b>FINANCIAL INTERMEDIATION</b>
6510	Monetary intermediation (banking institutions)
6520	Other financial intermediation (except insurance and pension funding)
6523	Other financial intermediation n.i.e. (e.g. Investment Funds)

6524	Financial holding companies
6600	Insurance and pension funding, except compulsory social security of which
6601	<i>Life insurance</i>
6602	<i>Pension funding</i>
6700	<b>Activities auxiliary to financial intermediation</b>
6710	<b>Administration of financial markets and security broking and fund management</b>
6720	Activities of insurance agents and of insurance risk and damage evaluators
	<b>REAL ESTATE ACTIVITIES</b>
7011	Development and selling of real estate
7012	Buying/Selling of own real estate
<b>7100</b>	<b>RENTING OF MACHINERY AND EQUIPMENT WITHOUT OPERATOR AND OF PERSONAL AND HOUSEHOLD GOODS</b>
	<b>COMPUTER AND RELATED ACTIVITIES</b>
7220	Software consultancy and supply
7260	Other computer related activities
<b>7300</b>	<b>RESEARCH AND DEVELOPMENT</b>
	<b>OTHER BUSINESS ACTIVITIES</b>
7411	Legal activities
7412	Accounting, bookkeeping and audit; tax consultancy
7413	Market research and public opinion polling
7414	Business and management consultancy activities
7415	Management activities of holding companies
7420	Architectural, engineering and other technical activities
7430	Technical testing and analysis
7440	Advertising
7450	Labour recruitment and provision of personnel
7460	Investigation and security activities
7470	Industrial cleaning
7484	Other business activities n.i.e.
<b>8000</b>	<b>EDUCATION</b>
<b>8500</b>	<b>HEALTH AND SOCIAL WORK</b>
<b>9000</b>	<b>SEWAGE AND REFUSE DISPOSAL</b>
<b>9100</b>	<b>ACTIVITIES OF MEMBERSHIP ORGANISATIONS RECREATIONAL, CULTURAL, SPORTING ACTIVITIES</b>
	of which:
9210	Motion picture and video activities
9220	Radio and television activities
9230	Other entertainment activities
9240	News agency activities
9250	Library, archives, museums and other cultural activities
9260	Sporting activities
9270	Other recreational activities
	<b>OTHER SERVICE ACTIVITIES</b>
9300	Not allocated





## LIST OF INSTITUTIONAL SECTOR CODES

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### Guidance Notes on the Classification of Institutional Units into Institutional Sectors and Sub-sectors in accordance with the European System of Accounts 1995 (ESA 95)

#### S.11 Non-Financial Corporations

This sector consists of independent legal entities which are market producers and whose principal activity is the **production of goods and non-financial services**. The institutional units included in this sector can take the following legal forms:

- a) private and public corporations, co-operative corporations and partnerships;
- b) public producers which by virtue of special legislation are recognised as independent legal entities and which are market producers e.g. certain semi-government organisations
- c) non-profit institutions or associations serving non-financial corporations; and
- d) holding corporations controlling a group of corporations whose predominant activity is the production of goods and non-financial services.

#### S.12 Financial Corporations

This sector consists of all corporations which are principally engaged in financial intermediation and/or in auxiliary financial activities.

***Financial intermediation*** is the activity in the context of which an institutional unit acquires financial assets and, at the same time incurs liabilities on its own account by engaging in financial transactions on the market. Through the financial intermediation process, funds are channeled between third parties with a surplus on one side and those with a lack of funds on the other. A ***financial intermediary*** does not simply act as an agent, but places itself at *risk* by acquiring financial assets and incurring liabilities on its own account. The assets and liabilities of the financial intermediaries have different characteristics, involving that the funds are

transformed or repackaged with respect to maturity, scale, risk and the like in the financial intermediation process.

*Auxiliary financial activities* are activities that facilitate financial intermediation. Financial auxiliaries do not set themselves at risk by acquiring financial assets or incurring liabilities.

## **S.122 Other Monetary Financial Institutions (MFIs)**

This sub-sector consists of all resident credit institutions and all other resident financial institutions the principal activity of which is to accept deposits and/or close substitutes for deposits from institutional units other than Monetary Financial Institutions (MFIs), and to grant credits and/or to make investments in securities for their own account (at least in economic terms) .

The following institutions should be classified in this sub-sector:

- a) credit institutions and electronic money institutions licensed by the CBC to carry on banking business under the provisions of the Banking Laws of 1997 to 2005;
- b) co-operative credit and savings societies licensed under the provisions of the Co-operative Societies Laws of 1985 to 2005;
- c) branches established in Cyprus by banks or electronic money institutions licensed in a EU Member State other than Cyprus under the freedom of establishment and without the need for a license to be granted by the CBC.
- d) Money Market Funds (MMFs) established in Cyprus. MMFs are defined as those collective investment institutions a) the units of which are, in terms of liquidity, close substitutes for deposits, and b) which primarily invest in money market instruments and/or in MMF shares/units and/or in other transferable debt instruments with a residual maturity of upto and including one year, and/or in bank deposits, and/or pursuing a rate of return that approaches the interest rates of money market instruments.

## **S.123 Other Financial Intermediaries, except Insurance Corporations and Pension Funds**

### **S.123.1 Investment Funds**

Investment funds consist of all collective investment undertakings investing in financial and non-financial assets to the extent that their sole objective is the investment of capital raised from the public. They include those undertakings the units/shares of which are, at the request of the holder, repurchased or redeemed directly or indirectly out of the undertaking's assets and those undertakings, the shares of which are fixed,

and the holders entering or leaving the fund have to buy or sell existing shares.

This sub-sector includes the Investment Companies authorised according to the Cyprus Securities and Stock Exchange Laws and Regulations, as well as the International Collective Investment Schemes constituted according to the International Collective Investments Schemes Law No 47(I) of 1999. Money Market Funds, as defined above should be classified in S.122.

## **S.123.2 Others**

This category covers all the remaining types of financial intermediaries, except insurance corporations and pension funds which were not classified in category S.123.1 and includes:

- a) **financial corporations engaged in lending.** Lending activity comprises financial leasing, hire purchase, factoring, mortgage lending, mutual guarantee, consumer lending and any other type of lending as defined according to EU and/or national regulatory provisions.
- b) **financial vehicle corporations** created to be holders of securitised assets. These undertakings predominantly carry out one or more securitisations, the structure of which serves to isolate the financial vehicle corporation and the credit risk of the originator from each other. Securitisation means a financial transaction or scheme involving the transfer of assets or of risks underlying assets to a financial vehicle corporation created to hold securitised assets and to issue securities.
- c) **financial holding corporations** which are principally engaged in controlling financial corporations or groups of subsidiary financial corporations and that are not conducting business of such financial corporations themselves. Control over a corporation is secured by owning more than half of the voting shares, or by controlling more than half of the shareholders' voting power, or by otherwise being able to determine the general corporate policy, or by controlling entities which control financial corporations or groups of subsidiary financial corporations.
- d) **security and derivative dealers trading on their own account.** This group consists of all investment firms which provide investment services for third parties by investing in securities on own account as their main business. Investment services are defined as follows: trading of new or outstanding financial instruments through the acquisition and sale of those financial instruments for the account and/or risk of the "security and derivative dealer" for the exclusive

purpose of benefiting from the margin between the acquisition and selling price; this also includes market making activities; and

e) **other** financial intermediaries, which may not be classified in the above categories, such as:

(i) specialised financial corporations e.g. venture and development capital companies and export/import financing companies; and

(ii) financial intermediary corporations which accept deposits and/or close substitutes for deposits only from MFIs;

## **S.124 Financial Auxiliaries**

This sub-sector consists of all financial corporations which are principally engaged in auxiliary financial activities i.e. activities closely related to financial intermediation but which are not financial intermediation themselves.

The following financial corporations should be classified in this sub-sector:

- a) insurance brokers, insurance and pension consultants;
- b) loan brokers, securities and derivatives brokers, and investment advisers e.g. Cypriot investment firms providing investment services, investment firms incorporated in a European Union Member State which are granted authorisation by the respective supervisory authority and provide services in Cyprus through a branch ;
- c) flotation corporations which manage the issue of securities;
- d) corporations whose principal function is to guarantee, by endorsement, bills and similar instruments;
- e) corporations which manage, without issuing, derivative and hedging instruments, such as currency or interest rate swaps, options and futures;
- f) supervisory authorities of financial intermediaries and financial markets when they are separate institutional units e.g. the Cyprus Securities and Exchange Commission;
- g) managers of pension funds, mutual funds etc;
- h) corporations providing stock exchange and insurance exchange services e.g. the Cyprus Stock Exchange;

- i) corporations providing infrastructure for financial markets; and
- j) non-profit institutions recognised as independent legal entities serving financial corporations, but not engaged in financial intermediation or auxiliary financial activities.

## **S.125 Insurance Corporations and Pension Funds**

This sub-sector consists of all financial corporations whose principal activity is financial intermediation as the consequence of the pooling of risks. The insurance contracts might relate to individuals and/or groups, irrespective of whether or not participation results from a general obligation imposed by the government.

### **S.125.1 Insurance Corporations**

This category includes insurance, captive insurance and reinsurance undertakings (irrespective of the types of risks they insure), established and authorised in Cyprus, including insurance or reinsurance undertakings established and authorized in an EU Member State, which operate in Cyprus under the freedom of establishment, and the Agricultural Insurance Organisation.

### **S.125.2 Pension Funds**

This category includes **pension funds**, **provident funds** and **medical funds**, which have autonomy of decision and keep a complete set of accounts and, which are, therefore institutional units. Non-autonomous pension funds are not institutional units and they remain part of the institutional unit that sets them up.

Pension funds may be described as institutions which insure group risks relating to social risks (e.g. sickness, old age, accidents at work, dependents, incapacitation, maternity, family) and needs of the insured persons. Typical groups of participants in such policies include employees of an enterprise or a group of enterprises, employees of a sector or an industry, and persons having the same profession. The benefits provided in the insurance contract might encompass benefits which are paid after death of the insured to his/her family (mainly death in service), benefits which are paid after the retirement and benefits which are paid after the insured became disabled.

## **S.13 General Government**

This sector consists of all institutional units which are other non-market producers i.e. their output is provided free of charge or at prices which are not economically significant, whose output is intended for individual and collective consumption and are mainly financed by compulsory payments

made by units belonging to other sectors, and/or institutional units principally engaged in the redistribution of national income and wealth.

### **S.1313 Local Government**

This sub-sector includes those types of public administration whose competence extends to only a local part of the economic territory. It comprises of the Local Authorities (municipalities) and the Community Councils.

### **S.14 Households**

This sector comprises individuals or groups of individuals in their capacity as **consumers** and possibly also as **entrepreneurs** producing market goods and non-financial and financial services. It also includes individuals or groups of individuals as producers of goods and non-financial services for exclusively **own final use**.

### **S.15 Non-Profit Institutions Serving Households (NPISHs)**

This sector consists of non-profit institutions which are separate legal entities providing **non-market** goods and services to households. Their principal source of income, apart from those derived from occasional sales, emanate from voluntary contributions in cash or in kind, from households in their capacity as consumers, from payments made by General Governments and from property income.

The NPISHs sector includes the following types of NPISHs that provide non-market goods and services to households:

- a) trade unions e.g. the Cyprus Union of Bank Employees (ETYK), the Cyprus Workers Confederation (SEK), the Pancyprian Federation of Labour (PEO), professional and scientific associations, consumers' associations, political parties, churches, convents, metropolis and religious societies, including those financed but not controlled by governments;
- b) social, cultural, recreational and sports clubs, societies, associations, groups, organisations and unions; and
- c) charities, relief and aid organisations financed by voluntary transfers in cash or in kind from other institutional units, including those serving non- resident units.