

# BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION STATISTICS

## ANNUAL QUESTIONNAIRES

The data being requested in this questionnaire is in terms of the Malta Statistics Authority Act 2000 and the Regulations of both the European Commission and the European Central Bank.

The Malta Statistics Authority Act guarantees the strict confidentiality of all information collected. The requirement of confidentiality also applies to all officials of the Central Bank of Malta delegated to assist the National Statistics Office in the compilation of balance of payments and the international investment position statistics.

The data is required to prepare statements on both Malta's Balance of Payments transactions as well as the international investment position.

### Guidelines

#### 1. Filing of Reports

Kindly send the completed form to the National Statistics Office, Lascaris, Valletta VLT 2000, within **the date stipulated in the covering letter**. For further assistance kindly contact us on **25997269**.

The reports may also be submitted electronically in the form or format set by the National Statistics Office; a copy of which may be downloaded from the official website at the following internet link:

[http://nso.gov.mt/en/nso/Sources\\_and\\_Methods/Unit\\_A3/Balance\\_of\\_Payments/Pages/Balance-of-Payments.aspx](http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A3/Balance_of_Payments/Pages/Balance-of-Payments.aspx)

#### 2. Reporting Entity

This report should be completed on a consolidated basis in respect of the enterprise named on the form and any of its subsidiaries in Malta. When consolidation is not

possible, the entity/ies that is/are not consolidated may be surveyed separately. The respondent is requested to provide the names of both the consolidated and unconsolidated companies on the first page of the survey form.

### 3. Residency concept

For balance of payments purposes, a resident is defined as any individual, enterprise or any other organisation that is ordinarily domiciled in Malta. Branches, subsidiaries and affiliates of non-resident enterprises domiciled in Malta are also regarded as residents of Malta. “Ordinarily domiciled” is defined according to whether the entity has a centre of economic interest in Malta, such as, for instance, when an enterprise engages in the production of goods and services.

A non-resident of Malta is any individual, enterprise, bank or other organisation that is ordinarily domiciled in a country other than Malta. Overseas branches and subsidiaries of Maltese enterprises/banks are regarded as non-residents.

### 4. Valuation and time of recording

#### *Recording of transactions – Accrual Basis*

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

Service transactions are to be recorded when the services are actually rendered (i.e. delivered or received); and not when payment is received/ paid.

Interest income is recorded on an accrual basis, while dividends are to be recorded as of the date on which the shares go ex-dividend (the date they are excluded from the market price of shares). Between the ex-dividend date and actual settlement, the amount payable is recorded as other accounts receivables/payables.

Taxes, fines and other forms of transfers to another non-resident party are to be recorded upon occurrence of the underlying transactions or other flows that give rise to claims and liabilities.

#### *Valuation of financial account transactions/positions*

##### Transactions

Financial account transactions are considered to have taken place when both the creditor and the debtor have recorded the claim and liability respectively in their books. In most transactions, the market price (almost) always corresponds with the agreed transaction price. **Transactions in foreign currency should be converted into Euro either using the official middle rate on the transaction day or the actual exchange rate used in the transaction.**

## Data on the reported position for equity and debt securities

### *Assets*

Investment in equity securities should be reported at market prices converted to Euro using the exchange rate prevailing at close of business on the last working day of the year.

### *Liabilities*

For enterprises listed on a stock exchange, the market value of the reporting enterprise's issue of equity securities should be calculated using the market prices prevailing on the respective stock exchange at the close of business on the last working day of the year.

For unlisted enterprises that are not in a position of quoting a market value for their equity issued capital, the respondent is requested to give an estimate by using one of the following methods:

- A recent transaction report;
- Director's valuation; or
- Net asset value. (Net asset value is equal to total assets, including intangibles, less non-equity liabilities and the paid-up value of non-voting shares. Assets and liabilities should be reported at current rather than at historical value).

### Debt securities

Any issue of debt securities should be recorded using one of the market valuation methods listed below (in descending order of preference) and converted to Euro using the exchange rate prevailing at the close of business on the last working day of the year.

A quoted, traded market price at the close of business on the last working day of the year;

- The present value of the expected stream of future payments/receipts associated with the securities;
- For unlisted securities, the price used to value securities for accounting or regulatory purposes etc;
- For discount or zero coupon securities, the issue prices plus the amortisation of the discount;
- For debt instruments issued at a premium, the issue price less the amortisation of the premium.

## 5. Structure of Questionnaire

The questionnaire collects information on balance of payments transactions and the external financial assets and liabilities of the reporting enterprise.

## Headings at the top of Part A and Part B

A	B	C	D	E	F	G	H	I	J	K	L
	Country	Sector of issuer	Opening Position	Net Transactions	Interest received/paid during the year	Interest accrued during the year	Market price changes	Exchange rate changes	Other Changes	Closing Position	Dividends received/paid

**In column B - Country** report the country of residence of the creditor or debtor, foreign counterpart or foreign direct investor. If the opening and closing positions for particular countries are less than €10,000, the amounts relating to these countries may be consolidated and attributed to the country having the largest amount.

**In column C - Sector of issuer** report the breakdown by the sector of issuer. This breakdown must be made using the following three-letter abbreviations in the sector of issuer column:

- **MON (Central bank).** The central bank is the financial institution (or institutions) that exercises control over key aspects of the financial system;
- **MFI (Deposit-taking corporations, except the central bank).** Deposit-taking corporations, except the central bank, have financial intermediation as their principal activity. To this end, they have liabilities in the form of deposits or financial instruments (such as short-term certificates of deposit) that are close substitutes for deposits;
- **MMF (Money-market funds).** MMFs are collective investment schemes that raise funds by issuing shares or units to the public. The proceeds are invested primarily in money market instruments, MMF shares and units, transferable debt instruments with a residual maturity of less than one year, bank deposits, and instruments that pursue a rate of return that approaches the interest rates of money market instruments. MMF shares can be transferred by cheque or other means of direct third-party payment;
- **GOV (General government).** Government units are unique kinds of legal entities established by political processes and have legislative, judicial, or executive authority over other institutional units within a given area;
- **FC (Financial corporations other than MFIs).** Financial corporations consist of all corporations and quasi-corporations that are principally engaged in providing financial services, including insurance and pension fund services, to other institutional units;
- **NFC (Non-financial corporations including households and non-profit institutions).** Non-financial corporations are corporations whose principal activity is the production of market goods or non-financial services. Also included under this category are households and non-profit institutions. The latter are mainly engaged in providing goods and services to households or the community at large free of charge or at prices that are not economically significant.

**In column D – Opening Position (including position of accrued interest)** report the opening position of the market value of the foreign financial claims and liabilities of the reporting enterprise and its domestic subsidiaries (if reported on a consolidated basis) at the beginning of the year. The opening position should agree with the closing position reported at the end of the preceding year.

Positions denominated in foreign currencies should be converted to Euro using the exchange rate prevailing **at the close of business on the last working day of the previous year**.

**In column E - Net transactions** report those transactions relating to the acquisition less disposal of the reporting enterprise's financial claims on and/or liabilities to non-residents. Examples of net transactions of assets or liabilities of the enterprise include:

- Increase in loans from non-residents less repayment;
- Increase less withdrawal in deposits held with foreign banks;
- Increase less repayment of payables
- Purchase less sale of the reporting enterprise's shares by non-residents.

**In column F - Interest received/paid during the course of the year** report interest actually received or paid. When interest matures and part of this interest is not received / paid, please record all the interest in Column G. However, report that part of interest not yet received under "*Other Assets (please specify)*" as "*interest arrears*", whereas report interest not yet paid under "*Other liabilities (please specify)*" as "*interest arrears*".

**In column G - Interest accrued during the course of the year** report interest still receivable or payable during the course of the year. Thus, in column G report:

- Interest due and not received – i.e. accrued interest receivable, which has not yet been debited to the relevant accounts.
- Interest accrued and unpaid – i.e. accrued interest payable, which has not yet been credited to the relevant accounts.

**In column H - Market price changes** report changes in the market value of the reported security. See note 4 on valuations.

**In column I - Exchange rate changes** report the impact on the stock of financial assets and liabilities due to changes in the exchange rate between the Euro and other currencies in which these assets and liabilities are denominated.

**In column J - Other changes** report all other differences in value relative to the data in the submitted report. In order to reduce the number of queries following the report submission, it is advisable to provide separate clarification for substantial amounts. Examples include reclassifications (such as from portfolio to direct investment when the 10 per cent equity holding is exceeded), unilateral cancellation of debt by a creditor, etc.

**In column K – Closing Position (including position of accrued interest)** report the market value of the claims and liabilities of the reporting enterprise at the end of the year.

**In column L - Dividends received/paid** report any dividends and remittances of profits earned from the ownership of stock (shares) or equivalent equity interest in/by enterprises. These amounts should be recorded on the basis of dividends actually received/paid from/to non-residents during the year. Any shares issued or received in payment of the dividend should be included as dividends and not as an increase in share capital. Moreover, Dividends should be reported gross of taxes on income.

## **PART A – ASSETS HELD WITH NON-RESIDENTS**

### **Total Equity**

When reporting share capital acquisitions, report any dividends received during the year from related parties in column L. Specify for each share capital acquisition whether the equity is listed on the Malta stock exchange, on the foreign stock exchange or unlisted. **Bonus shares should be excluded.**

**Row 1A “Share capital in subsidiaries and associates of 10% OR MORE voting power”** - refers to the holding of 10 per cent or more in any subsidiaries (including branches and other quasi-corporations), associates, and subsidiaries of associates, both immediate and indirect.

**Row 2A “Share capital in foreign fellow enterprises where parent company is Maltese”** - refers to the acquisition of equity in foreign fellow enterprises if parent company is resident in Malta.

**Row 3A “Share capital in foreign fellow enterprises where parent company is non-resident”** - refers to the acquisition of equity in foreign fellow enterprises if parent company is non-resident.

**Row 4A “Share capital in the foreign direct investor (reverse investment)”** - refers to the equity holding of less than 10 per cent by the local company in the foreign direct investor. **Reverse investment** arises when a direct investment enterprise lends funds to or acquires equity in its immediate or indirect investor, provided it does not own equity comprising 10 per cent or more of the voting power in that direct investor.

**Row 5A “Other equity invested directly abroad excluding equity securities in related companies”** includes equity securities invested **directly** abroad. Any equity securities invested through a local investment service provider should be **excluded**.

*Examples of what to include in equity securities are:*

- Ordinary shares;
- Participating preference shares;
- Depository receipts e.g. American depository receipts;
- Shares/units in mutual funds and investment trusts;
- Equity securities that have been lent under a securities lending arrangement.

*Exclusions include:*

- Non-participating preference shares;
- 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.

**Row 6A “Other Reinvested earnings abroad (including losses)”** comprises any undistributed profits and accumulated losses kept abroad.

**Row 7A “Equity Reserves or Share Premiums”** comprises any reserves or premiums forming part of equity. These should be reported separately here.

### **Loans**

**Row 8A “Loans to Foreign subsidiaries and associates”** refers to those financial assets created through the direct lending of funds (including financial leases) by the reporting enterprise (lender) to its subsidiaries and associates abroad (borrower) through an arrangement in which the lender either receives no security evidencing the transaction or receives a non-negotiable document or instrument.

**Row 9A “Loans to Foreign direct investor (foreign parent)”** – refers to financial assets created through the direct lending of funds (including financial leases) by the reporting enterprise (lender) to its foreign parent (borrower) through an arrangement in which the lender either receives no security evidencing the transaction or receives a non-negotiable document or instrument.

**Rows 10A and 11A “Loans to foreign fellow enterprises where parent company is Maltese” and “Loans to foreign fellow enterprises where parent company is non-resident”** - refer to financial assets created through the direct lending of funds (including financial leases) by the reporting enterprise (lender) to foreign enterprises that are under the control or influence of the same parent (borrower), through an arrangement in which the lender either receives no security evidencing the transaction or receives a non-negotiable document or instrument.

**Row 12A “Loans to other non-residents: long-term or/and short-term”** - reports those financial assets created through the direct lending of funds (including financial leases) by the reporting enterprise (lender) to other non-residents (borrower) through an arrangement in which the lender either receives no security evidencing the transaction or receives a non-negotiable document or instrument.

Under this item select long-term for loans with a maturity of one year or over and short-term for loans with a maturity of less than one year.

### **Receivables**

**Row 13A “Receivables from Foreign subsidiaries and associates”** – here report any receivables from subsidiaries and associates of the reporting enterprise.

There are three types of receivables that are applicable throughout the questionnaire:

- Prepayments by the reporting entity on imports by the non-resident entity – which are extinguished upon delivery of the goods or services;
- Trade credits extended on exports by the reporting entity – which are extinguished upon actual payment (post payment);
- Miscellaneous account receivables – which include wages and salaries outstanding, prepayments of insurance premiums, etc.

**Row 14A “Receivables from Foreign direct investor (foreign parent)”** – refers to any receivables from the foreign direct investor.

**Rows 15A and 16A “Receivables from Foreign fellow enterprises where parent company is Maltese” and “Receivables from Foreign fellow enterprises where parent company is non-resident”** – refer to any receivables from fellow enterprises

**Row 17A “Receivables from Other non-residents: long-term or/and short-term”** - includes receivables from other non-residents other than those reported under “trade credits and advances”. Under this item select long-term for receivables with a maturity of one year or over and short-term for receivables with a maturity of less than one year.

These include liabilities for taxes, purchase and sale of securities, securities lending fees, gold loan fees, wages, salaries, as well as dividends, and social contributions that have accrued but not yet been paid.

### **Other Assets**

**Row 18A “Trade credits and advances/ prepayments”** - consists of credit extended directly by the suppliers of goods and services to their customers. Trade credits arise when payment for goods or services is not made at the same time as the change in ownership of a good or provision of a service.

**Row 19A “Deposits held in foreign banks and other institutions abroad”** - includes all claims reflecting evidence of deposit other than transferable deposits. These include non-transferable savings deposits, time deposits and deposits in savings and loan associations, building societies, etc. These deposits are generally redeemable on demand or at a short notice but cannot be readily transferred to another party by way of cheque or similar payment order. Please exclude any negotiable certificates of deposit since these should be classified in row 20A.

**Row 20A “Debt securities: long-term or/and short-term”** - includes any long-term or/and short-term debt securities invested **directly** abroad. Any debt securities invested through a local investment service provider should be **excluded**. Debt securities 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 for long-term securities and a maturity of less than one year for short-term securities.

*Examples of long-term debt securities are:*

- Bonds such as treasury, zero coupon, deep-discounted, currency-linked, floating rate, convertible bonds and euro bonds;
- Asset-backed securities such as mortgage-backed bonds;
- Index-linked securities;
- Non-participating preference shares;
- Floating rate notes (FRN) such as variable rate notes (VRN), perpetual notes (PRN), etc.;
- Euro-medium term notes;
- Debentures;
- Negotiable certificates of deposit with contractual maturity of more than one year;
- Debt securities that have been lent under a securities lending arrangement.

*Exclusions include:*

- Derivative instruments;
- Loans;
- Trade credits and accounts receivable;
- Money market instruments with contractual maturity of one year or less;
- Debt securities that have been bought under repurchase agreements;
- Debt securities that have been acquired under a securities lending arrangement.

*Examples of short-term debt securities are:*

- Treasury bills/notes;
- Bankers' acceptances;
- Certificates of deposit with contractual maturity of one year or less;
- Commercial and financial paper;
- Promissory notes;
- Debt securities that have been lent under a securities lending arrangement;

*Exclusions include:*

- Bonds with optional maturity dates, the latest of which is more than one year after issue;
- Debentures;
- Negotiable certificates of deposit with contractual maturity of more than one year;
- Debt securities that have been bought under repurchase agreements;
- Debt securities that have been acquired under a securities lending arrangement;
- Derivative instruments;
- Loans;
- Trade credits and accounts receivable.
- Money market securities that have been sold under repurchase agreements should be excluded from this category and included under "Loans" in rows 6, 7, 8, 9, or 10. This comprises all debt paper with original maturity of less than or equal to one year; regardless of whether it gives a right to contractually agreed fixed or variable rate of interest.

**Row 21A "Financial Derivatives (other than reserves) and employee stock options"** - include options, forward type contracts, swap contracts, credit derivatives and margins. Also included are employee stock options.

**Row 22A "Other assets held abroad"** - includes any other assets not specified above.

## **PART B – LIABILITIES DUE TO NON-RESIDENTS**

### **Total Equity**

When reporting share capital, report any dividends paid during the year to related parties in column L. Specify for each share capital whether the equity is listed on the Malta stock exchange, on the foreign stock exchange or unlisted

**Row 1B “Share capital by foreign subsidiaries and associates of 10% OR MORE voting power”** - refers to the holding of 10 per cent or more by any subsidiaries (including branches and other quasi-corporations), associates, and subsidiaries of associates, both immediate and indirect.

**Row 2B “Share capital by foreign subsidiaries and associates of less than 10% (reverse investment)”** - refers to the equity holding of less than 10 per cent by the foreign subsidiaries and associates in the reporting entity

**Row 3B and 4B “Share capital by foreign fellow enterprises where parent company is Maltese” and “Share capital by foreign fellow enterprises if parent company is non-resident”**- refers to the acquisition of equity in Malta by fellow enterprises.

**Row 5B “Share capital of less than 10% excluding equity securities from related companies.”** - reports holdings of less than 10 per cent of ordinary shares held by a non-resident corporate or unincorporated body in the reporting enterprise excluding any share premiums. These are to be recorded separately in row 7B.

**Row 6B “Reinvested earnings by non-residents (including losses)”** - refers to foreign shareholders’ share of retained profits/accumulated losses and other reserves in the reporting entity.

**Row 7B “Equity Reserves or Share Premiums (please specify)”** – refers to any reserves or share premiums forming part of equity.

### **Loans**

**Row 8B “Loans from Foreign direct investor (foreign parent)”**- report those financial liabilities created through the direct borrowing of funds (including financial leases) by the reporting enterprise (borrower) from its foreign parent (lender) through an arrangement in which the lender either receives no security evidencing the transaction or receives a non-negotiable document or instrument.

**Row 9B “Loans from Foreign subsidiaries and associates”** - reports those financial liabilities created through the direct borrowing of funds (including financial leases) by the reporting enterprise (borrower) from its foreign subsidiaries and associates (lender).

**Row 10B and 11B “Loans from Foreign fellow enterprises if parent company is Maltese” and “Loans from Foreign fellow enterprises if parent company is non-**

**resident”** - reports those financial liabilities created through the direct borrowing of funds by the reporting enterprise (borrower) from foreign enterprises that are under the control or influence of the same parent (borrower).

**Row 12B “Other non-residents: long-term or/and short-term”** - reports those financial liabilities created through the direct borrowing of funds (including financial leases) by the reporting enterprise (borrower) from other non-residents (lender) through an arrangement in which the lender either receives a non-negotiable document or instrument or no security evidencing the transaction.

Please indicate whether loans from other non-residents are long-term with an original maturity of one year or more or short-term with a maturity of less than one year.

### **Payables**

**Row 13B “Payables to foreign direct investor (payables to foreign parent)”** - includes payables to a direct investor who is resident in another economy and owns 10 per cent or more of the ordinary shares or voting power in the reporting entity.

There are three types of payables that are applicable throughout the questionnaire:

- Prepayments by the importer on exports by the reporting entity – which are extinguished upon delivery of the goods or services;
- Trade credits extended on imports by the reporting entity – which are extinguished by actual payment (post payment);
- Miscellaneous account payables – which include wages and salaries outstanding, etc.

**Row 14B “Payables to foreign subsidiaries and associates”** - includes payables to subsidiaries and associates who are resident in another economy

**Row 15B and 16B “Payables to foreign fellow enterprises if parent company is Maltese” and “Payables to foreign fellow enterprises if parent company is non-resident”**- reports the payables to foreign fellow enterprises

**Row 17B “Payables to other non-residents: long-term or/and short-term”** - reports payables to other non-residents other than those reported under trade credits and advances. Indicate whether payables are long-term with a maturity of one year or more or/and short-term with a maturity of less than one year.

### **Other Liabilities**

**Row 18B “Trade credits and advances”** - refers to trade credits extended on imports, advances for work that is in progress (or is yet to be undertaken) and prepayment by customers for goods and services not yet provided by the reporting entity. Advances arise when payment for goods or services is not made at the same time as the change of ownership. If a payment is made before the change of ownership, an advance payment has taken place. In addition, down payments or holding deposits (where ownership of the funds changes hands) are included in trade advances.

**Row 19B “Financial Derivatives (other than reserves) and employee stock options”** - includes options, forward-type contracts, swap contracts, credit derivatives and margins. Also included are employee stock options.

**Row 20B “Debt securities: long-term or/and short-term”** - reports any debt securities issued and listed on a foreign stock exchange by the reporting enterprise. Indicate whether debt securities are long-term with a maturity of one year or more or/and short-term with a maturity of less than one year.

**Row 21B “Other liabilities with non-residents”** reports any external liability not specified above.

## **PART C – BUSINESS SERVICES**

**Row 1C “Compensation of employees”** - includes wages, salaries and other benefits in cash or in kind, earned by individuals in economies other than those in which they are residents, for work performed for (and paid by) residents of those economies; together with contributions paid by employers on behalf of employees to social security schemes or to private insurance or pension funds to secure benefits for employees. Employees include seasonal or other short-term workers who have a centre of economic interest in their own economies.

**Row 2C “Construction services in Malta”** - includes construction and installation services undertaken in Malta by non-residents for the reporting enterprise. However, the reporting entity should exclude construction services provided in Malta by Maltese branches and subsidiaries of non-resident enterprises.

**Row 3C “Construction services abroad”** - includes construction and installation projects undertaken abroad by the reporting enterprise. However, the respondent should exclude construction and installation services abroad provided by non-resident branches and subsidiaries of the reporting enterprise.

**Row 4C “Financial services”** - includes fees for intermediation services such as lending, financial leasing, letters of credit, bankers acceptances, lines of credit, foreign exchange transactions and travellers’ cheques transactions, commissions and fees associated with security brokerage, placements of issues, underwriting, redemption, swaps, options and commodity futures and portfolio and other financial management fees.

**Row 5C “Computer services (including maintenance and repair of computers)”** - includes database development, storage and on-line series facilities, data processing, tabulation processing services (on a time share or specific basis) and processing management services, software design, development and customised implementation and programming; sales and purchases of originals and ownership rights for software systems and applications; maintenance and repairs of computers and peripheral equipment and hardware consultancy.

**Row 6C “Telecommunication services”** - includes telecommunications services (such as broadcasting, satellite, electronic mail, etc.).

**Row 7C “Information services – news agency services”** - includes the provision of news, photographs and feature articles to the media.

**Row 8C “Information services – other than news agency services”** includes database services; that is database conception, data storage and the dissemination of data and databases (including directories and mailing lists), both online and through magnetic, optical and printed media. Include web search portals, direct on-bulk subscriptions to newspapers and periodicals and library and archive services.

**Row 9C “Insurance”** - includes life insurance premiums, freight insurance premiums, other direct insurance premiums and claims for insurance placed **directly abroad** by the reporting enterprise.

**Row 10C “Maintenance and repair services (exclude repairs to construction and computer services):** includes maintenance and repairs done by residents on goods that are owned by non-residents and vice-versa. Parts and materials are to be included, if not charged separately.

**Row 11C “Manufacturing services on physical inputs owned by others (processing)”** - covers processing, assembly, labelling, packing, oil refining, liquefaction of natural gas, etc. These are undertaken by enterprises that do not own the goods concerned; and a fee is charged for such service.

**Row 12C “Goods acquired under merchanting”** - includes the value of the goods when acquired under merchanting, commissions on goods and services transactions between the reporting entity as a resident merchant, commodity broker, dealer and/or commission agents and non-residents.

**Row 13C “Goods sold under merchanting”** - includes the value of the goods when sold under merchanting.

**Row 14C “Audiovisual and related services”** - consists of services and fees related to the production of motion picture, radio and television programmes and musical recordings such as fees to actors, directors and producers, amounts receivable and payable for rentals of audiovisual and related products and purchases and sales of original manuscripts.

**Row 15C “Health services”** - includes services provided by doctors, nurses and paramedical and similar personnel, as well as laboratory and similar services, whether rendered remotely or on-site.

**Row 16C “Education services”** - includes services supplied between residents and non-residents relating to education such as correspondence courses and education via television or the internet as well as by teachers who supply services directly in host economies.

**Row 17C “Accounting, auditing, book-keeping and tax consultancy services”** - includes those activities related to accounting, book-keeping and tax consultancy services.

**Row 18C “Advertising, market research and public opinion polling”** - includes design, creation, marketing, placement and purchase of advertisement, trade fair exhibition services and promotion, market research and public opinion polls.

**Row 19C “Business and management consultancy and public relations services”** - includes planning, organisation cost projecting and human resource management.

**Row 20C “Legal services”** - includes legal advice, representation and documentation services.

**Row 21C “Provision of customised and non-customised R&D services”** - includes services that are associated with basic research, applied research and experimental development of new products and processes.

**Row 22C “Sales of proprietary rights arising from R&D – patents, copyrights, industrial processes and designs, other”** - includes the outright sales (service charges) of the results of R&D represented in patents, copyrights, industrial processes and designs and other outright sales. Kindly include the temporary rights to use patents and copyrights.

**Row 23C “Charges for the use of Intellectual Property”** - includes (a) charges for the use of proprietary rights such as patents, trademarks, copyrights, industrial processes and designs including trade secrets and franchises; and (b) charges for licenses to reproduce or distribute intellectual property such as copyrights on books and manuscripts and computer software. Kindly include the services charges for the use of “Franchises and similar rights” as well as “royalties and license fees”.

**Row 24C “Acquisition of Intellectual Property rights”** - includes the acquisition of “royalties and license fees” as well as the purchase and sale of patents, copyrights, trademarks, industrial processes, franchises, etc. Fees associated with the use of any such items should be classified in row 23C.

**Row 25C “Agricultural and mining services”** - includes services associated with agricultural crops, e.g. protection against insects and diseases, increasing of harvest yields, etc.; as well as on-site processing other than processing involving goods that are or will be returned to the countries of origin.

**Row 26C “Architectural services”** - includes architectural services such as architectural design of urban development projects, planning, project design, supervision and surveying.

**Row 27C “Engineering services”** - includes engineering services such as product development project and design, product testing and certification, and technical inspection services.

**Row 28C “Scientific and other technical services”**

**Row 29C “Operational leasing”** - includes leasing of machinery and equipment (other than transportation equipment with crew) and leasing of dwelling and buildings. Kindly **exclude items under financial lease**, which should be reported as a loan.

**Row 30C “Trade-related services”** - covers commissions on goods and services transactions payable to merchants, commodity brokers, dealers, auctioneers and commission agents.

**Row 31C “Waste treatment and de-pollution”** - includes waste collection and disposal, remediation, sanitation, production of carbon offsets or carbon sequestration, and other environmental protection services.

**Row 32C “Pipeline transport and electricity transmission”** - includes the gathering, transmission or distribution of electricity through international connections.

**Row 33C “Postal courier services”** - includes the pick-up, transport and delivery of letters, newspapers, periodicals, brochures, other printed matter, parcels and packages, including post office counter and mailbox rental services.

**In the space provided under row 34C “Other services”** - includes any other services transacted between residents and non-residents in connection with security and investigative services, translation and interpretation services, photographic services and any other business services not specified elsewhere.

## **PART D – TRANSFERS**

**Row 1D “Debt forgiveness”** - includes the voluntary cancellation of all or part of a debt obligation within a contractual agreement.

**Row 2D “Investment grants”** - includes capital transfers in cash or in kind made by foreign governments or international organisations or other institutional units to finance all or part of the costs of fixed assets.

**Row 3D “Penalties and fines”** - includes any fines or penalties refunded/paid by the reporting enterprise from/to abroad.

**Row 4D “Subsidies”** - includes subsidies on products and subsidies on production.

**Row 5D “Taxes”** - includes value-added tax, import duties, export taxes and excise, payroll taxes, recurrent taxes on buildings and land and business licenses.

**In the space provided under row 6D “Other transfers (please specify)”** include any other transfers transacted between residents and non-residents not specified elsewhere.