



# **BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION STATISTICS**

## **ANNUAL QUESTIONNAIRES**

### **Authority**

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.

### **Confidentiality**

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.

### **Purpose**

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, Malta within **three weeks** of receipt. If you need any assistance you may contact us on telephone number **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 OR copy the link in chrome:

- Questionnaire:  
[https://nso.gov.mt/en/nso/Sources\\_and\\_Methods/Unit\\_A3/Balance\\_of\\_Payments/Documents/2018/10BSME10HSME.xls](https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A3/Balance_of_Payments/Documents/2018/10BSME10HSME.xls)

## 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.

### Total Equity

When reporting share capital acquisitions, report any dividends received during the year from related parties in column M. 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.**

### 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 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**

### **Assets held with Subsidiaries & Associates of which:**

**Row 1 Equity investment abroad of 10% OR MORE voting power\***- refers to the holding (share capital) 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 2 “Loans”** 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 3 “Receivables”**– 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.

### **Assets held with Foreign direct investor (foreign parent) of which:**

**Row 4 “Equity (reverse investment)\*”** - This refers to the amount of Share Capital in the foreign direct investor (reverse investment). It 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 5 “Loans”** – 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.

**Row 6 “Receivables”** – refers to any receivables from the foreign direct investor.

### **Assets held with Fellow enterprises of which:**

**Row 7 “Equity if parent company is resident in Malta\*”** - refers to the acquisition of equity in foreign fellow enterprises if parent company is resident in Malta.

**Row 8 “Equity if parent company is non-resident\*”** - refers to the acquisition of equity in foreign fellow enterprises if parent company is not resident in Malta.

**Row 9 and Row 10 “Loans if parent company is resident in Malta”** - 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 11 and Row 12 “Receivables if parent is resident in Malta” and “Receivables if parent company is non-resident”** – refer to any receivables from fellow enterprises.

**Row 13 “Reinvested earnings abroad (including losses)”** comprises any undistributed profits and accumulated losses kept abroad.

### **Assets held with Other Non-residents of which:**

**Row 14 and Row 15 “Loans to other non-residents: long-term or/and short-term”** - report 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.

Loans with a maturity of one year or over are classified as long-term. Loans with a maturity of less than one year are classified as short-term.

**Row 16 “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 17 and Row 18 “Receivables: 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.

Row 19 “**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 21 “**Equity securities**” 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 22 and Row 23 “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 24 "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 25 "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 M. Specify for each share capital whether the equity is listed on the Malta stock exchange, on the foreign stock exchange or unlisted

### **Liabilities with Foreign Direct investor (foreign parent) of which:**

**Row 26 “Equity investment in Malta of 10% or more voting power”** - refers to the holding of 10 per cent or more by Foreign direct investor/ foreign parent in the reporting entity.

**Row 27 “Loans”**- 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 28 “Payables”** - 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.

### **Liabilities with Subsidiaries and associates of which:**

**Row 29 “Equity in the reporting entity of less than 10% (reverse investment)”**: refers to share capital held in the reporting entity by foreign subsidiaries and associates of less than 10% (reverse investment).

**Row 30 “Loans”** - 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 31 “Payables”** - includes payables to subsidiaries and associates who are resident in another economy.

### **Liabilities with Fellow enterprises of which:**

**Row 32 and Row 33 “Equity in Malta if parent company is resident in Malta/Equity in Malta if parent company is non-resident”** - refers to the acquisition of equity in Malta by fellow enterprises.

**Row 34 and Row 35 “Loans if parent company is resident in Malta/ Loans if parent company is non-resident”** - reports those financial liabilities created through the direct borrowing of funds by the reporting enterprise (borrower) from fellow enterprises that are under the control or influence of the same parent (borrower).

**Row 36 and Row 37 “Payables if parent company is resident in Malta/Payables if parent company is non-resident”** - reports the payables to foreign fellow enterprises

**Row 38 “Reinvested earnings by non-residents (including losses)”** - refers to foreign shareholders’ share of retained profits/accumulated losses and other reserves in the reporting entity.

### **Liabilities with Other Non-residents of which:**

**Row 39 and Row 40 “Loans long-term/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.

**Row 41 “Trade credits and advances/prepayments”** - 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 42 and Row 43 “Payables long-term/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.

**Row 44 “Equity investment of less than 10% (other unlisted stock):** Report any other unlisted equity of less than 10%, not given in Row 26, Row 29, Row 32 and Row

**Row 45 and Row 46 “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 47 “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 48 “Other liabilities with non-residents”** reports any external liability not specified above.

### **PART C – BUSINESS SERVICES**

**Row 49 “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 50 “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. Include downloading of computer software. Include license to use non-customised/mass-produced software provided on a storage device such as a disk or CD-ROM with a periodic license fee.

Do not include: computer training courses not designed for a specific user, leasing of computers without operator, and license to use, but not to reproduce/distribute, non-customised packaged software provided on physical media with right to perpetual use.

**Row 51 “Telecommunication services”** - includes telecommunications services (such as broadcasting, satellite, electronic mail, teleconferencing and support services etc.). Only the value of the telecommunication services related to the broadcast of sound, images, data or other information should be included.

Do not include: the value of the information transported.

**Row 52 “Information services – news agency services”** - includes the provision of news, photographs and feature articles to the media.

**Row 53 “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. Include downloaded content, except downloading of computer software and audio-visual products. Include administration services related to postal telecommunication system.

**Row 54 “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 55 “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 56 “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 57 “Insurance”** - includes life insurance premiums, freight insurance premiums, other direct insurance premiums and claims for insurance placed **directly abroad** by the reporting enterprise.

**Row 58 “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 59 “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 60 “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 61 “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 62 “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 63 “Goods sold under merchanting”** - includes the value of the goods when sold under merchanting.

**Row 64 “Audio visual 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 audio visual and related products and purchases and sales of original manuscripts. Include downloading of audio-visual products.

**Row 65 “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 66 “Education services”** - includes services supplied between residents and non-residents relating to education such as correspondence courses, computer courses and education via television or the internet as well as by teachers who supply services directly in host economies.

**Row 67 “Accounting, auditing, book-keeping and tax consultancy services”** - includes those activities related to accounting, book-keeping and tax consultancy services.

**Row 68 “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 69 “Business and management consultancy and public relations services”** - includes planning, organisation cost projecting and human resource management. Include non-financial advisory services provided by banks, financial advisory services provided by non-banks. Include services provided by a parent enterprise or other affiliated enterprise for the general management of a branch, subsidiary or associate.

**Row 70 “Legal services”** - includes legal advice, representation and documentation services.

**Row 71 “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 72 “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 73 “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 74 “Architectural services”** - includes architectural services such as architectural design of urban development projects, planning, project design, supervision and surveying.

**Row 75 “Engineering services”** - includes engineering services such as product development project and design, product testing and certification, and technical inspection services.

**Row 76 “Scientific and other technical services”**

**Row 77 “Operational leasing”** – Operating leasing is the activity of renting out produced assets under arrangements that provide use of a tangible asset to the lessee, but do not involve the transfer of the bulk of risks and rewards of ownership to the lessee.

**Include** leasing of machinery and equipment without operator (other than transportation equipment with crew), leasing of computers without an operator and leasing of dwelling and buildings.

**Exclude financial leases.** A financial lease is a contract under which the lessor as legal owner of an asset conveys substantially all the risks and rewards of ownership of the asset to the lessee. In other words, the lessee becomes the economic owner of the asset. Under a financial lease, the lessor is shown as making a loan to the lessee, with which the lessee acquires the asset. Therefore, financial leases should be reported as a loan.

**Exclude** leasing of telecommunication lines or capacity, license payments for the right to use intangible assets, rent of natural resources, rental of accommodation and vehicles to non-residents during visits to other economies and rental of buildings by international organisations.

**Row 78 “Trade-related services”** - covers commissions on goods and services transactions payable to merchants, commodity brokers, dealers, auctioneers and commission agents (including commission on sales of ships, aircraft and other goods). Include any margins not included in the FOB price of the goods sold, if owned by the seller.

**Row 79 “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 80 “Pipeline transport and electricity transmission”** - includes the gathering, transmission or distribution of electricity through international connections.

**81 “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.

**82. “Rent of natural resources”** - include rent of natural resources only such as the use of land extracting mineral deposits and other subsoil assets.

**In the space provided under row 83 “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**

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

**85 “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.

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

**87 “Subsidies”** - includes subsidies on products and subsidies on production.

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

**89 “Other transfers (please specify)”** include any other transfers transacted between residents and non-residents not specified elsewhere.