



# Survey of Implementation of Methodological Standards for Direct Investment

2003

**Organisation for Economic Co-operation and Development  
Directorate for Financial and Enterprise Affairs**

## INTRODUCTION

### Collection Authority

1. The Survey of Implementation of Methodological Standards for Direct Investment (SIMSDI)<sup>1</sup> is conducted by the Organisation for Economic Co-operation and Development (OECD) under the auspices of the OECD Working Group on International Investment statistics of the Investment Committee.

### Purposes of the Survey

2. The purposes of the survey are to:

- (i) Determine the extent to which member countries have implemented the recommendations on direct investment statistics set out in the third edition of the OECD's *Benchmark Definition of Foreign Direct Investment (Benchmark Definition) (1996)*<sup>2</sup>,
- (ii) Obtain from respondents standardized information on data sources and collection methods, and reporting practices for their foreign direct investment (FDI) data;
- (iii) Facilitate the exchange of information between reporting economies; and
- (iv) When approved by the individual respondents, to provide information to users of direct investment data, including financial analysts and academics,
  - a. on the practices of those economies in compiling their FDI data, and
  - b. whether or not those practices are in accordance with the recommendations of the international methodology.

### Background to the Survey

3. The increasing importance of multinational enterprises, as well as their geographic and sectoral diversity, have stimulated interest in the area of direct investment statistics among policy makers, analysts and statisticians. OECD has a well known and established interest in foreign direct investment statistics through the collection and publication of data and the publication of international methodological standards for the measurement of direct investment.

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<sup>1</sup> SIMSDI was initially designed jointly by IMF and OECD in 1997 when it was first conducted and complemented later by two subsequent exercises in 2001 and 2003. IMF recently decided to abandon the exercise due to material resource limitation of its Secretariat.

<sup>2</sup> In line with the fifth edition of the IMF's *Balance of Payments Manual (BPM5)* (1993) and subsequent *Financial Derivatives: A Supplement to the Fifth Edition of the Balance of Payments Manual*, (2000) as well as clarifications of the recommendations regarding the treatment of specific transactions which were promulgated by the IMF in 2002.

- The OECD Council in 1995 renewed the instructions addressed to the Committee on International Investment and Multinational Enterprises: (i) to continue to co-ordinate within the OECD the collection of information on international direct investment and multinational enterprises; (ii) to collect and publish at regular intervals stock and flow data on inward and outward foreign direct investment; and (iii) to include notes describing the areas where the methodology used by Member countries differs from the OECD's *Benchmark Definition of Foreign Direct Investment*.

4. The results of the first SIMSDI exercise in 1997 prompted experts to raise additional methodological questions, to identify difficulties for the implementation of some of the international standards, and to review the consistency of certain recommendations. In sum, SIMSDI has proved to be an indispensable working tool for the harmonisation, comprehension, and interpretation of FDI statistics. The present questionnaire is a revised version that incorporates the comments and suggestions of respondents and other experts. It was endorsed by the experts of the OECD Working Group on International Investment Statistics at a meeting held on 5-6 March 2003<sup>3</sup>.

## **Instructions**

### ***Organisation of the survey questionnaire***

5. The survey questionnaire has three parts:

Part 1 deals with data availability and sources;

Part 2 focuses on the methodology used to compile the data; and

Part 3 provides for general comments, asks permission for the OECD to disseminate your country's metadata to the general public, and seeks information on the questionnaire contact person.

6. The survey questionnaire also has five annexes:

Annex I: Description of the Fully Consolidated System

Annex II: Industry classification systems

Annex III: Balance of Payments and International Investment Position (IIP) – Standard FDI components

Annex IV: OECD Member countries

Annex V: A glossary of terms

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<sup>3</sup> Former name: Workshop on International Investment Statistics

### *How to complete the survey questionnaire*

7. The format of the survey is multiple choice and most questions require a YES/NO/NA answer. [As the use of “NA” (not applicable) will vary according to the circumstances, instructions have been given for the specific questions or group of questions as relevant.] Please indicate the answer that applies to your statistical agency.

8. Space is provided for additional comments. If you feel that some questions fail to reflect the specific features of your practices or methodology, please make use of the comments section after each question. This is particularly important where your compilation practices are a mixture of several methods/approaches etc. In many instances, you are also asked to use the comments boxes to respond to specific supplementary questions. Please respond to those specific questions, as well as providing an explanation of why you consider certain issues to be “not applicable” for your economy or why you do not follow the recommended methodology.

9. Space is also provided to enable you to indicate future plans for the implementation of the methodology set out in the *BPM5* and the *Benchmark Definition*. When including information on future plans, please be as specific as possible; for example, please provide target dates, mention series, and explain methodologies.

10. To facilitate your task of completing the questionnaire, definitions are provided in boxes at the beginning of certain sub-sections, as applicable. A glossary of terms has also been provided in Annex V of the questionnaire.

11. The responses to the questionnaire should always reflect **actual practices** as at the end of [Month, Year], not future plans – separate space has been provided in which to describe plans for the future.

12. Finally, it is recognized that the questionnaire is long and that not all questions may be applicable to all respondents. However, the length reflects in part the provision of space for comments after each question, which has been inserted to allow for the fact that countries’ practices may not always be adequately described in the multiple choice options – a fact that became clear from experience in analysing the results of the 1997 SIMSDI and the 2001 update.

13. The questionnaire should be completed in an electronic format according to the technical instructions provided by the OECD.

### *Who should complete the survey?*

14. This survey should be completed by the main contact for FDI statistics in your country; this will usually be your country’s balance of payments or direct investment compilers. Please consult other statisticians in your country or seek OECD assistance if you are uncertain as to the purpose of, or the appropriate answer to, any question. The names and contact details of the OECD contact persons who can provide assistance is given on the next page.

15. Please note that only one copy of the survey form has been dispatched to each country. If parts of the survey are to be completed by other units, departments or institutions, please make sure that all questions have been reviewed before the completed form is returned to the OECD.

### ***Cut-off Date***

16. The information included in the completed survey should reflect the practices of your country at the agreed cut-off date of [Month, Year].

### ***Due Date***

Please return the completed questionnaire in electronic format as soon as possible but not later than [Day, Month, Year].

### ***Where to Return the Survey Form? Who to contact for assistance?***

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### ***Methodological Reference Documents***

- a) OECD *Benchmark Definition of Foreign Direct Investment*, 3rd edition, 1996 [available in Chinese (hard copy only), English, French, and Russian] [www.oecd.org/daf/investment](http://www.oecd.org/daf/investment)
- b) IMF *Balance of Payments Manual*, 5th edition, 1993 (available in hardcopy in Arabic, Chinese, English, French, Russian, and Spanish, as a PDF document in English on the IMF's website at <http://www.imf.org/external/np/sta/bop/BOPman.pdf>).
- c) *Financial Derivatives: A Supplement to the Fifth Edition of the Balance of Payments Manual*, IMF 2000 (available in hardcopy in Chinese, English, French, Russian, and Spanish, and also as a PDF document in English on the IMF's website at <http://www.imf.org/external/np/sta/bop/FinDer.pdf>).
- c) *Clarifications of Recommended Treatment of Selected Direct Investment Transactions, 2002*
- d) Final decision of the IMF Committee on Balance of Payments Statistics on the classification of financial derivatives involving affiliated enterprises.

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## QUESTIONNAIRE

### **Definitions:**

**Direct Investment (Foreign direct investment):** is defined as international investment by a resident entity in one economy ("direct investor") in an enterprise resident in another economy ("direct investment enterprise"), made with the objective of obtaining a lasting interest in the direct investment enterprise. The lasting interest implies the existence of a long-term relationship between the direct investor and the direct investment enterprise and a significant degree of influence by the direct investor on the management of the enterprise. Direct investment involves both the initial transaction between the two entities and all subsequent capital transactions between them and among affiliated enterprises, both incorporated and unincorporated.

**Direct investor:** is an individual, an incorporated or unincorporated private or public enterprise, a government, or a group of related enterprises (incorporated or unincorporated) or individuals, that has a direct investment enterprise (that is, a subsidiary, associate or branch) operating in economy other than the economy of residence of the direct investor.

**Direct investment enterprise:** is an incorporated enterprise in which a direct investor owns 10 per cent or more of the ordinary shares or voting power, or an unincorporated enterprise in which a direct investor has equivalent ownership. Direct investment enterprises comprise:

- Subsidiaries (enterprises in which a non-resident investor owns more than 50 per cent).
- Associates (enterprises in which a non-resident investor owns between 10 and 50 per cent).
- Branches (unincorporated enterprises wholly or jointly owned by a non-resident investor).

that are either directly or indirectly owned by the direct investor.

See additional information included in the Glossary of Terms (Annex V of this questionnaire).

Throughout this questionnaire:

Inward refers to direct investment in the reporting economy.

Outward refers to direct investment abroad.

**PART 1. DATA**

*Section 1.1 Availability of data, frequency, and revision practices*

*1.1.1 Availability of data*

**Definitions:**

**Direct investment income** covers income on equity (dividends, reinvested earnings, etc) and income on debt (interest) accruing to a direct investor resident in one economy from the ownership of direct investment capital in an enterprise in another economy.

**Direct investment financial flows** are transactions between a direct investor in one economy and a direct investment enterprise in another economy, and among affiliated direct investment enterprises that are in a direct investment relationship, except those enterprises that are resident in the same economy.

**Direct investment position data** are stock data showing an economy's direct investment assets and liabilities at a given point in time.

1. Do you compile

➤ FDI transactions data within the balance of payments framework?  
Inward      Outward  
Yes / No    Yes / No

➤ FDI position data within the international investment position (IIP) framework?  
Inward      Outward  
Yes / No    Yes / No

If YES to any part of Question 1, do you also disseminate those FDI data?

Yes / No/NA

If so, please indicate in the boxes below either the title of the relevant national publication or the address of the website on which those data are disseminated.

Inward transactions data

Outward transactions data

Inward position data

Outward position data

If NO, to any part of Question 1, please explain in the boxes below the reasons why such data are not compiled or disseminated

Inward transactions data

Outward transactions data

Inward position data

Outward position data

2. Do you compile

- FDI transactions data outside the balance of payments framework?

Inward	Outward
Yes/No	Yes/No

- FDI position data outside the international investment position (IIP) framework?

Inward      Outward

Yes / No    Yes / No

If YES to any part of Question 2, do you also disseminate those FDI data?

Yes / No/NA

If so, please indicate in the boxes below either the title of the relevant national publication or the address of the website on which those data are disseminated.

Inward transactions data

Outward transactions data

Inward position data

Outward position data

3. Do you report the following separately identifiable balance of payments/IIP data to the IMF for publication? (Select “N.A.” if you do not compile the relevant data)

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No/NA	Yes / No/NA
Direct investment financial flows	Yes / No/NA	Yes / No/NA
Direct investment position data	Yes / No/NA	Yes / No/NA

4. Do you report the following separately identifiable foreign direct investment data to the OECD for publication? [To be answered only by OECD member and OECD adherent countries].<sup>4</sup> (Select “NA” if you do not compile the relevant statistics for FDI data)

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No/NA	Yes / No/NA
Direct investment financial flows	Yes / No/NA	Yes / No/NA
Direct investment position data	Yes / No/NA	Yes / No/NA

*If the answer to any part of Questions 3 or 4 is NO, answer Questions 5 and 6. If YES to all parts of Questions 3 and 4, the answer to Questions 5 is N.A.*

5. Please indicate whether you have any specific future plans for the compilation of separately identifiable data that could be reported to the IMF and/or OECD (*Please indicate which organization the data will be reported to and when such data are expected to be available ( Select N.A. if you already compile the relevant statistics for FDI data.)*)

		<b>Inward</b>	<b>Outward</b>
Direct investment income	IMF	1-2yrs / 2-5yrs / No/NA	1-2yrs / 2-5yrs / No/NA
	OECD	1-2yrs / 2-5yrs / No/NA	1-2yrs / 2-5yrs / No/NA
Direct investment financial flows	IMF	1-2yrs / 2-5yrs / No/NA	1-2yrs / 2-5yrs / No/NA
	OECD	1-2yrs / 2-5yrs / No/NA	1-2yrs / 2-5yrs / No/NA
Direct investment position data	IMF	1-2yrs / 2-5yrs / No/NA	1-2yrs / 2-5yrs / No/NA
	OECD	1-2yrs / 2-5yrs / No/NA	1-2yrs / 2-5yrs / No/NA

6. Do you compile separately identifiable data on any of the following but do not report it to the IMF and/or the OECD? (*Please indicate the organisation(s) to which the data are not reported. ( Select NA if the relevant statistics for FDI data are not compiled)*)

		<b>Inward</b>	<b>Outward</b>
Direct investment income	IMF	Yes / No /NA	Yes / No/NA
	OECD	Yes / No /NA	Yes / No/NA
Direct investment financial flows	IMF	Yes / No /NA	Yes / No/NA
	OECD	Yes / No /NA	Yes / No/NA
Direct investment position data	IMF	Yes / No /NA	Yes / No/NA
	OECD	Yes / No /NA	Yes / No/NA

*If YES to the items for direct investment income and direct investment financial flows, please indicate below whether those data are included in the overall balance of payments statistics presently reported to*

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4. OECD adherent countries: Countries adhering to the “*OECD Declaration on International Investment and Multinational Enterprises*”. See Annex IV for the list of countries.

*the IMF, and if so, under which category they are classified – for example, whether data on direct investment income are classified under “Other Investment Income”.*

*If you collect information on direct investment but do not report any data to the IMF and/or OECD, please specify why in the box below.*

**IMPORTANT:**

The remainder of **Part 1: DATA** and all of **Part 2: METHODOLOGY** are designed for countries that:

collect and compile direct investment data or;

collect, compile and disseminate direct investment data, or;

have established plans to collect and compile [and disseminate] direct investment data.

**Countries that are not involved in such activities should go directly to Part 3, FINAL COMMENTS.**

### 1.1.2 Frequency of dissemination

Questions under this sub-section are divided in two parts

#### 1.1.2.1 *Direct investment transactions data (most timely and most comprehensive)*

#### 1.1.2.2 *Direct investment position data (most timely and most comprehensive)*

#### **Definitions:**

**Dissemination:** Refers to all the means by which data are made available to the public, including dissemination on the Internet.

**Periodicity:** Refers to the period to which each data point relates; e.g. quarterly or annual data. "Periodicity" for flow (transactions) data is specified in terms of the interval represented by a single data point, while "periodicity" for stock (position) data is specified in terms of the interval between data points. For example, quarterly periodicity for balance of payments (BOP) means that one quarter is the interval that is represented by a single estimate. Periodicity may differ from both the *frequency of compilation* and the *frequency of dissemination*. For example, a country may compile data that cover a time period of one quarter (that is, data with a quarterly *periodicity*) every month (that is, a monthly *frequency of compilation*) and disseminate those data only once a year (that is, an annual *frequency of dissemination*).

**Timeliness:** Refers to the speed of dissemination of the data; that is the lapse of time between the end of a reference period (or a reference date) and the dissemination of the data. Note that if new data are disseminated only once a year, but the periodicity of the data is quarterly, the timeliness of the data refers to the lapse of time between the end of the first of the four newly disseminated quarters and the time of dissemination. For example, if at the end of March 2003 data are disseminated for the four quarters of 2002, the timeliness is "between 3 and 12 months"; with 12 months being the lapse of time between the first quarter of 2002 and end-March 2003, and 3 months being the lapse of time between the last quarter of 2002 and end-March 2003.

**Most timely data:** Refer to the direct investment statistics first disseminated; that is, the data with the shortest lapse of time between the end of the reference period (or the reference date) and dissemination of the data. These data may be preliminary estimates of broad aggregates and/or may be subject to revision. If your country separately also compiles and disseminates "most comprehensive data", data sources used for "most timely" data may be different or have a different level of the coverage than those used for "most comprehensive data". (The issue of "data revision practices" is dealt with later in this questionnaire.)

**Most comprehensive data:** Refer to the direct investment statistics that are disseminated based on the most comprehensive regularly available data sources. These data may be preliminary and subject to revision. Note that the term “most comprehensive” refers not to the level of detail or breakdowns disseminated to the public, but to the comprehensiveness of the underlying data sources used to compile the data – for example, the use of a full census survey of positions to compile the most comprehensive data, versus the use of transactions data and the perpetual inventory method to compile the most timely position data. If your country compiles and disseminates data that are based on the same sources and coverage, the “most comprehensive data” are the same as the “most timely data”, and the answer to the questions regarding the “most comprehensive data” should be “NA” for the purpose of this questionnaire. (For many countries “NA” will be the correct answer.) The issue of “data revision practices” is dealt with later in this questionnaire.

See Appendix V “Glossary of Terms” for examples on the distinction between “most timely” and “most comprehensive” data.

**Final data** in this questionnaire relate to data that are no longer subject to further regular revisions, although they may still be subject to exceptional historical revisions due to methodological changes and/or changes in the data collection system. If your country compiles two distinct data sets and disseminates both “most timely” data and “most comprehensive” data, then the final data will normally be the “most comprehensive” data that are no longer subject to regular revision, rather than the “most timely” data.

1.1.2.1 Direct investment transactions data (most timely and most comprehensive)

7. What is the periodicity of your most timely separately identifiable transactions data for the following?

Specify: **M**-Monthly; **Q**-Quarterly; **C**-Calendar Year; **F**-Fiscal Year (*specify period*); **I**-Irregular; **N**-Never

	<b>Inward</b>	<b>Outward</b>
Income on equity	_____	_____
Income on debt (interest)	_____	_____
Reinvested earnings	_____	_____
Equity capital	_____	_____
Other capital	_____	_____

Additional comments on the periodicity of the most timely transactions data. (Insert into the boxes below)

**Specifically:**

Please indicate any differences in the periodicity of the following sets of FDI data:

- Those reported to the IMF and/or the OECD for publication.
- Those disseminated in national publications.
- Those compiled but not disseminated.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the periodicity of the most timely transactions data.

**Inward:**

**Outward:**

8. What is the timeliness of the most timely transactions data for the following [that is, how many weeks/months (*specify*) after the close of the reference period are your most timely transactions data disseminated]?

	<b>Inward</b>	<b>Outward</b>
Income on equity	_____	_____
Income on debt (interest)	_____	_____
Reinvested earnings	_____	_____
Equity capital	_____	_____
Other capital	_____	_____

Additional comments on the timeliness of the most timely transactions data. (Insert into the boxes below)

**Specifically:**

Please indicate any differences in the timeliness of the following sets of FDI data:

- Those reported to the IMF and/or the OECD for publication.
- Those disseminated in national publications.

Please indicate:

- The timeliness of data that are compiled but not disseminated.
- Whether data that are compiled but not disseminated are available to users on request.

**Inward:**

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**Outward:**

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Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the timeliness of the most timely transactions data.

**Inward:**

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**Outward:**

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9. What is the periodicity of your most comprehensive separately identifiable transactions data for the following?

Specify: **M**-Monthly; **Q**-Quarterly; **C**-Calendar Year; **F**-Fiscal Year (specify period); **I**-Irregular; **NA**-Not Applicable

*(As indicated above, if you do not compile two distinct sets of data for separately identifiable FDI transactions data according to the definitions of "most timely" and "most comprehensive" data above, the answers to this question should be "NA")*

	<b>Inward</b>	<b>Outward</b>
Income on equity	_____	_____
Income on debt (interest)	_____	_____
Reinvested earnings	_____	_____
Equity capital	_____	_____
Other capital	_____	_____

Additional comments on the periodicity of the most comprehensive transactions data. (Insert into the boxes below)

**Specifically:**

Please indicate any differences in the periodicity of the following sets of FDI data:

- Those reported to the IMF and/or the OECD for publication.
- Those disseminated in national publications.
- Those compiled but not disseminated.

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the periodicity of the most comprehensive transactions data.

**Inward:**

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**Outward:**

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10. What is the timeliness of the most comprehensive transactions data for the following [that is, how many weeks/months (*specify*) after the close of the reference period are your most comprehensive transactions data disseminated]?

*(As indicated above, if you do not compile two distinct sets of data for separately identifiable FDI transactions data according to the definitions of “most timely” and “most comprehensive” data above, the answers to this question should be “NA”)*

	<b>Inward</b>	<b>Outward</b>
Income on equity	_____	_____
Income on debt (interest)	_____	_____
Reinvested earnings	_____	_____
Equity capital	_____	_____
Other capital	_____	_____

Additional comments on the timeliness of the most comprehensive transactions data. (Insert into the boxes below)

**Specifically:**

Please indicate any differences in the timeliness of the following sets of FDI data:

- Those reported to the IMF and/or the OECD for publication.
- Those disseminated in national publications.

Please indicate:

The timeliness of data that are compiled but not disseminated.  
Whether data that are compiled but not disseminated are available to users on request.

**Inward:**

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**Outward:**

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Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the timeliness of the most comprehensive transactions data.

**Inward:**

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**Outward:**

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*1.1.2.2 Direct investment position data (most timely and most comprehensive)*

11. What is the periodicity of your most timely position data for the following?

*Specify: M-Monthly; Q-Quarterly; C-Calendar Year; F-Fiscal Year (specify period); I-Irregular; N-Never*

	<b>Inward</b>	<b>Outward</b>
Equity capital	_____	_____
Reinvested earnings	_____	_____
Other capital	_____	_____

Additional comments on the periodicity of the most timely position data. (Insert into the boxes below)

**Specifically:**

Please indicate any differences in the periodicity of the following sets of FDI data:

- Those reported to the IMF and/or the OECD for publication.
- Those disseminated in national publications.
- Those compiled but not disseminated.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the periodicity of the most timely position data.

**Inward:**

**Outward:**

12. What is the timeliness of the most timely position data for the following [that is, how many weeks/ months (*specify*) after the close of the reference date are your most timely position data disseminated]?

	<b>Inward</b>	<b>Outward</b>
Equity capital	_____	_____
Reinvested earnings	_____	_____
Other capital	_____	_____

Additional comments on the timeliness of the most timely position data. (Insert into the boxes below)

**Specifically:**

Please indicate any differences in the timeliness of the following sets of FDI data:

- Those reported to the IMF and/or the OECD for publication.
- Those disseminated in national publications.

Please indicate:

- The timeliness of data that are compiled but not disseminated.
- Whether data that are compiled but not disseminated are available to users on request.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the timeliness of the most timely position data.

**Inward:**

**Outward:**

13. What is the periodicity of your most comprehensive position data for the following?

Specify: **M**-Monthly; **Q**-Quarterly; **C**-Calendar Year; **F**-Fiscal Year (specify period); **I**-Irregular; **NA**-Not Applicable

*(As indicated above, if you do not compile two distinct sets of data for separately identifiable FDI position data according to the definitions of “most timely” and “most comprehensive” data above, the answers to this question should be “NA.”)*

	<b>Inward</b>	<b>Outward</b>
Equity capital	_____	_____
Reinvested earnings	_____	_____
Other capital	_____	_____

Additional comments on the periodicity of the most comprehensive position data. (Insert into the boxes below)

**Specifically:**

Please indicate any differences in the periodicity of the following sets of FDI data:

- Those reported to the IMF and/or the OECD for publication.
- Those disseminated in national publications
- Those compiled but not disseminated.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans for changes in the periodicity of the most comprehensive position data, if any.

**Inward:**

--

**Outward:**

--

14. What is the timeliness of the most comprehensive position data for the following [that is how many weeks/months (*specify*) after the close of the reference date are your most comprehensive position data disseminated]?

*(As indicated above, if you do not compile two distinct sets of data for separately identifiable FDI position data according to the definitions of “most timely” and “most comprehensive” data above, the answers to this question should be “NA.”)*

	<b>Inward</b>	<b>Outward</b>
Equity capital	_____	_____
Reinvested earnings	_____	_____
Other capital	_____	_____

Additional comments on the timeliness of the most comprehensive position data. (Insert into the boxes below)

**Specifically:**

Please indicate any differences in the timeliness of the following sets of FDI data:

- Those reported to the IMF and/or the OECD for publication.
- Those disseminated in national publications.

Please indicate:

- The timeliness of data that are compiled but not disseminated.
- Whether data that are compiled but not disseminated are available to users on request.

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the timeliness of the most comprehensive position data.

**Inward:**

--

**Outward:**

--

*1.1.3 Data revision practices*

Questions under this sub-section are divided into two parts:

*1.1.3.1 Direct investment transactions data*

*1.1.3.2 Direct investment position data*

*1.1.3.1 Direct investment transactions data*

15. When are transactions data considered to be “final data” (i.e. data that are no longer subject to further regular revision, although they may still be subject to exceptional historical revisions due to methodological changes and/or changes in the data collection systems.)? Indicate the number of weeks/months (*specify*) after the data were first disseminated.

Weeks/months after the first dissemination of the data

	<b>Inward</b>	<b>Outward</b>
Income on equity	_____	_____
Income on debt (interest)	_____	_____
Reinvested earnings	_____	_____
Equity capital	_____	_____
Other capital	_____	_____

*Are the data final (as defined above) when first released (Select N.A. if relevant statistics for FDI data are not compiled or disseminated )*

<b>Inward</b>	<b>Outward</b>
Yes / No / NA	Yes / No / NA

*Note that:*

- If a country compiles and disseminates only one set of data (the most timely data) the number of weeks/months should be measured from the date of the first release of that data.
- If a country compiles two distinct data sets and disseminates both most timely data and most comprehensive data, then the final data will normally be the most comprehensive data. However, the

number of weeks/months should be measured from the date of the first release of the most timely data, not the date of first release of the most comprehensive data.

➤ “NA” should be inserted if FDI transactions data are not compiled or disseminated.

16. Please provide in the boxes below a brief explanation of your revision practices for transactions data. This description should indicate:

- a) How often the data are revised and for what period (e.g. every quarter for the previous two quarters, or once a year for the previous two years).
- b) How frequently the revised data are disseminated (such as instances where the data are revised monthly/quarterly but the revised data are disseminated only once a year).
- c) A general indication of the reasons for revisions (such as to incorporate the results of a more comprehensive survey).
- d) Whether the historical data are revised in cases of major changes in methodology or data collection systems, and if, so, how far back the historical data are revised.
- e) Whether the revised data are clearly identified in the disseminated data.
- f) Whether the general public are informed of the reasons for the revisions.
- g) Any instances of differences in the revision practices between the following sets of FDI data:
  - Those reported to the IMF and/or the OECD for publication.
  - Those disseminated in national publications
  - Those compiled but not disseminated.

**Inward:**

**Outward:**

Please indicate your specific future plans, if any, including target dates, for changes in the revision practices for the transactions data.

**Inward:**

**Outward:**

1.1.3.2 Direct investment position data

17. When are position data considered to be “final data”? (i.e., data that are no longer subject to further regular revision, although they may still be subject to exceptional historical revisions due to methodological changes and/or changes in the data collection systems.) Indicate the number of weeks/months (*specify*) after the “most timely position data” were first disseminated.

Weeks/ months after first dissemination of data

	<b>Inward</b>	<b>Outward</b>
Equity capital	_____	_____
Reinvested earnings	_____	_____
Other capital	_____	_____

Are the data final (as defined above) when first released (Select N.A. if relevant statistics for FDI data are not compiled or disseminated)

<b>Inward</b>	<b>Outward</b>
Yes / No / NA	Yes / No / NA

Note that:

- If a country compiles and disseminates only one set of data (the most timely data) the number of weeks/months should be measured from the date of the first release of that data.
- If a country compiles two distinct data sets and disseminates both most timely data and most comprehensive data, then the final data will normally be the most comprehensive data. However, the number of weeks/months should be measured from the date of the first release of the most timely data, not the date of first release of the most comprehensive data.
- “NA” should be inserted if FDI position data are not compiled or disseminated.

18. Please provide in the boxes below a brief explanation of your revision practices for the position data. This description should indicate:

- a) How often the data are revised and for what periods (e.g. once a quarter for the previous two quarters, or once a year for the previous two years etc.)
- b) How frequently the revised data are disseminated (such as instances where the data are revised monthly/quarterly but the revised data are disseminated only once a year)
- c) A general indication of the reasons for revisions (such as to incorporate the results of a more comprehensive survey).
- d) Whether the historical data are revised in cases of major changes in methodology, and if so, how far back the historical data are revised.
- e) Whether the revised data are clearly identified in the disseminated data.
- f) Whether the general public are informed of the reasons for the revisions.
- g) Any instances of differences in the revision practices between the following sets of FDI data:
  - Those reported to the IMF and/or the OECD for publication.
  - Those disseminated in national publications.
  - Those compiled but not disseminated.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the revision practices for the position data.

**Inward:**

**Outward:**

**Section 1.2 Data coverage**

19. **A:** Please specify in the boxes below:

- Any major sectors of the economy and/or any elements within the economic sectors that are excluded from the most timely or the most comprehensive direct investment transactions data. (For more details on major sectors, please refer to Annex II “Industry classification systems”.
- Any differences in the sectoral coverage of the following sets of FDI transactions data: (i) those reported to the IMF and/or the OECD for publication; (ii) those disseminated in national publications; or (iii) those compiled but not disseminated.

*(Please insert “NA” only if (i) no major sectors of the economy; or elements within the economic sectors are excluded; and (ii) there are no differences in the sectoral coverage of the different sets of FDI transactions data.)*

**Inward most timely transactions data:**

**Outward most timely transactions data:**

**Inward most comprehensive transactions data:**

**Outward most comprehensive transactions data:**

**B.** Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the sectoral coverage of the transactions data.

**Inward most timely transactions data:**

**Outward most timely transactions data:**

--

**Inward most comprehensive transactions data:**

--

**Outward most comprehensive transactions data:**

--

20. **A:** Please specify in the boxes below:

- Any major sectors of the economy and/or any elements within the economic sectors, that are excluded from the most timely and/or the most comprehensive direct investment position data. (For more details on major sectors, please refer to Annex II “Industry classification systems”.)
- Any differences in the sectoral coverage of the following sets of FDI position data: (i) those reported to the IMF and/or the OECD for publication, (ii) those disseminated in national publications; or (iii) those compiled but not disseminated.

*(Please insert “NA” only if (i) no major sectors of the economy or elements within the economic sectors are excluded; and (ii) there are no differences in the sectoral coverage of the different sets of FDI position data.)*

**Inward most timely position data:**

--

**Outward most timely position data:**

--

**Inward most comprehensive position data:**

--

**Outward most comprehensive position data:**

--

**B.** Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the sectoral coverage of the position data.

**Inward most timely position data:**

--

**Outward most timely position data:**

--

**Inward most comprehensive position data:**

--

**Outward most comprehensive position data:**

--

**Section 1.3 Data collection methods and sources**

Questions under this section are divided into three sub-sections:

1.3.1 Direct investment transactions data

1.3.2 Direct investment position data

1.3.3 Business register

1.3.1 Direct investment transactions data

1.3.1.1 Data collection methods: transactions data

**Definitions:**

**FDI transactions data can be collected on an:**

**Aggregate basis:** Data collected on this basis show the total amounts for transactions made by respondents during a specified reporting period, such as information obtained through enterprise surveys.

**Individual transactions basis:** Data collected on this basis consist of information on each of the individual transactions made by respondents during a specified reporting period, such as information collected from an international transactions reporting system (ITRS).

**Compulsory reporting requirements:** Situations where legislation creates a legal obligation for data reporters to provide the requested information (which usually entails appropriate penalty for non-compliance).

**Voluntary reporting requirements:** Situations where there is no legal obligation for data reporters to provide the requested information.

21. Are your reporting requirements for transactions data primarily:

**Inward**

**Outward**

Compulsory / Voluntary/ NA

Compulsory/ Voluntary/ NA

(Use "NA" only if you do not compile inward and/or outward FDI transactions data.)

Additional comments on the reporting requirements for the transactions data. (Insert into the boxes below.)

**Specifically**, please describe:

- Instances where reporting requirements for some transactions data are compulsory while reporting requirements for other transactions data are voluntary.
- Differences in the reporting requirements between the following sets of FDI data:
  - Those reported to the IMF and/or the OECD for publication.
  - Those disseminated in national publications.
  - Those compiled but not disseminated.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the reporting requirements of the transactions data.

**Inward:**

**Outward:**

22. Are transactions data mostly collected on:

	<b>Inward</b>	<b>Outward</b>
An individual transactions basis?	Yes / No / NA	Yes / No / NA
An aggregate basis?	Yes / No / NA	Yes / No / NA
A mixture of individual transactions basis and an aggregate basis?	Yes / No / NA	Yes / No / NA

*(Use "NA" only if you do not compile inward and/or outward FDI transactions data.)*

Additional comments on the collection methods of the transactions data. (Insert into the boxes below.)

**Specifically**, please describe:

- Instances where transactions data are collected using a mixture of aggregate and individual transactions data.

➤ Differences in the collection methods between the following sets of FDI data:

Those reported to the IMF and/or the OECD for publication.

Those disseminated in national publications.

Those compiled but not disseminated.

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the collection methods of the transactions data.

**Inward:**

--

**Outward:**

--

### 1.3.1.2 Data sources: transactions data

#### **Definitions:**

**Most timely data:** Refer to the direct investment data first disseminated; that is, the data with the shortest lapse of time between the end of the reference period (or the reference date) and dissemination of the data. These data may be preliminary estimates of broad aggregates and/or may be subject to revision. If your country separately also compiles and disseminates “most comprehensive data”, data sources used for “most timely” data may be different or have a different level of the coverage than those used for “most comprehensive data”.

**Most comprehensive data:** Refer to the direct investment statistics that are disseminated based on the most comprehensive regularly available data sources. These data may be preliminary and subject to revision. Note that the term “most comprehensive” refers not to the level of detail or breakdowns disseminated to the public, but to the comprehensiveness of the underlying data sources used to compile the data – for example, the use of a full census survey of positions to compile the most comprehensive data, versus the use of transactions data and the perpetual inventory method to compile the most timely position data. If your country compiles and disseminates data that are always based on the same sources and coverage, the “most comprehensive data” are the same as the “most timely data”, and the answer to the questions regarding the “most comprehensive data” should be “NA” for the purpose of this questionnaire. (For most countries “NA” will be the correct answer.)

**International Transactions Reporting System (ITRS):** An ITRS measures individual balance of payments cash transactions passing through the domestic banks and may also measure (i) individual cash transactions passing through the foreign bank accounts of enterprises; (ii) non-cash transactions; and (iii) stock positions. Statistics are compiled from forms submitted by domestic banks to the compilers and may also be compiled from forms submitted by enterprises to the compilers.

**Bilateral sources** involve the use of direct investment statistics that are compiled by other countries, or by international organisations

The ranking of the data sources should be as follows:

- 1 = the most important source used for the compilation of the transactions data.
- 2 = the second most important source used for the compilation of the transactions data.
- 3 = the third most important source, etc.
- NA = not a data source.

When two or more data sources are considered to be equally important, they should be given the same ranking (for example, if bilateral sources and press reports were considered to be equally important sources for the transactions data, they should both be assigned the same number – such as 3).

23. What are your main data sources for inward direct investment transactions? (Rank in order of importance.) If the same sources are used for ALL components of inward transactions data, please indicate “ALL” followed by the ranking of the source. If different data sources are used for some components of the inward FDI transactions data, please indicate the component followed by the ranking of the source, using the following acronyms for the data components.

IE=income on equity, DIV=Dividends and distributed branch profits, RE-Reinvested earnings, ID= Income on debt, EC= Equity capital, OC=Other capital. [Examples: ALL=1, ALL=2 or EC=1, RE=2]

(Note that if only one data set is compiled (i.e. the most timely data), the responses for the most comprehensive data should be “NA”.)

	<b>Most timely data</b>	<b>Most comprehensive data</b>
Monthly enterprise surveys of resident enterprises	_____	_____
Quarterly enterprise surveys of resident enterprises	_____	_____
Annual enterprise surveys of resident enterprises	_____	_____
An international transactions reporting system (ITRS)	_____	_____
Published sources (such as company accounts)	_____	_____
Exchange control authorities	_____	_____
Investment approval authorities	_____	_____
Debt registers	_____	_____
Bilateral sources	_____	_____
Press reports	_____	_____
Other ( <i>Please specify below</i> )	_____	_____

**Inward most timely transactions data:**

**Inward most comprehensive transactions data:**

Additional comments on data sources used for inward direct investment transactions. (Insert into the boxes below.)

**Specifically:**

- If an ITRS is used as a data source, please specify whether the ITRS system covers only cash transactions made through the domestic banking system, or whether it also covers (i) cash transactions made through the foreign bank accounts of enterprises, and/or (ii) non-cash transactions.
- If data from investment approval authorities are used as a source, please indicate the nature of the data being used – for example, whether the data are based on approvals to invest, or whether they are based on the investments actually made.
- If company accounts are used as a data source, please indicate whether the company accounts are those of the direct investment enterprise resident in your economy, or the company accounts of the direct investor resident abroad.
- If the same data sources are used for both the most timely data and the most comprehensive data, please explain the differences (such as differences in coverage etc.) between the data used in the two data sets.
- Please indicate any differences in the data sources of the following sets of inward FDI transactions data:

Those reported to the IMF and/or the OECD for publication.

Those disseminated in national publications.

Those compiled but not disseminated.

**Inward most timely transactions data:**

**Inward most comprehensive transactions data:**

Please indicate in the boxes below your future specific plans, if any, including target dates, for changes in the data sources used for inward direct investment transactions.

**Inward most timely transactions data:**

**Inward most comprehensive transactions data:**

24. What are your main data sources for outward direct investment transactions? (Rank in order of importance.) If the same sources are used for ALL components of outward transactions data, please indicate “ALL” followed by the ranking of the source. If different data sources are used for some components of the outward FDI transactions data, please indicate the component followed by the ranking of the source, using the following acronyms for the data components.

IE=income on equity, DIV=Dividends and distributed branch profits, RE-Reinvested earnings, ID= Income on debt, EC= Equity capital, OC=Other capital. [Examples: ALL=1, ALL=2 or EC=1, RE=2]

(Note that if only one data set is compiled (i.e. the most timely data), the responses for the most comprehensive data should be “NA”.)

	<b>Most timely data</b>	<b>Most comprehensive data</b>
Monthly enterprise surveys of resident investors	_____	_____
Quarterly enterprise surveys of resident investors	_____	_____
Annual enterprise surveys of resident investors	_____	_____
An international transactions reporting system (ITRS)	_____	_____
Published sources (such as company accounts)	_____	_____
Exchange control authorities	_____	_____
Investment approval authorities	_____	_____
Debt registers	_____	_____
Bilateral sources	_____	_____
Press reports	_____	_____
Other ( <i>Please specify below</i> )	_____	_____

**Outward most timely transactions data:**

**Outward most comprehensive transactions data:**

Additional comments on data sources used for the outward direct investment transactions data. (Insert into the boxes below.)

**Specifically:**

- If an ITRS is used as a data source, please specify whether the ITRS system covers only cash transactions made through the domestic banking system, or whether it also covers (i) cash transactions made through the foreign bank accounts of enterprises, and/or (ii) non-cash transactions.
- If data from investment approval authorities are used as a source, please indicate the nature of the data being used – for example, whether the data are based on approvals to invest abroad, or whether they are based on the investments actually made.
- If company accounts are used as a data source, please indicate whether the company accounts are those of the direct investor resident in your economy, or the company accounts of the direct investment enterprise resident abroad.
- If the same data sources are used for both the most timely data and the most comprehensive data, please explain the differences (such as differences in coverage etc.) between the data used in the two data sets.
- Please indicate any differences in the data sources of the following sets of outward FDI transactions data:

Those reported to the IMF and/or the OECD for publication.

Those disseminated in national publications.

Those compiled but not disseminated.

**Outward most timely transactions data:**

**Outward most comprehensive transactions data:**

Please indicate in the boxes below your future specific plans, if any, including target dates, for changes in the data sources used for outward direct investment transactions.

**Outward most timely transactions data:**

**Outward most comprehensive transactions data:**

1.3.2 Direct investment position data

1.3.2.1 Data collection methods: position data

**Definitions:**

**FDI position data can be collected on an:**

**Aggregate basis:** Data collected on this basis show the total amount for FDI positions held by respondents as at a specified reporting date, such as information obtained through enterprise surveys.

**Individual transactions basis:** Data collected on this basis consist of information collected on each individual transaction made by respondents during a specified reporting period, such as information collected from an international transactions reporting system (ITRS). (Note that collection of data on an individual transactions basis would normally be applicable only if a perpetual inventory method is used to compile those position data.)

**Compulsory reporting requirements:** Situations where legislation creates a legal obligation for data reporters to provide the requested information (which usually entails appropriate penalty for non-compliance).

**Voluntary reporting requirements:** Situations where there is no legal obligation for reporters to provide the requested information.

**The perpetual inventory method:** Refers to the process of deriving stocks (position data) from transaction data. Under this method, for which a stock estimate for some base point in time is required, the compiler may calculate the value of a stock at the end of a period as being equal to the value of the stock at the beginning of the period plus the impact of transactions and non-transaction changes on the value of the stock during the period.

25. Are your reporting requirements for position data primarily?

<b>Inward</b>	<b>Outward</b>
Compulsory / Voluntary / NA	Compulsory / Voluntary / NA

*(Use "NA" only if you do not compile inward and/or outward FDI position data.)*

26. Are position data mostly collected on:

	<b>Inward</b>	<b>Outward</b>
An individual transactions basis?	Yes / No / NA	Yes / No / NA
An aggregate basis?	Yes / No / NA	Yes / No / NA
A mixture of an individual transactions basis and aggregate basis?	Yes / No / NA	Yes / No / NA

*(Use "NA" only if you do not compile inward and/or outward FDI position data.)*

Additional comments on the collection methods of the position data. (Insert into the boxes below.)

**Specifically**, please describe:

- Instances where position data are collected using a mixture of aggregate and individual transactions data.
- Differences in the collection methods between the following sets of FDI position data:
  - Those reported to the IMF and/or the OECD for publication.
  - Those disseminated in national publications
  - Those compiled but not disseminated.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the collection methods of the position data.

**Inward:**

**Outward:**

27. Do you use a perpetual inventory method to compile the following?

*(Use "NA" only if you do not compile inward and/or outward FDI position data. If your most timely and most comprehensive data are identical, the answer to the question on most comprehensive position data should be "NA".)*

	<b>Inward</b>	<b>Outward</b>
Most timely position data	Yes / No / NA	Yes / No / NA
Most comprehensive position data	Yes / No / NA	Yes / No / NA

If YES to any part of Question 27, do you adjust the data for the following non-transaction changes? (Use "NA" only if you do not compile inward and/or outward FDI position data.)

**Most timely position data**

	<b>Inward</b>	<b>Outward</b>
Price changes	Yes / No/NA	Yes / No/NA
Exchange rate changes	Yes / No/NA	Yes / No/NA
Other non-transaction changes	Yes / No/NA	Yes / No/NA

**Most comprehensive position data**

	<b>Inward</b>	<b>Outward</b>
Price changes	Yes / No/NA	Yes / No/NA
Exchange rate changes	Yes / No/NA	Yes / No/NA
Other non-transaction changes	Yes / No/NA	Yes / No/NA

28. **A:** If YES to any part of the adjustments section of Question 27, please provide a brief description below of those adjustments.

**Inward most timely position data:**

**Outward most timely position data:**

**Inward most comprehensive position data:**

**Outward most comprehensive position data:**

**B:** Please indicate in the boxes below your future specific plans, if any, including target dates, for: (i) changes in your practices regarding any adjustments to the position data for non-transaction

changes; (ii) changes in the use of a perpetual inventory method; or (iii) changes in the nature of the reporting requirements, such as the introduction of legislation that will make reporting compulsory.

**Inward most timely position data:**

**i) Adjustments to position data:**

--

**ii) Use of perpetual inventory method:**

--

**iii) Nature of reporting requirements:**

--

**Outward most timely position data:**

**i) Adjustments to position data:**

--

**ii) Use of perpetual inventory method:**

--

**iii) Nature of reporting requirements:**

--

**Inward most comprehensive position data:**

**i) Adjustments to position data:**

--

**ii) Use of perpetual inventory method:**

--

**iii) Nature of reporting requirements:**

--

**Outward most comprehensive position data:**

**i) Adjustments to position data:**

--

**ii) Use of perpetual inventory method:**

--

**iii) Nature of reporting requirements:**

--

### 1.3.2.2 Data sources: position data

#### **Definitions:**

**Most timely data:** Refer to the direct investment data first disseminated; that is, the data with the shortest lapse of time between the end of the reference period (or the reference date) and dissemination of the data. These data may be preliminary estimates of broad aggregates and/or may be subject to revision. If your country separately also compiles and disseminates “most comprehensive data”, data sources used for “most timely” data may be different or have a different level of the coverage than those used for “most comprehensive data”.

**Most comprehensive data:** Refer to the direct investment statistics that are disseminated based on the most comprehensive regularly available data sources. These data may be preliminary and subject to revision. Note that the term “most comprehensive” refers not to the level of detail or breakdowns disseminated to the public, but to the comprehensiveness of the underlying data sources used to compile the data – for example, the use of a full census survey of positions to compile the most comprehensive data, versus the use of transactions data and the perpetual inventory method to compile the most timely position data. If your country compiles and disseminates data that are based on the same sources and coverage, the “most comprehensive data” are the same as the most timely data, and the answer to the questions regarding the “most comprehensive data” should be “NA” for the purpose of this questionnaire. (For most countries “NA” will be the correct answer.)

**International Transactions Reporting System (ITRS):** An ITRS measures individual balance of payments cash transactions passing through the domestic banks and may also measure (i) individual cash transactions passing through the foreign bank accounts of enterprises; (ii) non-cash transactions; and (iii) stock positions. Statistics are compiled from forms submitted by domestic banks to the compilers and may also be compiled from forms submitted by enterprises to the compiler.

**Bilateral sources** involve the use of direct investment statistics that are compiled by other countries, or by international organisations.

The ranking of the sources of information should be as follows:

1 = the most important source used for the compilation of the position data.

2 = the second most important source used for the compilation of the position data.

3 = the third most important source, etc.

NA = not a data source.

When two or more data sources are considered to be equally important, they should be given the same ranking (for example, if bilateral sources and press reports were considered to be equally important sources for the transactions data, they should both be assigned the same number – such as 3).

29. What are your main sources for inward direct investment position data? (Rank in order of importance.) If the same sources are used for ALL components of inward FDI position data, please indicate "ALL" followed by the ranking of the source. If different sources are used for some components of the inward FDI position data, please indicate the component followed by the ranking of the source, using the following acronyms for the data components.

RE-Reinvested earnings, EC= Equity capital, OC=Other capital. [Examples: ALL=1, ALL=2 or EC=1, RE=2]

(Note that if only one data set is compiled (i.e. the most timely data), the responses for the most comprehensive data should be "NA".)

	Most timely data	Most comprehensive data
Monthly enterprise surveys of resident enterprises	_____	_____
Quarterly enterprise surveys of resident enterprises	_____	_____
Annual enterprise surveys of resident enterprises	_____	_____
An international transactions reporting system (ITRS)	_____	_____
Published sources (such as company accounts)	_____	_____
Exchange control authorities	_____	_____
Investment approval authorities	_____	_____
Debt registers	_____	_____
Bilateral sources	_____	_____
Press reports	_____	_____
Other ( <i>Please specify below</i> )	_____	_____

**Inward most timely position data:**

**Inward most comprehensive position data:**

Additional comments on sources used for the inward direct investment position data. (Insert into the boxes below)

**Specifically:**

- If an ITRS is used as a data source, please specify whether the ITRS system covers only cash transactions made through the domestic banking system, or whether it also covers (i) cash transactions made through the foreign bank accounts of enterprises, (ii) non-cash transactions; and/or stock positions.

- If company accounts are used as a data source, please indicate whether the company accounts are those of the direct investment enterprise resident in your economy, or the company accounts of the direct investor resident abroad.
- If data from investment approval authorities are used, please indicate the nature of the data being used – for example, whether the data are based on approvals to invest, or whether they are based on the investments actually made.
- If the same data sources are used for both the most timely data and the most comprehensive data, please explain the differences (such as differences in coverage etc.) between the data used in the two data sets.
- Please indicate any differences in the data sources of the following sets of inward FDI position data:

Those reported to the IMF and/or the OECD for publication.

Those disseminated in national publications.

Those compiled but not disseminated.

**Inward most timely position data:**

**Inward most comprehensive position data:**

Please indicate in the boxes below your future specific plans, if any, including target dates, for changes in the sources used for inward direct investment position data.

**Inward most timely position data:**

**Inward most comprehensive position data:**

30. What are your main sources for outward direct investment position data? (Rank in order of importance.) If the same sources are used for ALL components of outward FDI position data, please indicate "ALL" followed by the ranking of the source. If different data sources are used for some components of the outward FDI position data, please indicate the component followed by the ranking of the source, using the following acronyms for the data components.

RE-Reinvested earnings, EC= Equity capital, OC=Other capital. [Examples: ALL=1, ALL=2 or EC=1, RE=2]

(Note that if only one data set is compiled (i.e. the most timely data), the responses for the most comprehensive data should be "NA".)

	Most timely data	Most comprehensive data
Monthly enterprise surveys of Resident investors	_____	_____
Quarterly enterprise surveys of resident investors	_____	_____
Annual enterprise surveys of resident investors	_____	_____
An international transactions reporting system (ITRS)	_____	_____
Published sources (such as company accounts)	_____	_____
Exchange control authorities	_____	_____
Investment approval authorities	_____	_____
Debt registers	_____	_____
Bilateral sources	_____	_____
Press reports	_____	_____
Other ( <i>Please specify below</i> )	_____	_____

**Outward most timely position data:**

**Outward most comprehensive position data:**

Additional comments on the sources used for outward direct investment position data. (Insert into the boxes below)

**Specifically:**

- If an ITRS is used as a data source, please specify whether the ITRS system covers only cash transactions made through the domestic banking system, or whether it also covers (i) cash transactions made through the foreign bank accounts of enterprises, (ii) non-cash transactions. and/or stock positions.

- If company accounts are used as a data source, please indicate whether the company accounts are those of the direct investment enterprise resident in your economy, or the company accounts of the direct investor resident abroad.
- If data from investment approval authorities are used, please indicate the nature of the data being used – for example, whether the data are based on approvals to invest abroad, or whether they are based on the investments actually made.
- If the same data sources are used for both the most timely data and the most comprehensive data, please explain the differences (such as differences in coverage etc.) between the data used in the two data sets.
- Please indicate any differences in the data sources of the following sets of outward FDI position data:

Those reported to the IMF and/or the OECD for publication.

Those disseminated in national publications.

Those compiled but not disseminated.

**Outward most timely position data:**

**Outward most comprehensive position data:**

Please indicate in the boxes below your future specific plans, if any, including target dates, for changes in the sources used for outward direct investment position data.

**Outward most timely position data:**

**Outward most comprehensive position data:**

1.3.3 *Business Register*

**Definition:**

**Business register:** A register of enterprises or establishments involved in foreign direct investment, which is maintained by countries to assist in the compilation of their direct investment data.

31. When collecting FDI data, do you use a business register? (i.e. a register maintained by the FDI compilation unit of your institution, or a register maintained by another unit within your institution, or a register maintained by another institution in your country.)

Inward	Outward
Yes / No / NA	Yes / No / NA

*If YES to any part of Question 31, please answer Questions 32, 33, and 34. If NO to Question 31, please indicate in the box below Q33 any future plans to use a business register, if relevant, and then go to Section 1.4, Geographic and Industrial Classification. (Question 35)*

32. If you use a business register to compile FDI data, please complete one of the following options. Do you:

- |   |          |
|---|----------|
| (a) Use the same register for all four datasets, that is, inward transactions data, outward transactions data, inward position data, and outward position data? | Yes / No |
| (b) Use different registers for some or all of the four datasets?   | Yes / No |

*If YES to (b), please describe the differences between the registers in the box provided below.*

33. Please indicate which of the following sources are used to update the business register(s)?

(Select "NA" if your answer to question 31 is "No" or "NA".

	<b>Inward</b>	<b>Outward</b>
The international trade system's list of exporters/importers	Yes / No / NA	Yes / No / NA
The ITRS's list of transactors	Yes / No / NA	Yes / No / NA
Other statistical collection forms	Yes / No / NA	Yes / No / NA
Regional branches / office of the compiling agency	Yes / No / NA	Yes / No / NA
A register maintained by:		
- Government licensing and regulatory authorities	Yes / No / NA	Yes / No / NA
- The tax authorities	Yes / No / NA	Yes / No / NA
- Corporate affairs authorities	Yes / No / NA	Yes / No / NA
- Stock exchange authorities	Yes / No / NA	Yes / No / NA
- Industry associations	Yes / No / NA	Yes / No / NA
- Other department(s) within the statistical agency	Yes / No / NA	Yes / No / NA
A debt register	Yes / No / NA	Yes / No / NA
The financial press	Yes / No / NA	Yes / No / NA
Non-resident sources	Yes / No / NA	Yes / No / NA
Compulsory direct investment surveys	Yes / No / NA	Yes / No / NA
Voluntary direct investment surveys	Yes / No / NA	Yes / No / NA
Other (Please specify below)	Yes / No / NA	Yes / No / NA

**Inward:**

**Outward:**

Additional comments on the sources used to update the business register(s). (Insert into the boxes below)

**Specifically:**

Please indicate any differences in the sources used to update the business register used for the FDI transactions data and the business register used for the FDI position data

**Inward:**

**Outward:**

Please indicate in the boxes below your future specific plans, if any, including target dates, for either (i) changes in your practices regarding the sources used for the business register; or (ii) to use a business register.

**Inward:**

**(i) Sources used**

**(ii) Use of a business register**

**Outward:**

**(i) Sources used**

**(ii) Use of a business register**

34. How frequently is the business register updated?

*(Use "NA" if you do not use a business register)*

<b>Transactions data</b>	<b>Inward</b>	<b>Outward</b>
Ongoing	_____	_____
Quarterly	_____	_____
Biannually	_____	_____
Annually	_____	_____
Irregularly (specify in the boxes below)	_____	_____

**Inward**

**Outward**

**Position data**

**Inward**

**Outward**

Ongoing

\_\_\_\_\_

\_\_\_\_\_

Quarterly

\_\_\_\_\_

\_\_\_\_\_

Biannually

\_\_\_\_\_

\_\_\_\_\_

Annually

\_\_\_\_\_

\_\_\_\_\_

Irregularly (specify in the boxes below)

\_\_\_\_\_

\_\_\_\_\_

**Inward**

**Outward**

Additional comments on the frequency with which the business register is updated. (Insert into the boxes below)

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the frequency with which the business register is updated.

**Inward:**

**Outward:**

**Section 1.4 Geographic and industrial classification**

Questions under this section are divided into two sub-sections:

1.4.1 Geographic classification

1.4.2 Industrial classification

1.4.1 Geographic classification

35. Do you compile direct investment statistics broken down by country for the following? (Use “NA” only if you do not compile statistics for the relevant FDI data.)

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

Additional comments on the compilation of direct investment data broken down by country. (Insert into the boxes below)

**Specifically**, please indicate:

- Whether data that are compiled, but not disseminated, are available on request.
- Any differences in the data sources, coverage etc between the data in the country breakdowns and those in the aggregate data for direct investment income, direct investment financial flows, and direct investment position data.

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the compilation of direct investment data broken down by country.

**Inward:**

**Outward:**

--

36. If YES to any part of Question 35, please indicate whether direct investment statistics broken down by country are disseminated for the following:

	<b>Inward</b>	<b>Outward</b>
<b>Most timely data</b>		
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

If YES to any part, please indicate the:

	<b>Inward</b>	<b>Outward</b>
Number of countries in the most detailed breakdown	_____	_____
Periodicity of disseminated data	_____	_____
Frequency of dissemination	_____	_____
Timeliness of disseminated data	_____	_____

**Most comprehensive data**

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

If YES to any part, please indicate the:

	<b>Inward</b>	<b>Outward</b>
Number of countries in the most detailed breakdown	_____	_____
Periodicity of disseminated data	_____	_____
Frequency of dissemination	_____	_____
Timeliness of disseminated data	_____	_____

Additional comments on the dissemination of direct investment data broken down by country. (Insert into the boxes below)

**Specifically:**

Please indicate any differences in the data sources, coverage etc between the disseminated data showing the country breakdowns and those in the disseminated aggregate data for direct investment income, direct investment financial flows, and direct investment positions.

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the dissemination of direct investment data broken down by country.

**Inward:**

**Outward:**

37. If YES to any part of Question 35, please list the 5 highest ranking countries for the latest year or period for which data are available. (Use "NA" only if you do not compile statistics for the relevant FDI data)

**Direct investment income**

**Inward**

**Outward**

Year/period: \_\_\_\_\_

Year/period: \_\_\_\_\_

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_
- 5. \_\_\_\_\_

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_
- 5. \_\_\_\_\_

**Direct investment financial flows**

<b>Inward</b>		<b>Outward</b>	
Year/period:	_____	Year/period:	_____
1.	_____	1.	_____
2.	_____	2.	_____
3.	_____	3.	_____
4.	_____	4.	_____
5.	_____	5.	_____

**Direct investment position data**

<b>Inward</b>		<b>Outward</b>	
Year/period:	_____	Year/period:	_____
1.	_____	1.	_____
2.	_____	2.	_____
3.	_____	3.	_____
4.	_____	4.	_____
5.	_____	5.	_____

38. Do you compile direct investment statistics by regions or economic zones for the following? (Use "NA" only if you do not compile statistics for the relevant FDI data.)

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

39. If YES to any part of Question 38 do you disseminate direct investment statistics by regions or economic zones for the following?

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

40. If YES to any part of Questions 38 and/or 39, please indicate for which of the following economic zones you compile and disseminate direct investment data. (Use "NA" only if you do not compile statistics for the relevant FDI data)

(If NO, please indicate any future plans to compile such data, if relevant, and then go to Question 41.)

**Direct investment income**

	<b>Inward</b>	<b>Outward</b>
EU-15	_____	_____
EFTA	_____	_____
OECD	_____	_____
NAFTA	_____	_____
CIS countries	_____	_____
ASEAN countries	_____	_____
OPEC countries	_____	_____
Other (specify other economic zone or region in box below)	_____	_____

**Inward data:**

**Outward data:**

**Direct investment financial flows**

	<b>Inward</b>	<b>Outward</b>
EU-15	_____	_____
EFTA	_____	_____
OECD	_____	_____
NAFTA	_____	_____
CIS countries	_____	_____
ASEAN countries	_____	_____
OPEC countries	_____	_____
Other (specify other economic zone or region in box below)	_____	_____

**Inward data:**

**Outward data:**

**Direct investment position data**

	<b>Inward</b>	<b>Outward</b>
EU-15	_____	_____
EFTA	_____	_____
OECD	_____	_____
NAFTA	_____	_____
CIS countries	_____	_____
ASEAN countries	_____	_____
OPEC countries	_____	_____
Other (specify other economic zone or region in box below)		

**Inward data:**

**Outward data:**

Additional comments on the direct investment data broken down by region or economic zone. (Insert into the boxes below.)

**Specifically**, please indicate:

- Whether data that are compiled, but not disseminated, are available on request
- The periodicity, timeliness, and frequency of dissemination of the data.
- Any differences in the data sources, coverage etc between the data in the regional/economic zone breakdowns and those in the aggregate data for direct investment income, direct investment financial flows, and direct investment position data.

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the compilation and/or dissemination of direct investment data broken down by region or economic zone.

**Inward:**

**Outward:**

**Definitions:**

**The following principles can be used as the basis for allocating data by country/region.**

**The debtor/creditor principle** allocates transactions resulting in changes in the financial claims of the compiling economy to the country of residence of the non-resident debtor, and transactions resulting in changes in the financial liabilities of the compiling economy to the country of residence of the non-resident creditor, even if the amounts are paid to or received from a different country.

**The transactor principle** allocates transactions resulting in changes in financial claims and liabilities of the compiling economy to the country of residence of the non-resident party to the transaction (the transactor), even if this is not the country of residence of the non-resident direct investment enterprise or direct investor.

41. Which principle do you use for the geographic allocation of your direct investment transactions data?

	<b>Inward</b>	<b>Outward</b>
Debtor/creditor principle (allocate to the country of the debtor/creditor direct investment enterprise or direct investor, even if the amounts are paid to or received from another country)	Yes / No / NA	Yes / No / NA
Transactor principle (allocate to the country to which the funds are paid or from which the funds are received, even if this is not the country of the debtor/creditor direct investment enterprise or direct investor)	Yes / No / NA	Yes / No / NA

Additional comments on the geographic allocation principle used for transactions data. (Insert into the boxes below.)

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the geographic allocation principle used for transactions data.

**Inward:**

**Outward:**

**Definitions:**

Direct investment transactions, including those channelled through an offshore centre, can be reflected in the geographic allocation of the direct investment position data either on:

The immediate country basis (that is, allocated to the country of direct ownership); or

The ultimate country basis (that is, allocated to the ultimate host or controlling country).

*BPM5* and the *Benchmark Definition* recommend the use of the immediate country basis.

42. Please indicate which of the following bases you use to compile the geographic breakdowns for your direct investment position data: (Use "NA" only if you do not compile FDI position data or geographic breakdowns for the FDI position data.)

	<b>Inward</b>	<b>Outward</b>
(i) An immediate country basis (the country of direct ownership)?	Yes / No / NA	Yes / No / NA
(ii) An ultimate country basis (the ultimate host or controlling country)?	Yes / No / NA	Yes / No / NA

Additional comments on the geographic allocation basis used for position data. (Insert into the boxes below.)

**Specifically:**

Please describe instances involving the compilation of two separate sets of data (one using the immediate country basis, and the other using the ultimate country basis)

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the geographic allocation basis used for position data.

**Inward:**

**Outward:**

**Definition:**

**Bilateral sources** involve the use of direct investment statistics that are compiled by other countries, or by international organisations.

43. Do you use bilateral sources in the compilation of the following direct investment data, even as a crosscheck?

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

*(Use "NA" only if you do not compile geographic breakdowns for the relevant FDI data.)*

Additional comments on the use of bilateral sources for the compilation of direct investment transactions and position data. (Insert into the boxes below)

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the use of bilateral data for the compilation of direct investment transactions and position data.

**Inward:**

--

**Outward:**

--

1.4.2 Industrial classification

44. Do you compile direct investment statistics broken down by industrial activity for the following? (Use NA only if you do not compile statistics for the relevant FDI data.)

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

If YES to any part of Question 44, answer Questions 45 and 46 below. If NO, indicate any future plans for change, if relevant, and then go to Question 47.

Additional comments on the compilation of direct investment statistics broken down by industrial activity. (Insert into the boxes below.)

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the compilation of direct investment statistics broken down by industrial activity.

**Inward:**

**Outward:**

45. If you compile direct investment statistics broken down by industry, please indicate whether the industrial breakdown is based on: (Use "NA" only if your answer to Question 44 is "No" or "NA")

	<b>Inward</b>	<b>Outward</b>
The industry of the resident direct investment enterprise/investor	Yes / No/ NA	Yes / No/ NA
The industry of the non-resident direct investment enterprise/investor	Yes / No/ NA	Yes / No/ NA

Additional comments on the basis used for the industrial breakdown. (Insert into the boxes below)

**Specifically:**

Please describe any instances where different bases are used for the income data, the financial flows data, and/or the position data.

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the basis used for the industrial breakdown.

**Inward:**

**Outward:**

46. If YES to any part of Question 44, please indicate whether you disseminate direct investment statistics broken down by industrial activity for the following, (Use "NA" only if you do not compile statistics for the relevant FDI data.)

**Most timely data**

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

If YES to any part, please indicate the:

	<b>Inward</b>	<b>Outward</b>
Number of industrial activities in the most detailed breakdown	_____	_____
Periodicity of disseminated data	_____	_____
Frequency of dissemination	_____	_____
Timeliness of disseminated data	_____	_____

**Most comprehensive data**

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

If YES to any part, please indicate the:

	<b>Inward</b>	<b>Outward</b>
Number of industrial activities in the most detailed breakdown	_____	_____
Periodicity of disseminated data	_____	_____
Frequency of dissemination	_____	_____
Timeliness of disseminated data	_____	_____

Additional comments on the dissemination of direct investment data broken down by industrial activity. (Insert into the boxes below.)

**Specifically**, please indicate:

Whether data that are compiled but not disseminated are available on request.

Any differences in the data sources, coverage etc between disseminated data showing breakdowns by industrial activity and those in the disseminated aggregate data for direct investment income, direct investment financial flows, and direct investment position data.

**Inward:**

**Outward:**

47. If YES to any part of Questions 44 and/or 46,

- Please indicate the 5 highest ranking industrial activities for the latest year or period for which data are available. (Use "NA" only if you do not compile statistics for the relevant FDI data)

**Direct investment income**

<b>Inward</b>	<b>Outward</b>
Year/period: _____	Year/period: _____
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____

**Direct investment financial flows**

<b>Inward</b>	<b>Outward</b>
Year/period: _____	Year/period: _____
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____

**Direct investment positions**

<b>Inward</b>	<b>Outward</b>
Year/period: _____	Year/period: _____
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____

**Definitions:**

**United Nations International Standard Industrial Classification for all Economic Activities (ISIC)**

refers to the industrial classification as defined in the third version of ISIC. See Annex II of this questionnaire for more details

**Nomenclature générale des activités économiques dans les Communautés européennes (NACE)**

refers to the industrial classification as defined in Revision 1 of NACE which is used by EUROSTAT. See Annex II of this questionnaire for more details.

**OECD industrial classification codes** are set out in Annex II of this questionnaire. The main OECD classification categories are: (1) Agriculture and fishing, (2) Mining and quarrying (3) Manufacturing, (4) Electricity, gas and water, (5) Construction, (6) Trade and repairs, (7) Hotels and restaurants, (8) Transport and communications, (9) Financial intermediation, (10) Real estate and business activities, and (11) Other services.

48. If you compile direct investment statistics by industrial activity, do you compile figures that broadly correspond to the major divisions in the “United Nations International Standard Industrial Classification of All Economic Activity” (*ISIC*) for the following? (See Annex II for more details of the *ISIC* classification.) Use “*NA*” only if you do not compile statistics for the relevant *FDI* data.

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

If the classification system used is not *ISIC*, but is a system that is broadly consistent with *ISIC*, please describe the classification used in the boxes below.

**Inward:**

**Outward:**

If *NO* to any part of Question 48, please provide a brief description of your industrial classification categories in the boxes below.

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the industrial classification used for the compilation and/or dissemination of direct investment data.

**Inward:**

**Outward:**

49. If you compile direct investment statistics by industrial activity, do you compile data for a detailed sectoral breakdown, such as the OECD or the Eurostat ISIC/NACE classification systems for the following? (See Annex II for details of these classification systems.) Use “NA” only if you do not compile statistics for the relevant FDI data.

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

If *YES* to any part of Question 49, please specify below the detailed classification system used.

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the more detailed industrial classification used for the compilation and/or dissemination of direct investment data.

**Inward:**

**Outward:**

50. Do you compile direct investment statistics broken down by industrial sector AND by region/economic zone for the following? Use "NA" only if you do not compile statistics for the relevant FDI data.

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

51. If YES to any part of Question 49, do you disseminate direct investment statistics broken down by both industrial sector AND region/economic zone for the following?

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

Additional comments on the compilation and/or dissemination of direct investment data broken down by both industrial sector AND region or economic zone. (Insert into the boxes below.):

**Specifically**, please indicate:

Whether data that are compiled but not disseminated are available on request.

The periodicity, timeliness, and frequency of dissemination of the disseminated data.

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the compilation and/or dissemination of direct investment data broken down by both industrial sector AND region/economic zone.

**Inward:**

**Outward:**

52. Do you compile direct investment statistics broken down by both industrial sector AND partner country for the following? (Use "NA" only if you do not compile statistics for the relevant FDI data.)

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

53. If YES to any part of Question 52,

➤ Do you disseminate direct investment broken down by both industrial sector AND partner country for the following?

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

Please also indicate the 5 highest ranking partner countries for which you can provide statistics by industrial activities for the latest year or period for which data are available (Use "NA" only if you do not compile statistics for the relevant FDI data.)

**Direct investment income**

<b>Inward</b>	<b>Outward</b>
Year/period: _____	Year/period: _____
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____

**Direct investment financial flows**

<b>Inward</b>	<b>Outward</b>
Year/period: _____	Year/period: _____
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____

**Direct investment positions**

<b>Inward</b>	<b>Outward</b>
Year/period: _____	Year/period: _____
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____

Additional comments on the compilation and/ or dissemination of direct investment data broken down by both industrial sector AND partner country, (Insert into the boxes below)

**Specifically**, please indicate:

Whether data that are compiled but not disseminated are available on request.

The periodicity, timeliness, and frequency of dissemination of the disseminated data.

**Inward:**

**Outward:**

Please indicate in the boxes below future specific plans, if any, including target dates, for changes in your practices regarding the compilation and/or dissemination of direct investment data broken down by both industrial sector AND partner country.

**Inward:**

**Outward:**

## PART 2. METHODOLOGY

### Section 2.1 Direct investment enterprises and direct investors

#### 2.1.1 Definition of direct investment enterprises

##### **Definitions:**

**Direct Investment (Foreign direct investment):** is defined as international investment by a resident entity in one economy ("direct investor") in an enterprise resident in another economy ("direct investment enterprise") made with the objective of obtaining a lasting interest. The "lasting interest" implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence on the management of the enterprise. Direct investment involves both the initial transaction between the two entities and all subsequent capital transactions between them and among affiliated enterprises, both incorporated and unincorporated.

**Direct investor:** is an individual, an incorporated or unincorporated private or public enterprise, a government, or a group of related enterprises (incorporated or unincorporated) or individuals, that has a direct investment enterprise (that is, a subsidiary, associate, or branch) operating in an economy other than the economy or economies of residence of the direct investor or direct investors.

**Direct investment enterprise:** is an incorporated enterprise in which a direct investor owns 10 per cent or more of the ordinary shares or voting power or an unincorporated enterprise in which the direct investor has equivalent ownership. Direct investment enterprises comprise:

- Subsidiaries (enterprises in which a non-resident investor owns more than 50 per cent).
- Associates (enterprises in which a non-resident investor owns between 10 and 50 per cent).
- Branches (unincorporated enterprises wholly or jointly owned by a non-resident investor).

that are either directly or indirectly owned by the direct investor, and

See additional information included in the Glossary of Terms (Annex V of this questionnaire)

*Use "NA" in response to Questions 54 through 61 only if you do not compile inward FDI data.*

54. Do you, as the basic principle, apply the 10 per cent ownership criterion as defined above to identify a direct investment enterprise that is a resident of your economy (inward direct investment)?  
(Special cases will be treated in other questions)

Yes / No / NA

*If YES to Question 54, answer Questions 55, 56, and 57. If NO, go to Question 58.*

55. In defining a direct investment enterprise do you calculate the 10 per cent ownership by combining the holdings of all non-resident investors from a specific country, regardless of whether the ownership of each individual investor or group of related investors is less than 10 per cent?

Yes / No / NA

56. Do you include in your definition, enterprises in which the investor owns 10 per cent or more of the ordinary shares or voting power of the enterprise but does not have an effective voice in management?

Yes / No / NA

57. Do you include in your definition, enterprises in which the investor owns less than 10 per cent of the ordinary shares or voting power of the enterprise but has an effective voice in management, such as the following?

Representation on the Board of Directors	Yes / No / NA
Participation in policy making	Yes / No / NA
Material inter-company transactions	Yes / No / NA
Interchange of managerial personnel	Yes / No / NA
Provision of technical information	Yes / No / NA
Other (Please specify in the box below.)	Yes / No / NA

58. Do you use a percentage of ownership different from 10 per cent for inward direct investment enterprises?

Yes / No / NA

*If YES, please specify in the box below.*

59. If Yes to Question 58, when defining a direct investment enterprise do you calculate the per cent ownership by combining the holdings of all non-resident investors from a specific country, regardless of whether the ownership of each individual investor or group of related investors is less than the percentage used in your definition?

Yes / No / NA

60. Do you use a value threshold such as a minimum net asset value of the enterprise, or some other criterion, to define an inward direct investment enterprise?

Yes / No / NA

*If YES, please specify in the box below.*

61. Do you treat incorporated enterprises differently from unincorporated enterprises when defining an inward direct investment enterprise?

Yes / No / NA

*If YES, please specify in the box below.*

62. **A:** Additional comments on your definition of an inward direct investment enterprise. (Insert into the box below.)

**B:** Please indicate in the box below your specific future plans, if any, including target dates, for changes in your definition of inward direct investment enterprises.

2.1.2 *Definition of direct investors*

**Definitions:**

**Direct Investment (Foreign direct investment):** is defined as international investment by a resident entity in one economy ("direct investor") in an enterprise resident in another economy ("direct investment enterprise") made with the objective of obtaining a lasting interest. The "lasting interest" implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence on the management of the enterprise. Direct investment involves both the initial transaction between the two entities and all subsequent capital transactions between them and among affiliated enterprises, both incorporated and unincorporated.

**Direct investor:** is an individual, an incorporated or unincorporated private or public enterprise, a government, or a group of related enterprises (incorporated or unincorporated) or individuals that has a direct investment enterprise (that is, a subsidiary, associate or branch) operating in economy other than the economy or economies of residence of in which the direct investor or investors.

*Use "NA" in response to Q 63 through Q 71 only if you do not compile outward FDI data.*

63. Do you, as the basic principle, apply the 10 per cent ownership criterion as defined above to identify direct investors that are residents of your economy (outward direct investment)? (*Special cases will be treated in other questions.*)

Yes / No / NA

If YES, answer Questions 64, 65, and 66. If NO, go to Question 67.

64. In defining a resident direct investor do you calculate the 10 per cent ownership by combining the holdings of all investors resident in your economy in enterprises in a specific country, regardless of whether the ownership of each individual resident investor or group of related investors in an enterprise abroad is less than 10 per cent?

Yes / No / NA

65. Do you include in your definition, investors who own 10 per cent or more of the ordinary shares or voting power of the enterprise but do not have an effective voice in management?

Yes / No / NA

66. Do you include in your definition, investors who own less than 10 per cent of the ordinary shares or voting power of the enterprise but have an effective voice in management, such as the following:

Representation on the Board of Directors	Yes / No / NA
Participation in policy making	Yes / No / NA
Material inter-company transactions	Yes / No / NA
Interchange of managerial personnel	Yes / No / NA
Provision of technical information	Yes / No / NA
Other (Please specify in the box below.)	Yes / No / NA

67. Do you use a percentage of ownership other than 10 per cent for outward direct investors?

Yes / No / NA

*If YES, please specify in the box below.*

68. If YES to Question 67, when defining a direct investor do you calculate the per cent ownership by combining the holdings of all resident investors in a specific country, regardless of whether the ownership of each individual investor or group of related investors is less than the percentage used in your definition?

Yes / No / NA

69. Do you use a value threshold such as a minimum net asset value of the enterprise, or some other criterion, to define an outward direct investor?

Yes / No / NA

*If YES, please specify in the box below.*

70. Do you treat incorporated enterprises differently from unincorporated enterprises when defining an outward direct investor?

Yes / No / NA

*If YES, please specify in the box below.*

71. **A:** Additional comments on your definition of an outward direct investor. (Insert into the box below.)

**B:** Please indicate in the box below your specific future plans, if any, including target dates, for changes in your definition of an outward direct investor.

### 2.1.3 Indirectly owned direct investment enterprises

#### **Definitions:**

**Direct investment enterprises** comprise:

**Subsidiaries** (enterprises in which a non-residents investor owns more than 50%);

**Associates** (enterprises in which a non-resident investor owns between 10% and 50%; or

**Branches** (unincorporated enterprises wholly or jointly owned by a non-resident investor).

that are either **directly or indirectly owned** by the direct investor

**Direct investment relationship:** A direct investment relationship is established once a direct investor either directly or indirectly owns a direct investment enterprise. Direct investment enterprises which are considered to be in a direct investment relationship with a direct investor are also considered to be in direct investment relationships with each other. As a result, once a direct investor owns 10 per cent of an enterprise, certain other enterprises related to the first enterprise are also regarded as direct investment enterprises. Hence the definition of direct investment enterprise extends to the branches and subsidiaries of subsidiaries of the direct investor (so-called “indirectly owned direct investment enterprises”). The OECD’s *Benchmark Definition of Foreign Direct Investment* and the IMF’s *Balance of Payments Textbook and Balance of Payments Compilation Guide* describe the scope of enterprises, both directly and indirectly owned, that should be included in the definition. This concept is called the “Fully Consolidated System” and is described in Annex I of this questionnaire.

**Reinvested earnings** comprise, in proportion to equity held, the direct investor’s share of earnings that foreign subsidiaries and associated enterprises do not distribute as dividends.

**Reinvested earnings of indirectly owned direct investment enterprises** are treated as follows under the Fully Consolidated System. Assuming that: (a) Company A in Country 1 owns 51% of Company B in Country 2, which in turn owns 51% of Company C in Country 3, and (b) the reinvested earnings of Company B are 500 and the reinvested earnings of Company C are 100, the income of Company A from reinvested earnings is 281, that is:

51% of the reinvested earnings of Company B:  $.51 \times 500 = 255$

51% of 51% of the reinvested earnings of Company C:  $.51(.51 \times 100) = 26$

(Table 4 of Annex I of the OECD’s *Benchmark Definition* gives a more detailed example.)

72. Does your definition of direct investment enterprises follow the recommended rules for the identification of indirectly owned enterprises to be included in the “Fully Consolidated System”? (See Annex I for the description of the FCS.)

**Inward**

**Outward**

Fully / Partially / No

Fully / Partially / No

Note that:

- The answer “Fully” should be used only if you strictly apply to all indirectly-owned direct investment enterprises the FCS treatment presented in Annex I, and have answered “YES” to Q 73, Q74, and Q75 below.
- The answer “Partially” should be used when the responses to one or more of Questions 73 through 75 are not “YES”, or if the FCS is not strictly applied to all indirectly-owned direct investment enterprises.
- The answer “NO” should be used when the responses to Q 73, Q74 and Q75 are all “NO”, and the FCS is not applied to any indirectly-owned direct investment enterprises

Additional comments on your application of the “Fully Consolidated System”. (Insert into the boxes below.)

**Specifically:**

- If your answer to Question 72 is “Partially“ at the same time as the responses to Q73, Q74, and Q75 are “NO”, please describe in the boxes below the way in which your treatment differs from the FCS treatment presented in Annex I, such as the FCS not being applied to indirectly-owned unlisted enterprises.
- If your answer to Question 72 is “NO”, please describe your treatment in the boxes below – for example:
  - Whether you use another methodology (such as the US methodology) to define indirectly-owned direct investment enterprises.
  - Whether you exclude all indirectly-owned direct investment enterprises from your FDI data.
  - If your answer to Question 72 is either “Partially” or “NO”, please indicate in the boxes below the reasons for not fully applying the FCS.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in your application of the “Fully Consolidated System”.

**Inward:**

**Outward:**

--

73. Do you include in your earnings data the relevant share of earnings of all indirectly owned direct investment enterprises? (Please refer to Annex I of this questionnaire for more information. Use “NA” only if you do not compile data on direct investment income.)

<b>Inward</b>	<b>Outward</b>
Yes / No / NA	Yes / No / NA

Additional comments on the treatment of earnings of indirectly owned direct investment enterprises. (Insert into the boxes below)

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in your treatment of earnings of indirectly owned direct investment enterprises.

**Inward:**

--

**Outward:**

--

74. Once you have identified a group of related enterprises as defined above, do you classify as direct investment transactions all equity capital and other capital (inter-company debt) transactions made directly between resident enterprises of the group and non-resident enterprises of the same group, without consideration of the percentage of equity directly held by these enterprises in each other? (Please refer to Annex I of this questionnaire for more information. Use “NA” only if you do not compile data on direct investment financial flow.)

<b>Inward</b>	<b>Outward</b>
Yes / No / NA	Yes / No / NA

Additional comments on the treatment of equity capital and other capital transactions of indirectly owned enterprises. (Insert into the boxes below.)

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in your treatment of transactions of indirectly owned direct investment enterprises.

**Inward:**

**Outward:**

75. Do you include in your direct investment position data (i) the relevant share of the reinvested earnings of all indirectly owned direct investment enterprises, and (ii) all equity capital and other capital (inter-company debt) positions held directly with all indirectly owned direct investment enterprises? (Please refer to Annex I of this questionnaire for more information. Use "NA" only if you do not compile FDI position data.)

**Inward**

**Outward**

Yes / No / NA

Yes / No / NA

Additional comments on the treatment of indirectly owned direct investment enterprises in your position data. (Insert into the boxes below.)

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in your treatment of indirectly owned direct investment enterprises in your position data.

**Inward:**

**Outward:**

76. Reporting of direct investment relationships. Are companies in your country required by law to:

Produce consolidated accounts covering their subsidiary and associate companies, both foreign and domestic? Yes / No

Identify all transactions with the parent company? Yes / No

Additional comments on legal reporting requirements for direct investment relationships. (Insert into the boxes below)

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the legal reporting requirements for direct investment relationships.

**Inward:**

**Outward:**

*Section 2.2 Components of direct investment income*

**Definitions:**

The components of direct investment income are:

- (a) **Income on equity** comprising: (i) dividends and distributed branch profits; and (ii) reinvested earnings and undistributed branch profits.
- (b) **Income on debt** (interest accrued)

*2.2.1 Measuring direct investment earnings*

**Definitions:**

There are two main ways of measuring earnings as explained in the International Accounting Standard No.8, “Unusual and Prior Period Items and Changes in Accounting Policy”:

**Current operating performance concept:** earnings of an enterprise consist of its income from normal operations before non-recurring items (such as write-offs) and capital gains and losses are accounted for.

**All-inclusive concept:** income is the amount remaining after allowing for all items (including write-offs and capital gains and losses) that cause any increase or decrease in the shareholders’ or investors’ interests during the accounting period, other than dividends and any other transactions between the enterprise and its shareholders or investors..

*“NA” in response to questions 77 through 81 should normally be used only if you do not compile data on FDI income. Please explain any exceptions in the comments boxes provided under each question.*

77. According to your knowledge, are earnings calculated using the current operating performance concept? (Answer “YES” only if the responses to all items listed under Q78, Q79, and Q80 are also “YES”)

<b>Inward</b>	<b>Outward</b>
Yes / No / NA	Yes / No / NA

78. Do direct investment earnings make allowance for the following items (that is, do you deduct the following items from the earnings data)?

	<b>Inward</b>	<b>Outward</b>
Provisions for depreciation of capital	Yes / No / NA	Yes / No / NA
Provisions for host-country income and corporation taxes	Yes / No / NA	Yes / No / NA

Additional comments on the treatment of depreciation of capital and income and corporation taxes in the measurement of direct investment earnings. (Insert into the boxes below.)

**Specifically:**

Please provide an explanation of the reasons why the recommended methodology is not applied.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the treatment of depreciation of capital and income and corporation taxes in the measurement of direct investment earnings.

**Inward:**

**Outward:**

79. Do your direct investment earnings data exclude the following items?

	<b>Inward</b>	<b>Outward</b>
Realised capital gains	Yes / No / NA	Yes / No / NA
Realised capital losses	Yes / No / NA	Yes / No / NA
Unrealised capital gains	Yes / No / NA	Yes / No / NA
Unrealised capital losses	Yes / No / NA	Yes / No / NA
Write-offs	Yes / No / NA	Yes / No / NA
Realised exchange rate gains	Yes / No / NA	Yes / No / NA
Realised exchange rate losses	Yes / No / NA	Yes / No / NA
Unrealised exchange rate gains	Yes / No / NA	Yes / No / NA
Unrealised exchange rate losses	Yes / No / NA	Yes / No / NA

Additional comments on the treatment of realised and/or unrealised capital gains and/or losses, realised and/or unrealised exchange rate gains and/or losses, and write-offs for calculating direct investment earnings. (Insert into the boxes below)

**Specifically:**

Please provide an explanation of the reasons why the recommended methodology is not applied.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the treatment of realised and/or unrealised capital gains and/or losses, realised and/or unrealised exchange rate gains and/or losses, and/or write-offs for calculating direct investment earnings.

**Inward:**

**Outward:**

80. Do your direct investment earnings data:

	Inward	Outward
<i>Include</i> interest receivable and interest payable?	Yes / No / NA	Yes / No / NA
<i>Exclude</i> debt repayments receivable and payable?	Yes / No / NA	Yes / No / NA

Additional comments on the treatment of interest and debt repayments in the direct investment earnings data. (Insert into the boxes below.)

**Specifically:**

Please provide an explanation of the reasons why the recommended methodology is not applied.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the treatment of interest and debt repayments in the direct investment earnings data.

**Inward:**

**Outward:**

81. When the earnings of direct investment enterprises are negative (that is, when the direct investment enterprise makes a net loss), do you record negative reinvested earnings under the Income section of the balance of payments data?

**Inward**

**Outward**

Yes / No / NA

Yes / No / NA

Additional comments on the treatment of net losses of direct investment enterprises. (Insert into the boxes below)

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the treatment of net losses of direct investment enterprises.

**Inward:**

--

**Outward:**

--

82. **A:** Additional comments on current methods used to measure direct investment earnings.  
(Insert into the boxes below.)

**Inward:**

--

**Outward:**

--

**B:** Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the methods used to measure direct investment earnings.

**Inward:**

--

**Outward:**

--

2.2.2 *Dividends and distributed branch profits*

**Definition:**

**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.

**Distributed branch profits** are earnings that branches and other unincorporated enterprises remit to their direct investors.

*“NA” in response to Questions 83 through 86 should normally only be used if you do not compile data on dividends and/or distributed branch profits. Any exceptions should be explained in the comments boxes provided under each question.*

83. Do you compile data on dividends and/or distributed branch profits for the following?

	<b>Inward</b>	<b>Outward</b>
Incorporated enterprises	Yes / No / NA	Yes / No / NA
Unincorporated enterprises	Yes / No / NA	Yes / No / NA

Additional comments on compilation of data on dividends and/or distributed branch profits of direct investment enterprises. (Insert into the boxes below.)

**Specifically:**

Please indicate whether the definitions of dividends and/or distributed branch profits that you use differ from those given above.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in your practices regarding the compilation of data on dividends and/or distributed branch profits of direct investment enterprises.

**Inward:**

**Outward:**

--

84. Please indicate when dividends and distributed branch profits are recorded.

*(Rank multiple responses using 1 for the most frequent method, 2 for the second most frequent method, etc.)*

**A. For incorporated enterprises**

	<b>Inward</b>	<b>Outward</b>
On the date they are declared payable?	_____	_____
On the date they are payable (due for payment)?	_____	_____
On the date they are paid?	_____	_____
Some other recording method? (Specify in the boxes below.)	_____	_____

**Inward:**

--

**Outward:**

--

**B. For unincorporated enterprises**

	<b>Inward</b>	<b>Outward</b>
On the date they are declared payable?	_____	_____
On the date they are payable (due for payment)?	_____	_____
On the date they are paid?	_____	_____
Some other recording method? (Specify in the boxes below.)	_____	_____

**Inward:**

--

**Outward:**

--

Additional comments on the date of recording dividends and distributed branch profits of direct investment enterprises. (Insert into the boxes below)

**Specifically:**

Please provide an explanation of the reasons why the recommended methodology is not applied

**Inward:**

**Outward:**

Please indicate in the boxes below specific future plans, if any, including target dates, for changes in the practices in your country regarding the date of recording dividends or distributed profits of direct investment enterprises.

**Inward:**

**Outward:**

85. Are dividends and distributed branch profits recorded gross of any withholding tax for the following?

	<b>Inward</b>	<b>Outward</b>
Incorporated enterprises	Yes / No / NA	Yes / No / NA
Unincorporated enterprises	Yes / No / NA	Yes / No / NA

Additional comments on the treatment of withholding tax in calculating the dividends and distributed branch profits of direct investment enterprises. (Insert into boxes below.)

**Inward:**

**Outward:**

Please indicate your specific future plans, if any, including target dates, for changes in the treatment in your country of withholding tax in calculating the dividends and distributed branch profits of direct investment enterprises.

**Inward:**

**Outward:**

86. Which exchange rate is used to convert foreign currencies into the unit of account for data on dividends and distributed branch profits of direct investment enterprises? (Rank multiple responses using: 1 for the most frequent, 2 for the second most frequent, etc. and “NA” for not applicable.)

	<b>Inward</b>	<b>Outward</b>
Exchange rate prevailing on the day of the transaction	_____	_____
Average exchange rate in the period in which the dividends and distributed branch profits are recorded	_____	_____
Other (please specify in the boxes below).	_____	_____

**Inward:**

**Outward:**

Additional comments on the exchange rates used for data on dividends and distributed branch profits of direct investment enterprises. (Insert into the boxes below.)

**Inward:**

**Outward:**

Please indicate in the boxes below specific future plans, if any, including target dates, for changes in the exchange rates used for data on dividends and distributed branch profits of direct investment enterprises.

**Inward:**

**Outward:**

87. **A:** Additional comments on other procedures regarding the measurement of dividends and distributed branch profits of direct investment enterprises. (Insert into the boxes below.)

**Inward:**

**Outward:**

**B:** Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in your practices for any other procedures regarding the measurement of dividends and distributed branch profits of direct investment enterprises.

**Inward:**

**Outward:**

2.2.3 Reinvested earnings and undistributed branch profits

**Definitions:**

**Reinvested earnings and undistributed branch profits** comprise, in proportion to equity held, the direct investor's share of:

- (1) earnings that foreign subsidiaries and associated enterprises do not distribute as dividends (**reinvested earnings**); and
- (2) earnings that branches and other unincorporated enterprises do not remit to direct investors (**undistributed branch profits**).

*“NA” in response to Questions 88 through 91 should normally only be used if you do not compile data on reinvested earnings and/or undistributed branch profits. Any exceptions should be explained in the comments boxes provided under each question.*

88. Do you compile data on reinvested earnings and undistributed branch profits for direct investment enterprises for the following?

	<b>Inward</b>	<b>Outward</b>
Incorporated enterprises	Yes / No / NA	Yes / No / NA
Unincorporated enterprises	Yes / No / NA	Yes / No / NA

Additional comments on the compilation of data on reinvested earnings and undistributed branch profits of direct investment enterprises. (Insert into boxes below.)

**Specifically:**

Please indicate whether the definitions of reinvested earnings and undistributed branch profits differ from those given above.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in your practices regarding the compilation of data on reinvested earnings and undistributed branch profits of direct investment enterprises.

**Inward:**

**Outward:**

89. Are reinvested earnings and undistributed branch profits recorded in the FDI data in the period in which they are earned for the following?

	<b>Inward</b>	<b>Outward</b>
Incorporated enterprises	Yes / No / NA	Yes / No / NA
Unincorporated enterprises	Yes / No / NA	Yes / No / NA

*If NO, please specify in the boxes below the period in which they are recorded.*

**Inward:**

**Outward:**

Additional comments on time of recording of data on reinvested earnings and undistributed branch profits of direct investment enterprises. (Insert into the boxes below.)

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in your practices regarding the time of recording of data on reinvested earnings and undistributed branch profits of direct investment enterprises.

**Inward:**

--

**Outward:**

--

90. Which exchange rate is used to convert foreign currencies into the unit of account for data on reinvested earnings and undistributed branch profits of direct investment enterprises? (Rank multiple responses using: 1 for the most frequent, 2 for the second most frequent, etc. and “NA” for not applicable.)

	<b>Inward</b>	<b>Outward</b>
Exchange rate prevailing on the day of the transaction	_____	_____
Average exchange rate in the period in which the reinvested earnings and undistributed branch profits are recorded	_____	_____
Other (please specify in the boxes below).	_____	_____

**Inward:**

--

**Outward:**

--

Additional comments on exchange rates used for reinvested earnings and undistributed branch profits of direct investment enterprises. (Insert into the boxes below.)

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in exchange rates used for data on reinvested earnings and undistributed branch profits for direct investment enterprises.

**Inward:**

**Outward:**

91. **A:** Additional comments on any other aspects of the measurement of reinvested earnings and undistributed branch profits of direct investment enterprises. (Insert into the boxes below.)

**Inward:**

**Outward:**

**B:** Please indicate your specific future plans, if any, including target dates, for changes in your practices for any other aspects of the measurement of reinvested earnings and undistributed branch profits of direct investment enterprises.

**Inward:**

**Outward:**

2.2.4 Income on debt (interest)

**Definitions:**

**Income on debt (interest)** consists of interest payable on inter-company debt to/from direct investors from/to associated enterprises abroad. It covers interest on the borrowing and lending of funds (including debt securities and suppliers' credits) between direct investors and direct investment enterprises.

**Bonds and money market instruments** include bonds, debentures, commercial paper, promissory notes, certificates of deposit, and other tradable non-equity securities, other than financial derivatives. (For the purposes of the questionnaire, the category also includes Treasury Bills.)

**Financial derivatives** are financial instruments that are linked to another specific financial instrument, or indicator, or commodity, and through which specific financial risks (such as interest rate risk, currency, equity and commodity price risks, and credit risk, etc.) can be traded in their own right in financial markets. Transactions in financial derivatives should be treated as separate transactions rather than as integral parts of the value of the underlying transactions to which they may be linked. The value of a financial derivative derives from the price of the underlying item, such as an asset or index. No principal amount that has to be repaid is advanced, and no investment income accrues. Financial derivatives are used for a number of purposes, including risk management, hedging, arbitrage between markets, and speculation.

In accordance with the 2000 revision of the fifth edition of the IMF's *Balance of Payments Manual*, income from financial derivatives (such as interest rate swaps) is no longer considered to be Income on Debt (Interest) in the balance of payments.

***“NA” in response to Questions 92 through 95 should normally only be used if you do not compile data on direct investment income on debt (interest). Any exceptions should be explained in the comments boxes provided under each question.***

92. Do you compile data on direct investment income on debt (interest)? [Use “NA” only if you do not compile FDI income on debt (interest).]

	<b>Inward</b>	<b>Outward</b>
Incorporated enterprises	Yes / No / NA	Yes / No / NA
Unincorporated enterprises	Yes / No / NA	Yes / No / NA

Additional comments on the compilation of data on direct investment income on debt. (interest). (Insert into the boxes below.)

**Specifically:**

Please indicate whether you use definitions different from those specified above.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the practices for compiling interest income data on direct investment debt.

**Inward:**

**Outward:**

93. Do your data on direct investment income on debt include interest on the following? (Answer “N” if such transactions never occur and “NA” if you do not compile data on interest income on direct investment debt):

	<b>Inward</b>	<b>Outward</b>
Long-term loans	Yes / No / N / NA	Yes / No / N / NA
Short-term loans	Yes / No / N / NA	Yes / No / N / NA
Bonds and money market instruments	Yes / No / N / NA	Yes / No / N / NA
Trade credits	Yes / No / N / NA	Yes / No / N / NA
Financial leases	Yes / No / N / NA	Yes / No / N / NA
Financial derivatives	Yes / No / N / NA	Yes / No / N / NA
Deposits, loans and other claims and liabilities related to usual banking transactions between affiliated banks (depository institutions)	Yes / No / N / NA	Yes / No / N / NA
Claims and liabilities related to financial intermediation of affiliated financial intermediaries (e.g. security dealers)	Yes / No / N / NA	Yes / No / N / NA

Additional comments on the items included in the data on direct investment income on debt (interest). (Insert into the boxes below)

**Specifically:**

Please describe any instances where interest income on deposits between non-financial direct investment enterprises and affiliated banks are included in the data.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the items included in the data on direct investment income on debt (interest),

**Specifically:**

Please describe any plans to exclude receipts from financial derivatives from the data on direct investment income on debt (interest).

**Inward:**

**Outward:**

94. Please indicate the basis on which you record direct investment income on debt (interest).

*(Rank multiple responses using: 1 for the most frequent, 2 for the second most frequent, etc, and "NA" if data on interest income on direct investment debt are not compiled.)*

	<b>Inward</b>	<b>Outward</b>
An accrual basis	_____	_____
A paid basis	_____	_____
Other (Please specify in the boxes below):	_____	_____

**Inward:**

**Outward:**

Additional comments on the basis for recording the data on direct investment income on debt (interest).  
(Insert into the boxes below)

**Specifically:**

Please provide an explanation of the reasons why the recommended methodology is not applied.

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the basis for recording the data on direct investment income on debt (interest).

**Inward:**

--

**Outward:**

--

95. Which exchange rate is used to convert foreign currencies into the unit of account for data on direct investment income on debt (interest)? *(Rank multiple responses using: 1 for the most frequent, 2 for the second most frequent, etc. and "NA" if data on direct investment income on debt are not compiled.)*

	<b>Inward</b>	<b>Outward</b>
Exchange rate prevailing on the day of the transaction	_____	_____
Average exchange rate in the period in which the interest is recorded	_____	_____
Other (please specify in the boxes below).	_____	_____

**Inward:**

--

**Outward:**

--

Additional comments on exchange rates used for data on direct investment income on debt (interest).  
(Insert into the boxes below)

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in exchange rates used for data on direct investment income on debt (interest).

**Inward:**

--

**Outward:**

--

96. **A:** Additional comments on other procedures regarding the measurement of direct investment income on debt (interest). (Insert into the boxes below)

**Inward:**

--

**Outward:**

--

**B:** Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in your practices for any other procedures regarding the measurement of direct investment income on debt (interest).

**Inward:**

--

**Outward:**

--

### ***Section 2.3 Components of direct investment financial flows***

Questions under this section are divided into 5 sub-sections:

2.3.1 *Equity capital*

2.3.2 *Other capital*

2.3.3 *Transactions between affiliated banks and between affiliated financial intermediaries*

2.3.4 *Transactions between non-financial direct investment enterprises and affiliated financial intermediaries*

2.3.5 *Reverse investment*

2.3.1 *Equity capital*

#### **Definitions:**

**Equity capital**: comprises: (i) equity in branches; (ii) all shares in subsidiaries and associates (except non-participating preference [preferred] shares which are treated as debt securities and included under direct investment, other capital); and (iii) other capital contributions, including non-cash acquisitions of equity (such as through the provision of capital equipment).

**Voting stocks** are equity/shares that give voting rights to the holder. These can either be “listed voting stocks”, or “unlisted voting stocks.”

**Listed voting stocks** are equity/shares that give voting rights to the holder and are listed on an official stock exchange.

**Unlisted voting stocks** are equity/shares that give voting rights to the holder, but are not listed on an official stock exchange.

**Non-voting stocks** are equity/shares that do not give voting rights to the holder. The category includes participating preference [preferred] shares.

***“NA” in response to Q97 and Q98 should normally only be used if you do not compile data on direct investment equity capital transactions. Any exceptions should be explained in the comments boxes provided under each question.***

97. Please indicate which of the following types of equity capital transactions are included in your direct investment financial flows data on equity capital. (Answer “N” if such transactions never occur and “NA” if data on FDI equity capital transactions are not compiled.)

	<b>Inward</b>	<b>Outward</b>
Transactions involving listed voting stocks	Yes / No / N / NA	Yes / No / N / NA
Transactions involving unlisted voting stocks	Yes / No / N / NA	Yes / No / N / NA
Transactions involving other non-voting stocks (including participating preference [preferred] shares)	Yes / No / N / NA	Yes / No / N / NA
Non-cash acquisitions of equity (such as through the provision of capital equipment)	Yes / No / N / NA	Yes / No / N / NA

Additional comments on reporting practices for equity capital financial flows transactions. (Insert into the boxes below.)

**Specifically:**

- Please indicate whether participating preference [preferred] shares (if relevant in your economy) are included in the transactions data on FDI equity capital, and if not, where they are classified.
- Please describe any items other than those listed above that are included in your transactions data on FDI equity capital, such as non-participating preference [preferred] shares (which are treated as debt securities).

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the reporting practices for equity capital transactions.

**Inward:**

**Outward:**

98. Which exchange rate is used to convert foreign currencies into the unit of account for equity capital transactions? (Rank multiple responses using: 1 for the most frequent, 2 for the second most frequent, etc. and “NA” for not applicable.)

	<b>Inward</b>	<b>Outward</b>
Exchange rate prevailing on the day of the transaction	_____	_____
Average exchange rate in the period in which the transactions are recorded	_____	_____
Other (please specify in the boxes below).	_____	_____

**Inward:**

**Outward:**

Additional comments on exchange rates used for equity capital transactions. (Insert into the boxes below)

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in exchange rates used for equity capital transactions.

**Inward:**

**Outward:**

2.3.2 *Other capital*

**Definitions:**

**Other capital:** covers the borrowing or lending of funds between (i) direct investors resident in one economy and their subsidiaries, branches, and associates resident in other economies, and (ii) enterprises within a group of related direct investment enterprises that are resident in different economies. The instruments covered - include loans, debt securities, suppliers' (trade) credit, financial leases, and non-participating, preference [preferred] shares (which are treated as debt securities).

**Financial derivatives contracts** are financial instruments that are linked to another specific financial instrument, or indicator, or commodity, and through which specific financial risks (such as interest rate risk, currency, equity and commodity price risks, and credit risk, etc.) can be traded in their own right in financial markets. Transactions in financial derivatives should be treated as separate transactions rather than as integral parts of the value of the underlying transactions to which they may be linked. The value of a financial derivative derives from the price of the underlying item, such as an asset or index. No principal amount that has to be repaid is advanced, and no investment income accrues. Financial derivatives are used for a number of purposes, including risk management, hedging, arbitrage between markets, and speculation.

The decision of the OECD Workshop on International Investment Statistics (June 2001) and the decision of the IMF Committee on Balance of Payments Statistics (final decision promulgated in June 2002) is that financial derivatives transactions involving affiliated enterprises should be excluded from FDI data and instead classified under the Financial Derivatives category of the balance of payments statistics and the international investment position statement. In reaching this decision, relevant committees noted that some such financial derivatives may not be able to be identified and would therefore be included indistinguishably in the data for direct investment other capital.

99. Please indicate which of the following types of transactions are included in your direct investment data on other capital. (*Answer "N" if such transactions never occur, and "NA" if data on direct investment other capital transactions are not compiled.*)

	Inward	Outward
Long-term loans	Yes / No / N / NA	Yes / No / N / NA
Short-term loans	Yes / No / N / NA	Yes / No / N / NA
Bonds and money market instruments	Yes / No / N / NA	Yes / No / N / NA
Trade credits	Yes / No / N / NA	Yes / No / N / NA
Financial leases	Yes / No / N / NA	Yes / No / N / NA
Financial derivatives	Yes / No / N / NA	Yes / No / N / NA

Additional comments on your reporting practices and/or items included in your direct investment data for other capital. (Insert into the boxes below)

**Specifically:**

- Please indicate whether non-participating preference shares (if relevant in your economy) are included in the transactions data on FDI other capital, and if not, where they are classified.
- Please describe any items other than those listed above that are included in your transactions data on FDI other capital, such as deposits between non-financial direct investment enterprises and affiliated banks.

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the reporting practices and/or items included in your direct investment data for other capital.

**Inward:**

--

**Outward:**

--

**Definitions:**

**Insurance companies' technical reserves** are actuarial reserves against outstanding risks, prepayments of premiums, reserves for with-profits insurance, and reserves against unsettled claims. Insurance company reserves should not be included in direct investment data.

**Loan/Debt guarantees:** Only borrowing that results in a direct liability of the recipient direct investment enterprise to its direct investor or a related direct investment enterprise is included in the FDI data. For example, if the direct investor/ related direct investment enterprise borrows funds from a bank and then on-lends those funds to the direct investment enterprise, that debt should be included in the FDI data. However, in some instances direct investment enterprises may borrow funds that are guaranteed by its direct investor or a related direct investment enterprise, rather than lent directly by the direct investor/related direct investment enterprise. (In other words, the liability of the recipient direct investment enterprise is to a non-affiliated entity, such as a bank, and the direct investor/related direct investment enterprise that guaranteed the borrowing only has a contingent liability in the event of default by the recipient direct investment enterprise.) In other instances, a direct investor or related direct investment enterprise may merely make arrangements for funding to be provided to a direct investment enterprise by a non-affiliated entity, and have no liability for the loan/debt in the event of default by the recipient direct investment enterprise. Loans/debt involving (i) liabilities merely guaranteed by a direct investor/related direct investment enterprise, and (ii) funding merely arranged by a direct investor/related direct investment enterprise, should be excluded from the FDI data.

**Invocation of a loan/debt guarantee** When a loan/debt guarantee made by a direct investor or related direct investment enterprise is invoked following default by a direct investment enterprise, there is a flow of funds from the guarantor to the lender. These funds are considered to be direct investment, regardless of whether the defaulting direct investment enterprise continues to trade, or goes into liquidation.

100. Are the following items/activities included in your direct investment other capital transactions data? (Answer "N" if such items/activities never occur, and "NA" if you do not compile data on direct investment other capital transactions.)

	<b>Inward</b>	<b>Outward</b>
Changes in insurance companies technical reserves	Yes / No / N / NA	Yes / No / N / NA
Loan/Debt <u>guarantees</u> provided by a direct investor or related direct investment enterprise	Yes / No / N / NA	Yes / No / N / NA

Additional comments on the treatment in your direct investment data of changes in insurance companies' technical reserves and/or loan/debt guarantees (Insert into the boxes below.)-

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the treatment in your direct investment financial flows transactions data for changes in the technical reserves of insurance companies and/or loan/debt guarantees and changes in insurance companies' technical reserves.

**Inward:**

--

**Outward:**

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101. What is your practice for recording transactions arising from the invocation of a loan/debt guarantee provided by a direct investor or related direct investment enterprise following default by a direct investment enterprise? Indicate one of the following. (Answer "N" if these transactions never occur, and "NA" if you do not compile transactions data on direct investment.)

	<b>Inward</b>	<b>Outward</b>
(i) The entire amount of the loan/debt outstanding is treated as an FDI equity injection by the guarantor (direct investor/related direct investment enterprise) and recorded under <i>Direct investment, equity capital</i> at the time the guarantee is invoked	Yes / No / N / NA	Yes / No / N / NA
(ii) The entire amount of the loan/debt outstanding is treated as FDI lending by the guarantor (direct investor/related direct investment enterprise) and recorded under <i>Direct investment, other capital</i> at the time the guarantee is invoked	Yes / No / N / NA	Yes / No / N / NA

(iii) The periodic payments of principal and interest made by the guarantor (direct investor/related direct investment enterprise) are treated as FDI equity injections by the guarantor and recorded under *Direct investment, equity capital* at the time the periodic payments are made

Yes / No / N/ NA    Yes / No / N/ NA

(iv) The periodic payments of principal and interest made by the guarantor (direct investor/related direct investment enterprise) are treated as FDI lending by the guarantor and recorded under *Direct investment, other capital* at the time the periodic payments are made

Yes / No / N/ NA    Yes / No / N/ NA

(v) Other (please specify in the boxes below)

Yes / No / N/ NA    Yes / No / N/ NA

**Inward:**

--

**Outward:**

--

Additional comments on the treatment in your FDI transactions data of the invocation of loan/debt guarantees. (Insert into the boxes below)

**Specifically:**

Please describe any differences in the treatment of invoked loan/debt guarantees involving defaulting direct investment enterprises that continue to trade, and those that have gone into liquidation.

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific plans, if any, including target dates, for changes in the reporting practices in your direct investment transactions data for invoked loan/debt guarantees.

**Inward:**

--

**Outward:**

102. Which exchange rate is used to convert foreign currencies into the unit of account for other capital transactions? (Rank multiple responses using: 1 for the most frequent, 2 for the second most frequent, etc. and "NA" for not applicable)

	<b>Inward</b>	<b>Outward</b>
Exchange rate prevailing on the day of the transaction	_____	_____
Average exchange rate in the period in which the transactions are recorded	_____	_____
Other (please specify in the boxes below).	_____	_____

**Inward:**

**Outward:**

Additional comments on exchange rates used for other capital transactions. (Insert into the boxes below.)

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in exchange rates used for other capital transactions.

**Inward:**

**Outward:**

2.3.3 Transactions between affiliated banks and between affiliated financial intermediaries

**Definitions:**

For the purposes of balance of payments data, **financial intermediaries** are defined as being: (i) other depository institutions (banks, other than the central bank); (ii) other financial intermediaries, except insurance companies and pension funds; and (iii) financial auxiliaries. The definition would therefore include Special Purpose Enterprises (SPEs) – principally engaged in financial intermediation for a group of related enterprises, and enterprises such as security dealers, whose function is the provision of services auxiliary to financial intermediation for a group of related enterprises.

**Transactions between affiliated financial intermediaries** (that is, financial intermediaries that are in a direct investment relationship) should be *excluded* from the direct investment data, except for transactions in the form of equity capital or permanent debt.

(These definitions reflect the decision of the OECD Workshop on International Investment Statistics – June 2001 – and the clarifications of the IMF Committee on Balance of Payments Statistics promulgated in May 2002)

103. Are the following transactions between affiliated banks (depository institutions) and between affiliated financial intermediaries as defined above included in your direct investment transactions data? (Answer “N” if such transactions never occur, and “NA” if data on direct investment equity capital and/or other capital are not compiled.)

**For affiliated banks:**

	<b>Inward</b>	<b>Outward</b>
Equity capital transactions	Yes / No / N / NA	Yes / No / N / NA
Transactions associated with permanent debt (loan capital representing a permanent interest)	Yes / No / N / NA	Yes / No / N / NA
Deposits, loans, and other claims and liabilities related to usual banking activities	Yes / No / N / NA	Yes / No / N / NA

**For affiliated financial intermediaries:**

	<b>Inward</b>	<b>Outward</b>
Equity capital transactions	Yes / No / N / NA	Yes / No / N / NA
Transactions associated with permanent debt (loan capital representing a permanent interest)	Yes / No / N / NA	Yes / No / N / NA
Claims and liabilities related to transactions other than those on equity and permanent debt	Yes / No / N / NA	Yes / No / N / NA

Additional comments on the treatment in your direct investment data of transactions between affiliated banks and between affiliated financial intermediaries. (Insert into the boxes below)

**Specifically**, please describe:

- The definition for “permanent debt” that is used in your FDI transactions data.
- Any instances where the treatment of financial auxiliaries (such as security dealers) differs from the treatment of other affiliated financial intermediaries and/or affiliated banks.
- Any other exceptions to your treatment indicated above.
- Any instances where equity capital and/or permanent debt transactions between affiliated banks and/or between affiliated financial intermediaries are considered to be immaterial.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the treatment in your direct investment data of transactions between affiliated banks and/or between affiliated financial intermediaries.

**Inward:**

**Outward:**

2.3.4 Transactions between non-financial direct investment enterprises and affiliated financial intermediaries

**Definitions:**

For the purposes of balance of payments data, **financial intermediaries** are defined as being: (i) other depository institutions (banks, other than the central bank); (ii) other financial intermediaries, except insurance companies and pension funds; and (iii) financial auxiliaries. The definition would therefore include Special Purpose Enterprises (SPEs), principally engaged in financial intermediation for a group of related enterprises, and enterprises such as security dealers, whose function is the provision of services auxiliary to financial intermediation for a group of related enterprises.

**Transactions between (i) direct investment enterprises that are not financial intermediaries, and (ii) affiliated financial intermediaries** (including SPEs primarily engaged in financial intermediation for a group of related enterprises), should be *included* in the direct investment data.

(These definitions reflect the decision of the OECD Workshop on International Investment Statistics – June 2001 and the clarifications of the IMF Committee on Balance of Payments Statistics promulgated in May 2002.)

104. Do your FDI transactions data include transactions between (i) direct investment enterprises that are not financial intermediaries, and (ii) affiliated financial intermediaries (including SPEs primarily engaged in financial intermediation for a group of related enterprises) for the following? (*Answer “N” if such transactions never occur and “NA” if data on the relevant direct investment category are not compiled.*)

	<b>Inward</b>	<b>Outward</b>
Income on equity	Yes / No / N / NA	Yes / No / N / NA
Income on debt (interest)	Yes / No / N / NA	Yes / No / N / NA
Reinvested earnings	Yes / No / N / NA	Yes / No / N / NA
Equity capital	Yes / No / N / NA	Yes / No / N / NA
Other capital	Yes / No / N / NA	Yes / No / N / NA

Additional comments on the treatment in your direct investment data of transactions between non-financial direct investment enterprises and affiliated financial intermediaries. (Insert into the boxes below).

**Specifically:**

- Please describe any instances where the treatment of financial auxiliaries (such as security dealers) differs from the treatment of other affiliated financial intermediaries and/or affiliated banks.
- Please describe any other exceptions to your treatment indicated above.

**Inward:**

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the treatment in your direct investment data of transactions between non-financial direct investment enterprises and affiliated financial intermediaries.

**Inward:**

--

**Outward:**

--

2.3.5 Reverse investment

**Definitions:**

**Reverse investment** occurs when a direct investment enterprises acquire a financial claim on its direct investor(s).

**When the equity participations are at least 10 per cent in both directions, two direct investment relationships are established.** In these circumstances, equity and other capital transactions between enterprises are recorded as direct investment claims and liabilities in both directions, as follows:

As direct investment abroad for transactions on assets.

As direct investment in the reporting economy for transactions on liabilities.

**When the claims are not sufficient to establish a second, separate direct investment relationship,** the reverse investment transactions should be recorded according to the directional principle of the direct investment relationship, as follows:

As direct investment in the reporting economy, claims on direct investors in the data for the economy in which the direct investment enterprise is resident.

As direct investment abroad, liabilities to affiliated enterprises in the data for the economy in which the direct investor is resident.

105. When equity participation by the direct investment enterprise in its direct investor is sufficient to establish a direct investment relationship in its own right, how do you record the following transactions, assuming the direct investment enterprise is a resident of your economy and the direct investor is a non-resident?

**A:** The acquisition of equity by the direct investment enterprise in its direct investor. (Indicate one of the following): (Use "NA" if data on direct investment equity capital are not compiled.)

- (i) Direct investment abroad, equity capital, increase in claims on affiliated enterprise \_\_\_\_\_
- (ii) Direct investment in reporting economy, equity capital, increase in claims on direct investor \_\_\_\_\_
- (iii) Direct investment in reporting economy, equity capital, decrease in liabilities to direct investor \_\_\_\_\_
- (iv) Portfolio investment, increase in assets, equity securities \_\_\_\_\_
- (v) N.A. \_\_\_\_\_

**B:** The provision of a loan by the direct investment enterprise to its direct investor (Indicate one of the following): (Use "NA" if data on direct investment other capital are not compiled.)

- (i) Direct investment abroad, other capital, increase in claims on affiliated enterprise \_\_\_\_\_
- (ii) Direct investment in reporting economy, other capital, increase in claims on direct investor \_\_\_\_\_
- (iii) Direct investment in reporting economy, other capital, decrease in liabilities to direct investor \_\_\_\_\_
- (iv) Other investment, increase in assets, loans \_\_\_\_\_
- (v) N.A. \_\_\_\_\_

Additional comments on the treatment in your direct investment data of reverse investment transactions in instances where the direct investment enterprise owns at least 10 per cent of the direct investor. (Insert into the boxes below)

**Specifically:**

Please indicate any instances where the treatment of reverse investment in the FDI position data differs from the treatment in the FDI transactions data. (Insert into the boxes below.)

**The acquisition of equity by the direct investment enterprise in its direct investor:**

--

**The provision of a loan by the direct investment enterprise to its direct investor:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the treatment in your direct investment data of reverse investment transactions in instances where the direct investment enterprise owns at least 10 per cent of the direct investor.

**The acquisition of equity by the direct investment enterprise in its direct investor:**

--

**The provision of a loan by the direct investment enterprise to its direct investor:**

--

106. When equity participation by the direct investment enterprise in its direct investor is not sufficient to establish a direct investment relationship in its own right, how do you record the following transactions, assuming the direct investment enterprise is a resident of your economy and the direct investor a non-resident?

**A:** The acquisition of equity by the direct investment enterprise in its direct investor.

(Indicate one of the following): (Use "NA" if data on direct investment equity capital are not compiled.)

- (i) Direct investment abroad, equity capital, increase in claims on affiliated enterprise \_\_\_\_\_
- (ii) Direct investment in reporting economy, equity capital, increase in claims on direct investor \_\_\_\_\_
- (iii) Direct investment in reporting economy, equity capital, decrease in liabilities to direct investor \_\_\_\_\_
- (iv) Portfolio investment, increase in assets, equity securities \_\_\_\_\_
- (v) N.A. \_\_\_\_\_

**B:** The provision of a loan by the direct investment enterprise to its direct investor.

(Indicate one of the following): (Use "NA" if data on direct investment equity capital are not compiled.)

- (i) Direct investment abroad, other capital, increase in claims on affiliated enterprise \_\_\_\_\_
- (ii) Direct investment in reporting economy, other capital, increase in claims on direct investor \_\_\_\_\_
- (iii) Direct investment in reporting economy, other capital, decrease in liabilities to direct investor \_\_\_\_\_
- (iv) Other investment, increase in assets, loans \_\_\_\_\_
- (v) N.A. \_\_\_\_\_

Additional comments on the treatment in your direct investment data of reverse investment transactions in instances where the direct investment enterprise does not own at least 10 per cent of the direct investor. (Insert into the boxes below).

**Specifically:**

- If the answer to Question 106 A and/or B is (ii), that is, direct investment in the reporting economy, equity capital [other capital], increase in claims on direct investor, please indicate whether those data are reported to the IMF (and OECD if applicable).
- If the answer to Q 106 A and/or B is (ii) and the data are not reported to the IMF (and OECD if applicable) please explain why the data are not reported – for example, the amounts are zero, or confidentiality constraints do not permit publication, etc.
- If the answer to Question 106 A and/or B is not (ii), that is, direct investment in the reporting economy, equity capital [other capital], increase in claims on direct investors, please indicate the reason why the data are not classified under that category

Please indicate any instances where the treatment of reverse investment in the FDI position data differs from the treatment in the FDI transactions data.

**The acquisition of equity by the direct investment enterprise in its direct investor:**

--

**The provision of a loan by the direct investment enterprise to its direct investor:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the treatment in your direct investment data of reverse investment transactions in instances where the direct investment enterprise does not own at least 10 per cent of the direct investor.

**The acquisition of equity by the direct investment enterprise in its direct investor:**

--

**The provision of a loan by the direct investment enterprise to its direct investor:**

--

## ***Section 2.4 Components of direct investment position data***

Questions in this section are divided into five sub-sections:

2.4.1 *Equity capital and reinvested earnings*

2.4.2 *Other capital*

2.4.3 *Position data between affiliated banks and affiliated financial intermediaries*

2.4.4 *Position data between non-financial direct investment enterprises and affiliated financial intermediaries*

2.4.5 *Valuation of positions (assets and liabilities)*

2.4.1 *Equity capital and reinvested earnings*

### **Definitions:**

**Equity capital**: comprises: (i) equity in branches; (ii) all shares in subsidiaries and associates (except non-participating, preference [preferred] shares which are treated as debt securities and included under direct investment, other capital); and (iii) other capital contributions, including non-cash acquisitions of capital (such as through the provision of capital equipment).

**Voting stocks** are equity/shares that give voting rights to the holder. These can either be “listed voting stocks”, or “unlisted voting stocks.”

**Listed voting stocks** are equity/shares that give voting rights to the holder and are listed on an official stock exchange.

**Unlisted voting stocks** are equity/shares that give voting rights to the holder, but are not listed on an official stock exchange.

**Non-voting stocks** are equity/shares that do not give voting rights to the holder. The category includes participating preference shares.

**Reinvested earnings** comprise the direct investor’s share (in proportion to the equity held) of earnings that foreign subsidiaries and associated enterprises do not distribute as dividends.

107. Please indicate which of the following items are included in your direct investment position data for equity capital and reinvested earnings. (Answer “N” if such transactions never occur, and “NA” if position data on direct investment equity capital and reinvested earnings are not compiled.)

	<b>Inward</b>	<b>Outward</b>
Listed voting stocks	Yes / No / N / NA	Yes / No / N / NA
Unlisted voting stocks	Yes / No / N / NA	Yes / No / N / NA
Other non-voting stocks (including participating preference [preferred] shares)	Yes / No / N / NA	Yes / No / N / NA
Non-cash acquisitions of equity	Yes / No / N / NA	Yes / No / N / NA
Reinvested earnings	Yes / No / NA	Yes / No / NA

Additional comments on reporting practices for equity capital and reinvested earnings position data. (Insert into the boxes below)

**Specifically:**

- Please indicate whether participating preference [preferred] shares (if relevant in your economy) are included in your position data on FDI equity capital, and if not, where they are classified.
- Please describe any items other than those listed above that are included in your position data on FDI equity capital, such as non-participating preference [preferred] shares (which are treated as debt securities).

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the reporting practices for equity capital and reinvested earnings position data.

**Inward:**

**Outward:**

2.4.2 *Other capital*

**Definitions:**

**Other capital:** covers the borrowing or lending of funds between (i) direct investors resident in one economy and their subsidiaries, branches, and associates resident in other economies, and (ii) enterprises within a group of related direct investment enterprises that are resident in different economies. The instruments include loans, debt securities, suppliers' (trade) credit, financial leases and non-participating preference [preferred] shares (which are treated as debt securities).

**Financial derivatives contracts** are financial instruments that are linked to another specific financial instrument, or indicator, or commodity, and through which specific financial risks (such as interest rate risk, currency, equity and commodity price risks, and credit risk, etc.) can be traded in their own right in financial markets. Transactions in financial derivatives should be treated as separate transactions rather than as integral parts of the value of the underlying transactions to which they may be linked. The value of a financial derivative derives from the price of the underlying item, such as an asset or index. No principal amount that must be repaid is advanced and no investment income accrues. Financial derivatives are used for a number of purposes, including risk management, hedging, arbitrage between markets, and speculation.

The decision of the OECD Workshop on International Investment Statistics (June 2001) and the decision of the IMF Committee on Balance of Payments Statistics (final decision promulgated in June 2002) is that financial derivatives transactions involving affiliated enterprises should be excluded from FDI data and instead classified under the Financial Derivatives category of the balance of payments statistics and the international investment position statement. In reaching this decision, relevant committees noted that some such financial derivatives may not be able to be identified and would therefore be included indistinguishably in the data for direct investment other capital.

108. Please indicate which of the following items are included in your direct investment position data on other capital. (Answer "N" if such items never occur, and "NA" if position data on direct investment other capital are not compiled.)

	<b>Inward</b>	<b>Outward</b>
Long-term loans	Yes / No / N / NA	Yes / No / N / NA
Short-term loans	Yes / No / N / NA	Yes / No / N / NA
Bonds and money market instruments	Yes / No / N / NA	Yes / No / N / NA
Trade credits	Yes / No / N / NA	Yes / No / N / NA
Financial leases	Yes / No / N / NA	Yes / No / N / NA
Financial derivatives	Yes / No / N / NA	Yes / No / N / NA

Additional comments on your reporting practices for the direct investment position data for the other capital items listed above. (Insert into the boxes below.)

**Specifically:**

- Please indicate whether non-participating preference [preferred] shares (if relevant in your economy) are included in your position data on FDI other capital, and if not, where they are classified.
- Please indicate any items other than those listed above that are included in your FDI position data on other capital, such as deposits between non-financial direct investment enterprises and affiliated banks.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the reporting practices for the direct investment position data listed in Question 107 above.

**Inward:**

**Outward:**

**Definitions:**

**Insurance companies' technical reserves** are actuarial reserves against outstanding risks, prepayments of premiums, reserves for with-profits insurance, and reserves against unsettled claims. Insurance company technical reserves should not be included in direct investment data.

**Loan/Debt guarantees:** Only borrowing that results in a direct liability of the recipient direct investment enterprise to its direct investor or a related direct investment enterprise is included in the FDI data. For example, if the direct investor/ related direct investment enterprise borrows funds from a bank and then on-lends those funds to the direct investment enterprise, that loan/debt should be included in the FDI data. However, in some instances direct investment enterprises may borrow funds that are guaranteed by its direct investor or a related direct investment enterprise, rather than lent directly by the direct investor/related direct investment enterprise. (In other words, the liability of the recipient direct investment enterprise is to a non-affiliated entity, such as a bank, and the direct investor/related direct investment enterprise that guaranteed the borrowing only has a contingent liability in the event of default by the recipient direct investment enterprise.) In other instances, a direct investor or related direct investment enterprise may merely make arrangements for funding to be provided to a direct investment enterprise by a non-affiliated entity, and have no liability for the loan/debt in the event of default by the recipient direct investment enterprise. Loan/Debt involving (i) liabilities merely guaranteed by a direct investor/related direct investment enterprise, and (ii) funding merely arranged by a direct investor/related direct investment enterprise, should be excluded from the FDI data.

**Invocation of a loan/debt guarantee** When a loan/debt guarantee made by a direct investor or related direct investment enterprise is invoked following default by a direct investment enterprise, there is a flow of funds from the guarantor to the lender. These funds are considered to be direct investment, regardless of whether the defaulting direct investment enterprise continues to trade, or goes into liquidation

109. Are the following items/ activities included in your direct investment other capital position data? (Answer "N" if such items/activities never occur, and "NA" if you do not compile data on direct investment other capital transactions.)

	<b>Inward</b>	<b>Outward</b>
Changes in insurance companies technical reserves	Yes / No / N/ NA	Yes / No / N / NA
Loan/Debt guarantees provided by a direct investor or related direct investment enterprise	Yes / No / N/ NA	Yes / No / N / NA

110. What is your practice for recording positions arising from the invocation of a loan/debt guarantee provided by a direct investor or related direct investment enterprise following default by a direct investment enterprise? Indicate one of the following. (Answer “N” if these positions never occur, and “NA” if you do not compile position data on direct investment.)

	<b>Inward</b>	<b>Outward</b>
(i) The entire amount of the loan/debt outstanding is treated as an FDI equity injection by the guarantor (direct investor/related direct investment enterprise) and recorded under <i>Direct investment, equity capital</i> at the time the guarantee is invoked	Yes / No / N / NA	Yes / No / N / NA
(ii) The entire amount of the loan/debt outstanding is treated as FDI lending by the guarantor (direct investor/related direct investment enterprise) and recorded under <i>Direct investment, other capital</i> at the time the guarantee is invoked	Yes / No / N / NA	Yes / No / N / NA
(iii) The periodic payments of principal and interest made by the guarantor (direct investor/related direct investment enterprise) are treated as FDI equity injections by the guarantor and recorded under <i>Direct investment, equity capital</i> at the time the periodic payments are made	Yes / No / N / NA	Yes / No / N / NA
(iv) The periodic payments of principal and interest made by the guarantor (direct investor/related direct investment enterprise) are treated as FDI lending by the guarantor and recorded under <i>Direct investment, other capital</i> at the time the periodic payments are made	Yes / No / N / NA	Yes / No / N / NA
(v) Other (please specify in the boxes below)	Yes / No / N / NA	Yes / No / N / NA

**Inward:**

**Outward:**

Additional comments on the treatment in your FDI position data of the invocation of loan/debt guarantees. (Insert into the boxes below.)

**Specifically:**

Please describe any differences in the treatment of invoked loan/debt guarantees involving defaulting direct investment enterprises that continue to trade, and those that have gone into liquidation.

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific plans, if any, including target dates, for changes in the reporting practices in your direct investment position data for invoked loan/debt guarantees.

**Inward:**

--

**Outward:**

--

2.4.3 Positions between affiliated banks and between affiliated financial intermediaries

**Definitions:**

For balance of payments data, **financial intermediaries** are defined as being: (i) other depository institutions (banks, other than the central bank); (ii) other financial intermediaries, except insurance companies and pension funds; and (iii) financial auxiliaries. The definition would therefore include Special Purpose Enterprises (SPEs), principally engaged in financial intermediation for related enterprises, and enterprises such as security dealers, whose function is the provision of services auxiliary to financial intermediation for related enterprises.

Positions between affiliated financial intermediaries (that is, financial intermediaries that are in a direct investment relationship with each other) should be *excluded* from the direct investment data, except for transactions in the form of equity capital or permanent debt.

These definitions reflect the decision of the OECD Workshop on International Investment Statistics – June 2001 and the clarifications of the IMF Committee on Balance of Payments Statistics promulgated in May 2002.

111. Are the following positions between affiliated banks (depository institutions) and between affiliated financial intermediaries as defined above, included in your direct investment data? (*Answer “N” if such transactions never occur and “NA” if position data between affiliated banks and/or affiliated financial intermediaries are not compiled.* )

**For affiliated banks:**

	<b>Inward</b>	<b>Outward</b>
Equity capital	Yes / No / N / NA	Yes / No / N / NA
Positions associated with permanent debt (loan capital representing a permanent interest)	Yes / No / N / NA	Yes / No / N / NA
Deposits, loans, and other claims and liabilities related to usual banking activities	Yes / No / N / NA	Yes / No / N / NA

**For affiliated financial intermediaries:**

	<b>Inward</b>	<b>Outward</b>
Equity capital	Yes / No / N / NA	Yes / No / N / NA
Positions associated with permanent debt (loan capital representing a permanent interest)	Yes / No / N / NA	Yes / No / N / NA
Deposits, loans, and other claims and liabilities related to usual banking activities	Yes / No / N / NA	Yes / No / N / NA

Additional comments on the measurement of your direct investment position data between affiliated banks and/or between affiliated financial intermediaries. (Insert into the boxes below.)

**Specifically**, please describe:

- The definition for “permanent debt” that is used in your FDI position data.
- Instances where the treatment of affiliated financial auxiliaries (such as security dealers) differs from the treatment of other affiliated financial intermediaries and/or affiliated banks.
- Any other exceptions to your treatment indicated above.
- Any instances where equity capital and/or permanent debt positions between affiliated banks and/or between affiliated financial intermediaries are considered to be immaterial.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the measurement of your direct investment position data between affiliated banks and/or between affiliated financial intermediaries.

**Inward:**

**Outward:**

2.4.4 Positions between non-financial direct investment enterprises and affiliated financial intermediaries

**Definitions:**

For the purpose of balance of payments data, **financial intermediaries** are defined as being: (i) other depository institutions (banks, other than the central bank); (ii) other financial intermediaries, except insurance companies and pension funds; and (iii) financial auxiliaries. The definition would therefore include Special Purpose Enterprises (SPEs), principally engaged in financial intermediation for related enterprises, and enterprises such as security dealers, whose function is the provision of services auxiliary to financial intermediation for related enterprises.

**Positions involving (i) direct investment enterprises that are not financial intermediaries, and (ii) affiliated financial intermediaries** (including SPEs primarily engaged in financial intermediation) should be *included* in the direct investment data.

(These definitions reflect the decision of the OECD Workshop on International Investment Statistics of June 2001 and the clarifications of the IMF Committee on Balance of Payments Statistics promulgated in May 2002.)

112. Do your FDI position data include the following positions between (i) direct investment enterprises that are not financial intermediaries, and (ii) affiliated financial intermediaries (including SPEs primarily engaged in financial intermediation for a group of related enterprises)? (*Answer "N" if such positions never occur, and "NA" if data on direct investment equity capital and/or other capital are not compiled.*)

	<b>Inward</b>	<b>Outward</b>
Equity capital	Yes / No / N / NA	Yes / No / N / NA
Reinvested earnings	Yes / No / N / NA	Yes / No / N / NA
Other capital	Yes / No / N / NA	Yes / No / N / NA

Additional comments on the treatment in your direct investment data of positions between non-financial direct investment enterprises and affiliated financial intermediaries. (Insert into the boxes below.)

**Specifically:**

- Please describe any instances where the treatment of financial auxiliaries (such as security dealers) differs from the treatment of other affiliated financial intermediaries and/or affiliated banks.
- Please describe any other exceptions to your treatment indicated above.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the treatment in your direct investment data of positions between non-financial direct investment enterprises and affiliated financial intermediaries.

**Inward:**

--

**Outward:**

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2.4.5 *Valuation of position data (assets and liabilities)*

**Definitions:**

**Book value:** is the value at which an equity or other capital asset or liability is recorded on the balance sheet of an entity, and can reflect a number of different kinds of valuation methods:

*Historical cost*

*Replacement cost*

*An interim adjusted price, that is not the current market price*

*Fair market value*

*Current market price*

**Valuation of stocks (position data):** The fifth edition of the IMF *Balance of Payments Manual (BPM5)* and the OECD *Benchmark Definition of Foreign Direct Investment* recommend using market price as the basis for valuation. However, it is recognised that, in practice, book values from the balance sheets of direct investment enterprises (or investors) are often used to determine the value of the stock of direct investment.

**Listed enterprises:** are incorporated enterprises that are listed on an official stock exchange.

**Unlisted enterprises:** are incorporated or unincorporated enterprises that are not listed on an official stock exchange.

113. When compiling position data on direct investment, which of the following valuation methods do you use? (Please respond using: 1 for the most frequent, 2 for the second most frequent, etc. and “NA” for not applicable, that is, when the relevant data are not compiled.)

**For equity capital (listed enterprises)**

	<b>Inward</b>	<b>Outward</b>
Market value	_____	_____
Book value (Please specify the valuation method in the boxes below)	_____	_____
Other (Please specify in the boxes below)	_____	_____

**Inward (Book values):**

**Outward (Book values):**

**Inward (Other valuation methods):**

**Outward (Other valuation methods):**

**For equity capital (unlisted enterprises)**

	<b>Inward</b>	<b>Outward</b>
Market value	_____	_____
Book value (Please specify the valuation method in the boxes below)	_____	_____
Other (Please specify in the boxes below)	_____	_____

**Inward (Book values):**

**Outward (Book values):**

**Inward (Other valuation methods):**

**Outward (Other valuation methods):**

If your response to market value is YES, please specify below how the market value is measured:

	<b>Inward</b>	<b>Outward</b>
Recent transaction price	_____	_____
Director's valuation	_____	_____
Net asset value (i.e. total assets less non-equity liabilities)	_____	_____
Other (Please specify in the boxes below)	_____	_____

**Inward**

**Outward**

**For other capital**

	<b>Inward</b>	<b>Outward</b>
Market value	_____	_____
Book value (Please specify the valuation method in the boxes below)	_____	_____
Other (Please specify in the boxes below)	_____	_____

**Inward (Book values):**

**Outward (Book values):**

**Inward (Other valuation methods):**

**Outward (Other valuation methods):**

Additional comments on the valuation methods used for the equity capital and other capital position data.  
(Insert into the boxes below)

**Specifically:**

Please provide an explanation of the reasons why the data are not recorded at market values.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the valuation methods for equity capital and other capital position data.

**Inward:**

**Outward:**

114. If book values are used for the position data, please indicate your practices regarding the use of company accounts. (*Answer "NA" only if book values are NOT used to value the FDI position data.*)

**For inward direct investment:**

Do you use the values shown in the accounting records of the resident direct investment enterprise? Yes / No / NA

Do you use the values shown in the accounting records of the non-resident direct investor? Yes / No / NA

**For outward investment:**

Do you use the values shown in the accounting records of the resident direct investor? Yes / No

Do you use the values shown in the accounting records of the non-resident direct investment enterprise? Yes / No

Additional comments on the accounting records used to record book values for the position data. (Insert into the boxes below)

**Specifically:**

Please indicate the use of different accounting records for the FDI equity capital and the FDI other capital position data

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the accounting records used to record book values for the position data.

**Inward:**

**Outward:**

115. Conversion to unit of account. Which exchange rate is used to convert foreign currencies into the unit of account for position data? (*Rank multiple responses using: 1 for the most frequent, 2 for the second most frequent, etc. and NA for not applicable, that is, when FDI position data are not compiled.*)

	<b>Inward</b>	<b>Outward</b>
Exchange rate prevailing on the day to which the position data relate	_____	_____
Exchange rate prevailing on the day the stocks were acquired	_____	_____
Other (please specify in the boxes below).	_____	_____

**Inward:**

**Outward:**

Additional comments on the conversion to unit of account for the position data. (Insert into the boxes below)

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in your practices for the conversion to unit of account for the position data.

**Inward:**

**Outward:**

**Section 2.5 Special cases**

The questions in this section are divided into 5 sub-section:

- 2.5.1 Quasi-corporations
- 2.5.2 Land and building
- 2.5.3 Off-shore enterprises
- 2.5.4 Special Purpose Entities (SPEs)
- 2.5.5 Natural resources exploration

2.5.1 Quasi-corporations

**Definitions:**

**Quasi-corporations:** are enterprises that produce goods and services in an economy other than their own, but do not establish separate legal corporations in the host country. Quasi-corporations that are in a direct investment relationship with the parent enterprises are deemed to exist if:

- Production is maintained for one year or more.
- A separate set of accounts is maintained for the local activities.
- Income tax is paid in the host country.

Quasi-corporations are often involved in construction or the operation of mobile equipment in another economy.

The fifth edition of the IMF *Balance of Payments Manual (BPM5)* recommends that quasi-corporations be included in the direct investment data.

116. Do you follow the *BPM5* recommendations defined above regarding the establishment of a direct investment relationship between a quasi-corporation and its parent enterprises with regard to the following activities? (See below for instructions regarding the use of “NA” in response to this question.)

	<b>Inward</b>	<b>Outward</b>
Construction enterprises:	Yes / No / NA	Yes / No / NA
The operation of mobile equipment such as:		
Ships	Yes / No / NA	Yes / No / NA
Aircraft	Yes / No / NA	Yes / No / NA
Drilling rigs	Yes / No / NA	Yes / No / NA
Other equipment (Please specify in the boxes below)	Yes / No / NA	Yes / No / NA

**Inward:**

--

**Outward:**

--

If the response to any part of Question 116 is “NA” please indicate in the comments boxes provided below whether the reason for selecting “not applicable” is that:

- The operation of quasi-corporations in your economy by non-residents or the operation of quasi-corporations abroad by residents of your economy is forbidden by law, or
- Activities of quasi-corporations cannot be identified from the present data sources, or
- Activities involving quasi-corporations have not occurred to date, or
- Some other reason (please explain).

Additional comments on the treatment of data related to quasi-corporations. (Insert into the boxes below)

**Specifically:**

- Please describe any instances where the treatment in the transactions data is different from the treatment in the position data.
- Please describe any other exceptions to the recommended treatment specified above.
- Please provide an explanation of the reasons why quasi-corporations are not included in the FDI data.

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the practices concerning the treatment of data related to quasi-corporations.

**Inward:**

--

**Outward:**

--

2.5.2 Land and buildings

**Definitions:**

**All land and buildings located within an economy**, except that owned by foreign governments (such as embassies) are, by convention, regarded as being owned by residents.

**If an actual owner is a non-resident**, the owner is treated as if the ownership had been transferred to a resident notional institutional unit that is deemed to own the land and building. The non-resident has a financial investment in this notional unit, which is therefore a direct investment enterprise.

117. Do you apply the treatment for land and buildings specified above when the non-resident actual owner is one of the following? (See below for instructions on the use of “NA” in response to this question.)

	<b>Inward</b>	<b>Outward</b>
An enterprise	Yes / No / NA	Yes / No / NA
An individual	Yes / No / NA	Yes / No / NA

If the response to any part of Question 117 is “NA” please indicate in the comments boxes provided below whether the reason for selecting “not applicable” is that:

- The purchase or sale of land and/or buildings in your economy by non-residents or the purchase or sale of land and/or buildings abroad by residents of your economy is forbidden by law; or
- Purchases and sales of land and/or buildings in your economy by non-residents or the purchase or sale of land and/or buildings abroad by residents of your economy cannot be identified from the present data sources; or
- Purchases and sales of land and/or buildings in your economy by non-residents or the purchase or sale of land and/or buildings abroad by residents of your economy have not occurred to date ; or
- Some other reason (please explain).

Additional comments on treatment of land and buildings (Insert into the boxes below.)

**Specifically:**

- Please describe any instances where the treatment in the transactions data is different from the treatment in the position data.
- Please clarify whether the data on land and buildings are classified under equity capital, as recommended, or elsewhere. If elsewhere, please specify where they are classified.
- Please describe any other exceptions to the recommended treatment specified above.

**Inward:**

**Outward:**

118. If YES to any part of Question 117, please indicate whether you include land and buildings that are acquired on long-term leases.

	<b>Inward</b>	<b>Outward</b>
Enterprises	Yes / No / NA	Yes / No / NA
Individuals	Yes / No / NA	Yes / No / NA

If YES, please specify in the boxes below the period covered by your definition of a “long-term lease”

**Inward:**

**Outward:**

Additional comments on treatment of long-term leases (Insert into the boxes below.)

**Specifically:**

- Please describe any instances where the treatment in the transactions data is different from the treatment in the position data.
- Please describe any other exceptions to the recommended treatment specified above.

**Inward:**

**Outward:**

2.5.3 Offshore enterprises

**Definitions:**

In the balance of payments, the residency of so-called **offshore-enterprises** is attributed to the economies in which the enterprises are located, without regard to the special treatment they may receive from local authorities, such as exemptions from taxes, tariffs, or duties.

Offshore enterprises can be:

Engaged in the assembly of components manufactured elsewhere.

Engaged in the processing of re-exported goods.

Involved in trade and financial operations.

Located in special zones such as “special trade zones”, “free trade zones”, or “tax havens”.

119. Are offshore enterprises established in your economy? Yes / No

120. Are offshore enterprises established abroad by resident enterprises? Yes / No

121. Do you include information on off-shore enterprises in your direct investment data?

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

*If the response to any part of Q 121 is “NA” when the responses to Q 119 and/or Q120 indicate that offshore centres are established in your economy or established abroad by residents of your economy, please indicate in the comments boxes provided below whether the reason for selecting “not applicable” is that:*

*Activities of off-shore centres cannot be identified from the present data sources, or*

*Some other reason (please explain).*

**Inward:**

**Outward:**

Additional comments on the treatment of off-shore enterprises in your direct investment data. (Insert into the boxes below.)

**Specifically:**

- Please describe any instances where the treatment in the transactions data is different from the treatment in the position data
- Please specify any other exceptions to the recommended treatment specified above.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the practices concerning the treatment of offshore enterprises in your direct investment transactions or position data.

**Inward:**

**Outward:**

2.5.4 *Special Purpose Entities (SPEs)*

**Definitions:**

Special purpose entities (SPEs) are:

Generally organised or established in economies other than those in which the parent companies reside; and

Engaged primarily in international transactions, but have few or no local operations.

SPEs are defined either by their:

Structure (for example, financing subsidiary, holding company, base company, regional headquarters etc.); or

Purpose (for example, sale and regional administration, management of foreign exchange risk, facilitation of financing of investment etc.)

SPEs should be treated as direct investment enterprises if the SPEs meet the 10 per cent ownership criteria. For non-financial SPEs, all capital transactions with affiliated enterprises should be recorded in the direct investment data. (See below for the treatment of SPEs engaged in financial intermediation.)

122. Are SPE's established in your economy by non-residents? Yes / No
123. Are SPEs established abroad by your resident enterprises? Yes / No
124. Do you include information on SPEs in your direct investment data?

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

*Please specify any exceptions in the boxes below:*

**Inward:**

**Outward:**

*If the response to any part of Question 124 is “NA” when the responses to Q 122 and/or Q123 indicate that SPEs are established in your economy or established abroad by residents of your economy, please indicate in the comments boxes provided below whether the reason for selecting “not applicable” is that:*

*Activities of SPEs cannot be identified from the present data sources, or*

*Some other reason (please explain).*

Additional comments on treatment of SPEs in your direct investment data. (Insert into the boxes below.)

**Specifically:**

- Please describe any instances where the treatment in the transactions data is different from the treatment in the position data.
- Please describe any other exceptions to the recommended treatment specified above.

**Inward:**

--

**Outward:**

--

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the practices concerning the treatment of SPEs in your direct investment transactions and position data.

**Inward:**

--

**Outward:**

--

*If YES to any part of Question 124, please answer Question 125. If NO, please go to Question 126.*

**Definitions:**

The fifth edition of the IMF *Balance of Payments Manual (BPM5)* and the OECD's *Benchmark Definition of Foreign Direct Investment* specify special treatment for the recording of direct investment transactions of SPEs that have the primary function of serving as financial intermediaries.

For the purposes of balance of payments data, **financial intermediaries** are defined as being: (i) other depository institutions (banks, other than the central bank); (ii) other financial intermediaries, except insurance companies and pension funds; and (iii) financial auxiliaries. The definition would therefore include Special Purpose Enterprises (SPEs), principally engaged in financial intermediation for a group of related enterprises.

**Transactions between SPEs that are primarily engaged in financial intermediation and affiliated banks and affiliated financial intermediaries**, should be *excluded* from the direct investment data, except for transactions in the form of equity capital or permanent debt.

(These definitions reflect the decision of the OECD Workshop on International Investment Statistics of June 2001 and the clarifications of the IMF Committee on Balance of Payments Statistics promulgated in May 2002.)

125. Do you follow the rule regarding SPEs primarily engaged in financial intermediation specified in the definition box above for the following?

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

If the response to any part of Question 125 is "NA" please indicate in the comments boxes provided below whether the reason for selecting "not applicable" is that:

*The establishment in your economy of SPEs that are primarily engaged in financial intermediation and/or the establishment abroad of SPEs that are primarily engaged in financial intermediation by residents of your economy are forbidden by law; or*

*The establishment in your economy of SPEs that are primarily engaged in financial intermediation and/or the establishment abroad of SPEs that are primarily engaged in financial intermediation by residents of your economy cannot be identified from the present data sources;*

*The establishment in your economy of SPEs that are primarily engaged in financial intermediation and/or the establishment abroad of SPEs that are primarily engaged in financial intermediation by residents of your economy have not occurred to date, or*

*Some other reason (please explain).*

Additional comments on treatment of transactions of SPEs that are financial intermediaries in your direct investment data. (Insert into the boxes below.)

**Specifically:**

- Please describe any instances where the treatment in the transactions data is different from the treatment in the position data.
- Please describe any other exceptions to the recommended treatment specified above.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the practices concerning the treatment of SPEs that are financial intermediaries.

**Inward:**

**Outward:**

2.5.5 Natural resources exploration

**Definitions:**

When a direct investment enterprise is set up for the **exploration of natural resources**, inward direct investment flows provided to the direct investment enterprise by the direct investor located abroad that are used for exploration should be recorded as direct investment, equity capital.

When a **payment (bonus) is made to a government by direct investors for the right to undertake a direct investment in the host economy**, typically for concession rights related to the extraction of natural resources, the amount of the bonus is to be treated as direct investment, equity capital, when there is a clear intention to establish a direct investment enterprise (such as in the case of a contractual agreement between the investor and the government).

In instances of the **shutdown of an FDI enterprise established for natural resources exploration**, no transactions should be recorded in the balance of payments statistics, and the Other Adjustments heading of the international investment position statement should be used to show the reduction in direct investment assets.

(These definitions reflect the decision of the OECD Working Party on Financial Statistics of November 2000 and the clarifications of the IMF Committee on Balance of Payments Statistics promulgated in May 2002.)

126. Do your direct investment data cover expenditures related to natural resources exploration for the following? (See below for instructions on the use of the "NA" response.)

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

If the response to any part of Question 126 is "NA" please indicate in the comments boxes provided below whether the reason for selecting "not applicable" is that:

*Expenditure on natural resource exploration in your economy by non-residents and/or expenditure on natural resource exploration abroad by residents of your economy are forbidden by law, or*

*Expenditure on natural resource exploration in your economy by non-residents and/or expenditure on natural resource exploration abroad by residents of your economy cannot be identified from the present data source, or.*

*Expenditure on natural resource exploration in your economy by non-residents and/or expenditure on natural resource exploration abroad by residents of your economy have not occurred to date, or*

*Some other reason (please explain).*

Additional comments on treatment of natural resource exploration expenditure in your direct investment (Insert comments into the boxes below.)

**Specifically:**

- Please describe any instances where the treatment in the transactions data is different from the treatment in the position data
- Please clarify whether the data on natural resources exploration are classified under equity capital, as recommended, or elsewhere. If elsewhere, please specify where they are classified.
- Please describe any other exceptions to the recommended treatment specified above.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the practices concerning the treatment of expenditure on natural resources exploration in your direct investment transactions and/or position data.

**Inward:**

**Outward:**

127. In the case of a bonus payment made for the right to undertake a direct investment in the host economy, typically for concession rights related to the extraction of natural resources, do you follow the rule in the definition box above for the following?

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

If the response to any part of Question 127 is “NA” please indicate in the comments boxes provided below whether the reason for selecting “not applicable” is that:

*Bonus payments for the right to undertake natural resources exploration in your economy by non-residents and/or bonus payments for the right to undertake natural resources exploration abroad by residents of your economy are forbidden by law.*

*Bonus payments for the right to undertake natural resources exploration in your economy by non-residents and/or bonus payments for the right to undertake natural resources exploration abroad by residents of your economy cannot be identified from the present data sources.*

*Bonus payments for the right to undertake natural resources exploration in your economy by non-residents and/or bonus payments for the right to undertake natural resources exploration abroad by residents of your economy have not occurred to date.*

*Some other reason (please explain).*

Additional comments on treatment of bonus payments for the right to undertake natural resources exploration. (Insert into the boxes below.)

**Specifically:**

- Please describe any instances where the treatment in the transactions data is different from the treatment in the position data.
- Please clarify whether the data on bonus payments are classified under equity capital, as recommended, or elsewhere. If elsewhere, please specify where they are classified.
- Please describe any other exceptions to the recommended treatment specified above.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the practices concerning the treatment of bonus payments for the right to undertake natural resources exploration.

**Inward:**

**Outward:**

128. In instances of the shutdown of an FDI enterprise established for natural resources exploration do you follow the rule in the definition box above for the following?

	<b>Inward</b>	<b>Outward</b>
Direct investment income	Yes / No / NA	Yes / No / NA
Direct investment financial flows	Yes / No / NA	Yes / No / NA
Direct investment position data	Yes / No / NA	Yes / No / NA

If the response to any part of Question 128 is “NA” please indicate in the comments boxes provided below whether the reason for selecting “not applicable” is that:

*Instances involving the shutdown of an FDI enterprise established in your economy by non-residents for natural resources exploration or established abroad by residents of your economy for natural resources exploration cannot be identified from the present data sources, or*

*Instances involving the shutdown of an FDI enterprise established in your economy by non-residents for natural resources exploration or established abroad by residents of your economy for natural resources exploration have not occurred to date, or*

*Some other reason (please explain).*

Additional comments on the treatment of instances involving the shutdown of an FDI enterprise established for natural resources exploration (Insert into the boxes below.)

**Specifically:**

- Please describe any instances where the treatment in the transactions data is different from the treatment in the position data.
- Please clarify whether the data are classified under equity capital, as recommended, or elsewhere. If elsewhere, please specify where they are classified.
- Please describe any other exceptions to the recommended treatment specified above.

**Inward:**

**Outward:**

Please indicate in the boxes below your specific future plans, if any, including target dates, for changes in the practices concerning the treatment of instances involving the shutdown of an FDI enterprise established for natural resources exploration.

**Inward:**

--

**Outward:**

--

### PART 3. FINAL QUESTIONS AND COMMENTS

#### Section 3.1 Dissemination of survey metadata

The IMF's Balance of Payments Committee and the OECD workshop on international investment statistics have requested that the metadata from the SIMSDI survey be made available to all interested parties, free of charge. The availability of the metadata to compilers and users of direct investment data enables the public to obtain a clear understanding of your country's methodology, facilitates the analysis of direct investment data, and promotes the exchange of bilateral information. All 30 OECD member countries and 26 other members of the IMF that participated in the 2001 update of the 1997 SIMSDI survey agreed to their metadata being made available to the general public, and the summary metadata for those countries are posted on the IMF's website at <http://www.imf.org/bop> under the section on direct investment. The remaining five non-OECD countries that participated in the 2001 SIMSDI update all agreed to their metadata being made available, on request, to compilers in member countries and to international organizations. Moreover, all OECD countries agreed to disseminate their SIMSDI responses to the public at large in the initial format of the questionnaire which are posted at the OECD web site: <http://www.oecd.org/daf/simsdi>.

129. Please indicate whether you agree to the Fund and the OECD making the metadata (including the responses to the questionnaire) for your country available to the general public.

Yes / No

*If NO*, please indicate whether you agree to the Fund and the OECD making the metadata for your country available, on request, to compilers in member countries and to international organisations

Yes / No

#### Section 3.2. Final comments

130. If your country is not involved in the collection, compilation or dissemination of direct investment data, but has specific plans for future changes regarding these activities, please describe these plans in the boxes below. (Please be specific – for example, provide information on target dates and data series, explain methodologies, and distinguish between transactions data and position data, if applicable.)

**Inward:**

--

**Outward:**

--

131. If this questionnaire has not adequately covered your system of direct investment statistics, or if you have any other comments, please give details in the boxes below.

**Inward:**

--

**Outward:**

**Please verify that this questionnaire has been correctly completed**

\*\*\*\*\*

**Please provide details of the contact person(s) completing this questionnaire.**

Name of the person(s) completing this form:

Title (if applicable) of person(s) completing this form:

Division/Department:

Organisation/institution:

Street/postal address:

Telephone number:

Fax number:

E-mail address:

**The International Monetary Fund and the Organisation for Economic Co-operation and Development appreciate the time and effort spent in completing this form.**

**Thank you**



## ANNEX I

### DESCRIPTION OF THE FULLY CONSOLIDATED SYSTEM

The fifth edition of the IMF *Balance of Payments Manual (BPM5)* and the OECD *Benchmark Definition of Foreign Direct Investment (Benchmark Definition)* state that inward and outward direct investment statistics should, as a matter of principle, cover all directly and indirectly owned subsidiaries, associates, and branches. *BPM5* and the OECD *Benchmark Definition* recommend the following definition of these enterprises:

a) Subsidiary companies

Company X is a subsidiary of enterprise N if, and only if

i) enterprise N either

1. is a shareholder in or member of X and has the right to appoint or remove a majority of the members of X's administrative, management or supervisory body; or
2. owns more than half of the shareholders' or members' voting power in X; or

ii) company X is a subsidiary of any other company Y which is a subsidiary of N.

b) Associate companies

Company R is an associate of enterprise N if N, its subsidiaries and its other associated enterprises own not more than 50 per cent of the shareholders' or members' voting power in R and if N and its subsidiaries have a direct investment interest in R. Thus company R is an associate of N if N and its subsidiaries own between 10 and 50 per cent of the shareholders' voting power in R.

c) Branches

A direct investment branch is an unincorporated enterprise in the host country that:

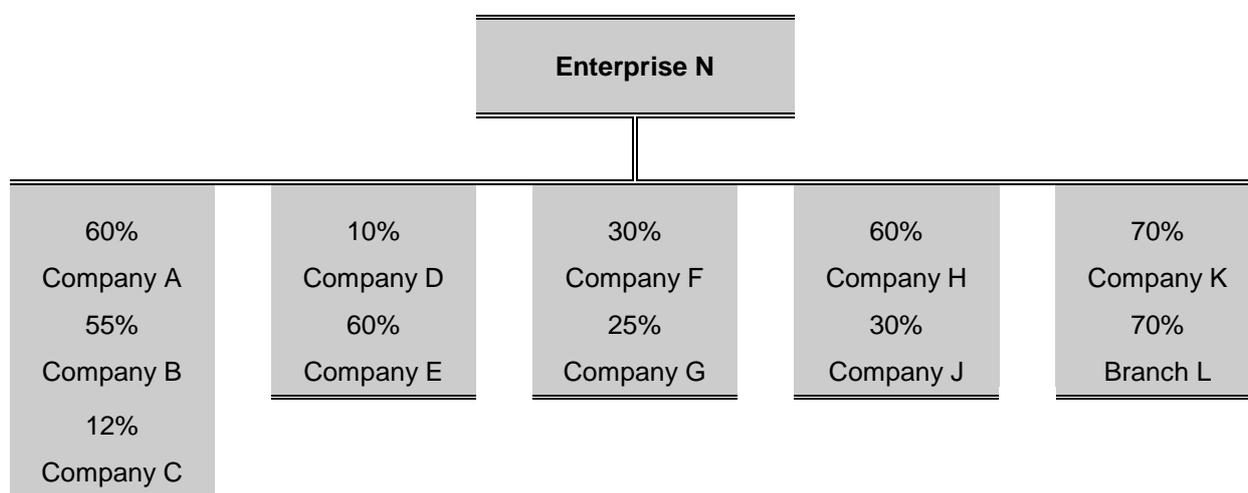
- i) is a permanent establishment or office of a foreign direct investor; or
- ii) is an unincorporated partnership or joint venture between a foreign direct investor and third parties; or
- iii) is land, structures (except those structures owned by foreign government entities), and immovable equipment and objects, in the host country, that are directly owned by a foreign

resident. Holiday and second homes owned by non-residents are therefore regarded as part of direct investment;<sup>5</sup> or

iv) 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.

Statistics based on those definitions should, as a matter of principle, cover all enterprises in which the direct investor has directly or indirectly a direct investment interest. For convenience, this approach is referred to below as the Fully Consolidated System. To illustrate the above definitions, assume enterprise N has the following investments:

**Figure 1**



Under the Fully Consolidated System, Company A is a subsidiary of N. Company B is a subsidiary of A and thus a subsidiary of N even though only 33 per cent of B is indirectly attributable to N. Company C is an associate of B and, through the chain of subsidiaries A and B, of N as well, even though only 4 per cent of C is indirectly attributable to N. Company D is an associate of N, Company E is a subsidiary of D and thus an associate of N even though only 6 per cent of E is indirectly attributable to N. Company F is an associate of N and G is an associate of F, but G is not an associate of N. Company H is a subsidiary of N and Company J is an associate of H and thus an associate of N. Company K is a subsidiary of N and L is a branch of K and thus of N. Thus direct investment statistics based on the Fully Consolidated System would cover A, B, C, D, E, F, H, J, K and L. However, Company G would not be covered.

5. In practice, currently there are more countries which include such transactions.

## ANNEX II

### INDUSTRY CLASSIFICATION

#### ISIC/NACE CODES USED IN OECD-EUROSTAT QUESTIONNAIRE FOR INDUSTRIAL ACTIVITIES

	ISIC Rev.3	NACE Rev.1	OECD / EUROSTAT
AGRICULTURE AND FISHING	sections A et B	sections A et B	0595
MINING AND QUARRYING	section C	section C	1495
<i>of which:</i> Extraction of petroleum and gas	division 11	division 11	1100
MANUFACTURING	section D	section D	3995
<i>of which:</i> Food Products	divisions 15, 16	subsection DA	1605
Textiles and wearing apparel	divisions 17, 18	subsection DB	1805
Wood, publishing and printing	divisions 20, 21, 22	subsections DD and DE	2205
<b>Total textile and wood activities (*)</b>			<b>2295</b>
Refined petroleum products and other treatments	division 23	division 23	2300
Chemicals and chemical products	division 24	division 24	2400
Rubber and plastic products	division 25	division 25	2500
<b>Total petroleum, chemical, rubber, plastic products (*)</b>			<b>2595</b>
Metal products	divisions 27, 28	subsection DJ	2805
Mechanical products	division 29	division 29	2900
<b>Total metal and mechanical products (*)</b>			<b>2995</b>
Office machinery and computers	division 30	division 30	3000
Radio, TV, communication equipment	division 32	division 32	3200
<b>Total machinery, computer, RTV, communication (*)</b>			<b>3295</b>
Motor vehicles	division 34	division 34	3400
Other transport equipment	division 35	division 35	3500
<b>Total vehicles and other transport equipment (*)</b>			<b>3595</b>
ELECTRICITY, GAS AND WATER	section E	section E	4195
CONSTRUCTION	section F	section F	4500
TRADE AND REPAIRS	section G	section G	5295
HOTELS AND RESTAURANTS	section H	section H	5500
TRANSPORTS, COMMUNICATION	section I	section I	6495
<i>of which:</i> Land transport	division 60	division 60	6000
Sea and coastal water transport	group 611	group 61.1	6110
Air transport	division 62	division 62	6200
<b>Total Land, Sea and Air transport (*)</b>			<b>6295</b>
Telecommunications	group 642	group 64.2	6420
FINANCIAL INTERMEDIATION	section J	section J	6895
<i>of which:</i> Monetary intermediation	group 651	group 65.1	6510
Other financial intermediation	group 659	group 65.2	6520
<i>of which:</i> Financial holding companies	part of class 6599	part of class 65.23	6524
Insurance and activities auxiliary to insurance	division 66 & group 672	division 66 & group 67.2	6730
<b>Total other fin. intermediation + insurance activities (*)</b>			<b>6795</b>
REAL ESTATE AND BUSINESS ACTIVITIES	section K	section K	7395
Real Estate	division 70	division 70	7000
Computer activities	division 72	division 72	7200
Research and development	division 73	division 73	7300
Other business activities	division 74	division 74	7400
<i>of which:</i> Business and management consultancy	group 741	group 74.1	7410
<i>of which:</i> Management holding companies	part of class 7414	class 74.15	7415
Advertising	group 743	group 74.4	7440
OTHER SERVICES	sections L, M, N, O, P, Q	sections L, M, N, O, P, Q	9995
UNALLOCATED			9996
SUB-TOTAL			9997
PRIVATE PURCHASES AND SALES OF REAL ESTATE			9998
TOTAL			9999

\* OECD- EUROSTAT CLASSIFICATION

### ANNEX III

#### BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION – STANDARD FDI COMPONENTS

<b>Direct investment income</b>	Credit (outward)	Debit (inward)				
Income on equity						
Dividends and distributed branch profits						
Reinvested earnings and undistributed branch profits						
Income on debt (interest)						
<b>Direct investment financial flows</b>	Credit	Debit				
<i>Abroad (outward)</i>						
Equity capital						
Claims on affiliated enterprises						
Liabilities to affiliated enterprises						
Reinvested earnings						
Other capital						
Claims on affiliated enterprises						
Liabilities to affiliated enterprises						
<i>In reporting economy (inward)</i>						
Equity capital						
Claims on direct investors						
Liabilities to direct investors						
Reinvested earnings						
Other capital						
Claims on direct investors						
Liabilities to direct investors						
<b>Direct investment position</b>	Changes in position reflecting					
	Position at beginning of year	Transactions	Price Change	Exchange rate changes	Other adjustments	Position at end of year
<b>Assets</b>						
<i>Direct investment abroad* (outward)</i>						
Equity capital and reinvested earnings						
Claims on affiliated enterprises						
Liabilities to affiliated enterprises						
Other capital						
Claims on affiliated enterprises						
Liabilities to affiliated enterprises						
<b>Liabilities</b>						
<i>Direct investment in reporting economy * (inward)</i>						
Equity capital and reinvested earnings						
Claims on direct investors						
Liabilities to direct investors						
Other capital						
Claims on direct investors						
Liabilities to direct investors						

\* Because direct investment is classified primarily on a directional basis – abroad under the heading **Assets** and in the reporting economy under the heading **Liabilities** – breakdowns of claims/liabilities are shown for the components of each, although these sub-items do not strictly conform to the overall headings of **Assets** and **Liabilities**.

## ANNEX IV

### LIST OF COUNTRIES

Afghanistan, Islamic State of	Ghana	Palau
Albania	Greece ( <i>OECD</i> )	Panama
Algeria	Grenada	Papua New Guinea
Angola	Guatemala	Paraguay
Antigua and Barbuda	Guinea	Peru
Argentina (1)	Guinea Bissau	Philippines
Armenia	Guyana	Poland ( <i>OECD</i> )
Australia ( <i>OECD</i> )	Haiti	Portugal ( <i>OECD</i> )
Austria ( <i>OECD</i> )	Honduras	Qatar
Azerbaijan	Hungary ( <i>OECD</i> )	Romania
Bahamas, The	Iceland ( <i>OECD</i> )	Russian Federation (2)
Bahrain	India (3)	Rwanda
Bangladesh	Indonesia (3)	St. Kitts and Nevis
Barbados	Iran, Islamic Republic of	St. Lucia
Belarus	Iraq	St. Vincent and the Grenadines
Belgium ( <i>OECD</i> )	Ireland ( <i>OECD</i> )	Samoa
Belize	Israel (1) (2)	San Marino
Benin	Italy ( <i>OECD</i> )	São Tomé and Príncipe
Bhutan	Jamaica	Saudi Arabia
Bolivia	Japan ( <i>OECD</i> )	Senegal
Bosnia and Herzegovina	Jordan	Serbia and Montenegro
Botswana	Kazakhstan	Seychelles
Brazil (1) (3)	Kenya	Sierra Leone
Brunei Darussalam	Kiribati	Singapore
Bulgaria	Korea ( <i>OECD</i> )	Slovak Republic ( <i>OECD</i> )
Burkina Faso	Kuwait	Slovenia (1) (2)
Burundi	Kyrgyz Republic	Solomon Islands
Cambodia	Lao People's Dem. Republic	Somalia
Cameroon	Latvia	South Africa (3)
Canada ( <i>OECD</i> )	Lebanon	Spain ( <i>OECD</i> )
Cape Verde	Lesotho	Sri Lanka
Central African Rep.	Liberia	Sudan
Chad	Libya	Suriname
Chile (1) (2)	Lithuania	Swaziland
China (3)	Luxembourg ( <i>OECD</i> )	Sweden ( <i>OECD</i> )
Colombia	Macedonia, former Yugoslav Rep. of	Switzerland ( <i>OECD</i> )
Comoros	Madagascar	Syrian Arab Rep.
Congo, Dem. Rep. of	Malawi	Tajikistan
Congo, Rep. of	Malaysia	Tanzania
Costa Rica	Maldives	Thailand
Côte d'Ivoire	Mali	Timor-Leste, Dem. Rep. of
Croatia	Malta	Togo
Cyprus	Marshall Islands, Rep. of	Tonga
Czech Republic ( <i>OECD</i> )	Mauritania	Trinidad and Tobago
Denmark ( <i>OECD</i> )	Mauritius	Tunisia
Djibouti	Mexico ( <i>OECD</i> )	Turkey ( <i>OECD</i> )
Dominica	Micronesia, Fed. States of	Turkmenistan
Dominican Republic	Moldova	Uganda
Ecuador	Mongolia	Ukraine
Egypt	Morocco	United Arab Emirates
El Salvador	Mozambique	United Kingdom ( <i>OECD</i> )
Equatorial Guinea	Myanmar	United States ( <i>OECD</i> )
Eritrea	Namibia	Uruguay
Estonia (1) (2)	Nepal	Uzbekistan
Ethiopia	Netherlands ( <i>OECD</i> )	Vanuatu
Fiji	New Zealand ( <i>OECD</i> )	Venezuela, Rep. Bolivar. De
Finland ( <i>OECD</i> )	Nicaragua	Vietnam
France ( <i>OECD</i> )	Niger	Yemen, Republic of
Gabon	Nigeria	
Gambia, The	Norway ( <i>OECD</i> )	Zambia
Georgia	Oman	Zimbabwe
Germany ( <i>OECD</i> )	Pakistan	

(1) Countries adhering to the OECD Declaration on International Investment and Multinational Enterprises.

(2) Countries invited to membership talk

(3) Countries which were offered enhanced engagement

## ANNEX V

### GLOSSARY OF FOREIGN DIRECT INVESTMENT TERMS

The purpose of this glossary is to provide additional information and clarifications to national compilers responsible for completing or revising the *Survey of Implementation of Methodological Standards for Direct Investment (SIMSDI)*.

***Affiliated financial intermediaries:*** The clarifications of the IMF Committee on Balance of Payments Statistics promulgated in May 2002 indicate that for the purposes of balance of payments data, financial intermediaries are defined as being: (i) other depository institutions (banks, other than the central bank); (ii) other financial intermediaries, except insurance companies and pension funds; and (iii) financial auxiliaries. The definition would therefore include Special Purpose Enterprises (SPEs) – principally engaged in financial intermediation for a group of related enterprises-, and enterprises such as security dealers, whose function is the provision of services auxiliary to financial intermediation for a group of related enterprises. Transactions between affiliated financial intermediaries (that is, financial intermediaries that are in a direct investment relationship) should be *excluded* from the direct investment data, except for transactions in the form of equity capital or permanent debt. Transactions between (i) direct investment enterprises that are not financial intermediaries, and (ii) affiliated financial intermediaries (including SPEs primarily engaged in financial intermediation for a group of related enterprises), should be *included* in the direct investment data.

***Aggregate basis:*** Data collected on this basis show the total amounts for transactions made [positions held by respondents during a specified reporting period [as at a specified reporting date], such as information obtained through enterprise surveys.

***All-inclusive concept:*** The application of this concept is one of the two main approaches to measuring earnings. The concept is explained in the *International Accounting Standard No.8, “Unusual and Prior Period Items and Changes in Accounting Policy”*. When earnings are measured on the basis of this concept, income is considered to be the amount remaining after allowing for all items (including write-offs and capital gains and losses), causing any increase or decrease in the shareholders’ or investors’ interests during the accounting period, other than dividends and any other transactions between the enterprise and its shareholders or investors.. (See also the entry for ***Current operating performance concept.***)

***Asset/liability principle:*** The Financial Account of the balance of payments records an economy’s transactions in external financial assets and liabilities. The transactions are classified by (1) functional type of investment (*direct investment, portfolio investment financial derivatives, other investment, and reserve assets*); (2) assets and liabilities or, in the case of direct investment, direction of investment; (3) type of instrument; and, in some cases, (4) domestic sector and (5) original contractual maturity. This distinction between external assets and liabilities is of primary importance for the functional types of investment other than direct investment. Transactions should be recorded on a straight asset/liability basis. Even when a net basis is used for recording the Financial Account of the balance of payments, transactions in financial assets should be shown separately from transactions in financial liabilities(See also the entry for the ***Directional principle.***).

**Balance of payments:** statistical system through which economic transactions occurring during specific time periods between an economy and the rest of the world can be summarised in a systematic way. The fifth edition of the IMF *Balance of Payments Manual (BPM5)* provides conceptual guidelines for compiling balance of payments statistics according to international standards.

**Bilateral sources:** involve the use of direct investment statistics that are compiled by other countries, or by international organisations.

**Bonds and money market instruments:** include bonds, debentures, commercial paper, promissory notes, certificates of deposit, and other tradable non-equity securities, other than financial derivatives). For the purposes of the questionnaire, the category also includes Treasury bills.

**Book value:** is the value at which an equity or other capital asset or liability is recorded in the balance sheet of an entity and can reflect a number of valuation methods:

Historical cost

Replacement cost

An interim adjusted price that is not the current market price

Fair market value

Current market price

**Business register:** a register of enterprises or establishments involved in foreign direct investment, which is maintained by countries to assist in the compilation of their direct investment data.

**Compulsory reporting requirements:** situation where legislation creates a legal obligation for data reporters to provide the requested information (and usually an appropriate penalty for non-compliance).

**Current operating performance concept (COPC):** The application of this concept is one of the two main approaches to measuring earnings. The concept is explained in the International Accounting Standard No.8, "Unusual and Prior Period Items and Changes in Accounting Policy". When earnings are measured on the basis of this concept, such earnings consist of income from normal enterprise operations before non-recurring items (such as write-offs) and capital gains and losses are accounted for. (See also the entry for the *All-Inclusive concept*).

**Data dissemination:** refers to all the means by which data are made available to the public, including dissemination on the Internet.

**Debtor/creditor principle:** There are two principles that may serve as the basis for geographic allocation of direct investment financial flows: the debtor/creditor principle and the transactor principle. The debtor/creditor principle allocates transactions resulting from changes in the financial claims of the compiling economy to the country or residence of the non-resident debtor, and transactions resulting in changes in the financial liabilities of the compiling economy to the country of residence of the non-resident creditor, even if the amounts are paid to or received from a different country. (See also the entry for the *Transactor principle*.)

**Debt guarantees** (See entry for *Loan Guarantee*)

**Debt securities:** cover all tradable securities, except those classified as equity securities. Debt securities include bonds, debentures, notes, etc., money market or negotiable debt instruments.

**Direct investment (foreign direct investment):** is defined as international investment by a resident entity in one economy (direct investor) with the objective of obtaining a lasting interest in an enterprise resident in a direct investment enterprise. The “lasting interest” implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence by the direct investor on the management of the direct investment enterprise. Direct investment involves both the initial transaction between the two entities and all subsequent transactions between them and among affiliated enterprises, both incorporated and unincorporated.

**Direct investment enterprise:** is an incorporated enterprise in which a foreign investor owns 10 per cent or more of the ordinary shares or voting power or an unincorporated enterprise in which a foreign investor has equivalent ownership. Ownership of 10 per cent of the ordinary shares or voting stock is the criterion for determining the existence of a direct investment relationship. An “effective voice in the management”, as evidenced by an ownership of at least 10 per cent, implies that the direct investor is able to influence, or participate in, the management of an enterprise; absolute control by the foreign investor is not required.

Direct investment enterprises comprise:

subsidiaries (an enterprise in which a non-resident investor owns more than 50 per cent);

associates (an enterprise in which a non-resident investor owns between 10 and 50 per cent) and;

branches (unincorporated enterprises wholly or jointly owned by a non-resident investor);

that are either directly or indirectly owned by the direct investor

When the 10 per cent ownership requirement for establishing a direct investment link with an enterprise is met, certain other enterprises that are related to the first enterprise are also regarded as direct investment enterprises. Hence the definition of direct investment enterprise extends to the branches and subsidiaries of subsidiaries of the direct investor (so-called “indirectly owned direct investment enterprises”). The OECD *Benchmark Definition of Foreign Investment*, and the IMF *Balance of Payments Textbook* and *Balance of Payments Compilation Guide* describe the scope of enterprises, both directly and indirectly owned, that should be included in the definition. The OECD’s specification of this group of enterprises is referred to as the “Fully Consolidated System”. (See Annex I of this questionnaire.)

**Direct investment income:** comprises income on equity and income on debt accruing to a direct investor resident in one economy from the ownership of direct investment capital in an enterprise in another economy. (See also the separate entries for these two elements.)

**Direct investment financial flows:** are transactions between a direct investor in one economy and a direct investment enterprise in another economy, and among affiliated direct investment enterprises that are in a direct investment relationship, other than those that are resident in the same economy.

**Direct investment relationship:** A direct investment relationship is created when an enterprise resident in one economy owns 10 per cent 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. Direct investment enterprises that are considered to be in a direct investment relationship with a direct investor are also considered to be in direct investment relationships with each other.

**Direct investment position data:** are stock data showing an economy's direct investment assets and liabilities at a given point in time.

**Direct investor:** is an individual, an incorporated or unincorporated public or private enterprise, a government, a group of related enterprises (incorporated or unincorporated) or individuals, that has a direct investment enterprise (that is, a subsidiary, associate or branch) operating in an economy other than the economy or economies of residence of the foreign direct investor or investors.

**Directional principle:** Unlike other financial investments, direct investment is not recorded in the balance of payments on a strict asset/liability basis. Direct investments are recorded on a directional basis (that is, as resident direct investment abroad, or non-resident direct investment in the reporting economy). Capital invested by the direct investment enterprise in its direct investor (reverse investment) is regarded as an offset to capital invested in the direct investment enterprise by a direct investor and its related enterprises. That is, such capital is regarded as disinvestment by the direct investor rather than as an asset of the direct investment enterprise, except when the equity participations are at least 10 per cent in both directions and two direct investment relationships are therefore established. (See also the entry for **Reverse investment**.)

**Dissemination:** refers to all the means by which data are made available to the public, including dissemination on the Internet.

**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 can be recorded on the date they are payable, on the date they are paid, or at some other point in time and can be recorded either gross or net of withholding taxes.

**Equity capital:** comprises: (i) equity in branches; (ii) all shares in subsidiaries and associates (except non-participating preference [preferred] shares, which are treated as debt securities and included under direct investment, other capital); and (iii) other capital contributions, including non-cash acquisitions of equity (such as through the provision of capital equipment).

**Exchange rate gains or losses:** can be either realised gains/losses or unrealised gains/losses.

**Final data:** In this questionnaire relate to data that are no longer subject to further regular revision, although they may still be subject to exceptional historical revisions due to methodological changes and/or changes in the data collection system.

**Financial derivatives:** are financial instruments that are linked to another specific financial instrument or indicator or commodity, and through which specific financial risks (such as interest rate risk, currency, equity and commodity price risks, and credit risk etc.) can be traded in their own right in financial markets. Transactions in financial derivatives should be treated as separate transactions rather than as integral parts of the value of the underlying transactions to which they may be linked. The value of a financial derivative is based on the price of an underlying item, such as an asset or index. No principal amount that has to be repaid is advanced, and no investment income accrues. Financial derivatives are used for a number of purposes including risk management, hedging, arbitrage between markets, and speculation. In accordance with the 2000 revision of the fifth edition of the IMF's *Balance of Payments Manual (BPM5)*, income from financial derivatives (such as interest rate swaps) is no longer considered to be Income on Debt (Interest) in the balance of payments. In accordance with the final decision of the IMF Committee on Balance of Payments Statistics, promulgated in June 2002, financial derivatives

transactions involving affiliated enterprises should be excluded from FDI data and instead classified under the Financial Derivatives category of the balance of payments statistics and the international investment position statement. In reaching this decision, the Committee noted that some such financial derivatives may not be able to be identified and would therefore be included indistinguishably in the data for direct investment other capital.

**Financial intermediaries:** For the purposes of balance of payments data, financial intermediaries are defined as being: (i) other depository institutions (banks, other than the central bank); (ii) other financial intermediaries, except insurance companies and pension funds; and (iii) financial auxiliaries. The definition would therefore include Special Purpose Enterprises (SPEs) primarily engaged in financial intermediation for a group of related enterprises, and enterprises such as security dealers, whose function is the provision of services auxiliary to financial intermediation for a group of related enterprises.

**Foreign direct investment:** (see entry for *Direct investment*)

**Immediate host/investing country:** Geographic analysis of direct investment transactions is complicated by holding companies; that is, when the ultimate parent enterprise's investment in a foreign country is held through another subsidiary in a third country. Because the principle of classification used in balance of payments regional statistics is based on the change of ownership, direct investment flows should be compiled only in respect of the immediate host/investing country. The same rule applies for the international investment position statement; liabilities should be classified by the country of residence of the owner of the claim, and assets should be classified by the country of the liability holder. However, it is suggested that the stock of net assets of direct investment could also be compiled in respect of the ultimate host or controlling country, as supplementary information.

**Income on debt (interest):** consists of interest payable on inter-company debt to/from direct investors from/to associated enterprises abroad. It covers interest on the borrowing and lending of funds (including debt securities and suppliers' credits) between direct investors and direct investment enterprises.

**Income on equity** comprises: (i) dividends and distributed branch profits; and (ii) reinvested earnings and undistributed branch profits. (See also the entries for *Dividends* and for *Reinvested earnings and undistributed branch profits*.)

**Indirectly owned direct investment enterprises:** In principle, foreign direct investment statistics cover all enterprises in which direct investors have, directly or indirectly, a direct investment interest. The OECD's *Benchmark Definition of Foreign Direct Investment* and the IMF's *Balance of Payments Textbook* and *Balance of Payments Compilation Guide* describe the scope of enterprises, both directly and indirectly owned, that should be included in the definition. The OECD's specification of this group of enterprises is referred to as the "Fully Consolidated System" (FCS). (See Annex I of this questionnaire for more a more detailed description of the FCS.) Once a group of related enterprises has been defined, the FDI transactions data should include: (i) the relevant share of the reinvested earnings of the indirectly-owned enterprises; and (ii) all equity and other capital transactions made directly between resident enterprises of the group and non-resident enterprises of the same group, without consideration of the percentage of equity directly held by these enterprises in each other. Similarly, the position data should include (i) the relevant share of the reinvested earnings of the indirectly-owned enterprises; and (ii) all equity capital and inter-company debt positions held directly with all indirectly owned direct investment

enterprises, without consideration of the percentage of equity directly held by these enterprises in each other.

**Individual transactions basis:** Data collected on this basis consist of information on each of the individual transactions made by respondents during a specified reporting period, such as information collected from an international transactions reporting system (ITRS).

**Insurance company technical reserves:** are actuarial reserves against outstanding risks, prepayments of premiums, reserves for with-profits insurance, and reserves against unsettled claims.

**International investment position:** is the balance sheet of the stock of external financial assets and liabilities of an economy. The concepts and guidelines for compiling international investment position data are set out in the fifth edition of the IMF *Balance of Payments Manual*.

**International Transactions Reporting System (ITRS):** An ITRS measures individual balance of payments cash transactions passing through the domestic banks and may also measure (i) individual cash transactions passing through the foreign bank accounts of enterprises, (ii) non-cash transactions and (iii) stock positions. Statistics are compiled from forms submitted by domestic banks to the compilers and may also be compiled from forms submitted by enterprises to the compiler.

**Inward:** refers to direct investment in the reporting economy for the purposes of this questionnaire.

**Land and buildings:** All land and buildings located within an economy, except that owned by foreign governments (such as embassies) are, by convention, regarded as being owned by residents. If an actual owner is a non-resident, the owner is treated as if the ownership had been transferred 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, which is therefore a direct investment enterprise.

**Listed voting stocks** are equity/shares that give voting rights to the holder and are listed on an official stock exchange.

**Loan/Debt guarantee:** Only borrowing that results in a direct liability of the recipient direct investment enterprise to its direct investor or a related direct investment enterprise is included in the FDI data. For example, if the direct investor/ related direct investment enterprise borrows funds from a bank and then on-lends those funds to the direct investment enterprise, that debt should be included in the FDI data. However, in some instances direct investment enterprises may borrow funds that are guaranteed by its direct investor or a related direct investment enterprise, rather than lent directly by the direct investor/related direct investment enterprise. (In other words, the liability of the recipient direct investment enterprise is to a non-affiliated entity, such as a bank, and the direct investor/related direct investment enterprise that guaranteed the borrowing only has a contingent liability in the event of default by the recipient direct investment enterprise.) In other instances, a direct investor or related direct investment enterprise may merely make arrangements for funding to be provided to a direct investment enterprise by a non-affiliated entity, and have no liability for the debt in the event of default by the recipient direct investment enterprise. Loans/debt involving (i) liabilities merely guaranteed by a direct investor/related direct investment enterprise, and (ii) funding merely arranged by a direct investor/related direct investment enterprise, should be excluded from the FDI data. When a loan/debt guarantee made by a direct investor or related direct investment enterprise is invoked following default by a direct investment enterprise, there is a flow of funds from the guarantor to the lender. These funds are

considered to be direct investment, regardless of whether the defaulting direct investment enterprise continues to trade, or goes into liquidation

**Market price:** is the amount of money that willing buyers would pay to acquire a financial asset from a willing seller. The use of market price for valuation of assets and liabilities is one of the key principles of balance of payments compilation.

**Most comprehensive data:** This term refers to the direct investment statistics that are disseminated and based on the most comprehensive regularly available data sources. These data may be preliminary and subject to revision. The term refers not to the level of detail or breakdowns disseminated to the public, but to the comprehensiveness of the underlying data sources used to compile the data. If a country compiles and disseminates data that are based on the same sources and coverage, the “most comprehensive data” are the same as the “most timely data”.

Examples of the difference between “most timely” and “most comprehensive” data are:

- For the compilation of transactions and/or position data:
  - (a) The use of a quarterly enterprise survey covering only a sample of the largest FDI enterprises to compile the most timely data, versus the use of an annual enterprise survey covering all FDI enterprises (sometimes called a census survey) to compile the most comprehensive data.
  - (b) The use of a cash-based ITRS to compile the most timely data, versus the use of an enterprise survey to compile the most comprehensive data.
  - (c) The use of estimates based on the data from an enterprise survey for a previous reporting period for the most timely data, versus the use of actual data from an enterprise survey for the current reporting period for the most comprehensive data.
- For the compilation of position data:

The use of transactions data and the perpetual inventory method to compile the most timely data, and the use of an enterprise survey of positions to compile the most comprehensive data.

Differences in coverage that reflect the incorporation of late responses into the most timely data are not an indication of the existence of most comprehensive data, but rather are revisions of the most timely data.

**Most timely data:** The term refers to the direct investment statistics that are first disseminated; that is, the data with the shortest lapse of time between the end of the reference period (or the reference date) and dissemination of the data. These data may be preliminary estimates of broad aggregates and may be subject to revision. If your country separately also compiles and disseminates “most comprehensive data”, data sources used for “most timely” data may be different or have a different level of the coverage than those used for “most comprehensive data”. (See examples listed under **Most comprehensive data**.)

**Natural resources exploration:** When a direct investment enterprise is set up for the exploration of natural resources, inward direct investment flows provided to the direct investment enterprise by the direct investor located abroad that are used for exploration should be recorded as *direct investment, equity capital*. The clarifications of the IMF Committee on Balance of Payments Statistics promulgated in May 2002, indicate that (i).when a payment (bonus) is made to a government by direct investors for the right to undertake a direct investment in the host

economy, typically for concession rights related to the extraction of natural resources, the amount of the bonus is to be treated as direct investment, equity capital, when there is a clear intention to establish a direct investment enterprise (such as in the case of a contractual agreement between the investor and the government); and (ii) in instances of the shutdown of an FDI enterprise established for natural resources exploration, no transactions should be recorded in the balance of payments statistics, and the Other Adjustments heading of the international investment position statement should be used to show the reduction in direct investment assets.

***Nomenclature générale des activités économiques dans les Communautés européennes (NACE):*** refers to the industrial classification as defined in Revision 1 which is used by EUROSTAT. (See Annex II of this questionnaire for more details.)

***Non-voting stocks:*** equity/shares that do not give voting rights to the holder. The category includes participating preference shares. (See also the entry for ***Voting stocks.***)

***Offshore enterprises:*** In balance of payments statistics, the residency of so called “offshore enterprises” is attributed to the economies in which they are located without regard to the special treatment they may receive by the local authorities, such as exemptions from taxes, tariffs, or duties. Off-shore enterprises can be engaged in the assembly of components manufactured elsewhere, in the processing of re-exported goods, and in trade and financial operations, and can be located in special zones (e.g. special trade zones, free-trade zones, or tax-havens).

***Other capital:*** covers the borrowing or lending of funds between (i) direct investors resident in one economy and their subsidiaries, branches, and associates resident in other economies, and (ii) enterprises within a group of related direct investment enterprises that are resident in different economies. The instruments covered include loans, debt securities, suppliers’ (trade) credits, financial leases, and non-participating preference [preferred] shares (which are treated as debt securities).

***Outward:*** refers to direct investment abroad, for the purpose of this questionnaire

***Periodicity:*** refers to the period to which each data point relates, e.g. quarterly and annual data. Periodicity for flow (transaction) data is specified in terms of the interval represented by a single data point, while periodicity for stock (position) data is specified in terms of the interval between data points. For example, quarterly periodicity for balance of payments data means that one quarter is the interval that is represented by a single estimate. *Periodicity* may differ from both the *frequency of compilation* and the *frequency of dissemination*. For example, a country may compile data that cover a time period of one quarter (that is, data with a quarterly periodicity) every month (that is, a monthly frequency of compilation) and disseminate these only once a year (that is, an annual frequency of dissemination.)

***Perpetual inventory method:*** refers to the process of deriving data on stocks (position data) from transaction data. Under this method, for which a stock estimate for some base point in time is required, the compiler may calculate the value of a stock at the end of a period as being equal to the value of the stock at the beginning of the period, plus the impact of transactions and non-transaction changes in the value of the stock during the period.

**Quasi-corporations:** enterprises that produce goods and services in an economy other than their own, but do not establish separate legal corporations in the host country. Quasi-corporations that are in a direct investment relationship with the parent enterprise are deemed to exist if:

Production is maintained for one year or more.

A separate set of accounts is maintained for the local activities.

Income tax is paid in the host country.

Quasi-corporations are often involved in construction or the operation of mobile equipment in another economy. The fifth edition of the IMF *Balance of Payments Manual (BPM5)* recommends that quasi-corporations be included in the direct investment data.

**Reinvested earnings and undistributed branch profits:** comprise, in proportion to equity held, direct investors' shares of (i) earnings that foreign subsidiaries and associated enterprises do not distribute as dividends (*reinvested earnings*), and earnings that branches and other unincorporated enterprises do not remit to direct investors (*undistributed branch profits*).

**Reinvested earnings of indirectly owned direct investment enterprises** are treated as follows under the Fully Consolidated System. Assuming that: (a) Company A in Country 1 owns 51% of Company B in Country 2, which in turn owns 51% of Company C in Country 3, and (b) the reinvested earnings of Company B is 500 and the reinvested earnings of Company C is 100, the income of Company A from reinvested earnings is 281, that is:

51% of the reinvested earnings of Company B:  $.51 \times 500 = 255$

51% of 51% of the reinvested earnings of Company C:  $.51(.51 \times 100) = 26$

(Table 4 of Annex I of the OECD *Benchmark Definition of Foreign Direct Investment* gives a more detailed example.)

**Reverse investment:** occurs when a direct investment enterprise acquires a financial claim on its direct investor(s). Because direct investment is recorded on a directional basis, capital invested by the direct investment enterprise in its direct investor (reverse investment) is regarded as an offset to capital invested in the direct investment enterprises by a direct investor and its related enterprises, except in instances when the equity participations are at least 10 per cent in both directions.

Such reverse investment transactions are recorded based on the direction of the direct investment relationship:

(1) When the claims are not sufficient to establish a second, separate direct investment relationship, the reverse investment transactions should be recorded according to the directional principle of the direct investment relationship as follows:

As *direct investment in the reporting economy, claims on direct investors* in the data for the economy in which the direct investment enterprise is resident.

As *direct investment abroad, liabilities to affiliated enterprises* in the data for the economy in which the direct investor is resident.

(2) When the equity participations are at least 10 per cent in both directions, two direct investment relationships are established. In these circumstances, equity and other capital

transactions between enterprises are recorded as direct investment claims and liabilities in both directions, as follows:

As *direct investment abroad* for transactions on assets.

As *direct investment in the reporting economy* for transactions on liabilities.

**Special Purpose Entities (SPEs)** are: (1) generally organised or established in economies other than those in which the parent companies are resident, and (2) engaged primarily in international transactions but have few or no local operations. SPEs are defined either by their structure (e.g. financing subsidiary, holding company, base company, regional headquarters), or their purpose (e.g., sale and regional administration, management of foreign exchange risk, facilitation of financing of investment). SPEs should be treated as direct investment enterprises if they meet the 10 per cent criterion. SPEs are an integral part of direct investment networks as are, for the most part, SPE transactions with other members of the group.

For SPEs that have the primary function of serving as financial intermediaries:

All transactions, except those with affiliated banks and affiliated financial intermediaries, should be recorded in the direct investment data.

Transactions with affiliated banks and affiliated financial intermediaries should be excluded from the direct investment data, except transactions in equity capital and permanent debt.

**Time of recording:** The time of recording for transactions and, hence, for holdings is governed by the principle of accrual accounting. For financial claims and liabilities, changes of ownership are considered to have taken place at (or be proxied by) the time that the parties to the transactions record them in their books or accounts. If no precise date can be fixed, the reporter may use the date on which the creditor received payment or the date on which some other financial claim was satisfied. For direct investment income data, dividends should be recorded as the date they are payable and income on debt (interest) as it is accrued.

**Timeliness:** refers to the speed with which the data are disseminated; that is the lapse of time between the end of a reference period (or a reference date) and dissemination of the data. Note that if new data are disseminated only once a year, but the periodicity of the data is quarterly, the timeliness of the data refers to the lapse of time between the end of the first of the four newly disseminated quarters and the time of dissemination. For example, if at the end of March 2003 data are disseminated for the four quarters of 2002, the timeliness is “between 3 and 12 months”; with 12 months being the lapse of time between the first quarter of 2002 and end-March 2003, and 3 months being the lapse of time between the last quarter of 2002 and end-March 2003.

**Transactor principle:** There are two principles that may serve as the basis for geographic allocation of financial flows: the debtor/creditor principle and the transactor principle. The transactor principle allocates transactions resulting from changes in the financial claims and liabilities of the compiling economy to the country of residence of the non-resident party to the transaction (the transactor), even if this is not the country of residence of the direct investment enterprise or direct investor. (See also the entry for the *debtor/creditor principle*.)

**Ultimate host/investing country:** Geographic analysis of direct investment transactions is complicated by holding companies; that is, when the ultimate parent enterprise’s investment in a foreign country is held through another subsidiary in a third country. The compilation of foreign direct investment statistics on income and financial flows based on the ultimate source of such flows

would require a basis for the recording of transactions other than the change-of-ownership principle that is recommended in the fifth edition of the IMF *Balance of Payments Manual*. Therefore, direct investment flows should be compiled only in respect of the immediate host/investing country. The regional allocation of the international investment position statement should also be compiled on the basis of the immediate host or investing country. However, it is suggested that the stock of direct investment net assets could also be compiled in respect of the ultimate host or controlling country, as supplementary information. (See also the entry for the **Immediate host/investing country**.)

**United Nations International Standard Industrial Classification for all Economic Activities (ISIC):** refers to the industrial classification as defined in the third version of ISIC. (See Annex II of this questionnaire for more details.)

**Unlisted voting stocks** are equity/shares that give voting rights to the holder, but are not listed on an official stock exchange.

**Valuation of stocks (position data):** The fifth edition of the IMF *Balance of Payments Manual (BPM5)* and the OECD *Benchmark Definition of Foreign Direct Investment* recommend using market price as the basis for valuation. However, it is recognised that, in practice, book values from the balance sheets of direct investment enterprises (or investors) are often used to determine the value of the stock of direct investment. (See also the entry for **Book value**.)

**Voluntary reporting requirements:** situations where there is no legal obligation for reporters to provide the requested information.

**Voting stocks:** equity/shares that give voting rights to the holder. These can either be “listed voting stocks” (that is, equity/shares that are listed on an official stock exchange), or “unlisted voting stock” (that is, equity/shares that are not listed on a official stock exchange. (See also the entry for **Non-voting stocks**.)