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(Acts adopted under the EC Treaty/Euratom Treaty whose publication is obligatory)

## REGULATIONS

## REGULATION (EC) No 24/2009 OF THE EUROPEAN CENTRAL BANK

of 19 December 2008

**concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions**

(ECB/2008/30)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

sector in the participating Member States, which are viewed as one economic territory.

Having regard to the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the 'ESCB Statute'), and in particular Article 5 thereof,

Having regard to Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank <sup>(1)</sup>, and in particular Articles 5(1) and 6(4) thereof,

Whereas:

(1) Regulation (EC) No 2533/98 provides in Article 2(1) that, for the fulfilment of its statistical reporting requirements, the European Central Bank (ECB), assisted by the national central banks (NCBs), has the right to collect statistical information within the limits of the reference reporting population and of what is necessary to carry out the tasks of the European System of Central Banks (ESCB). It follows from Article 2(2)(a) of Regulation (EC) No 2533/98 that financial vehicle corporations engaged in securitisation transactions (FVCs) form part of the reference reporting population for the purposes of fulfilling the ECB's statistical reporting requirements, *inter alia*, in the field of monetary and financial statistics. Furthermore, Article 3 of Regulation (EC) No 2533/98 requires the ECB to specify the actual reporting population within the limits of the reference reporting population and entitles it to fully or partly exempt specific classes of reporting agents from its statistical reporting requirements.

(2) The purpose of FVC data is to provide the ECB with adequate statistics on the financial activities of the FVC sub-

(3) Given the close links between the securitisation activities of FVCs and monetary financial institutions (MFIs), consistent, complementary and integrated reporting of MFIs and FVCs is required. Therefore, the statistical information provided in accordance with this Regulation needs to be considered together with the data requirements for MFIs on securitised loans, as laid down in Regulation (EC) No 25/2009 of 19 December 2008 concerning the balance sheet of the monetary financial institutions sector (recast) (ECB/2008/32) <sup>(2)</sup>.

(4) The integrated reporting approach of FVCs and MFIs and the derogations provided for in this Regulation aim at minimising the reporting burden for reporting agents and avoiding overlaps in the reporting of statistical information by FVCs and MFIs.

(5) NCBs should be entitled to exempt FVCs from reporting obligations that would cause unreasonably high costs compared to their statistical benefit.

(6) Although regulations adopted under Article 34.1 of the ESCB Statute do not confer any rights or impose any obligations on non-participating Member States, Article 5 of the ESCB Statute applies to all Member States, irrespective of whether they have adopted the euro. Recital 17 to Regulation (EC) No 2533/98 makes clear that Article 5 of the ESCB Statute, together with Article 10 of the Treaty establishing the European Community, implies an obligation to design and implement at national level all the measures that the non-participating Member States

<sup>(1)</sup> OJ L 318, 27.11.1998, p. 8.

<sup>(2)</sup> See page 14 of this Official Journal.

consider appropriate to collect the statistical information needed to fulfil the ECB's statistical reporting requirements and make timely preparations in the field of statistics to become participating Member States.

- (7) The ECB's sanctions regime laid down in Article 7 of Regulation (EC) No 2533/98 will apply to FVCs,

HAS ADOPTED THIS REGULATION:

#### Article 1

#### Definitions

For the purposes of this Regulation:

1. 'FVC' means an undertaking which is constituted pursuant to national or Community law under one of the following:

- (i) contract law as a common fund managed by management companies;
- (ii) trust law;
- (iii) company law as a public or private limited company;
- (iv) any other similar mechanism;

and whose principal activity meets both of the following criteria:

- (a) it intends to carry out, or carries out, one or more securitisation transactions and is insulated from the risk of bankruptcy or any other default of the originator;
- (b) it issues, or intends to issue, securities, securitisation fund units, other debt instruments and/or financial derivatives and/or legally or economically owns, or may own, assets underlying the issue of securities, securitisation fund units, other debt instruments and/or financial derivatives that are offered for sale to the public or sold on the basis of private placements.

Neither of the following is included in the definition of FVC:

- MFIs within the meaning of Article 1 of Regulation (EC) No 25/2009 (ECB/2008/32),
- investment funds (IFs) within the meaning of Article 1 of Regulation (EC) 958/2007 of the European Central Bank of 27 July 2007 concerning statistics on the assets and liabilities of investment funds (ECB/2007/8) <sup>(1)</sup>;

2. 'securitisation' means a transaction or scheme whereby an asset or pool of assets is transferred to an entity that is separate from the originator and is created for or serves the

purpose of the securitisation and/or the credit risk of an asset or pool of assets, or part thereof, is transferred to the investors in the securities, securitisation fund units, other debt instruments and/or financial derivatives issued by an entity that is separate from the originator and is created for or serves the purpose of the securitisation, and:

- (a) in case of transfer of credit risk, the transfer is achieved by:

- the economic transfer of the assets being securitised to an entity separate from the originator created for or serving the purpose of the securitisation. This is accomplished by the transfer of ownership of the securitised assets from the originator or through sub-participation, or

- the use of credit derivatives, guarantees or any similar mechanism;

and

- (b) where such securities, securitisation fund units, debt instruments and/or financial derivatives are issued, they do not represent the originator's payment obligations;

3. 'originator' means the transferor of the assets, or a pool of assets, and/or the credit risk of the asset or pool of assets to the securitisation structure;

4. 'participating Member State' means a Member State that has adopted the euro;

5. 'non-participating Member State' means a Member State that has not adopted the euro;

6. 'reporting agent' means a reporting agent within the meaning of Article 1 of Regulation (EC) No 2533/98;

7. 'resident' means resident within the meaning of Article 1 of Regulation (EC) No 2533/98. For the purposes of this Regulation, and if a legal entity lacks a physical dimension, its residence shall be determined by the economic territory under whose laws the entity is incorporated. If the entity is not incorporated, legal domicile shall be used as a criterion, namely the country whose legal system governs the creation and continued existence of the entity;

8. 'MFI' means a monetary financial institution within the meaning of Article 1 of Regulation (EC) No 25/2009 (ECB/2008/32);

9. 'relevant NCB' means the NCB of the participating Member State in which the FVC is resident.

<sup>(1)</sup> OJ L 211, 11.8.2007, p. 8.

10. 'taking up business' means any activity, including any preparatory measures, related to the securitisation, other than merely establishing an entity that is not expected to commence the securitisation activity in the next six months. Any activity by the FVC taken after the securitisation activity becomes foreseeable means taking up business.

#### Article 2

### Reporting population

1. FVCs resident in the territory of a participating Member State shall form the reference reporting population. The reference reporting population shall be subject to the obligation laid down in Article 3(2).

2. The reference reporting population excluding those FVCs which have been fully exempted pursuant to Article 5(1)(c) shall form the actual reporting population. The actual reporting population shall be subject to the reporting obligations laid down in Article 4, subject to the derogations laid down in Article 5. The FVCs that are subject to reporting their annual financial statement pursuant to Article 5(3) or that are subject to ad hoc reporting obligations pursuant to Article 5(5) shall also form part of the actual reporting population.

3. If an FVC does not have legal personality under its national law, the persons legally entitled to represent the FVC, or in the absence of formalised representation, persons that under the applicable national laws are liable for acts of the FVC, shall be responsible for reporting the information required under this Regulation.

#### Article 3

### List of FVCs for statistical purposes

1. The ECB's Executive Board shall establish and maintain, for statistical purposes, a list of FVCs that form the reference reporting population. FVCs shall submit to the NCBs the data that the NCBs require in accordance with Guideline ECB/2008/31 of 19 December 2008 amending Guideline ECB/2007/9 on monetary, financial institutions and markets statistics (recast) <sup>(1)</sup>. The NCBs and the ECB shall make this list and its updates available in an appropriate form, including by electronic means, via the Internet or, at the request of the reporting agents concerned, in paper form.

2. An FVC shall inform the relevant NCB of its existence within one week from the date on which the FVC has taken up business irrespective of whether it expects to be subject to regular reporting obligations under this Regulation.

3. If the latest accessible electronic version of the list referred to in paragraph 1 is incorrect, the ECB shall not impose sanctions

on any entity which did not properly fulfil its reporting requirements to the extent that the requirement set out in paragraph 2 was met and that the entity relied on the incorrect list in good faith.

#### Article 4

### Quarterly statistical reporting requirements and reporting rules

1. The actual reporting population shall provide to the relevant NCB, data on end-of-quarter outstanding amounts, financial transactions and write-offs/write-downs on the assets and liabilities of FVCs on a quarterly basis, in accordance with Annexes I and II.

2. NCBs may collect the statistical information on securities issued and held by FVCs required under paragraph 1 on a security-by-security basis, to the extent that the data referred to in paragraph 1 can be derived according to minimum statistical standards as specified in Annex III.

3. Without prejudice to the reporting rules laid down in Annex II, all assets and liabilities of FVCs shall be reported under this Regulation in accordance with the reporting rules laid down in the relevant national law transposing Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions <sup>(2)</sup>. The accounting rules in the relevant national law transposing the Fourth Council Directive 78/660/EEC of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies <sup>(3)</sup> shall apply to FVCs that do not fall within the scope of the national law transposing Directive 86/635/EEC. Any other relevant national or international accounting standards or practices shall apply to FVCs not falling under national law transposing either of these directives.

4. Where paragraph 3 requires the reporting of instruments on a mark-to-market basis, NCBs may exempt FVCs from reporting these instruments on a mark-to-market basis where the costs entailed by the FVC would be unreasonably high. In this case the FVCs shall apply the valuation used for the purpose of the investor reports.

5. Where according to national market practices available data refer to any date within a quarter, NCBs may allow the reporting agents to report these quarterly data instead, if the data are comparable and if significant transactions occurring between this date and the end of the quarter are taken into account.

6. Instead of write-offs/write-downs referred to in paragraph 1, an FVC may, in agreement with the relevant NCB, provide other information which allows the NCB to derive the required data on write-offs/write-downs.

<sup>(2)</sup> OJ L 372, 31.12.1986, p. 1.

<sup>(3)</sup> OJ L 222, 14.8.1978, p. 11.

<sup>(1)</sup> Not yet published in the Official Journal.

*Article 5***Derogations**

1. NCBs may grant derogations to the reporting requirements set out in Article 4 as follows:

- (a) for loans originated by euro area MFIs and broken down by maturity, sector and residency of debtors, and where the MFIs continue to service the securitised loans within the meaning of Regulation (EC) No 25/2009 (ECB/2008/32), the NCBs may grant FVCs derogations from reporting data on these loans. Regulation (EC) No 25/2009 (ECB/2008/32) provides for the reporting of these data;
- (b) the NCBs may exempt FVCs from all reporting requirements set out in Annex I, apart from the obligation to report, on a quarterly basis, end-of-quarter outstanding amount data on total assets, provided that the FVCs that contribute to the quarterly aggregated assets/liabilities account for at least 95 % of the total of FVCs' assets in terms of outstanding amounts, in each participating Member State. The NCBs shall check the fulfilment of this condition in good time in order to grant or withdraw, if necessary, any derogation with effect from the start of each calendar year;
- (c) to the extent that the data referred to in Article 4 can be derived, according to minimum statistical standards as specified in Annex III, from other statistical, public or supervisory data sources and without prejudice to subparagraphs (a) and (b), the NCBs may, after consulting the ECB, fully or partially exempt reporting agents from the reporting requirements set out in Annex I to this Regulation.

2. The FVCs may choose, with the relevant NCB's prior consent, not to use the derogations referred to in paragraph 1 and to fulfil the full reporting requirements specified in Article 4 instead.

3. FVCs that benefit from a derogation within the meaning of paragraph 1(c) shall report their annual financial statements to the relevant NCB, if this is not available from public sources, within six months following the end of the reference period or at the earliest point in time thereafter, in accordance with the applicable national legal practices in the FVC's Member State of residence. The relevant NCB shall notify those FVCs which are subject to this reporting requirement.

4. The relevant NCB shall withdraw the derogation laid down in paragraph 1(c) if data of statistical standards comparable to those prescribed in this Regulation have not been made available in time to the relevant NCB for three consecutive reporting periods, independent of any fault attributable to the FVC involved. FVCs shall start reporting data, as set out in Article 4, not later than three months from the date on which the relevant NCB has notified the reporting agents that the derogation has been withdrawn.

5. Without prejudice to paragraph 3, in order to meet the requirements set out in this Regulation, NCBs may address ad hoc reporting requirements to FVCs that have been granted derogations within the meaning of paragraph 1(c). FVCs shall report the information requested on an ad hoc basis within 15 working days following a request made by the relevant NCB.

*Article 6***Timeliness**

NCBs shall submit to the ECB data on aggregated quarterly assets and liabilities covering the positions of FVCs in each participating Member State by close of business on the 28th working day following the end of the quarter to which the data relate. NCBs shall set deadlines for receiving the data from reporting agents.

*Article 7***Minimum standards and national reporting arrangements**

1. FVCs shall comply with the reporting requirements to which they are subject in accordance with the minimum standards for transmission, accuracy, compliance with concepts and revisions specified in Annex III.

2. The NCBs shall define and implement the reporting arrangements to be followed by the actual reporting population in accordance with national characteristics. The NCBs shall ensure that these reporting arrangements provide the required statistical information and allow accurate checking of compliance with concepts and the minimum standards for transmission, accuracy and revisions specified in Annex III.

*Article 8***Verification and compulsory collection**

The NCBs shall exercise the right to verify or collect information which reporting agents are required to provide pursuant to this Regulation, without prejudice to the ECB's right to exercise these rights itself. In particular, the NCBs shall exercise this right when an institution included in the actual reporting population does not fulfil the minimum standards for transmission, accuracy, and compliance with the concepts and revisions specified in Annex III.

*Article 9***First reporting**

1. An FVC that has taken up business prior to and including 24 March 2009 shall inform the relevant NCB of its existence by the end of March 2009, irrespective of whether it expects to be subject to regular reporting under this Regulation.

2. An FVC that has taken up business after 24 March 2009 shall inform the relevant NCB of its existence in accordance with Article 3(2).

3. The first reporting in accordance with the statistical reporting requirements to which the FVC is subject pursuant to Articles 4 and 5 shall begin with quarterly data from December 2009. When reporting data for the first time, only outstanding amounts shall be reported.

4. FVCs that take up business after 31 December 2009 shall, when reporting data for the first time, report data on a quarterly basis as far back as the original securitisation transaction.

5. FVCs that take up business after adoption of the euro by their Member State following 31 December 2009, when reporting data for the first time, shall report data on a quarterly basis as far back as the original securitisation transaction.

*Article 10*

**Final provision**

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

Done at Frankfurt am Main, 19 December 2008.

*For the Governing Council of the ECB*

*The President of the ECB*

Jean-Claude TRICHET

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## STATISTICAL REPORTING REQUIREMENTS

Table 1  
Outstanding amounts and transactions

	A. Domestic									B. Other participating Member States									C. Rest of the world	D. Total	
	Total	MFIs	Non-MFIs	Total					Total	MFIs	Non-MFIs	Total									
				General Government (S.13)	Other residents	Other financial intermediaries + financial auxiliaries (S.123 + S.124)	Insurance corporations and pension funds (S.125)	Non-financial corporations (S.11)				Households + non-profit institutions serving households (S.14 + S.15)	General Government (S.13)	Other residents	Other financial intermediaries + financial auxiliaries (S.123 + S.124)	Insurance corporations and pension funds (S.125)	Non-financial corporations (S.11)	Households + non-profit institutions serving households (S.14 + S.15)			
<b>ASSETS</b>																					
1 Deposits and loan claims																					
2 Securitised loans																					
2a euro area MFI as originator																					
up to 1 year																					
over 1 year and up to 5 years																					
over 5 years																					
2b euro area General Government as originator																					
2c euro area OFI <sup>(1)</sup> and ICPF <sup>(2)</sup> as originator																					
2d euro area NFC <sup>(3)</sup> as originator																					
2e non-euro area originator																					
3 Securities other than shares <sup>(4)</sup>																					
up to 1 year																					
over 1 year and up to 2 years																					
over 2 years																					
4 Other securitised assets																					
4a of which euro area General Government as originator																					
4b of which euro area NFC as originator																					
5 Shares and other equity																					
6 Financial derivatives																					
7 Fixed assets																					
8 Remaining assets																					
<b>LIABILITIES</b>																					
9 Loans and deposits received																					
10 Debt securities issued <sup>(4)</sup>																					
up to 1 year																					
over 1 year and up to 2 years																					
over 2 years																					
11 Capital and reserves																					
12 Financial derivatives																					
13 Remaining liabilities																					

<sup>(1)</sup> Other financial intermediaries, except insurance corporations and pension funds.<sup>(2)</sup> Insurance corporations and pension funds.<sup>(3)</sup> Non-financial corporations.<sup>(4)</sup> In accordance with Article 4(2), NCBs may choose to collect these items on a security-by-security basis.

Table 2  
Write-offs/write-downs

	D. Total
ASSETS	
2 Securitised loans	



## ANNEX II

## DEFINITIONS

## PART 1

## Definitions of instrument categories

This table provides a detailed standard description of the instrument categories which national central banks (NCBs) transpose into national categories in accordance with this Regulation. The table does not constitute a list of individual financial instruments and the descriptions are not exhaustive. The definitions refer to the European system of national and regional accounts in the Community (hereinafter the 'ESA95').

All financial assets and liabilities must be reported on a gross basis, i.e. financial assets must not be reported net of financial liabilities.

Table A

## Definitions of instrument categories of the assets and liabilities of financial vehicle corporations engaged in securitisation transactions

## ASSET CATEGORIES

Category	Description of main features
1. Deposits and loan claims	<p>For the purposes of the reporting scheme, this consists of funds lent by financial vehicle corporations engaged in securitisation transactions (FVCs) to borrowers that are not evidenced by documents or are represented by a single document even if it has become negotiable.</p> <p>It includes the following items:</p> <ul style="list-style-type: none"> <li>— deposits placed with monetary financial institutions (MFIs)</li> <li>— loans granted to FVCs</li> <li>— claims under reverse repos or securities borrowing against cash collateral. Counterpart of cash paid out in exchange for securities purchased by FVCs, or securities borrowing against cash collateral (see category 9)</li> </ul> <p>This item also includes holdings of euro and foreign currency banknotes and coins in circulation that are commonly used to make payments.</p>
2. Securitised loans	<p>For the purposes of the reporting scheme, this consists of funds lent to borrowers and acquired by the reporting agents from the originator. These funds are not evidenced by documents or are represented by a single document even if it has become negotiable.</p> <p>This also includes:</p> <ul style="list-style-type: none"> <li>— financial leases granted to third parties: financial leases are contracts whereby the legal owner of a durable good (hereinafter the 'lessor') lends these assets to a third party (hereinafter the 'lessee') for most if not all of the economic lifetime of the assets, in exchange for instalments covering the costs of the good plus an imputed interest charge. The lessee is assumed to receive all the benefits derivable from the use of the good and to incur the costs and risks associated with ownership. For statistical purposes, financial leases are treated as loans from the lessor to the lessee enabling the lessee to purchase the durable good. Financial leases granted by an originator, acting as the lessor, are to be recorded under the asset item 'securitised loans'. The assets (durable goods) which have been lent to the lessee must not be recorded</li> <li>— bad debt loans that have not yet been repaid or written off: bad debt loans are considered to be loans in respect of which repayment is overdue or otherwise identified as being impaired</li> <li>— holdings of non-negotiable securities: holdings of securities other than shares and other equity which are not negotiable and cannot be traded on secondary markets, see also 'traded loans'</li> <li>— traded loans: loans that have <i>de facto</i> become negotiable are to be classified under the asset item 'securitised loans' provided that they continue to be evidenced by a single document and are, as a general rule, only traded occasionally</li> <li>— subordinated debt in the form of deposits or loans: subordinated debt instruments provide a subsidiary claim on the issuing institution that can only be exercised after all claims with a higher status e.g. deposits/loans have been satisfied, giving them some of the characteristics of 'shares and other equity'. For statistical purposes, subordinated debt is to be treated according to the nature of the financial instrument, i.e. classified as either 'securitised loans' or 'securities other than shares' according to the nature of the instrument. Where FVC holdings of all forms of subordinated debt are currently identified as a single figure for statistical purposes, this figure is to be classified under the item 'securities other than shares', on the grounds that subordinated debt is predominantly constituted in the form of securities, rather than as loans</li> </ul>



Category	Description of main features
	<p>Securitised loans must be reported according to the following rules:</p> <ul style="list-style-type: none"> <li>— a maturity breakdown is required for loans to non-financial corporations originated by euro area MFIs. It means maturity at the time the loan was granted, i.e. original maturity and refers to the fixed period in which the loan is due to be repaid</li> <li>— loans must be reported at nominal value, even if purchased from the originator at a different price. The counterpart to the difference between the nominal value and the purchase price must be included under 'remaining liabilities'</li> </ul> <p>This item includes securitised loans, irrespective of whether the prevailing accounting practice requires the recognition of the loans on the reporting agent's balance sheet.</p>
3. Securities other than shares	<p>Holdings of securities other than 'shares and other equity', which are negotiable and usually traded on secondary markets or can be off-set on the market, and which do not grant the holder any ownership rights over the issuing institution</p> <p>This item includes:</p> <ul style="list-style-type: none"> <li>— holdings of securities, whether or not evidenced by documents, which give the holder the unconditional right to a fixed or contractually determined income in the form of coupon payments and/or a stated fixed sum at a specific date or dates or starting from a date defined at the time of issue</li> <li>— subordinated debt in the form of debt securities</li> </ul> <p>Securities lent out under securities lending operations or sold under a repurchase agreement remain on the original owner's balance sheet and are not to be recorded on the temporary acquirer's balance sheet where there is a firm commitment to reverse the operation and not simply an option to do so (see also category 9). Where the temporary acquirer sells the securities received, this sale must be recorded as an outright transaction in securities and entered in the temporary acquirer's balance sheet as a negative position in the securities portfolio</p> <p>A maturity breakdown is required for holdings of securities other than shares. This means maturity at issue, i.e. original maturity and refers to the fixed period of life of a financial instrument before which it may not be redeemed</p> <p>This item includes securities other than shares that have been securitised, irrespective of whether the prevailing accounting practice requires the recognition of the securities on the reporting agent's balance sheet</p>
4. Other securitised assets	<p>This item includes securitised assets other than those included under categories 2 and 3, such as tax receivables or commercial credits, irrespective of whether the prevailing accounting practice requires the recognition of the assets on the balance sheet of the reporting agent</p>
5. Shares and other equity	<p>Holdings of securities which represent property rights in corporations or quasi-corporations. These securities generally entitle the holders to a share in the profits of corporations or quasi-corporations and to a share in their own funds in the event of liquidation</p>
6. Financial derivatives	<p>Under this item, all the following financial derivatives must be reported:</p> <ul style="list-style-type: none"> <li>— options</li> <li>— warrants</li> <li>— futures</li> <li>— swaps, in particular credit default swaps</li> </ul> <p>Gross future commitments arising from derivative contracts must not be entered as on-balance-sheet items</p> <p>This item does not include financial derivatives that are not subject to on-balance-sheet recording according to national rules</p>
7. Fixed assets	<p>This item includes investments in tangible fixed assets e.g. dwellings, other buildings and structures, and non-residential buildings</p>
8. Remaining assets	<p>This is the residual item on the asset side of the balance sheet, defined as 'assets not included elsewhere'. This item may include:</p> <ul style="list-style-type: none"> <li>— accrued interest receivable on deposits and loans</li> <li>— accrued interest on securities other than shares</li> <li>— accrued rent on fixed assets</li> <li>— amounts receivable which do not relate to the FVC's main business</li> </ul>

## LIABILITY CATEGORIES

Category	Description of main features
9. Loans and deposits received	<p>Amounts owed to creditors by FVCs, other than those arising from the issue of negotiable securities. This item consists of:</p> <ul style="list-style-type: none"> <li>— loans: loans granted to the reporting FVCs which are not evidenced by documents or are represented by a single document even if it has become negotiable</li> <li>— non-negotiable debt instruments issued by FVCs: instruments may be referred to as being 'non-negotiable' in the sense that the transfer of legal ownership of the instrument is restricted, meaning that they cannot be marketed or, although technically negotiable, cannot be traded owing to the absence of an organised market. Non-negotiable instruments issued by reporting agents that subsequently become negotiable and that can be traded on secondary markets should be reclassified as 'debt securities'</li> <li>— repos: counterpart of cash received in exchange for securities sold by reporting agents at a given price under a firm commitment to repurchase the same (or similar) securities at a fixed price on a specified future date. Amounts received by reporting agents in exchange for securities transferred to a third party (temporary acquirer) are to be classified here where there is a firm commitment to reverse the operation and not merely an option to do so. This implies that reporting agents retain all risks and rewards of the underlying securities during the operation. The following variants of repo-type operations are all classified here: <ul style="list-style-type: none"> <li>— amounts received in exchange for securities temporarily transferred to a third party in the form of securities lending against cash collateral</li> <li>— amounts received in exchange for securities temporarily transferred to a third party in the form of a sale/buy-back agreement</li> </ul> </li> </ul> <p>The securities underlying repo-type operations are recorded following the rules in asset item 3 'Securities other than shares'</p> <p>Operations involving the temporary transfer of gold against cash collateral are also included under this item</p>
10. Debt securities issued	<p>Securities issued by FVCs, other than 'shares and other equity', which are instruments usually negotiable and traded on secondary markets or which can be offset on the market and which do not grant the holder any ownership rights over the issuing institution. It includes, <i>inter alia</i>, securities issued in the form of:</p> <ul style="list-style-type: none"> <li>— asset-backed securities</li> <li>— credit-linked notes</li> </ul>
11. Capital and reserves	<p>For the purposes of the reporting scheme, this category comprises the amounts arising from the issue of equity capital by reporting agents to shareholders or other proprietors, representing for the holder property rights in the FVC and generally an entitlement to a share in its profits and to a share in its own funds in the event of liquidation. Funds arising from non-distributed benefits or funds set aside by reporting agents in anticipation of likely future payments and obligations are also included. It includes:</p> <ul style="list-style-type: none"> <li>— equity capital</li> <li>— non-distributed benefits or funds</li> <li>— specific and general provisions against loans, securities and other types of</li> <li>— assets securitisation fund units</li> </ul>
12. Financial derivatives	See category 6
13. Remaining liabilities	<p>This is the residual item on the liabilities side of the balance sheet, defined as 'liabilities not included elsewhere'</p> <p>This item may include:</p> <ul style="list-style-type: none"> <li>— accrued interest payable on loans and deposits</li> <li>— amounts payable not related to the FVC's main business, i.e. amounts due to suppliers, tax, wages, social contributions, etc.</li> <li>— provisions representing liabilities against third parties, i.e. pensions, dividends, etc.</li> <li>— net positions arising from securities lending without cash collateral</li> <li>— net amounts payable in respect of future settlements of transactions in securities</li> <li>— counterparts to the valuation adjustment, i.e. nominal less purchase price, of loans</li> </ul>

## PART 2

**Definitions of sectors**

The ESA95 provides the standard for **sector classification**. Counterparties located in the territory of the participating Member States are identified according to their sector in accordance with the list of FVCs, investment funds (IFs) and MFIs for statistical purposes and the guidance for the statistical classification of counterparties provided in the *Monetary, financial institutions and markets statistics sector manual. Guidance for the statistical classification of customers* by the European Central Bank.

Table B

**Definitions of sectors**

Sector	Definition
1. MFIs	Resident national central banks, resident credit institutions as defined in Community law, and other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs, and, for their own account, at least in economic terms, to grant credits and/or make investments in securities (Regulation (EC) No 25/2009 of the European Central Bank of 19 December 2008 concerning the balance sheet of the monetary financial institutions sector (recast) (ECB/2008/32))
2. General government	Resident units which are principally engaged in the production of non-market goods and services, intended for individual and collective consumption and/or in the redistribution of national income and wealth (the ESA95, paragraphs 2.68 to 2.70)
3. Other financial intermediaries and financial auxiliaries	Financial corporations and quasi-corporations, except insurance corporations and pension funds, principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits from institutional units other than MFIs, or insurance technical reserves (the ESA95, paragraphs 2.53 to 2.56). IFs as defined in Regulation (EC) No 958/2007 of the European Central Bank of 27 July 2007 concerning statistics on the assets and liabilities of investment funds (ECB/2007/8) and FVCs as defined in this Regulation are included in this sector. Also included are financial auxiliaries consisting of all financial corporations and quasi-corporations that are principally engaged in auxiliary financial activities (the ESA95, paragraphs 2.57 to 2.59)
4. Insurance corporations and pension funds	Financial corporations and quasi-corporations principally engaged in financial intermediation as the consequence of the pooling of risks (the ESA95, paragraphs 2.60 to 2.67)
5. Non-financial corporations	Corporations and quasi-corporations not engaged in financial intermediation but principally in the production of market goods and non-financial services (the ESA95, paragraphs 2.21 to 2.31)
6. Households and non-profit institutions serving households	Individuals or groups of individuals as consumers, and producers of goods and non-financial services exclusively for their own final consumption, and as producers of market goods and non-financial and financial services provided that their activities are not those of quasi-corporations. Included are non-profit institutions which serve households and which are principally engaged in the production of non-market goods and services intended for particular groups of households (the ESA95, paragraphs 2.75 to 2.88)

## PART 3

**Definition of financial transactions**

Financial transactions, in accordance with ESA95, are defined as the net acquisition of financial assets or the net incurrence of liabilities for each type of financial instrument, i.e. the sum of all financial transactions that occur during the relevant reporting period. The method of valuation for each transaction is to take the value at which assets are acquired/disposed of and/or liabilities are created, liquidated or exchanged. Financial transactions must in principle comply with this methodology. Write-offs/write-downs and valuation changes do not represent financial transactions.

## PART 4

**Definition of write-offs/write-downs**

Write-offs/write-downs are defined as the impact of changes in the value of loans recorded on the balance sheet that are caused by the application of write-offs/write-downs of loans. Write-offs/write-downs recognised at the time a loan is sold or transferred to a third party are also included, where identifiable. Write-offs refer to events where the loan is considered to be a worthless asset and is removed from the balance sheet. Write-downs refer to events where it is deemed that the loan will not be fully recovered, and the value of the loan is reduced in the balance sheet.

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## ANNEX III

**MINIMUM STANDARDS TO BE APPLIED BY THE ACTUAL REPORTING POPULATION**

Reporting agents must fulfil the following minimum standards to meet the statistical reporting requirements of the European Central Bank (ECB).

1. Minimum standards for transmission:
    - (a) reporting to the national central banks (NCBs) must be timely and within the deadlines set by the relevant NCB;
    - (b) statistical reports must take their form and format from the technical reporting requirements set by the NCBs;
    - (c) the contact persons within the reporting agent must be identified;
    - (d) the technical specifications for data transmission to NCBs must be followed.
  2. Minimum standards for accuracy:
    - (a) all linear constraints must be fulfilled where applicable e.g. assets and liabilities must balance, subtotals must add up to totals;
    - (b) reporting agents must be able to provide information on the developments implied by the data supplied;
    - (c) the statistical information must be complete;
    - (d) reporting agents must follow the dimensions and decimals set by the NCBs for the technical transmission of the data;
    - (e) reporting agents must follow the rounding policy set by the NCBs for the technical transmission of the data.
  3. Minimum standards for compliance with concepts:
    - (a) the statistical information must comply with the definitions and classifications contained in the Regulation;
    - (b) in the event of deviations from these definitions and classifications, where applicable reporting agents must monitor on a regular basis and quantify the difference between the measure used and the measure contained in this Regulation;
    - (c) reporting agents must be able to explain breaks in the data supplied compared with the previous periods' figures.
  4. Minimum standards for revisions:

the revisions policy and procedures set by the ECB and the NCBs must be followed. Revisions deviating from regular revisions must be accompanied by explanatory notes.
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