

Amsterdam
P.O. Box 98
1000 AB Amsterdam

Date
9 July 2009
Your reference

Our reference
SI/2009/01293/kla
Direct dialling
020-524 2410
Enclosure(s)
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Re:

Changes in balance-of-payments reporting by special financial institutions (BFIs)

Dear Sir/Madam,

This is to inform you about forthcoming changes in the balance-of-payments reporting by special financial institutions (BFI Profile).

Changes in the BFI reporting forms

The annual reporting forms for special financial institutions are being changed in order to collect the information required by Statistics Netherlands (CBS) in compiling the sector accounts. DNB is authorised to make such changes under the Mandate Decree on Financial Institutions' Sector Accounts pursuant to the Statistics Netherlands Act and the Decree on data processing by Statistics Netherlands. Changes in the annual reporting forms relate to more detailed requests for data on domestic assets and liabilities and the addition of forms for profit and loss figures. By integrating these data into a single report, we seek to minimise the reporting burden for the reporting institutions.

In addition, the monthly report has been augmented by a form for forward exchange contracts.

New set of forms BFS

Besides the renewed BFI profile, a new set of forms has been developed with the reporting profile BFS (special financial institutions, SPVs). Besides the data for the sector accounts, the forms ask for stock data on foreign assets and liabilities on a monthly (instead of annual) basis. This enables BFIs to report stock data every month, reducing the extent of their annual reporting. DNB will use these data in compiling statistics on Special Purpose Vehicles (SPVs), arising from the ECB Regulation on Financial Vehicle Corporations engaged in securitisation transactions.

For whom?

The new BFS set of forms must be completed by special financial institutions that are also SPVs engaged in securitisation transactions (BFI-SPVs) and whose balance sheet total as at end-2008 or later exceeds EUR 250 million (this threshold is based on current data but – if necessary for the quality of the statistics – DNB may adjust it at a future date). In addition, these forms may be completed by other special financial institutions with a preference for reporting stock data on a monthly basis. In both cases, the BFS forms replace the set of forms for institutions with the BFI reporting profile.

Commencement date

The new BFS forms and the changed BFI monthly forms take effect as of 1 January 2010 (monthly data for January 2010 and annual data for 2010). The changes in the BFI annual reporting forms become effective for data over the book year 2009 (ending in December 2009). These reporting forms should be submitted by all special financial institutions, i.e. including the BFI-SPVs which take on the BFS profile as of 1 January 2010 as well as any other BFIs who voluntarily opt for the BFS profile.

Representative

If you are a representative of special financial institutions (including BFI-SPVs), the changes in the reporting forms apply for all the special financial institutions for which you are registered as representative at DNB.

More information

The annex contains a more detailed overview of the changes in the reporting forms by special financial institutions as they will apply for institutions with the revised BFI profile and the new BFS profile. The reporting forms and the attendant explanatory notes may be downloaded from the website <https://bb.dnb.nl> (under News and Information). These are as yet only available in Dutch. English-language reporting forms and explanatory notes will be posted on the same website shortly (expected in August).

Next steps

This letter sets out the specific changes in reporting applicable to certain categories of special financial institutions to enable you to make advance preparations for their implementation. The BFI-SPVs will receive specific notification about their change to a BFS reporting profile in autumn.

The BFI reporting profile continues to apply for other special financial institutions. If any of these wishes to opt for the new BFS profile, please notify DNB by e-mail to sir.dra@dnb.nl.

Contact/questions

Should you have any questions further to this letter, please contact us at telephone number 020-524 2410.

Yours sincerely,
De Nederlandsche Bank NV

Ms E.E. van Erp Taalman Kip
Head of Department

E.E. Klaaijsen
Senior Policy Officer

Annex: Changes in reporting by special financial institutions (BFIs)

Introduction

Changes are being made to the balance of payments reporting forms by special financial institutions (BFIs). The annual reporting forms for special financial institutions are being changed in order to collect the information required by Statistics Netherlands (CBS) in compiling the sector accounts. DNB is authorised to make such changes under the Mandate Decree on Financial Institutions' Sector Accounts pursuant to the Statistics Netherlands Act and the Decree on data processing by Statistics Netherlands. By integrating these data into a single report, we seek to minimise the reporting burden for the reporting institutions.

Besides the renewed BFI profile, a new set of forms has been developed with the reporting profile BFS (special financial institutions, SPVs). Besides the data for the sector accounts, the forms ask for stock data on foreign assets and liabilities¹ on a monthly (instead of annual) basis. DNB will use these data in compiling statistics on Special Purpose Vehicles (SPVs), arising from the ECB guideline on Financial Vehicle Corporations engaged in securitisation transactions.

Below you will find details on the institutions to whom the new BFS profile and the revised BFI profile apply, the nature of the changes to the reporting forms for these new profiles, and when they come into effect.

For whom?

The new BFS set of forms must be completed by special financial institutions that are also SPVs² engaged in securitisation transactions (BFI-SPVs) and whose balance sheet total as at end-2008 or later exceeds EUR 250 million.³ In addition, these forms may be completed by other special financial institutions with a preference for reporting stock data on a monthly basis. In both cases, the BFS forms replace the set of forms for institutions with the BFI reporting profile.

Changes in the forms relative to the BFI reporting profile

The changes in the monthly and annual forms for the new BFS and BFI profiles (indicated by X where applicable) relative to the current BFI profile are set out below.

In the forms themselves, the changes are indicated per form on the contents page.

¹ Foreign assets and liabilities are understood here as claims and obligations towards non-residents, investments in securities issued by residents and held with a foreign custodian and securities issued by the reporting enterprise insofar as they are deposited at a foreign (central) securities depository.

² SPVs are understood as entities which are or were established in the context of securitisation transactions, where there is a transfer of assets and/or credit risks and the issuance of securities or other instruments, or where underlying assets are held. For a more detailed definition of SPVs and securitisation please refer to the explanatory notes to the Registration form Special Purpose Vehicles (<https://bb.dnb.nl>, under News and Information/news release of 2 March 2009).

³ This threshold, applied by DNB in imposing monthly and the attendant annual reporting obligations on special financial institutions, is based on current data. DNB may change it in future if necessary for the quality of the statistics.

Changes in monthly forms	BFS	BFI	Reasons
Request for positions and changes in foreign items on a monthly instead of annual basis (with the exception of equity investment and real estate).*	X		Required for the sound quality of the balance of payments. Used for SPV statistics. Partly at the request of some BFIs (non-SPVs).
Forms for positions and changes in the accrued interest (accrual basis) on foreign items.	X		In line with the request for stock data on a monthly basis.
Addition of ISIN forms to facilitate the reporting of securities by means of ISIN codes.	X		To reduce the reporting burden for the reporting institution.
Addition of a form for forward exchange contracts and other forward contracts.	X	X	Was still lacking in the BFI reporting; has now been added for the sake of the completeness and quality of the balance of payments.

* If no new stock data are available in a certain month, positions should be reported on the basis of any transactions. When the stock data becomes available in a following month, the data provided earlier should be adjusted accordingly.

Changes in annual forms	BFS	BFI	Reasons
Removal of forms for positions and changes in foreign items (with the exception of equity investment and real estate).	X		Included in monthly forms.
Forms for domestic items analogous to foreign items, i.e. the same sub-divisions and full reconciliation (positions and changes). Addition of some supplementary assets (non-financial assets) and liabilities (provisions).	X	X	Required for sector accounts. Also used for SPV statistics. Consistent with foreign items.
Forms for positions and changes of the accrued interest (accrual basis) on domestic items.	X		Required for sector accounts. Consistent with foreign items.
Forms for profit and loss account, including revenues and costs of goods and services per country.	X	X	Required for sector accounts.

Other changes

- Besides the changes in the forms, we are introducing a **new SPVs counter-sector**. This category thus no longer belongs to the sector Other Financial Institutions. Claims and liabilities towards SPVs must hence be reported on a separate line. As yet, only BFI-SPVs are obliged to use the new SPVs sector.
- Where a BFI is also an SPV, the type of securitisation (true sale, synthetic, hybrid, other), the sector and country group of the originator, name of the originator (if a resident of the Netherlands) and nature of the securitised assets will be included in the request for registration details for the obligatory registration of SPVs. The details provided will be shown in e-Line Balance of Payments. Any change in these should be notified via separate change forms (independently of the regular reporting forms).

Overview of new reporting structure

The main items of the new reporting structure and reporting frequency for the BFIs is shown below (M: monthly report, A: annual report) .

Component	Reporting profile		
	Current BFI	New BFI	BFS
foreign transactions	M	M	M
positions and changes in foreign items, excluding direct investment and real estate	A	A	M
foreign interest rate positions and changes on an accrual basis	-	-*	M
positions and changes in foreign direct investment and real estate	A	A	A
positions and changes in domestic items	A	A	A
domestic interest rate positions and changes on an accrual basis	-	-*	A
profit and loss account	-	A	A
With/without ISIN (for securities)			
foreign	without ISIN	without ISIN	with ISIN
domestic	without ISIN	without ISIN	without ISIN
M: monthly report			
A: annual report			

* Interest due or receivable should be reported under 'Other claims' or 'Other receivables' respectively.

The difference between the new BFS profile and the revised BFI profile is that the latter does not include any stock data on a monthly basis, nor any interest data on an accrual basis, nor any ISIN forms.

Commencement date

The table below shows when the new monthly and annual reporting forms for the BFI and BFS take effect.

Report	BFI profile	BFS profile
Annual report on book year 2009 (ending in December 2009), first report due in 2010	New set of forms with the exception of: - SPV counter-sector; - forward exchange contracts (form D-OTV). To be completed by all BFIs (including the BFI-SPVs)	-
Monthly report on January 2010, first report due in February 2010	New set of forms	New set of forms
Annual report over book year 2010, first report due in 2011	New – complete – set of forms	New set of forms

The new BFS forms and the changed BFI monthly forms take effect as of 1 January 2010 (monthly data over January 2010 and annual data over 2010). The changes in the BFI annual reporting forms become effective for data over the book year 2009 (ending in December 2009). These reports should be submitted by all special financial institutions, i.e. including the BFI-SPVs which take on the BFS profile as of 1 January 2010 as well as any other BFIs who voluntarily opt

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for the BFS profile. However, the new SPVs counter-sector and forward exchange contracts have not yet been included in this profile; they will not be included until the reports over the book year 2010.