

Luxembourg, 7th November 2007

To all credit institutions

In case of discrepancies between the French and the English text, the French text shall prevail
--

CIRCULAR BCL 2007/213

Balance of payments reporting

New security by security data collection framework for portfolio investments

Ladies and Gentlemen,

We should like to refer to circulars BCL 2006/196 and BCL 2006/202 concerning the introduction of a new reporting framework for portfolio investments. The objective of the present circular is to introduce the compendium of instructions «Security by security reporting of credit institutions» and «Manual for the electronic transmission of the security by security reporting of credit institutions» that is available on the BCL's website (<http://www.bcl.lu>).

The credit institutions must report, for the first time according to these instructions, in January 2009, the stock positions referring to end December 2008.

The reporting frequency of the security by security reporting is monthly. The reporting deadline is 20 working days following the last day of the month which the data refers to.

The Grand-Ducal decree of 10th November 1944, modified by the law of 28th June 2000 gives the Banque centrale du Luxembourg (BCL) and the Service Central de la Statistique et des Etudes Economiques (STATEC) the mission to establish jointly the balance of payments of Luxembourg. In addition, the BCL is responsible for the establishment of the international investment position of Luxembourg. These two statistics are compiled to allow Luxembourg to respond to its international obligations and notably to those imposed by the European central bank (ECB).

In this context, the BCL is obliged to conform itself to the rules set up by the ECB and notably to the guideline of 16th July 2004 modified by guideline 2007/03 concerning the reporting obligations established by the European central bank in the area of balance of payments statistics and the net external position as well as the publication framework of data concerning foreign reserves (ECB/2004/15, ECB/2007/03). The guideline 2004/15 modified by guideline 2007/03 indicates in particular that the BCL is obliged to compile, as from December 2007 onwards, the component «Portfolio investments» of the balance of payments and the international investment position by using data collected through a security by security reporting. The chosen model may be introduced progressively in order to allow each National central bank (NCB) to reach a target coverage of 85% at the latest in March 2009 for stock positions as of end December 2008.

Among the four data collection models defined in annex 6 of guideline 2004/15, the BCL decided, after consultation of the *Commission Consultative balance des paiements*, to implement a monthly data collection of stocks whereas flows are estimated by the BCL.

For any information regarding the application of the present circular and its annexes, do not hesitate to contact Mr Germain Stammet (phone: 4774 4279, e-mail germain.stammet@bcl.lu) or Mr Philippe Arondel (phone: 474 4269, e-mail philippe.arondel@bcl.lu). We should also appreciate if you could transmit the present circular as well as its annexes to your software provider. The BCL will organise, on demand, an informative meeting on the new data collection framework.

The present circular repeals and replaces with immediate effect circulars BCL 2006/196 and BCL 2006/202.

Yours sincerely,

BANQUE CENTRALE DU LUXEMBOURG
The management

Serge KOLB

Andrée BILLON

Yves MERSCH