

Luxembourg, 5 September 2008

To all credit institutions and the financial  
services of the Entreprise des Postes et  
Télécommunications

<p>In case of discrepancies between the French and the English text, the French text shall prevail</p>
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## **CIRCULAR BCL 2008/220**

### **Adoption of the euro by Slovakia: Impact on balance of payments importing obligations**

Ladies and Gentlemen,

At the European Council on 8 July 2008 the Ministers of finance of the European Union have decided that Slovakia will adopt the euro as from 1 January 2009 onwards.

The objective of the present circular is to clarify the impact of the adoption of the euro by Slovakia for the establishment of the balance of payments reports.

Reporting agents will have to integrate Slovakia into the territorial concept constituted by the European Economic and Monetary Union (EMU) and thus have to use the appropriate operation codes defining the geographical distinction existing between intra-EMU and extra-EMU transactions.

## **1 Securities**

Financial transactions conducted by residents from Luxembourg and involving securities issued by Slovakian residents will have to be reported using EMU categorized codes, namely: 421, 422, 424, 428, 429, 473 and 478 depending on the security's nature, maturity, and the transaction's purpose (buy / sale or reimbursement)

In particular, operation codes 441, 442, 444, 448, 449, 474 as well as 479 should not be used any more to qualify financial transactions involving securities issued by Slovakian residents.

## **2 Direct Investments**

Direct investment operations towards Slovakia conducted by private sector residents are also concerned by this change.

In this case it will be advisable to use the codes 430 (Formation and capital increases of companies established abroad in countries of the euro area) and 431 (Holdings in companies established abroad in countries of the euro area), and no more the codes 434 and 435 reserved for direct investments realized outside the EMU.

Operations towards Luxembourg conducted by investors resident in Slovakia will not be affected as no geographical distinction exists for this type of transaction.

## **3 Enforcement**

The prior described modifications will be enforced as of the 1<sup>st</sup> January 2009. 2008 operations referring to transactions with foreign counterparts which are included in 2009 reporting have to be recorded according to the EMU's geographical definition in force until the 31<sup>st</sup> December 2008.

Yours sincerely,

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