

Réf.: C2.09-1055
Circular letter

Luxembourg, December 15th, 2009

To all credit institutions

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

Concerns: Circular letter relating to balance of payments reporting

Ladies and Gentlemen,

The Grand-Ducal decree of November 10th, 1944, modified by the law of June 2000 28th gives the Banque centrale du Luxembourg (hereafter BCL) and the Service Central de la Statistique et des Etudes Economiques (hereafter STATEC) the mission to establish jointly the balance of payments of Luxembourg. The BCL is also in charge of establishing the International investment position for Luxembourg. Both statistical series are compiled in order to allow Luxembourg to fulfill its international obligations and notably those imposed by the European central bank (hereafter ECB).

The data collection with the banking sector, which is described in the circular BCL 2001/166, was enhanced during the course of 2009 via the implementation of the security by security data collection on mutual funds and credit institutions. Data collected through the new security by security reporting is at present used for the establishment of Luxemburg's balance of payments as well as the international investment position. Thus the usage of the newly collected data allows at present to envisage lowering the burden of direct collection of "balance of payments" data from credit institutions. This is particularly the case for transactions relative to debt securities and equity shares as well as for all transactions relative to mutual funds.

1. Introduced modifications

In this context, the BCL will modify the following controls realized on statistical balance of payments files:

- The BCL will make no more detailed controls on the transactions reported with the following characteristics:

Operational code	Resident counterpart
424, 429, 444, 449, 492, 473, 474, 478, 479, 535, 536, 421, 441, 422, 442, 300, 301, 308, 309, 335, 336	All
310; 411; 419; 428; 448; 491 ; 492 ; 499 ; 494 ; 498; 640; 650; 711	Type of identifier 25 with generic code GENE 4442 Type of identifier 26 and number OPC
620, 621, 625, 626, 303	Type of identifier 28 with VAT number of a credit institution

Credit institutions are consequently not anymore obliged to report these transactions in their reporting file. However, the transactions not covered in the above table continue to be reported to the BCL.

- The BCL will be interested on the other hand in the identification of the resident counterpart for significant transactions reported with one of the following generic codes:

Number	Category of resident
3332	Physical persons realizing operations with professional character with non resident counterparts or moral persons whose 8-digit number attributed to every person liable for VAT is in the course of attribution.
5552	Holding company falling under the application of the law of July 31st, 1929 and family Management companies (family office) "Société de gestion de patrimoine familiale" falling under the application of the law of May 11th, 2007.
6612	Insurance companies - "non-life" branch - which are not holders of an 8-digit number attributed to every person liable for VAT.
6622	Insurance companies - "life" branch - which are not holders of an 8-digit number attributed to every person liable for VAT.
6632	Reinsurance companies are not holders of an 8-digit number attributed to every person liable for VAT.
6642	Pension Funds in the form of sepcav and assep such as defined by the law of June 8th, 1999.

6662	Moral persons that are not holders of a 8-digit number attributed to every person liable for VAT other than the public administrations and the public bodies of Social Security.
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In this context, the BCL has to remind you that any company liable for VAT has been attributed, by the "Administration de l'Enregistrement", an 8-digit number (the so-called "IBLC" number). The services of the BCL may help credit institutions to identify the IBLC number for a given company for which they are obliged to report transactions in the framework of the balance of payments reporting, subject to their impossibility to do so.

The BCL and the STATEC can also attribute fictitious numbers to companies non-liable for VAT (as for example SOPARFIs). This fictitious number is not passed on to companies and should only be used for the balance of payments reporting.

- 3 The BCL will continue to make the usual controls on the non-operational codes not highlighted here before.

Yours sincerely,

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