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Circular letter

Luxemburg, May 13th 2011

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

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

Concern: Review of the balance of payments collection system

Ladies and Gentlemen,

We do have the pleasure to inform you of the modification introduced in the collection system used for the compilation of the Luxemburg balance of payment and international investment position and the implementation dates.

1 Introduction

Since January 2002, the BCL, jointly with the Service Central de la Statistique et des Etudes Economiques (STATEC), is in charge of the compilation and collection of balance of payments data for Luxemburg.

Since the starting of the collection system in 2002, the 2 compilers have introduced a number of modifications and simplifications in the instructions addressed initially to all credit institutions and the financial services of the Entreprise des Postes et Télécommunications. The last modifications have been introduced via the BCL circular 2007/210 and the circular letter 09/1055 dated December 15th, 2009.

The object of these modifications was to pass, in an incremental way, from a collection system based on payments declarations with an indication of the underlying economic nature to a system based on direct reporting and surveys.

In this context, we do have the pleasure to inform you that BCL has finished its last preparations to close down the settlement based system. As from January 2012, credit institutions and the financial services of the Entreprise des Postes et Télécommunications do not have any more to report the economic nature of the transactions executed on behalf of third parties. In particular, reporting agents do not need to continue to maintain a specific operational and technical system to collect the data necessary to determine the economic nature of the transactions executed on behalf of their resident clients.

2 New principles underling the balance of payments collection system

The new collection system, based on direct reporting and surveys, implies the transmission of statistical data from credit institutions and the financial services of the Entreprise des Postes et Télécommunications.

For instance, credit institutions are requested to report certain elements of their profit and loss account. This collection is mandatory as from October 2011 relating to the period of September 2011.

The credit institutions and the financial services of the Entreprise des Postes et Télécommunications are requested to report cross-border payments executed on behalf of their resident clients without any indication of the economic nature underlying the transaction. This collection is mandatory as from February 2012 relating to the period of January 2012.

3 Legal framework and reporting instructions

The underlying obligations of the credit institutions and the financial services of the Entreprise des Postes et Télécommunications are determined in regulation 2011/7 dated April 4th 2011 of the Banque centrale du Luxembourg published on the 13 May 2011 in the Memorial A.

The regulation of the Banque centrale du Luxembourg as well as all the annexes is directly accessible on the BCL website under the headers “Publications” and “Regulatory Reporting”.

For all information concerning the application of this circular letter, please contact directly the External Statistics section (e-mail reporting.bop@bcl.lu).

Yours sincerely,

BANQUE CENTRALE DU LUXEMBOURG

Roland Nockels

Head of Statistics department

Serge Kolb

Director