

Luxembourg, 16 October 2007

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

## **CIRCULAR BCL 2007/210**

### **Balance of payments reporting Modification of the instructions**

Ladies and Gentlemen,

The Grand-Ducal decree of 10 November 1944, modified by the law of 28 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. The balance of payments is compiled to allow Luxembourg to fulfil its international obligations and notably those imposed by the European central bank (ECB).

In order to limit, as much as possible, the reporting burden on credit institutions and to allow the automation of the execution of payments imposed by the introduction of SEPA («*Single European Payment Area*»), the STATEC and the BCL have jointly decided:

- to abolish, as from 1 January 2008 onwards, the obligation to communicate payments realised between resident credit institutions
- to increase, as from 1 July 2008 onwards, the exemption threshold of € 12 500 to € 50 000

However, in order to compensate for the loss of information incurred by these modifications, the STATEC and the BCL have decided to ask resident credit institutions – for payments of less than or equal to € 50 000 – certain information readily available in their payment systems (excluding, in any case, the economic nature of the payment).

The present circular modifies in particular the data collection instructions defined in circular BCL 2001/166 labelled «Instructions concerning the modification of data collection relating to balance of payments». The aforementioned modifications have been introduced in a revised version of the «Compendium of instructions to credit institutions and the financial services of the Entreprise des Postes et Télécommunications». The revised version is available on the website of the BCL (<http://www.bcl.lu>).

In more concrete terms, the modifications to the instructions currently in use are the following:

- 1 Abolishment, as from January 2008 onwards, of the obligation to communicate payments realised within one credit institution or between several resident credit institutions

In order to facilitate the introduction of SEPA at the national level by the suppression of a statistical obligation that could have partially impeded the automation of the execution of payments between resident credit institutions in this new framework, the STATEC and the BCL have decided to stop imposing, as from January 2008 onwards, the transmission of information concerning payments between resident credit institutions. In particular, the obligations currently laid down under points 2.1.1.1 and 2.1.1.2 recorded in the compendium of instructions to credit institutions and the financial services of the Entreprise des Postes et Télécommunications have been abolished. Payments between counterparts that have an account with one or more resident credit

institutions will no longer have to be reported to BCL. However, credit institutions may continue to report these transactions until the update of their information systems.

Hence, as from January 2008 onwards, credit institutions are no longer obliged to transmit the information «020+xx» described in chapter 3.2 of the compendium of instructions to other resident credit institutions.

2 Increase of the exemption threshold from € 12 500 to € 50 000 as from 1 July 2008 onwards

The exemption threshold of € 12 500 (or the equivalent amount in other currencies) laid down in particular in chapter 1.9 of the compendium of instructions to credit institutions is increased to € 50 000 (or the equivalent amount in other currencies).

The table laid down in chapter 1.9 is modified as follows:

Object of the thresholds	in euros
For each payment of less than or equal to this threshold and executed for the account of a customer, the resident credit institution is exempt from any communication of statistical data	50 000
As from this threshold, the resident client has the obligation to notify the nature of the transaction to the resident credit institution which itself has the obligation to identify the resident counterpart and to transmit the nature of the transaction to the BCL under a codified form	50 000

The exemption threshold of € 50 000 is applied as from 1 July 2008 onwards.

The exemption threshold of € 50 000 only covers payments executed on behalf of customers. Thus, the synoptic table laid down in chapter 1.9.3 «Operations with non residents executed for own account by credit institutions» remains in force.

3 Reporting as from 1 January 2008 of a listing recording data available in the credit institution's information systems in relation with payments of lower than or equal the exemption threshold of € 50 000

In order to compensate for the obvious loss of statistical information and in order to use existing (and available at a marginal cost) information, credit institutions are invited to transmit on a monthly basis the payments with a value less than or equal the exemption threshold of € 50 000 or the equivalent amount in currencies, executed by resident customers with final counterparts that have an account with non resident credit institutions.

Credit institutions are exempt from any further requests to their customers for information on payments of a value of less than or equal the exemption threshold of € 50 000 or the equivalent amount in other currencies. Hence, and in particular for the production of the list, credit institutions are exempt from any communication with their customers, especially as far as the economic nature of the transaction is concerned.

In order to use the existing information systems as much as possible, the transmission scheme will be identical to the one currently in use in the balance of payments reporting framework. Specifically the resident customers will be identified by using the same procedures currently in use for the collection of balance of payments data.

Thus, the following information must be reported on the list:

- the amount in the currency of the payment while differentiating between incoming and outgoing payments
- the currency of the payment
- the country code, i.e. the country of residency of the final beneficiary / the original payer using an account with the non resident credit institution, or the country code of the non resident credit institution with which the final beneficiary / the original payer have an account with
- the identification of the resident final beneficiary / the original payer (to be done by using one of the codes defined in the compendium of instructions)
- the economic nature of the operation shall not be requested to the customer

The fixed operation code that should be used in the reporting is code 650.

The list may be submitted to the BCL as from January 2008 onwards. However, in order to allow credit institutions to modify their accounting lines, the BCL agrees to a set up period of 4 months. Hence, reporting agents may start submitting these data by

the end of April 2008 at the latest. In that case, credit institutions are required to transmit data retroactively covering the period from January to April 2008.

As from May 2008 onwards, the list of operations must be transmitted to the BCL at the latest 5 working days after the end of the reference month.

For any information concerning the implementation of the present circular, do not hesitate to contact Mr Germain Stammet (phone: 4774 4279) or Mr Paul Feuvrier (phone: 4774 4416).

Yours sincerely,

BANQUE CENTRALE DU LUXEMBOURG  
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