

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

**Instructions for Report S 2.17**  
**“Quarterly information on transactions**  
**of issuing companies”**

**Banque centrale du Luxembourg**

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## 1 Introduction

### 1.1 Reporting population

Report S 2.17 must be provided by a subset of issuing companies that are defined by the BCL and updated on a yearly basis.

### 1.2 Frequency and reporting deadlines

Report S 2.17 must be provided to the BCL on a quarterly basis at the latest 15 working days following the end of the period to which it relates.

The exact reporting dates for report S 2.17 are published on the website of the BCL (<http://www.bcl.lu>).

## 2 Reporting of operations

Information on valuation effects should only be reported for the following items of the statistical balance sheet of issuing companies:

- 1-070 “Fixed assets”
- 1-090 “Financial derivatives”
- 2-120 “Financial derivatives”

In addition, reporting of information on valuation effects must only be done if the amount reported for an item exceeds 5% in terms of total assets.

## 3 Types of breakdowns

Assets and liabilities must not be split.

## 4 Flow statistics

### 4.1 Basic principles

Financial transactions are identified as the difference between end-of-month stock positions reporting dates, from which the effect of changes that arise due to influences other than transactions is removed.

Effects that do not result from transactions take mainly two forms:

- exchange rate changes that may impact on the accounting value of assets and liabilities that are not denominated in the accounting currency
- price changes that may impact on the accounting value of assets and liabilities

The identification of these effects can be made by the BCL for most of the balance sheet items.

- 1 On the basis of information provided within the framework of the security by security reporting, the BCL is in a position to estimate transactions for the securities portfolio.

The following balance sheet items are concerned:

- 1-030 “Securities other than shares”
- 1-06A “Participating interests and shares - affiliated entities”
- 1-06N “Participating interests and shares - non affiliated entities”
- 2-030 “Debt securities issued”

- 2 In addition, for those items of the balance sheet for which adjustments that do not result from transactions are mainly, if not exclusively, due to exchange rate changes, the BCL can estimate transactions by eliminating variations due to exchange rate changes.

The following balance sheet items are concerned:

- 1-02A “Loan to affiliated entities”
- 1-02N “Loan to non affiliated entities”
- 2-02A “Borrowing / affiliated entities”
- 2-02N “Borrowing / non affiliated entities”

However, the BCL does not have the necessary basic information to estimate transactions and/or to neutralise the effects of adjustments that do not result from transactions for the following balance sheet items:

- 1-070 “Fixed assets”
- 1-090 “Financial derivatives”
- 2-120 “Financial derivatives”

In order to satisfy this need, report S 2.17 “Quarterly information on transactions of issuing companies” must provide the information that the BCL needs to compile transactions.

#### 4.2 Objective of report S 2.17

The sole objective of data gathering on the basis of report S 2.17 is to provide information on transactions for the three aforementioned balance sheet items.

The following simplified example for item 1-070 “Fixed assets” demonstrates the objective of this report. It should however be noted that the reasoning also applies to financial derivatives.

	<b>Stock as of 31.01.2011</b>	<b>Stock as of 28.02.2012</b>
Fixed assets	100	200

Real flows for February 2012 are compiled on the basis of the following formula:

$$\text{Stock as of 28.02.2012} - \text{Stock as of 31.01.2011}$$

which corresponds to:

$$200 - 100 = 100$$

Hence, the real variation in stocks during February 2012 is 100.

This approach presents several drawbacks. Indeed, even without any transaction at all, the total amount of fixed assets may change simply because there has been a change of the value of the assets and/or because the currency these assets are denominated in has been subject to exchange rate change. Hence, the variation of stocks between 31 January 2011 and 28 February 2012 is explained as follows:

$$\begin{aligned} & \text{Stock as of 31.01.2012} + \text{Net transactions} + \text{Net valuation effects} \\ & = \text{Stock as of 28.02.2012} \end{aligned}$$

Therefore, the compilation of flows must be made on the basis of the following formula:

$$\begin{aligned}
 & \textit{Net transactions} \\
 & = \textit{Stock as of 28.02.2012} - \textit{Stock as of 31.01.2012} - \textit{Net valuation effects}
 \end{aligned}$$

Hence, the BCL is not in a position to properly execute the compilation of flows by simple difference between stocks and it is therefore important that the issuing company provides the BCL with information on the transactions that took place during the reference period.

It is precisely this valuation effect that the statistical report S 2.17 “Quarterly information on transactions of issuing companies” is supposed to gather.

Let's take again our simplified example for item 1-070 “Fixed assets”

	<b>Stock as of 31.01.2011</b>	<b>Stock as of 28.02.2012</b>
Fixed assets	100	200

In this example the variation of 100 of the amount of fixed assets is actually broken down as follows:

- 60, that is the net balance of purchase and sale
- 40, that is net valuation effect

Hence, for February 2012 the amount to be reported on report S 2.17 is 60.

## **5 Technical infrastructure for data transmission**

### **5.1 Use of an Excel template for a transitional period**

The BCL will provide the respondents with an Excel template to fill in for the different reports.

## **5.2 Use of secured electronic transmission**

The BCL accepts the use of the current electronic transmission channels offered by Finesti and Sofie. However, the BCL is also willing to accept a new secure transmission channel that is accepted by both, the BCL and the respondents.