

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

BOP 1.1 «Breakdown of certain elements from the income statement of credit institutions»

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1 Introduction

The purpose of report BOP 1.1 is to provide the Banque centrale du Luxembourg (BCL) on behalf STATEC and BCL with all the necessary information in order to establish the Luxembourg balance of payments.

Report BOP 1.1 includes some selected transactions executed for own account with foreign entities, as soon as they have an impact on the income statement of a resident credit institution. Transactions must be classified by economic nature according to the list provided in the annex to the present instructions.

2 Reporting population

Report BOP 1.1 must be provided by all resident credit institutions regardless of their legal status.

3 Frequency and reporting deadlines

Report BOP 1.1 must be provided to BCL on a monthly basis no later than 10 working days after the end of the reference period.

Reporting agents may opt to provide transactions with non-residents on a daily basis.

The BCL establishes and publishes, on its website, a calendar with the remittance dates for statistical reports.

4 Reference date

The reference date of a transaction is no longer the payment date but is determined according to the accounting principle when rights become effective.

5 Transactions with non residents

Any event that involves the transfer of an effective right between a resident and a non-resident is considered as a «Transaction with a non-resident».

In application of that principle, transactions to be reported must meet the following conditions:

- recorded as revenue or expenditure in the profit and loss account of the credit institution
- involving a non-resident counterpart
- whose economic nature is mentioned in the list in annex.

6 Reported amount

As a rule, the value of service transactions should be defined by using the accounting data that is based on invoices. The amount to be reported is the value that the supplier charges to the buyer, including VAT if it is charged by the supplier. If no invoice is established, it is necessary to declare income or expense recognized.

Amounts provided in statistical reports must be reported without decimal (rounded down) and any currency conversions in the accounts of transactions denominated in different currencies will be during the day of the accounting for the transaction.

7 Types of breakdown

Economic transactions from the income statement of credit institutions must be broken down according to:

- economic nature of the transaction
- sign convention (Debit / Credit)
- country of the counterpart
- transaction currency

More details regarding the different items of the reporting are available in document «Definitions and concepts for the balance of payments reporting of credit institutions and the financial services of the Entreprise des Postes et Télécommunications».

7.1 Economic nature of the transaction

Transactions must be broken down according to the list in annex.

If the economic nature of a cross-border transaction does not appear on the mentioned list, the transaction does not have to be reported (e.g. interests received or paid).

The cross-border transactions subject to this reporting are fees and commissions, other revenues and expenses, overhead and administrative charges as well as information on dividends received or paid out (foreign direct investment).

7.2 Sign convention

It is necessary to distinguish between income and expenses charged to the income statement of the credit institution.

- For revenues, it is the monetary value of services sold to non-residents or transfers received from non-residents. These transactions are to be reported as «Credit».
- For expenses, it is the monetary value of services bought from non-residents or transfers made in favour of non-residents by the reporting agent. These transactions are to be reported as «Debit».

The sign convention (Debit/Credit) thus corresponds to the accounting practice which means that an income or cash inflow corresponds to a «Credit», whereas an expenditure or cash outflow corresponds to a «Debit».

Example.

A credit institution (Identification number 999) has bought for an amount of 1 000 EUR the services of a lawyer resident in Belgium.

The report must contain the following information.

Code operation	Sign convention	Country	Currency	Counterpart		Amount
				Type	Identification number	
891	D	BE	EUR	23	999	1000

7.3 Country

Report BOP 1.1 provides the country of residence or of the registered office of the non-resident counterpart that is engaged in a transaction with the resident credit institution. It is worth mentioning that only transactions with non-resident counterparts must be provided in this report.

The country is identified by a two-character ISO code according to codification ISO 3166 (<http://www.iso.org>) or by a two-character code for specific counterparties provided by BCL.

7.4 Transaction currency

The amounts have to be reported either:

- in the accounting currency of the credit institution, i.e. the currency in which the accounts are denominated

or

- in the original currency of the transaction.

The currency is identified by a three-character ISO code according to codification ISO 4217 (<http://www.iso.org>).

7.5 Counterpart identification

Credit institutions are identified via an identification number assigned by the CSSF. The identification type is necessarily the number 23.