

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 - Annex»**

## Contents

1	List of the economic nature of transactions with non-residents .....	3
1.1	Services .....	3
1.2	Investment income .....	19
1.3	Current and capital transfers.....	20

## 1 List of the economic nature of transactions with non-residents

### 1.1 Services

<b>Refining services and repair services</b>	
094	<p>Refining services on products owned by non-residents</p> <p>Manufacturing services on physical inputs owned by others covers processing, assembly, labelling, packing, and so forth undertaken by enterprises that do not own the goods concerned.</p> <p>The manufacturing is undertaken by an entity that receives a fee from the owner.</p> <p>The value of fees charged for manufacturing on physical inputs owned by others is not necessarily the same as the difference between the value of goods sent for processing and the value of goods after processing.</p> <p>Excluded are the assembly of prefabricated construction (included in Construction) and labelling and packaging incidental to transport (included in Transport – auxiliary services).</p>
098	<p>Maintenance and repair services n.i.e.</p> <p>Maintenance and repair services not included elsewhere cover maintenance and repair work by residents on goods that are owned by non-residents (and vice versa). The repairs may be performed at the site of the repairer or elsewhere.</p> <p>The value of maintenance and repairs includes any parts or materials supplied by the repairer and included in the charges.</p> <p>Repairs and maintenance on ships, aircraft, and other transport equipment are included in this item.</p> <p>Cleaning of transport equipment is excluded as it is included in Transport – auxiliary services.</p> <p>Construction maintenance and repairs are excluded as they are included under Construction, codes 156 and 157.</p> <p>Maintenance and repairs of computers are excluded as they are included under Computer services, codes 862-864.</p>

<b>Transports</b>	
<b>Sea transports</b> Covers all transportation services by sea.	
100	Transport on sea – passenger
101	Transport on sea – freight
102	Transport on sea – supporting, auxiliary and other sea transport services
<b>Air transport</b> Covers all transportation services provided by air.	
110	Transport by air - passenger
111	Transport by air - freight
112	Transport by air – supporting, auxiliary and other air transport services
<b>Rail transport</b> Rail transport covers transport by trains.	
113	Transport on rail - passenger
114	Transport on rail - freight
115	Transport on rail – supporting, auxiliary and other rail transport services
<b>Road transport</b> Road transport covers transport by lorries, trucks, buses and coaches.	
116	Transport on road - passenger
117	Transport on road - freight
118	Transport on road - supporting, auxiliary and other road transport services
<b>Inland waterway transport</b> Inland waterway transport relates to international transportation on rivers, canals and lakes.  Included are waterways that are internal to one country and those that are shared among two or more countries.	
123	Transport on inland waterway - passenger
124	Transport on inland waterway - freight
125	Transport on inland waterway - supporting, auxiliary and other inland waterway transport services

Other modes of transport and other auxiliary services	
126	<p>Transport - space transport</p> <p>Space transport includes satellite launches undertaken by commercial enterprises for the owners of the satellites (such as telecommunication enterprises) and other operations performed by operators of space equipment, such as transport of goods and people for scientific experiments.</p> <p>Also included are space passenger transport and the payments made by an economy in order to have its residents included on the space vehicles of another economy.</p>
127	<p>Transport - pipeline transport</p> <p>Pipeline transport covers international transport of goods in pipelines, such as the transport of petroleum and related products, water and gas.</p> <p>Excluded are distribution services, typically from substations to the consumer (included in other business – code 899).</p>
128	<p>Transport - electricity transmission</p> <p>Electricity transmission comprises services for transmission of electric energy at high voltage over an interconnected group of lines and associated equipment between points of supply and the points at which it is transformed to low voltage for delivery to consumers or delivery to other electric systems.</p> <p>Included are charges for the transmission of electricity when this is separate from the production and distribution process.</p> <p>The provision of electricity itself is excluded.</p> <p>Also excluded are distribution services of electricity (included in other business services n.i.e., code 899).</p>
129	<p>Transport - other supporting and auxiliary transport services</p> <p>Other supporting and auxiliary transport services cover all other transportation services that cannot be allocated to any of the components of transportation services described above.</p>
143	<p>Postal and courier services</p> <p>Postal and courier services cover the pick-up, transport, and delivery of letters, newspapers, periodicals, brochures, other printed matter, parcels, and packages, including post office counter and mailbox rental services.</p>

<b>Business travel</b>	
203	Business travel Business travel covers all business travel expenditure.

<b>Financial services</b>	
130	Financial services Financial services include fees for deposit-taking and lending, fees for one-off guarantees, early or late repayment fees or penalties, account charges, fees related to letters of credit, credit card services, commissions and charges related to financial leasing, factoring, underwriting, and clearing of payments. Also included are financial advisory services, custody of financial assets or bullion, financial asset management, monitoring services, liquidity provision services, risk assumption services other than insurance, merger and acquisition services, credit rating services, stock exchange services and trust services.

<b>Charges for the use of intellectual property</b>	
220	<p>Charges for the use of intellectual property - licenses for the use of outcomes of research and development</p> <p>This item covers charges for the use of proprietary rights (such as patents, trademarks, copyrights, industrial processes and designs including trade secrets, franchises). These rights can arise from research and development, as well as from marketing.</p>
<p>Charges for the use of intellectual property - licenses to reproduce and/or distribute</p> <p>Comprise charges for licenses to reproduce or distribute (or both) intellectual property embodied in produced originals or prototypes (such as copyrights on books and manuscripts, computer software, cinematographic works, and sound recordings) and related rights (such as for live performances and television, cable, or satellite broadcast).</p>	
221	Charges for the use of intellectual property - licenses to reproduce and/or distribute audiovisual products
222	Charges for the use of intellectual property - licenses to reproduce and/or distribute computer software
223	Charges for the use of intellectual property - licenses to reproduce and/or distribute other products

<b>Telecommunication, computer and information services</b>	
Telecommunication	
144	<p>Telecommunications services encompass the transmission of sound, images or other information by telephone, telex, telegram, radio and television cable and broadcasting, satellite, electronic mail, facsimile services etc., including business network services, teleconferencing and support services.</p> <p>They do not include the value of the information transported.</p> <p>Also included are mobile telecommunication services, Internet backbone services and on-line access services, including provision of access to the Internet.</p> <p>Excluded are installation services for telephone network equipment as they are included in Construction, codes 156,157 and database services (included in Computer services, codes 862-864).</p>

<b>Telecommunication, computer and information services</b>	
<p><b>Computer services</b></p> <p>Consist of hardware and software-related services and data-processing services.</p> <p>Included are hardware and software consultancy and implementation services; maintenance and repair of computers and peripheral equipment; disaster recovery services, provision of advice and assistance on matters related to the management of computer resources; analysis, design and programming of systems ready to use (including web page development and design), and technical consultancy related to software; development, production, supply and documentation of customized software, including operating systems made on order for specific users; systems maintenance and other support services, such as training provided as part of consultancy; data-processing services, such as data entry, tabulation and processing on a time-sharing basis; web page hosting services (i.e., the provision of server space on the Internet to host clients' web pages); and computer facilities management.</p> <p>Excluded are charges for licences to reproduce and/or distribute software which are included in Charges for the use of intellectual property – licenses to reproduce and/or distribute computer software, code 222.</p> <p>Leasing of computers without an operator is included in Operating leasing services, code 270.</p>	
862	Computer services - software originals
863	Computer services - software other
864	Computer services – other



<b>Telecommunication, computer and information services</b>	
Information services	
163	<p>Information services - news agency services</p> <p>News agency services include the provision of news, photographs, and feature articles to the media</p>
164	<p>Information services - other information services</p> <p>Other information services include database services (database conception, data storage and the dissemination of data and databases, including directories and mailing lists), both on-line and through magnetic, optical or printed media; and web search portals (search engine services that find internet addresses for clients who input keyword queries).</p> <p>Also included are direct, non-bulk subscriptions to newspapers and periodicals, whether by mail, electronic transmission or other means; other online content provision services; and library and archive services.</p> <p>Downloaded content that is not software (included in computer services, code 864) or audio and video (included in audiovisual and related services, code 231) are included in information services.</p>

<b>Construction</b>	
156	Construction services abroad
157	<p>Construction services in Luxembourg</p> <p>Construction covers the creation, renovation, repair, or extension of fixed assets in the form of buildings, land improvements of an engineering nature, and other engineering constructions (including roads, bridges, dams, etc).</p> <p>It includes related installation and assembly work, site preparation and general construction, specialized services such as painting, plumbing, and demolition, and management of construction projects. The construction contracts covered in international trade in services are generally of a short-term nature. A large-scale construction project contracted by a non-resident enterprise that takes a year or more to be completed will usually give rise to a resident branch.</p> <p>Construction abroad (code 156) comprises the construction services provided to non-residents by enterprises resident Luxembourg and the goods and services purchased in the host economy by these enterprises (debit/imports).</p> <p>Construction in Luxembourg (code 157) comprises construction services provided to residents by non-resident construction enterprises (debit) and the goods and services purchased in the compiling economy by these non-resident enterprises (credit).</p>

<b>Insurance, pension and standardised guarantees</b>	
<b>General insurance</b> Other direct insurance covers term life insurance; accident and health insurance (unless these are provided as part of government social security schemes); marine, aviation and other transport insurance; fire and other property damage; pecuniary loss insurance; general liability insurance; and other insurance, such as travel insurance and insurance related to loans and credit cards.	
180	Insurance and pension - premiums - other direct insurance
185	Insurance and pension - claims - other direct insurance
<b>Life insurance</b> Holders of life insurance policies make regular payments to an insurer (there may be just a single payment), in return for which the insurer guarantees to pay the policy holder an agreed minimum sum or an annuity, at a given date or at the death of the policy holder, if this occurs earlier.	
181	Insurance and pension - premiums - life insurance
186	Insurance and pension - claims - life insurance
<b>Freight insurance</b> Freight insurance relate to insurance provided on goods that are in the process of being exported or imported.	
182	Insurance and pension - premiums - freight insurance
187	Insurance and pension - claims - freight insurance
<b>Auxiliary services</b> Comprise transactions that are closely related to insurance and pension fund operations. Included are agents' commissions, insurance brokering and agency services, insurance and pension consultancy services, evaluation and adjustment services, actuarial services, salvage administration services, and regulatory and monitoring services on indemnities and recovery services.	
184	Insurance and pension - auxiliary insurance services

<b>Insurance, pension and standardised guarantees</b>	
<p>Insurance and pension</p> <p>Pension services cover the services provided by funds established to provide income on retirement and benefits for death or disability, for specific groups of employees by the government or by insurance corporations on behalf of employees.</p>	
780	Insurance and pension – pension scheme and standardised guarantees – pension schemes – contributions
781	Insurance and pension – pension scheme and standardised guarantees – pension schemes – benefits
782	Insurance and pension – pension scheme and standardised guarantees – pension schemes – explicit services charges
<p>Standardised guarantees</p> <p>Standardised guarantee services are services related to standardised guarantee schemes. They are arrangements where one party (the guarantor) undertakes to cover the losses of the lender in the event that the borrower defaults. Examples include export credit and student loan guarantees.</p>	
783	Insurance and pension – pension scheme and standardised guarantees – standardised guarantees – premiums
784	Insurance and pension – pension scheme and standardised guarantees – standardised guarantees – claims
785	Insurance and pension – pension scheme and standardised guarantees – standardised guarantees – explicit services charges

<b>Other business services</b>	
<p><b>Research and development services</b></p> <p>Research and development services consist of services that are associated with basic research, applied research, and experimental development of new products and processes. In principle, such activities in the physical sciences, social sciences, and humanities are covered within this category, including the development of operating systems that represent technological advances. Also included is commercial research related to electronics, pharmaceuticals, and biotechnology.</p> <p>Provision of customised and non-customised research &amp; development services (code 790) covers the provision of research and development services that are made-to order (customised) and development of non-customised research and development, excluding sales of proprietary rights (included in code 791), and sales related to licences to reproduce or use (included in Charges for the use of intellectual property – licences for the use of outcomes of research and development, code 220).</p> <p>Sale of proprietary rights arising from research &amp; development (code 791) comprises patents, copyrights arising from research &amp; development, industrial processes and designs includes trade secrets.</p> <p>Other research and development services (code 792) include testing and other product/process development activities.</p>	
790	Research and development services - provision of customised and non customised R&D services
791	Research and development services - sale of property rights arising from R&D
792	Research and development services - other (testing and other product/process development services)

<b>Other business services</b>	
Architectural and engineering services	
793	Architectural, engineering, scientific and other technical services - architectural services  Architectural services include transactions related to the design of buildings.
794	Architectural, engineering, scientific and other technical services - engineering services  Engineering services includes the design, development and utilisation of machines, materials, instruments, structures, processes and systems. Services of this type involve the provision of designs, plans and studies related to engineering projects. Mining engineering is excluded (included in Waste treatment, agriculture and mining services - services incidental to mining, and oil and gas extraction, code 888).
795	Architectural, engineering, scientific and other technical services - scientific and technical services  Scientific and other technical services include surveying; cartography; product testing and certification as well as technical inspection services.

<b>Other business services</b>	
<b>Waste treatment and de-pollution services</b>	
886	<p>Waste treatment, agricultural and mining services - waste treatment and recycling</p> <p>Waste treatment and de-pollution include waste collection and disposal, remediation, sanitation, and other environmental protection services.</p> <p>They also include environmental services, such as production of carbon offsets or carbon sequestration that are not classified under any more specific category.</p>
887	<p>Waste treatment, agricultural and mining services - services incidental to agriculture, forestry and fishing</p> <p>Services incidental to agriculture, forestry and fishing include agricultural services that are incidental to agriculture, such as the provision of agricultural machinery with crew, harvesting, treatment of crops, pest control, animal boarding, animal care, and breeding services. Services in hunting, trapping, forestry and logging, and fishing are also included here, as are veterinary services.</p>
888	<p>Waste treatment, agricultural and mining services - services incidental to mining, and oil and gas extraction</p> <p>Include mining services provided at oil and gas fields, including drilling, derrick building, repair and dismantling services, and oil and gas well casing cementing. Services incidental to mineral prospecting and exploration, as well as mining engineering and geological surveying, are also included here.</p>

<b>Other business services</b>	
<b>Professional and management consulting services</b>	
194	<p>Advertising, market research and opinion polling</p> <p>Advertising, market research and public opinion polling covers the design, creation and marketing of advertisements by advertising agencies; media placement, including the purchase and sale of advertising space; exhibition services provided by trade fairs; the promotion of products abroad; market research; telemarketing; and public opinion polling on various issues.</p>
891	<p>Legal, accounting, management consulting and public relations – legal services</p> <p>Legal services cover legal advisory and representation services in any legal, judicial and statutory procedures; drafting services of legal documentation and instruments; certification consultancy; and escrow and settlement services.</p>
892	<p>Legal, accounting, management consulting and public relations - accounting, auditing, book-keeping and tax consulting services</p> <p>Accounting, auditing, bookkeeping and tax consultancy services covers the recording of commercial transactions for businesses and others; examination services of accounting records and financial statements; business tax planning and consulting; and preparation of tax documents.</p>
893	<p>Legal, accounting, management consulting and public relations - business and management consultancy and public relations services</p> <p>Business and management consulting and public relations services covers advisory, guidance and operational assistance services provided to businesses for business policy and strategy and the overall planning, structuring and control of an organisation.</p> <p>Included is management auditing; market management, human resources, production management and project management consulting; and advisory, guidance and operational services related to improving the image of the clients and their relations with the general public and other institutions.</p>



<b>Other business services</b>	
Various other business services	
170	<p><b>Trade-related services</b></p> <p>Trade-related services cover commissions on goods and service transactions payable to merchants, commodity brokers, dealers, auctioneers, and commission agents.</p> <p>Excluded from trade-related services are franchising fees (included in Charges for the use of intellectual property – licenses for the use of outcomes and research development, code 220); brokerage on financial instruments (included in Financial services, code 130); insurance brokerage (included in Auxiliary insurance services) and transport-related charges, such as agency commissions (included in Transport).</p>
270	<p><b>Operating leasing services</b></p> <p>Operating leasing is the activity of renting out produced assets under arrangements that provide use of a tangible asset to the lessee, but do not involve the transfer of the bulk of risks and rewards of ownership to the lessee. Operating leasing may be called rental in case of items such as buildings or equipment. Operating leasing services cover leasing (rental) and charters, without crew, of ships, aircraft, and transport equipment. Also included are operating lease payments relating to other types of equipment without an operator, including computers and telecommunications equipment.</p> <p>License payments for the right to use intangible assets, such as software, intellectual property, and so forth are included under specific headings (Charges for the use of intellectual property – licenses to reproduce and/or distribute computer software, code 222) rather than operating leasing.</p> <p>Excluded from operating leasing services are leasing of telecommunications lines or capacity (included in Telecommunications services); rental of ships and aircraft with crew (included in Transport services); and rentals incidental to travel (included in code 203).</p>
898	<p><b>Other business services n.i.e – services of employment agencies and recruitment of personnel</b></p>

<b>Other business services</b>	
Various other business services	
899	<p>Other business services n.i.e – other</p> <p>Other business services include distribution services related to water, steam, gas, and other petroleum products and air-conditioning supply, where these are identified separately from transmission services; placement of personnel (code 898) ; security, and investigative services; translation and interpretation; photographic services; publishing; building cleaning; and real estate services.</p>

<b>Personal, cultural and recreational services</b>	
231	<p>Audiovisual and related services</p> <p>Comprise services and associated fees related to the production of motion pictures (on film or videotape), radio and television programs (live or on tape) and musical recordings.</p> <p>Included are rentals of audiovisual and related products and access to encrypted television channels (such as cable or satellite services); mass-produced audio-visual products purchased or sold for perpetual use that are delivered electronically (downloaded); fees received by performing artists (actors, musicians, dancers), authors, composers etc.</p> <p>Excluded are charges or licenses to reproduce and/or distribute audiovisual products (included in Charges for the use of intellectual property – licenses to reproduce and/or distribute audiovisual products, code 221).</p>
839	<p>Other personal, cultural and recreational services - health services</p> <p>Health services comprise services provided by doctors, nurses and paramedical and similar personnel, as well as laboratory and similar services, whether rendered remotely or on site.</p> <p>Excluded is all expenditure by travellers on education and health.</p>

<b>Personal, cultural and recreational services</b>	
840	<p>Other personal, cultural and recreational services - education services</p> <p>Education services comprise services supplied between residents and non-residents relating to education, such as correspondence courses and education via television or the Internet, as well as by teachers etc. who supply services directly in host economies.</p>
841	<p>Other personal, cultural and recreational services - recreational services</p> <p>Heritage and recreational services include services associated with museums and other cultural, sporting, gambling and recreational activities, except those involving persons outside their economy of residence (included in travel).</p>
842	<p>Other personal, cultural and recreational services - other personal services</p> <p>Other personal services include social services, domestic services etc..</p>

## 1.2 Investment income

<b>Investment income</b>	
305	<p>Rents</p> <p>Code 305 is used for income from renting of immovable property situated abroad.</p> <p>Code 305 is also used for rental expenditure of immovable property situated in Luxembourg and belonging to non-residents.</p> <p>Renting expenditures abroad relating to a business travel are including in code 203.</p>
307	<p>Income on foreign direct investment – dividends and withdrawals from income of quasi-corporations</p> <p>This item includes earnings allocated to the owners of equity shares or participation for placing funds at the disposal of corporations and withdrawals by the owners on profits of quasi-corporations (unincorporated enterprises, e.g. branches)</p>

### 1.3 Current and capital transfers

<b>Current and capital transfers</b>	
393	<p>Current transfers</p> <p>Gifts, presents, support payments, subsidies, annuities or maintenance payments, excluding gifts connected with the financing of investments (code 396)</p> <p>Winnings or stakes on bets and games of chance</p> <p>Contributions or subsidies to scientific, cultural, artistic or sporting organisations and to any other representative, professional or trade union association</p> <p>Penalties, compensations and guarantees due to the cancellation, breach, non-execution or poor execution of any contract relating to trade, industry or the provision of commercial and financial services</p> <p>Taxes (excluding VAT), customs duties and fines</p>
396	<p>Capital transfers – investment grants</p> <p>Gifts made or received by private-sector residents in connection with the acquisition or making available of immovable property, or for the purpose of financing investment projects.</p>
397	<p>Acquisition/disposals of non-produced non-financial assets</p> <p>Non-produced, non-financial assets consist of: (a) natural resources, (b) contracts, leases, and licenses, and (c) marketing assets (brand names, trademarks) and goodwill. Only the purchase/sale of such assets, but not their use, is to be recorded in this item.</p>