

Réf.: C2.09-0926  
Circular letter

Luxembourg, le 04 December 2009

To all credit institutions  
To all reporting software providers

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

Ladies and Gentlemen,

We should like to refer to the BCL circular BCL 2009/225 concerning the modification of the statistical data collection for credit institutions as well as to circular letter C2.09-0600 concerning the statistical classification of the European Investment Bank (EIB) in order to inform you of the modification of the statistical reports whose objective it is to harmonise the statistical classification of the European Investment Bank in the whole statistical reporting.

## **1. Statistical reports with zero values**

In this context we should like to make clear that credit institutions must submit the whole set of the required statistical reports (see also our circular letter C2.09-0729, dated 14 August 2009) even if the latter does only contain zero values.

We should like to mention that this basic rule allows the BCL to be sure that a credit institution does not have any positions to report. Indeed, there are several ways to interpret the absence of a report; on the one hand it is possible that the report contains

only zero values and on the other hand the credit institution may have omitted to submit the report. Hence, the systematic submission of all statistical reports, even those with zero values, allows avoiding any interpretation error as well as the sending of reminders.

The only exception to this basic rule is the security by security report with data relating to the balance sheet of credit institutions (SBS-BBS); indeed, zero values in the statistical report S 1.1 allow the BCL to be sure that a credit institution does not have a position to report.

## **2. Statistical classification of the EIB**

At its meeting on 8 May 2009 the Governing Council of the European Central Bank decided that the European Investment Bank (EIB) will become an eligible counterparty in the Eurosystem's monetary policy operations from 8 July 2009 onwards. Hence, as of this date, the EIB will comply with all eligibility requirements and it will hold minimum reserves with Banque centrale du Luxembourg (BCL).

In this context, we should like to come back on our initial decisions (see also our circular letter C2.09.0600, dated 14 July 2009) as far as concerns the classification of the European Investment Bank in the statistical reporting of the BCL. Indeed, the initial decision has been based on the hypothesis that the participation of the EIB in the Eurosystem's monetary policy operations was limited to 3 years. However, at present it seems that this participation is of a durable nature. Hence, we should like to suggest a slight modification of some statistical reports in order to collect the whole set of necessary information for the purpose of money and banking statistics as well as for the national accounts.

The objective of the present circular letter is to clarify the impact of this new decision for the establishment of the monthly and quarterly statistical reports as well as for the minimum reserve requirement.

## **2.1 Impact for the calculation of the reserve requirement**

Since the liabilities which are owed to the European central bank, to the National central banks (NCBs) that are members of the Eurosystem and to credit institutions (CIS) that are subject to the Eurosystem's minimum reserve system are excluded from the reserve base, the volume of liabilities included in the reserve base must be reduced by the amount of liabilities owed to the European Investment Bank that will be subject to reserve requirement as from the maintenance period that starts in July 2009.

## **2.2 Impact on the statistical data collection of the BCL**

While the reporting of the EIB as a euro area resident credit institution for the purpose of the compilation of the reserve base and reserve requirement seems obvious, its treatment for euro area statistics is less straight-forward. Indeed, according to international statistical standards the supranational institutions have to be reported as residents of the «Rest of the world» with the sector code «General government».

## **2.3 Statistical reporting to the ECB**

At its meeting on 24 and 25 June 2009 the Statistics Committee of the ECB has decided that, during an initial phase, the National Central Banks (NCBs) have to classify the EIB as a resident of the «Rest of the world» within the «General government» sector in the statistical series that they have to report to the ECB.

This classification is in line with current practice as well as with international statistical standards that request such a classification for supranational institutions.

However, since the participation of the EIB in the Eurosystem's monetary policy operations will last longer than the initial three years, this position may be revised by the ECB that will probably request NCBs to classify the EIB as a resident of the euro area.

## **2.4 Statistical reporting to the BCL**

Since the data collected through the monthly statistical reports simultaneously serves the purpose of compiling the reserve base and requirement as well as statistical series such

as national accounts and balance of payments, the classification of the EIB is a problem. Indeed, it is not possible to report the same counterpart as a resident of the euro area and a resident of the rest of the world.

Hence, we should like to identify assets and liabilities towards the EIB within the statistical reports S 1.1, S 1.4 and S 1.8 using code XE rather than including them within the euro area (X3) and/or the rest of the world (X4).

We are well aware that this modification generates additional workload but it has the advantage that the BCL is able to classify the EIB either within the euro area or within the rest of the world in line with the specific information needs of monetary policy and/or national accounts. In addition, this classification will avoid additional changes if the data requirements of supranational institutions change in the future.

Yours sincerely,

BANQUE CENTRALE DU LUXEMBOURG

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Annexes: Modified instructions and statistical reports