

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

# **Definitions and concepts for the statistical reporting of securitisation vehicles**

**Banque centrale du Luxembourg**

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## 1 Introduction

The objective of the document «Definitions and concepts for the statistical reporting of securitisation vehicles» is to provide an overview of all the definitions and concepts that must be applied by securitisation vehicles when establishing the statistical reports to be submitted to the Banque centrale du Luxembourg (BCL) by securitisation vehicles.

Hence, this document provides a detailed description of the main underlying accounting principles for assets and liabilities as well as for the breakdowns to be provided on the various statistical reports to be submitted to BCL.

More specific instructions that are necessary to establish certain statistical reports are provided within the description of these reports.

## 2 Basic principles

### 2.1 Reference date for the establishment of the reports

In principle, the last day of each month should be the reference date for the establishment of the statistical reports.

### 2.2 Reporting currency

Statistical reports must be established in the accounting currency i.e. the currency in which the accounts of the securitisation vehicle are expressed. Amounts to be reported on the statistical reports should be expressed with two decimals and assets and liabilities denominated in a currency other than the accounting currency should be converted into the later at the exchange rate prevailing on the day on which the report is compiled.

### 2.3 Data transmission to BCL

The reports must be provided to the BCL in an electronic file according to the norms defined in the documents «Manual of electronic transmission and Compendium of verification *rules*» established for each statistical report.

### 2.4 Safekeeping period of documents

Reporting agents must keep statistical reports as well as relating documents during twenty-four months.

### 3 Reporting of operations

#### 3.1 Valuation of securities

The valuation rules for assets and liabilities are those defined by the existing Luxembourg legislation for securitisation vehicles.

The booking value of assets and liabilities is defined by including accrued but not yet due interest (dirty price). The securitisation vehicles may establish the statistical reporting according to the norm applicable for the supervisory reporting.

#### 3.2 Repurchase agreements / Short sales of securities

Repurchase transactions are transactions which involve the transfer by a counterpart (transferor) to another counterpart (transferee) of assets such as securities, debts, loans, precious metal, etc. subject to an agreement that the same assets will or may subsequently be transferred back to the transferor at a specified price.

The accounting treatment of these operations varies according to the modalities of the operation:

- 1 If the transferee agrees to return the assets to the transferor at a specified date or to be specified by the transferor, the transaction in question shall be deemed a genuine sale and repurchase transaction.

The accounting treatment of these operations is as follows:

- 1.1 The transferor continues to report the assets on his balance sheet; the purchase price received by the transferor is reported as an amount owed to the transferee (item 2-024).
- 1.2 The transferee shall not be entitled to report the assets transferee in his balance sheet; the purchase price paid by the transferee is reported as an amount owed by the transferor (item 1-020).
- 2 If however, the transferee is merely entitled to return the assets at the purchase price or for a different amount agreed in advance on a date specified or to be specified, the transaction in question is deemed to be a sale with an option to repurchase.

The accounting treatment of these operations is as follows:

- 2.1 The transferor is no longer entitled to report the assets in his balance sheet
- 2.2 The transferee reports the assets on his balance sheet

The same accounting treatment must be applied to securities lending transactions, that are transactions which involve the lending by a counterpart (transferor) to another counterpart (transferee) of securities subject to an agreement that the same or similar securities will or may subsequently be transferred back to transferor at a specified price.

## 4 Instruments

### 4.1 Assets

#### 4.1.1 Item 1-010 Cash

This item consists of holdings of euro and foreign banknotes and coins in circulation that are commonly used to make payments.

#### 4.1.2 Item 1-020 Claims

This item consists of the funds lent by securitisation vehicles to borrowers that are not evidenced by documents or are represented by a single document even if it has become negotiable.

This item notably includes:

- deposits placed with the Luxembourg Postal Office as well as foreign Postal offices
- deposits placed with credit institutions
- loans granted to securitisation vehicles
- claims under reverse repos or securities borrowing against cash collateral.

These are the counterpart of cash paid out in exchange for securities purchased by securitisation vehicles, or securities borrowing against cash collateral

#### 4.1.3 Item 1-030 Securities other than shares

This item consists of holdings of securities other than shares and other equity, which are negotiable and usually traded on secondary markets or can be offset on the market, and which do not grant the holder any ownership rights over the issuing institution.

This item notably includes:

- holdings of securities, whether or not evidenced by documents, which give the holder the unconditional right to a fixed or contractually determined income in the form of coupon payments and/or a stated fixed sum at a specific date or dates or starting from a date defined at the time of issue



- subordinated debt in the form of debt securities

Securities lent out under securities lending operations or sold under a repurchase agreement remain on the original owner's balance sheet and are not to be recorded on the temporary acquirer's balance sheet where there is a firm commitment to reverse the operation and not simply an option to do so. Where the temporary acquirer sells the securities received, this sale must be recorded as an outright transaction in securities and entered in the temporary acquirer's balance sheet as a negative position in the securities portfolio

#### **4.1.4 Item 1-C01 Shares and other equity**

This item includes holdings of securities which represent property rights in corporations or quasi-corporations. These securities generally entitle the holders to a share in the profits of corporations or quasi-corporations and to a share in their own funds in the event of liquidation

#### **4.1.5 Item 1-070 Fixed assets**

This item includes investments in tangible fixed assets e.g. dwellings, other buildings and structures, and non-residential buildings.

#### **4.1.6 Item 1-080 Remaining assets**

This item is defined as assets not included elsewhere.

This item notably includes:

- accrued interest receivable on deposits and loans
- accrued interest on securities other than shares
- accrued rent on fixed assets
- amounts receivable which do not relate to the securitisation vehicle's main business
- non realised gains on financial derivatives

#### 4.1.7 Item 1-090 Financial derivatives

This item includes the following financial derivatives that must be reported:

- options
- warrants
- futures
- swaps, in particular credit default swaps

Gross future commitments arising from derivative contracts must not be entered as on-balance-sheet items.

This item does not include financial derivatives that are not subject to on-balance-sheet recording

#### 4.1.8 Item 1-100 Securitised loans

This item includes funds lent to borrowers and acquired by the reporting agents from the originator. These funds are not evidenced by documents or are represented by a single document even if it has become negotiable.

This item notably includes:

- financial leases granted to third parties  
Financial leases are contracts whereby the legal owner of a durable good (hereinafter the lessor) lends these assets to a third party (hereinafter the lessee) for most if not all of the economic lifetime of the assets, in exchange for installments covering the costs of the good plus an imputed interest charge. The lessee is assumed to receive all the benefits derivable from the use of the good and to incur the costs and risks associated with ownership. For statistical purposes, financial leases are treated as loans from the lessor to the lessee enabling the lessee to purchase the durable goods. Financial leases granted by an originator, acting as the lessor, are to be recorded under the asset item securitised loans. The assets (durable goods) which have been lent to the lessee must not be recorded.
- bad debt loans that have not yet been repaid or written off

Bad debt loans are considered to be loans in respect of which repayment is overdue or otherwise identified as being impaired

- holdings of non-negotiable securities  
 Holdings of securities other than shares and other equity which are not negotiable and cannot be traded on secondary markets, see also traded loans
- traded loans: loans that have de facto become negotiable are to be classified under the asset item securitised loans provided that they continue to be evidenced by a single document and are, as a general rule, only traded occasionally
- subordinated debt in the form of deposits or loans  
 Subordinated debt instruments provide a subsidiary claim on the issuing institution that can only be exercised after all claims with a higher status e.g. deposits/loans have been satisfied, giving them some of the characteristics of shares and other equity. For statistical purposes, subordinated debt is to be treated according to the nature of the financial instrument, i.e. classified as either securitised loans or securities other than shares according to the nature of the instrument. Where FVC holdings of all forms of subordinated debt are currently identified as a single figure for statistical purposes, this figure is to be classified under the item securities other than shares, on the grounds that subordinated debt is predominantly constituted in the form of securities, rather than as loans

Securitised loans must be reported according to the following rule:

- loans must be reported at nominal value, even if purchased from the originator at a different price. The counterpart to the difference between the nominal value and the purchase price must be included under remaining liabilities

#### **4.1.8.1 Sub-Item 1-101 Securitised loans – initiator MFI resident in euro area**

This items includes securitised loans that have been initiated by a monetary financial institution resident in a euro area country.

These are entities of the following sectors as defined in the definitions and concepts:

- credit institutions (code: 11000)
  - central banks (code: 11100)

- other credit institutions (code: 11200)
- other monetary financial institutions (code: 12000)
  - money market funds (code: 12100)
  - other monetary financial institutions except money market funds (code: 12200)

For loans to non-financial corporations originated by euro area MFIs, a maturity breakdown is required.

It means maturity at the time the loan was granted, i.e. original maturity and refers to the fixed period in which the loan is due to be repaid

#### **4.1.8.2 Sub-Item 1-102 Securitised loans – initiator GG resident in euro area**

This items includes securitised loans that have been initiated by an entity of the general government sector of a euro area country.

These are entities of the following sectors as defined in the definitions and concepts:

- central government (code: 31000)
- other general government (code: 32000)
  - State government (code: 32100)
  - local government (code: 32200)
  - social security funds (code: 32300)

#### **4.1.8.3 Sub-Item 1-103 Securitised loans – initiator OFI / ICPF resident in euro area**

This items includes securitised loans that have been initiated by an entity of the other financial intermediaries, the insurance corporations and/or pension funds sector resident in a euro area country.

These are entities of the following sectors as defined in the definitions and concepts:

- financial sector (code: 41000)
  - other financial intermediaries and financial auxiliaries (code: 41100)
  - + other financial intermediaries (code: 41110)

- × holdings (code: 41111)
- × investment funds (code: 41112)
- × securitisation vehicles (code: 41113)
- × central counterparts (code: 41114)
- × other financial intermediaries (code: 41119)
- + financial auxiliaries (code: 41120)
- insurance corporations and pension funds (code: 41200)

#### **4.1.8.4 Sub-Item 1-104 Securitised loans – initiator NFC resident in euro area**

This item includes securitised loans that have been initiated by a non financial corporation resident in a euro area country.

These are entities of the following sectors as defined in the definitions and concepts:

- non financial sector (code: 42000)
  - non financial corporations (code: 42100)

#### **4.1.8.5 Sub-Item 1-105 Securitised loans – initiator non resident in euro area (ROW)**

This item includes securitised loans that have been initiated by an entity resident outside the euro area (Rest of the world).

#### **4.1.9 Item 1-110 Other securitised assets**

This item includes securitised assets other than those included under items 1-030 «Securities other than shares» and 1-100 «Securitised loans», such as tax receivables or commercial credits, irrespective of whether the prevailing accounting practice requires the recognition of the assets on the balance sheet of the reporting securitisation vehicle.

#### **4.1.9.1 Sub-Item 1-112 Other securitised assets – initiator GG resident in euro area**

This items includes other securitised assets that have been initiated by an entity of the general government sector of a euro area country.

These are entities of the following sectors as defined in the definitions and concepts:

- central government (code: 31000)
- other general government (code: 32000)
  - State government (code: 32100)
  - local government (code: 32200)
  - social security funds (code: 32300)

#### **4.1.9.2 Sub-Item 1-114 Other securitised assets – initiator NFC resident in euro area**

This items includes other securitised assets that have been initiated by a non financial corporation resident in a euro area country.

These are entities of the following sectors as defined in the definitions and concepts:

- non financial sector (code: 42000)
  - non financial corporations (code: 42100)

#### **4.1.10 Item 1-000 Total assets**

This item is compiled by adding up all assets taking into consideration the various breakdowns.

## 4.2 Liabilities

### 4.2.1 Item 2-020 Borrowings

This item includes amounts owed to creditors by securitisation vehicles, other than those arising from the issue of negotiable securities.

This item notably includes:

- loans  
Loans granted to the reporting securitisation vehicle which are not evidenced by documents or are represented by a single document even if it has become negotiable
- non-negotiable debt instruments issued by securitisation vehicles  
Instruments may be referred to as being nonnegotiable in the sense that the transfer of legal ownership of the instrument is restricted, meaning that they cannot be marketed or, although technically negotiable, cannot be traded owing to the absence of an organised market. Non-negotiable instruments issued by reporting agents that subsequently become negotiable and that can be traded on secondary markets should be reclassified as debt securities
- Repurchase agreements (repos)  
Counterpart of cash received in exchange for securities sold by reporting agents at a given price under a firm commitment to repurchase the same (or similar) securities at a fixed price on a specified future date. Amounts received by reporting agents in exchange for securities transferred to a third party (temporary acquirer) are to be classified here where there is a firm commitment to reverse the operation and not merely an option to do so. This implies that reporting agents retain all risks and rewards of the underlying securities during the operation.  
The following variants of repo-type operations are all classified here:
  - amounts received in exchange for securities temporarily transferred to a third party in the form of securities lending against cash collateral
  - amounts received in exchange for securities temporarily transferred to a third party in the form of a sale/buy-back agreement

The securities underlying repo-type operations are recorded following the rules in asset item 1-030 «Securities other than shares».

Operations involving the temporary transfer of gold against cash collateral are also included under this item.

#### **4.2.2 Item 2-030 Debt securities issued**

This item includes securities issued by securitisation vehicles, other than Shares and other equity, which are instruments usually negotiable and traded on secondary markets or which can be offset on the market and which do not grant the holder any ownership rights over the issuing institution.

This item notably includes:

- asset-backed securities
- credit-linked notes

#### **4.2.3 Item 2-110 Remaining liabilities**

This item includes liabilities not included elsewhere.

This item notably includes:

- accrued interest payable on loans and deposits
- amounts payable not related to the FVC's main business, i.e. amounts due to suppliers, tax, wages, social contributions, etc.
- provisions representing liabilities against third parties, i.e. pensions, dividends, etc.
- net positions arising from securities lending without cash collateral
- net amounts payable in respect of future settlements of transactions in securities
- counterparts to the valuation adjustment, i.e. nominal less purchase price, of loans
- non realised losses on financial derivatives

#### **4.2.4 Item 2-120 Financial derivatives**

This item includes the following financial derivatives that must be reported:

- options
- warrants



- futures
- swaps, in particular credit default swaps

Gross future commitments arising from derivative contracts must not be entered as on-balance-sheet items.

This item does not include financial derivatives that are not subject to on-balance-sheet recording

#### **4.2.5 Item 2-C01 Capital, reserves, provisions and results**

This item includes the amounts arising from the issue of equity capital by reporting agents to shareholders or other proprietors, representing for the holder property rights in the securitisation vehicle and generally an entitlement to a share in its profits and to a share in its own funds in the event of liquidation. Funds arising from non-distributed benefits or funds set aside by reporting agents in anticipation of likely future payments and obligations are also included.

This item notably includes:

- equity capital
- non-distributed benefits or funds
- specific and general provisions against loans, securities and other types of
- assets securitisation fund units

#### **4.2.6 Item 2-000 Total liabilities**

This item is compiled by adding up all liabilities taking into consideration the various breakdowns.

## 5 Types of breakdowns

Assets and liabilities must be split according to the following four criteria:

- country of the counterpart
- currency in which assets and liabilities are expressed
- economic sector of the counterpart
- and initial maturity of assets and liabilities

The nomenclature that follows presents in detail all the breakdowns by country, currency, economic sector and initial maturity.

However, assets and liabilities must not always be split according to all of the breakdowns detailed in that nomenclature.

Only the breakdowns requested on each statistical report are to be transmitted to the BCL.

### 5.1 Country

Assets and liabilities must be split according to the country of residency or the country of the registered office, i.e. the country where the centre of economic interest of a counterpart is located. The identification is accomplished through a two-character code defined by ISO or the BCL for countries, geographical areas or supranational institutions. A counterpart is supposed to be resident of a given country if it has pursued economic activities in that country for at least one year.

The criterion of territoriality, that is the only relevant criteria for the economic analysis of international financial and monetary statistics, applies to all counterparts of the reporting agent thus also for branches of foreign corporations.

Example:

A security issued by the head office of a Japanese bank located in Tokyo and held by a Luxembourg securitisation vehicle has to be reported with the country code «JP» for Japan.

However, a security issued by the German branch of a Japanese bank has to be reported with the country code «DE» for Germany.

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

Specific country codes defined by BCL:

<b>Specific country codes</b>	
X1	All countries
X2	Monetary Union Member States These are all Monetary Union Member States
X3	Other Monetary Union Member States These are all Monetary Union Member States except Luxembourg
X4	Rest of the world These are all countries that are not Monetary Union Member States
XA	European central bank
XB	Supranational institutions, other than European institutions, located outside of Luxembourg
XC	Supranational institutions, other than European institutions, located in Luxembourg
XD	European institutions located in Luxembourg
XG	European institutions, except ECB, located outside of Luxembourg
XX	No breakdown

The BCL provides on its website a complete list of the Monetary Union Member States.

## 5.2 Currency

Assets and liabilities must be split according to the currency in which they are expressed.

The currency is identified by a three character ISO code according to the codification ISO 4217 (<http://www.iso.org>) or by a three character code provided by BCL for specific currency combinations.

Specific currency codes defined by BCL:

<b>Specific currency codes</b>	
XX1	All currencies
XX2	All currencies except EUR
XXX	No breakdown

### 5.3 The economic sector

Assets and liabilities must be split according to the economic sector of the counterpart.

The economic sector is identified by a five character code defined by BCL. The nomenclature is based upon an institutional classification that distinguishes between financial and non financial corporations and quasi-corporations, public sector, and physical persons. The nomenclature that follows describes in detail all economic sectors.

#### 5.3.1 Monetary financial institutions (MFI) (code: 10000)

The monetary financial institutions sector consists of all corporations and quasi-corporations<sup>1</sup> which are principally engaged in financial intermediation<sup>2</sup>, that consists to receive deposits and/or close substitutes for deposits from entities other than MFIs, and to grant credits and/or make investments in securities on their own account (at least in economic terms).

The ECB maintains and publishes on its website (<http://www.ecb.int> or <http://www.ecb.europa.eu>) a complete list of all monetary financial institutions established in

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<sup>1</sup> Quasi-corporations are economic entities that keep a complete set of accounts but have no independent legal status.

<sup>2</sup> The European system of national accounts (ESA) describes financial intermediation as the activity in which an institutional unit acquires financial assets and at the same time incurs liabilities on its own account by engaging in financial transactions on the market. The assets and liabilities of the financial intermediaries have different characteristics, involving that the funds are transformed or repackaged with respect to maturity, scale, risk and the like in the financial intermediation process. Through the financial intermediation process, funds are channelled between third parties with a surplus on one side and those with a lack of funds on the other. A financial intermediary does not simply act as an agent for these other institutional units but places itself at risk by acquiring financial assets and incurring liabilities on its own account (SEC95, §2.32 -33 EUROSTAT June 1996)

the European Union member countries. Reporting agents should use this list, in order to properly identify their counterparts for the purpose of their statistical reporting.

The monetary financial institutions sector is divided into two main groups:

- credit institutions (code: 11000)
  - central banks (code: 11100)
  - other credit institutions (code: 11200)
- other monetary financial institutions (code: 12000)
  - Money market funds (code: 12100)
  - other monetary financial institutions other than money market funds (code: 12200)

#### **5.3.1.1 Credit institutions (code: 11000)**

The sector of credit institutions consists of two sub-sectors.

##### **1 Central banks (code: 11100)**

This sector consists of:

- the European central bank (ECB)
- National central banks (NCBs)

##### **2 Other credit institutions (code: 11200)**

This sector consists in particular of:

- commercial banks, universal banks as well as all purpose banks
- savings banks
- rural credit banks, agricultural credit banks
- cooperative credit banks, credit unions
- specialised banks (e.g. merchant banks, banks specialised in issuing covered bonds “banques des lettres de gage”, private banks).

#### **5.3.1.2 Other monetary financial institutions (code: 12000)**

These are undertakings for collective investments (UCIs), investment companies with variable capital, investment companies, etc. provided that these intermediaries receive deposits from entities other than MFIs either in form of deposits and/or close substitutes for

deposits (for instance shares issued by UCIs that invest in very liquid assets, such as money market instruments).

**1 Money market funds (MMFs) (code: 12100)**

Money market funds are undertakings for collective investments as reported on the official list of money market funds published by the European central bank on its website.

For Monetary Union Members States, this sector only includes money market funds that are reported on the official list of monetary financial institutions published by the European central bank on its website.

**2 Other MFIs other than MMFs (code: 12200)**

These are other monetary financial institutions that are not reported on the list of money market funds but considered as other monetary financial institutions. The ECB maintains and publishes a list of these institutions on its website.

For Monetary Union Members States, this sector only includes institutions that are reported on the official list of monetary financial institutions published by the European central bank on its website.

**5.3.2 Non – MFI (code: 20000)**

The institutions that are not considered as MFIs are split into two groups:

- general government (code: 30000)
- other sectors (code: 40000)

### 5.3.2.1 General government (code: 30000)

The general government sector consists of:

- all institutional units which are other non-market producers<sup>3</sup> whose output is intended for individual and collective consumption, and mainly financed by compulsory payments made by units belonging to other sectors, and/or
- all institutional units principally engaged in the redistribution of national income and wealth.

The general government sector is split into three sub sectors:

- central government (code: 31000)
- other general government (code: 32000)
  - state government (code: 32100)
  - local government (code: 32200)
  - social security funds (code: 32300)
- Supranational institutions except ECB (code: 39000)

#### 1 Central government (code: 31000)

The sub sector central government includes all administrative departments of the State and other central agencies whose competence extends normally over the whole economic territory, except for the administration of social security funds.

#### 2 Other general government (code: 32000)

This category consists of all general governments sectors except central government.

##### 2.1 State government (code: 32100)

The State government sub sector consists of state governments which are separate institutional units exercising some of the functions of government at a level below that of central government and above that of the governmental

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<sup>3</sup> According to ESA 95, other non-market producers are institutional units whose major part of output is provided for free or at not economically significant prices (ESA 95, §3-23)..

institutional units existing at local level<sup>4</sup>, except for the administration of social security funds.

## **2.2 Local government (code: 32200)**

The sub sector local government includes those types of public administration whose competence extends to only a local part of the economic territory, apart from local agencies of social security funds.

## **2.3 Social security funds (code: 32300)**

The sub sector social security funds includes all central, State and local institutional units whose principal activity is to provide social benefits.

## **3 Supranational institutions except ECB (code: 39000)**

The sector supranational institutions except ECB includes all international institutions such as the European institutions for instance except the ECB.

### **5.3.2.2 Other sectors (code: 40000)**

This category consists of all sectors except MFIs and general government.

It consists of two main sectors:

- financial sector (code: 41000)
  - other financial intermediaries and financial and insurance auxiliaries (code: 41100)
  - + other financial intermediaries (code: 41110)
    - × holdings / Soparfis (code: 41111)
    - × investment funds (code: 41112)
    - × securitisation vehicles (code: 41113)
    - × central counterparties (code: 41114)
    - × other financial intermediaries (code: 41119)
  - + financial and insurance auxiliaries (code: 41120)

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<sup>4</sup> Such institutions are, for example, the administrations of the so called “Länder” (federal states) in Germany.



- insurance corporations and pension funds (code: 41200)
- non financial sector (code: 42000)
  - non financial corporations (code: 42100)
  - households and non profit institutions serving households (code: 42200)
    - + households (code: 42210)
      - × households – sole proprietors<sup>5</sup> (code: 42211)
      - × households – physical persons (code: 42212)
    - + non profit institutions serving households (code: 42220)

## **1 Other financial intermediaries / Financial auxiliaries and insurance auxiliaries (code: 41100)**

This sector is split into two sub sectors.

### **1.1 Other financial intermediaries (code: 41110)**

The sub sector other financial intermediaries consists of all financial corporations and quasi-corporations which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits from institutional units other than monetary financial institutions.

#### **1.1.1 Holdings / Soparfis (code: 41111)**

This sub sector consists of corporations which only control and direct a group of subsidiaries principally engaged in financial intermediation and/or in auxiliary financial activities.

#### **1.1.2 Investment funds (IFs) (code: 41112)**

This sub sector consists of all UCIs such as common funds, investment companies with variable capital (SICAV), investment companies with fixed capital (SICAF), specialised investment funds (SIF) that may be take the form of a FCP, SICAV or SICAF, and other investment

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<sup>5</sup> Sole proprietors shall as well comprise unincorporated partnerships according to Regulation ECB/2008/32

companies that are not reported under sector 12100 «Money market funds».

**1.1.3 Securitisation institution (code: 41113)**

This sector consists of all institutions that are created in order to undertake securitisation operations.

A securitisation operation consists in transferring assets and/or risks associated to these assets towards a securitisation vehicle created to issue securities secured by these assets.

**1.1.4 Central counterparties (code: 41114)**

This sector consist of the central clearing and compensation counterparts that are reported on the list published by the Committee of European Supervisors and Regulators (CESR) (<http://mifidatabase.cesr.eu/>).

**1.1.5 Other financial intermediaries (code: 41119)**

This sub sector shall consist of all financial intermediaries that are not included in the three previous sub sectors.

This sub sector therefore notably consists of the following financial corporations and quasi corporations, provided that they are not monetary financial institutions.

- corporations engaged in financial leasing
- corporations engaged in hiring and purchase activities and the provision of personal or commercial finance
- corporations engaged in factoring
- security and derivative dealers (working on their own account)
- specialised financial corporations such as venture and capital development companies, export / import financing companies
- financial intermediaries which receive deposits and/or close substitutes for deposits from MFIs only
- SICARs (sociétés d'investissement en capital à risque) - private equity vehicles

In Luxembourg, the financial department of the “Poste et Télécommunications” (CCPL, post office) is to be included in this category.

## **1.2 Financial auxiliaries and insurance auxiliaries (code: 41120)**

The sector other financial auxiliaries consists of all financial intermediaries that do not belong to the categories holdings, societies de participation financiers, investments funds, securitisation vehicles and central counterparts.

Given that they are not monetary financial institutions, the sector consists in particular of:

- insurance brokers, rescue organisations and average, insurance and pension consultants, etc.
- loan brokers, securities brokers, investment advisers, etc.
- corporations that manage the issue of securities
- corporations whose principal function is to guarantee, by endorsement, bills and similar instruments
- corporations which arrange derivative and hedging instruments, such as swaps, options and futures (without issuing them)
- corporations providing infrastructure for financial markets
- central supervisory authorities of financial intermediaries and financial markets when they are separate institutional units
- managers of pension funds, mutual funds, etc.
- corporations providing stock exchange and insurance exchange
- non-profit institutions recognized as independent legal entities serving financial corporations, but not engaged in financial intermediation or auxiliary financial activities

## **2 Insurance corporations and pension funds (code: 41200)**

The insurance corporations and pension funds sector consists of all financial corporations and quasi corporations which are principally engaged in financial intermediation as the consequence of the pooling of risks.

This sector includes both captive insurance corporations and reinsurance corporations.

The sector of insurance corporations and pension funds is split into two sub sectors:

### **2.1 Insurance corporations (code: 41210)**

The sub sector consists of all financial corporations and quasi corporations which are principally engaged in financial intermediation as the consequence of the pooling of risks.

This sub sector includes both captive insurance corporations and reinsurance corporations.

### **2.2 Pensions funds (code: 41220)**

This sector includes autonomous pension funds that have autonomy of decision and keep a complete set of accounts.

In Luxembourg, these are notably funds established under the form of a pension savings company with variable capital (sepcav) and pension savings association (assep) as defined by the law of 8 June 1999.

Non autonomous pension funds must not be included in this sector.

## **3 Non financial corporations (code: 42100)**

The sector non-financial corporations (and quasi non-financial corporations) consists of institutional units whose distributive and financial transactions are distinct from those of their owners and which are market producers<sup>6</sup>, whose principal activity is the production of goods and non-financial services.

This sector consists in particular of:

- private and public corporations which are market producers principally engaged in the production of goods and non-financial services
- cooperatives and partnerships recognized as independent legal entities which are market producers principally engaged in the production of goods and non-financial services

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<sup>6</sup> According to the European system of accounts (ESA 95) a market producer market producers is principally engaged in the production of goods and non-financial services that are sold on the market.

- public producers which are by virtue of special legislation, recognized as independent legal entities and which are market producers principally engaged in the production of goods and non-financial services
- non-profit institutions or associations serving non-financial corporations, which are recognized as independent legal entities and which are market producers principally engaged in the production of goods and non-financial services
- private and public quasi-corporations which are market producers principally engaged in the production of goods and non-financial services

#### **4 Households and non profit institutions serving households (code: 42200)**

The sector of households and non profit institutions serving households is split into two sub sectors.

##### **4.1 Households (code: 42210)**

The households sector covers individuals or groups of individuals as consumers and possibly also as entrepreneurs producing market goods and non-financial and financial services (market producers) provided that, in the latter case, the corresponding activities are not those of separate entities treated as quasi-corporations. It also includes individuals or groups of individuals as producers of goods and non-financial services for exclusively own final use.

The household sector is split into two sub sectors.

##### **4.1.1 Households – sole proprietors (code: 42211)**

This sub sector consists of sole proprietors and partnerships without independent legal status (other than those treated as quasi-corporations) which are market producers.

##### **4.1.2 Households – physical persons (code: 42212)**

This sub sector consists of:

- individuals or groups of individuals whose principal function is consumption

- individuals or groups of individuals whose principal function is consumption and which produce goods and non-financial services for exclusively own final use
- non-profit institutions serving households, which do not have independent legal status

The sub sector of physical persons consist of:

- employees
- recipients of property income
- recipients of other income and pensions

#### **4.2 Non profit institutions serving households (code: 42220)**

The sector non-profit institutions serving households (NPISHs) consists of non-profit institutions which are separate legal entities, which serve households and which are other private non-market producers. Their principal resources, apart from those derived from occasional sales, are derived from voluntary contributions in cash or in kind from households in their capacity as consumers, from payments made by general governments and from property income.

The following list provides an overview on the various sectors to be used for reporting purpose.

<b>Code</b>	<b>Sector</b>
11100	Central banks
11200	Other credit institutions
12100	Other MFIs / Money market funds
12200	Other MFIs / Other than Money market funds
31000	Central government
32100	State government
32200	Local government
32300	Social security funds
39000	International institutions except ECB
41111	Holdings / Soparfis (Sociétés de participations financiers)
41112	Investment funds (IFs)
41113	Securitisation vehicles
41114	Central counterparties
41119	Other financial intermediaries
41120	Financial and insurance auxiliaries
41210	Insurance corporations
41220	Pension funds
42100	Non financial corporations
42211	Households – sole proprietors
42212	Households – physical persons
42220	Non profit institutions serving households
90000	No breakdown

## 5.4 Initial maturity

Assets and liabilities must be broken down according to initial maturity.

The initial maturity is identified with a three character code defined by BCL.

Code	Initial maturity
BRB	up to and including 1 year
BRG	over 1 year and up to and including 2 years
BRH	over 2 years and up to and including 5 years
BRJ	over 2 years
BRK	over 5 years
BRX	No breakdown

## 5.5 Special breakdowns

A special sector and country breakdown is applicable for supranational institutions.

### 5.5.1 Supranational institutions

The following breakdowns are applicable to supranational institutions regardless of their economic activity:

Country	code X4
Currency	code XXX
Economic sector	code 90000

It should be mentioned that in the event where a supranational institution is the originator of a securitisation operation, the latter should be recorded under line 1-105-XX-XXX-90000.



## **6 Minimum standards to be applied by the actual reporting population**

Reporting agents must fulfil the following minimum standards to meet the statistical reporting requirements of the Banque centrale du Luxembourg (BCL).

- 1 Minimum standards for transmission
  - 1.1. reporting to the BCL must be timely and within the deadlines set by the BCL and published on its website
  - 1.2. statistical reports must take their form and format from the technical reporting requirements set by the BCL
  - 1.3. the contact persons within the reporting agent must be identified
  - 1.4. the technical specifications for data transmission to BCL must be followed
  
- 2 Minimum standards for accuracy:
  - 2.1. all the constraints published in the technical documentation of the BCL must be fulfilled; these are mainly the structure of the electronic messages and the verification rules applicable for the various statistical reports
  - 2.2. securitisation vehicles must be able to provide information on the developments implied by the data supplied
  - 2.3. the statistical information must be complete;
  
- 3 Minimum standards for compliance with concepts:
  - 3.1. the statistical information must comply with the definitions and classifications contained in the instructions
  - 3.2. in the event of deviations from these definitions and classifications, where applicable reporting agents must monitor on a regular basis and quantify the difference between the measure used and the measure contained in this instructions
  - 3.3. securitisation vehicles must be able to explain breaks in the data supplied compared with the previous periods' figures.

- 4 Minimum standards for revisions:
  - 4.1. the revisions policy and procedures set by the BCL must be followed. Revisions deviating from regular revisions must be accompanied by explanatory notes.