

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

Contents

1	Introduction	4
2	Basic principles	5
2.1	Reference date for the establishment of the reports	5
2.2	Reporting currency	5
2.3	Closing date	5
2.4	Data transmission to BCL	6
2.5	Safekeeping period of documents	6
3	Reporting of operations	7
3.1	Basic accounting policies	7
3.1.1	Valuation	7
3.1.2	Accounting rules	7
3.2	Repurchase agreements / Securities lending	8
3.3	Short sales of securities	9
3.4	Negotiability of financial transactions	9
4	Instruments	11
4.1	Assets	11
4.1.1	Item 1-002000 Deposits and loan claims	11
4.1.2	Item 1-003000 Debt securities held	11
4.1.3	Item 1-005000 Equity and investment fund shares/units held	13
4.1.4	Item 1-006000 Non-financial assets	13
4.1.5	Item 1-007000 Financial derivatives	14
4.1.6	Items 1-010010 to 1-010060 Securitised loans	15
4.1.7	Items 1-011020, 1-011040 and 1-011090 Other securitised assets	18
4.1.8	Item 1-090000 Other assets	19
4.1.9	Item 1-000000 Total assets	20
4.2	Liabilities	21
4.2.1	Item 2-002000 Loans and deposits received	21
4.2.2	Item 2-002050 Short sales of securities	21
4.2.3	Item 2-003000 Debt securities issued	22
4.2.4	Item 2-005000 Capital (equity, shares and units issued)	22
4.2.5	Item 2-007000 Reserves, provisions and results	22
4.2.6	Item 2-011000 Financial derivatives	23

4.2.7	Item 2-090000 Other liabilities	24
4.2.8	Item 2-000000 Total liabilities	25
5	Types of breakdowns	26
5.1	Country.....	26
5.2	Currency.....	27
5.3	The economic sector	28
5.3.1	Public sector (code: 10000)	29
5.3.2	Non-financial sector (code: 20000)	31
5.3.3	Monetary financial institutions sector (MFI) (code: 30000)	33
5.3.4	Financial sector (except MFI) (code: 40000).....	35
5.3.5	Sector «No breakdown» (code: 90000)	39
5.3.6	Sectors overview	40
5.4	Original maturity	41
5.5	Specific breakdowns.....	42
5.5.1	European Central Bank (ECB).....	42
5.5.2	European Investment Bank (EIB)	42
5.5.3	European Stability Mechanism (ESM)	42
5.5.4	European Financial Stability Facility (EFSF)	42
5.5.5	Other international institutions	43
6	Minimum standards to be applied.....	44

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 the BCL. These definitions are a slight adaptation of Regulation (EU) n° 1075/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (ECB/2013/40) as well as of Regulation (EU) n° 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (ESA 2010).

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

The last day of each quarter should be the reference date for the establishment of the quarterly statistical reports S 2.14 «Quarterly statistical balance sheet of securitisation vehicles» and S 2.15 «Transactions and write-offs & write-downs on securitised loans of securitisation vehicles».

The last day of each month should be the reference date for the establishment of the statistical monthly report «Security by security report of securitisation vehicles».

2.2 Reporting currency

Statistical reports must be established in the accounting currency:

- in which the accounts of the compartment of the securitisation vehicle are expressed in case the reporting agent chose to report by compartment
- in which the combined accounts of the securitisation vehicle are expressed in case the reporting agent chose to report on aggregated level.

Amounts to be reported on the statistical reports should be expressed with up to five decimals and assets and liabilities denominated in a currency other than the accounting currency should be converted into the latter at the exchange rate prevailing on the day on which the report is compiled.

2.3 Closing date

Closing date should be the date when data are established.

2.4 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.

2.5 Safekeeping period of documents

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

3 Reporting of operations

3.1 Basic accounting policies

3.1.1 Valuation

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

Booking value of debt securities in assets and in liabilities (item 1-003000 «Debt securities held» and item 2-003000 «Debt securities issued») is defined by including accrued but not yet due interest (*dirty price*).

Securitised loans (items 1-010010 to 1-010060 «Securitised loans») must be reported at nominal value, even if purchased from the originator at a different price. The counterpart of the difference between nominal value and purchase price must be included under item 2-090000 «Other liabilities».

Nominal amount means the amount of principal that a debtor is contractually obliged to repay to a creditor; this amount is determined in taking into account loan write-downs and write-offs and without regard to any provisions and/or value adjustments which are reported in the sections relating thereto on the liability side of the balance sheet.

3.1.2 Accounting rules

Securitisation vehicles may prepare the statistical reporting according to the generally accepted principles applicable for the supervisory reporting. For further information, refer to the documents published by the Commission de Surveillance du Secteur Financier (www.cssf.lu).

Hence, regardless of the accounting rules for the prudential reporting, assets under items 1-010010 to 1-010060 «Securitised loans» must be reported at their nominal value at period-end.

All financial assets and liabilities must be reported on a gross basis, i.e. financial assets must not be reported net of financial liabilities.

3.2 Repurchase agreements / Securities lending

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 2-002000 «Loans and deposits received»).
 - 1.2 The transferee shall not be entitled to report the assets on his balance sheet; the purchase price paid by the transferee is reported as an amount owed by the transferor (item 1-002000 «Deposits and loan claims»).
- 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 on 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.

3.3 Short sales of securities

If securities are sold *short*, the sale is reported under the item 2-002050 «Short sales of securities».

The amount to be reported corresponds to the sale price of the securities.

However, if this debt corresponds to specific securities, it has to be valued according to the valuation rules applicable to the securities reported on the asset side of the balance sheet.

3.4 Negotiability of financial transactions

Financial claims can be distinguished by whether they are negotiable or not. A claim is negotiable if its ownership is readily capable of being transferred from one unit to another by delivery or endorsement or of being offset in the case financial derivatives. While any financial instrument can be potentially traded, negotiable instruments are designed to be traded on an organised exchange or 'over-the-counter', although actual trading is not a necessary condition for negotiability. Necessary conditions of negotiability are:

- transferability or offsetability in the case of financial derivatives
- standardisation often evidenced by fungibility and eligibility of an ISIN code
- the holder of an asset does not retain the right of recourse against the previous holders.

The distinction between loans and debt securities is that loans are non-negotiable financial instruments, reported under item 1-002000 «Deposits and loans claims» on asset side or under item 2-002000 «Loans and deposits received» on liability side, while debt securities, reported under item 1-003000 «Debt securities held» on asset side or under item 2-003000 «Debt securities issued» on liability side, are negotiable financial instruments.

In most cases, loans are evidenced by a single document and transactions in loans are carried out between one creditor and one debtor. By contrast, debt security issues consist of a large number of identical documents, each evidencing a round sum, which together form the total amount borrowed.

A secondary market in loans exists. In cases where loans become negotiable on an organised market, they are to be reclassified from loans to debt securities, provided that there is evidence of secondary market trading, including the existence of market makers, and frequent quotation of the financial asset, such as provided by bid-offer spreads.

4 Instruments

4.1 Assets

4.1.1 Item 1-002000 Deposits and loan claims

This item consists of funds lent by securitisation vehicles to borrowers that are either evidenced by non-negotiable documents or not evidenced by documents.

This item notably includes:

- holdings of euro and foreign banknotes and coins in circulation that are commonly used to make payments
- deposits placed by the securitisation vehicles, such as overnight deposits, deposits with agreed maturity and deposits redeemable at notice
- loans granted by the securitisation vehicles
- claims under reverse repurchase agreements against cash collateral

These are the counterpart of cash paid out in exchange for securities purchased by securitisation vehicles at a given price under a firm commitment to resell the same (or similar) securities at a fixed price on a specified future date.

- claims under securities borrowing against cash collateral

These are the counterpart of cash paid out in exchange for securities borrowed by securitisation vehicles.

4.1.2 Item 1-003000 Debt securities held

This item consists of holdings of securities other than equity and investment fund shares/units, which are negotiable financial instruments serving as evidence of debt, which are usually traded on secondary markets or can be offset on the market, and 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
- loans which have become negotiable on an organised market, i.e. traded loans, provided that there is evidence of secondary market trading, including the existence of market makers, and frequent quotation of the financial asset, such as provided by bid-offer spreads. Where this is not the case, they are classified under items 1-010010 to 1-010060 «Securitised loans»
- subordinated debt in the form of debt securities: subordinated debt instruments provide a subsidiary claim on the issuing institution that can only be exercised after all claims with a higher status have been satisfied, giving them some characteristics of «equity and investment fund shares/units». For statistical purposes, subordinated debt is classified as either «securitised loans» or «debt securities held» according to the nature of the instrument. Where the securitisation vehicles holdings of all forms of subordinated debt are currently identified as a single figure for statistical purposes, this figure is classified under the item 1-003000 «Debt securities held», on the grounds that subordinated debt is predominantly constituted in the form of debt securities, rather than loans
- securities lent out under securities lending operations or sold under a repurchase agreement remain on the original owner's balance sheet (and are not 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

- hybrid instruments of certificate type are considered as debt securities. Are notably concerned PECs (Preferred Equity Certificates) and CPECs (Convertible Preferred Equity Certificates)

«Debt securities held» have to be reported irrespective of whether the prevailing accounting practice requires the recognition of the assets on the securitisation vehicles' balance sheet.

4.1.3 Item 1-005000 Equity and investment fund shares/units held

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

This item notably includes:

- listed and unlisted shares
- other participations
- money market fund shares/units
- non-money market fund shares/units

Equity 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 balance sheet of the temporary acquirer) 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 balance sheet of the temporary acquirer as a negative position in the securities portfolio.

4.1.4 Item 1-006000 Non-financial assets

This item includes non-financial assets, tangible and intangible assets, including fixed assets. Fixed assets are non-financial assets which are used repeatedly or continuously by the securitisation vehicles for more than one year.

This item notably includes:

- dwellings
- other buildings and structures
- machinery and equipment
- valuables
- intellectual property products such as computer software and databases

4.1.5 Item 1-007000 Financial derivatives

This item includes financial instruments linked to a specified financial instrument, indicator, or commodity, through which specific financial risks can be traded in financial markets in their own right.

This item notably includes:

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

Financial derivatives are recorded at market value on the balance sheet on a gross basis. Individual derivative contracts with positive market values are recorded on the asset side of the balance sheet, and contracts with negative market values on the liability side of the balance sheet.

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 to national rules.

4.1.6 Items 1-010010 to 1-010060 Securitised loans

This item includes loans acquired by the securitisation vehicle from the originator. The originator is defined as the transferor of an asset or a pool of assets, and/or the credit risk of the asset or pool of assets to the securitisation structure.

Loans are financial assets created when creditors lend funds to debtors which are either evidenced by non-negotiable documents or not evidenced by documents.

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») conveys the risks and benefits of ownership of the asset to a third party (hereinafter the «lessee»). 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 leased asset is shown on the balance sheet of the lessee and the lessor.
- 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 debt securities 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 there is no evidence of secondary market trading. Otherwise they are classified as «Debt securities held».
- 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 have been satisfied, giving them some characteristics of «equity and investment fund shares/units». For statistical purposes, subordinated debt is classified as either «securitised loans» or «debt securities held» according to the nature of the instrument. Where the securitisation vehicles holdings of all forms of subordinated debt are currently identified as a single figure for statistical purposes, this figure is classified under the item 1-003000 «Debt securities held», on the grounds that subordinated debt is predominantly constituted in the form of debt securities, rather than loans.

Securitized 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 item 2-090000 «Other liabilities».

It should be noted that securitized loans of securitisation vehicles must be breakdown by country and economic sector of the originator.

It is important to mention that the list of Monetary Union Member States, e.g. the list of the countries which have adopted euro as currency, is regularly updated and available on the BCL website (www.bcl.lu).

«Securitized loans» have to be reported irrespective of whether the prevailing accounting practice requires the recognition of the assets on the securitisation vehicles' balance sheet.

4.1.6.1 Item 1-010010 Securitized loans – originator MFI resident in euro area

This item includes securitized loans that have been originated by a monetary financial institution (MFI) resident in euro area.

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

- central banks (code: 31000)
- deposit taking corporations except central banks (code: 32000)
 - credit institutions (code: 32100)
 - other deposit taking corporations (code: 32200)
- money market funds (code: 33000)

4.1.6.2 Item 1-010020 Securitised loans – originator GG resident in euro area

This item includes securitised loans that have been originated by an entity of the general government (GG) resident in euro area.

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

- central government (code: 11000)
- other general government (code: 12000)
 - state government (code: 12100)
 - local government (code: 12200)
 - social security funds (code: 12300)

4.1.6.3 Item 1-010030 Securitised loans – originator OFI / NMIF / ICPF resident in euro area

This item includes securitised loans that have been originated by an entity of the other financial intermediaries (OFI), the non-money market funds (NMIF), the insurance corporations and/or pension funds (ICPF) sector resident in euro area.

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

- other financial intermediaries (code: 42900)
- non-monetary investment funds (code: 41000)
 - undertakings for collective investments (UCI)
 - specialised investment funds (SIF)
 - investment companies in capital risk (SICAR)
- insurance corporations (code: 45000)
- pension funds (code: 46000)

4.1.6.4 Item 1-010040 Securitised loans – originator NFC resident in euro area

This item includes securitised loans that have been originated by a non-financial corporation resident (NFC) in euro area.

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

- non-financial corporations (code: 21000)

4.1.6.5 Item 1-010050 Securitised loans – non-euro area originator

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

4.1.6.6 Item 1-010060 Securitised loans traded on the secondary market – non-locatable originator

This item includes securitised loans that have been traded on the over-the-counter market and originated by a non-locatable entity.

4.1.7 Items 1-011020, 1-011040 and 1-011090 Other securitised assets

This item includes securitised assets other than those included under items 1-003000 «Debt securities held» and 1-010010 to 1-010060 «Securitised loans».

This item notably includes:

- tax receivables
- commercial credits

«Other securitised assets» have to be reported irrespective of whether the prevailing accounting practice requires the recognition of the assets on the securitisation vehicles' balance sheet.

4.1.7.1 Item 1-011020 Other securitised assets – originator GG resident in euro area

This item includes other securitised assets that have been originated by an entity of the general government (GG) resident in euro area.

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

- central government (code: 11000)
- other general government (code: 12000)
 - state government (code: 12100)
 - local government (code: 12200)
 - social security funds (code: 12300)

4.1.7.2 Item 1-011040 Other securitised assets – originator NFC resident in euro area

This item includes other securitised assets that have been originated by a non-financial corporation resident (NFC) in euro area.

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

- non-financial corporations (code: 21000)

4.1.7.3 Item 1-011090 Other securitised assets – other originator

This item includes other securitised assets that have been originated neither by an entity of the general government (GG) resident in euro area (cf. item 1-011020) nor by a non-financial corporation (NFC) resident in euro area (cf. item 1-011040).

4.1.8 Item 1-090000 Other assets

This item is defined as assets not included elsewhere.

This item notably includes:

- accrued but not yet due interest on deposits and loan claims
- accrued but not yet due interest on securitised loans and other securitised assets
- accrued but not yet due rent on non-financial assets

- amounts receivable which do not relate to the securitisation vehicle's main business
- unrealised gains on financial derivatives

Remark:

- Accrued but not yet due interest on debt securities held must be included in the reported amount (*dirty price*) under the item 1-003000 «Debt securities held».

4.1.9 Item 1-000000 Total assets

This item is compiled by adding up all assets without taking into consideration the various breakdowns.

4.2 Liabilities

4.2.1 Item 2-002000 Loans and deposits received

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 securitisation vehicle which are either evidenced by non-negotiable documents or not evidenced by documents.
- non-negotiable debt instruments issued by securitisation vehicles. Non-negotiable debt instruments issued by securitisation vehicles that subsequently become negotiable and that can be traded on secondary markets should be reclassified under item 2-003000 «Debt securities issued».
- repurchase agreements (*repos*) and repo-type operations against cash collateral: counterpart of cash received in exchange for securities sold by the reporting securitisation vehicle 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 the reporting securitisation vehicle 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 securitisation vehicle retains all risks and rewards of the underlying securities during the operation.
- cash collateral received in exchange for securities lending: amounts received in exchange for securities temporarily transferred to a third party in securities lending operations against cash collateral.
- cash received in operations involving the temporary transfer of gold against cash collateral.

4.2.2 Item 2-002050 Short sales of securities

If securities are sold short, the sale is reported under the item 2-002050 «Short sales of securities».

The amount to be reported corresponds to the sale price of the securities.

However, if this debt corresponds to specific securities, it has to be valued according to the valuation rules applicable to the securities reported on the asset side of the balance sheet.

4.2.3 Item 2-003000 Debt securities issued

This item includes securities issued by securitisation vehicles, other than equity, shares and units issued, 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
- insurance-linked securities

4.2.4 Item 2-005000 Capital (equity, shares and units issued)

This item includes amounts arising from the issue of equity capital by the reporting securitisation vehicle to shareholders or other owners, representing for the holder property rights on the registrant and generally an entitlement to a share of profits and in its own funds in the event of liquidation.

This item notably includes:

- paid called up capital
- unpaid called up capital
- securitisation fund units

4.2.5 Item 2-007000 Reserves, provisions and results

This item includes amounts arising from non-distributed benefits or funds set aside by the reporting securitisation vehicle in anticipation of likely future payments and obligations.

Provisions, results of the current year, the results brought forward as well as the result of the previous year whose allocation is pending are also included.

This item notably includes:

- non-distributed benefits or funds
- share premium: that is to say funds in excess of the nominal value of the shares paid by purchasers of shares representing at the time of incorporation of the company, or at the time of subsequent capital increases, unless the general meeting of shareholders decided to give this difference another assignment (e.g. the legal reserve, etc.)
- legal, statutory, free reserves, ...
- specific and general provisions against loans, securities and other types of assets
- results of the current year, the results brought forward as well as the result of the previous year whose allocation is pending

4.2.6 Item 2-011000 Financial derivatives

This item includes financial instruments linked to a specified financial instrument, indicator, or commodity, through which specific financial risks can be traded in financial markets in their own right.

This item notably includes:

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

Financial derivatives are recorded at market value on the balance sheet on a gross basis. Individual derivative contracts with positive market values are recorded on the asset side of the balance sheet, and contracts with negative market values on the liability side of the balance sheet.

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 to national rules.

4.2.7 Item 2-090000 Other liabilities

This item is defined as liabilities not included elsewhere.

This item notably includes:

- accrued but not yet due interest on loans and deposits received
- amounts payable which do not relate to the securitisation vehicle's main business, e.g. amounts due to suppliers, tax, wages, social contributions, etc
- provisions representing liabilities against third parties, e.g. 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, e.g. nominal less purchase price of loans
- unrealised losses on financial derivatives

Remark:

- Accrued but not yet due interest on debt securities issued must be included in the reported amount (*dirty price*) under the item 2-003000 «Debt securities issued».

4.2.8 Item 2-000000 Total liabilities

This item is compiled by adding up all liabilities without taking into consideration the various breakdowns.

5 Types of breakdowns

Reported amounts 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
- 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 items 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

Reported amounts must be split according to the country of residency or the country of the registered office of the counterpart, i.e. the country where the centre of economic interest of a counterpart is located. 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 deposit issued by the head office of a Japanese bank located in Tokyo and held by a Luxembourg bank has to be reported with the country code «JP» for Japan.

However, a deposit 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 (www.iso.org) or by a two-character code provided by BCL for specific geographical areas. When no breakdown by country is required, the country code «XX» No breakdown must be used.

Specific country codes	
XA	European Central Bank (ECB)
XB	International institutions, except European institutions, located outside Luxembourg
XC	International institutions, except European institutions, located in Luxembourg
XD	European institutions located in Luxembourg
XE	European Investment Bank (EIB)
XG	European institutions located outside Luxembourg, except ECB
XI	European Stability Mechanism (ESM)
XJ	European Financial Stability Facility (EFSF)
XX	No breakdown

It is important to note that the country code «XX» No breakdown can only be used if the instructions specifically request it.

5.2 Currency

Reported amounts 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 (www.iso.org) or by a three-character code provided by BCL for specific currency combinations. When no breakdown by currency is required, the currency code «XXX» No breakdown must be used.

Code	Label
XXX	No breakdown

It is important to note that the currency code «XXX» No breakdown can only be used if the instructions specifically request it.

5.3 The economic sector

Reported amounts must be split according to the economic sector of the counterpart.

It is important to mention that the European Central Bank provides the reporting agents with lists including the:

- monetary financial institutions
- investment funds
- securitisation vehicles

of the European Union member countries.

In this context, the European Securities and Markets Authority (ESMA) provides reporting agents with a list of central counterparts.

These lists, which are intended to facilitate the correct identification of the economic sector of counterparties in the statistical reporting, are regularly updated and can be found on the websites:

- ECB www.ecb.int or www.ecb.europa.eu
- ESMA <http://mifidatabase.esma.europa.eu>

Since these lists are published to facilitate the identification of the economic sector of the counterparties, we recommend reporting agents to regularly consult these lists.

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 Public sector (code: 10000)

The public sector consists of institutional units which are non-market producers whose output is intended for individual and collective consumption, and are financed by compulsory payments made by units belonging to other sectors, and institutional units principally engaged in the redistribution of national income and wealth.

The public sector is split into two sub-sectors:

- central government (code: 11000)
- other general government (code: 12000)
 - state government (code: 12100)
 - local government (code: 12200)
 - social security funds (code: 12300)

5.3.1.1 Central government (code: 11000)

The central government sector consists of 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.

5.3.1.2 Other general government (code: 12000)

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

5.3.1.2.1. State government (code: 12100)

The state government sector consists of those types of public administration which are separate institutional units exercising some of the functions of government, except for the administration of social security funds, at a level below that of central government and above that of the governmental institutional units existing at local level.

5.3.1.2.2. Local government (code: 12200)

The local government sector 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.

5.3.1.2.3. Social security funds (code: 12300)

The social security funds sector includes central, state and local institutional units whose principal activity is to provide social benefits and which fulfil each of the following two criteria:

- by law or by regulation certain groups of the population are obliged to participate in the scheme or to pay contributions
- general government is responsible for the management of the institution in respect of the settlement or approval of the contributions and benefits independently from its role as supervisory body or employer

5.3.2 Non-financial sector (code: 20000)

The non-financial sector is composed of two sub-sectors:

- non-financial corporations (code: 21000)
- households and non-profit institutions serving households (code: 22000)
 - households (code: 22100)
 - + households – sole proprietors (code: 22110)
 - + households – physical persons (code: 22120)
 - non-profit institutions serving households (code: 22200)

5.3.2.1 Non-financial corporations (code: 21000)

The non-financial corporations sector consists of institutional units which are independent legal entities and market producers, and whose principal activity is the production of goods and non-financial services. The non-financial corporations sector also includes non-financial quasi-corporations.

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 recognised as independent legal entities which are market producers principally engaged in the production of goods and non-financial services
- public producers which are recognised 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 recognised as independent legal entities and which are market producers principally engaged in the production of goods and non-financial services
- head offices controlling a group of corporations which are market producers, where the preponderant type of activity of the group of corporations as a whole - measured on the basis of value added — is the production of goods and non-financial services
- special purpose entities whose principal activity is the provision of goods or non-financial services

- private and public quasi-corporations which are market producers principally engaged in the production of goods and non-financial services

5.3.2.2 Households and non-profit institutions serving households (code: 22000)

The households and non-profit institutions serving households sector is split into two sub-sectors:

5.3.2.2.1 Households (code: 22100)

The household 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:

1 Households – Sole proprietors (code: 22110)

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

2 Households – Physical persons (code: 22120)

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 consists notably of:

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

5.3.2.2.2 Non-profit institutions serving households (code: 22200)

The non-profit institutions serving households sector (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.

5.3.3 Monetary financial institutions sector (MFI) (code: 30000)

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

- central banks (code: 31000)
- deposit taking corporations except the central bank (code: 32000)
 - credit institutions (code: 32100)
 - other deposit taking institutions (code: 32200)
- money market funds (code: 33000)

5.3.3.1 Central banks (code: 31000)

This sector includes in particular:

- European central bank (ECB)
- national central banks (NCBs)
- central monetary agencies of essentially public origin

5.3.3.2 Deposit taking corporations (code: 32000)

The deposit taking corporations except the central bank sector includes all financial corporations and quasi-corporations, except those classified in central banks (code: 31000) and in the money market fund (code: 33000) subsectors, which are principally engaged in financial intermediation and whose business is to receive deposits and/or close substitutes for deposits from institutional units, hence not only from MFIs, and, for their own account, to grant loans and/or to make investments in securities.

This sector is composed of two sub-sectors:

5.3.3.2.1 Credit institutions (code: 32100)

This sector includes in particular:

- 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)

5.3.2.2.1 Other deposit taking institutions (code: 32200)

This sector includes in particular:

- post offices such as the CCP in Luxembourg
- electronic money institutions which are mainly engaged in financial intermediation

5.3.3.3 Money market funds (MMFs) (code: 33000)

The money market funds sector consists of all financial corporations and quasi-corporations, except those classified in the central bank and in the deposits institutions subsectors, which are principally engaged in financial intermediation. Their business is to issue investment fund shares or units as close substitutes for deposits from institutional units, and, for their own account, to make investments primarily in money market fund shares/units, short-term debt securities, and/or deposits.

5.3.4 Financial sector (except MFI) (code: 40000)

The financial sector (except MFI) is divided into the following sub-sectors:

- non-monetary investment funds (code: 41000)
- financial intermediaries (code: 42000)
 - securitisation vehicles (code: 42100)
 - central counterparties (code: 42200)
 - other financial intermediaries (code: 42900)
- financial and insurance auxiliaries (code: 43000)
- captive financial institutions and money lenders (code: 44000)
- insurance corporations (code: 45000)
- pension funds (code: 46000)

5.3.4.1 Non-monetary investment funds (code: 41000)

The non-monetary investment funds sector consists of all collective investment schemes, except those classified in the MMF sector (code: 33000), which are principally engaged in financial intermediation. Their business is to issue investment fund shares or units which are not close substitutes for deposits, and, on their own account, to make investments primarily in financial assets other than short-term financial assets and in non-financial assets (usually real estate).

Remark:

- It should be noted that for Luxembourg non-monetary investment funds consists of the following types of entities:
 - UCI (Undertakings for Collective Investment)
 - SIF (Specialised Investment Funds)
 - SICAR (Investment Companies in Risk Capital)

5.3.4.2 Other financial intermediaries (code: 42000)

The other financial intermediaries sector consists of all financial corporations and quasi-corporations which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits, or investment fund shares, or in relation to insurance, pension and standardised guarantee schemes from institutional units. This sector is split into the following sectors:

5.3.4.2.1 Securitisation vehicles (code: 42100)

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

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.

5.3.4.2.2 Central counterparties (code: 42200)

This sector consists of the central clearing and compensation counterparties that are reported on the list published by the European Securities and Markets Authority (ESMA).

5.3.4.2.3 Other financial intermediaries (code: 42900)

This sector consists of all financial intermediaries that are not securitisation vehicles or central counterparties.

This sector includes in particular:

- security and derivative dealers (on own account) are financial intermediaries on own account
- financial corporations engaged in lending include for example financial intermediaries engaged in:
 - financial leasing
 - hire purchase and the provision of personal or commercial finance
 - factoring

- specialised financial corporations include for example:
 - venture and development capital companies
 - export/import financing companies
 - financial intermediaries which acquire deposits and/or close substitutes for deposits, or incur loans vis-à-vis monetary financial institutions only; these financial intermediaries cover also central counterparty clearing houses (CCPs) carrying out inter-MFI repurchase agreement transactions

5.3.4.3 Financial auxiliaries (code: 43000)

The financial auxiliaries sector consists of all financial corporations and quasi-corporations which are principally engaged in activities closely related to financial intermediation but which are not financial intermediaries themselves.

This sector includes in particular:

- insurance brokers, salvage and average administrators, insurance and pension consultants, etc
- loan brokers, securities brokers, investment advisers, etc
- flotation 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 recognised as independent legal entities serving financial corporations, but not engaged in financial intermediation
- payment institutions (facilitating payments between buyer and seller)

5.3.4.4 Captive financial institutions and money lenders (code: 44000)

The captive financial institutions and money lenders sector consists of all financial corporations and quasi-corporations which are neither engaged in financial intermediation nor in providing financial auxiliary services, and where most of either their assets or their liabilities are not transacted on open markets.

This sector includes in particular:

- units as legal entities such as trusts, estates, agencies accounts or 'brass plate' companies
- holding companies that hold controlling-levels of equity of a group of subsidiary corporations and whose principal activity is owning the group without providing any other service to the businesses in which the equity is held, that is, they do not administer or manage other units
- special purpose entities that qualify as institutional units and raise funds in open markets to be used by their parent corporation
- units which provide financial services exclusively with own funds, or funds provided by a sponsor, to a range of clients and incur the financial risk of the debtor defaulting. Examples are money lenders, corporations engaged in lending to students or for foreign trade from funds received from a sponsor such as a government unit or a non-profit institution, and pawnshops that predominantly engage in lending
- special purpose government funds, usually called sovereign wealth funds, if classified as financial corporations

5.3.4.5 Insurance corporations (code: 45000)

The insurance corporations sector consists of all financial corporations and quasi-corporations which are principally engaged in financial intermediation as a consequence of the pooling of risks mainly in the form of direct insurance or reinsurance.

This sector also includes «captive» insurance companies and reinsurance.

5.3.4.6 Pension funds (code: 46000)

The pension funds consists of all financial corporations and quasi-corporations which are principally engaged in financial intermediation as the consequence of the pooling of social risks and needs of the insured persons (social insurance). Pension funds as social insurance schemes provide income in retirement, and often benefits for death and disability.

Remarks:

- 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.

5.3.5 Sector «No breakdown» (code: 90000)

When no breakdown by economic sector is required, the sector code «90000» No breakdown must be used.

It is important to note that this sector code can only be used if the instructions specifically request it.

5.3.6 Sectors overview

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

Code	Economic sector
11000	Central government
12100	State government
12200	Local government
12300	Social security funds
21000	Non-financial corporations
22110	Households – Sole proprietors
22120	Households – Physical persons
22200	Non-profit institutions serving households
31000	Central banks
32100	Deposit taking corporations – Credit institutions
32200	Deposit taking corporations – Other
33000	Money market funds
41000	Non-monetary investment funds
42100	Securitisation vehicles
42200	Central counterparties
42900	Other financial intermediaries
43000	Financial auxiliaries
44000	Captive financial institutions and money lenders
45000	Insurance corporations
46000	Pension funds
90000	No breakdown

5.4 Original maturity

Reported amounts must be broken down according to their original maturity.

The currency is identified by a eight-character defined by BCL. When no breakdown by original maturity is required, the original maturity code «I999-999» No breakdown must be used.

The original maturity, i.e. maturity at issue, is the fixed period of life of a financial instrument before which it cannot be redeemed, e.g. debt securities, or before which it can be redeemed only with some kind of penalty, e.g. some types of deposits. In practice, it is calculated as the difference between the due date and the issue date.

The original maturity is identified with the following time slots:

Code	Original maturity
I000-01A	Up to 1 year
I01A-02A	Over 1 and up to 2 years
I02A-05A	Over 2 and up to 5 years
I05A-999	Over 5 years
I999-999	No breakdown

It is important to note that the original maturity code «I999-999» No breakdown can only be used if the instructions specifically request it.

5.5 Specific breakdowns

A particular geographical and sector classification is applicable to supranational institutions. In particular, it is necessary to distinguish between:

5.5.1 European Central Bank (ECB)

The following breakdowns are applicable to the European Central Bank:

Country	XA
Currency	To split according to currency
Economic sector	31000 Central banks

5.5.2 European Investment Bank (EIB)

The following breakdowns are applicable to the European Investment Bank:

Country	XE
Currency	To split according to currency
Economic sector	42900 Other financial intermediaries

5.5.3 European Stability Mechanism (ESM)

The following breakdowns are applicable to the European Stability Mechanism:

Country	XI
Currency	To split according to currency
Economic sector	11000 central government

5.5.4 European Financial Stability Facility (EFSF)

The following breakdowns are applicable to the European Financial Stability Facility:

Country	XJ
Currency	To split according to currency
Economic sector	11000 central government

5.5.5 Other international institutions

The specific country codes are provided for a certain number of international institutions.

Country	XB, XC, XD, XG
Currency	To split according to currency
Economic sector	42900 Other financial intermediaries

Remark:

- 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 1-010050-XX-XXX-90000.

6 Minimum standards to be applied

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.