

Luxembourg, 20 August 2007

To all money market funds

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

## **CIRCULAR BCL 2007/204**

### **Adoption of the euro by Cyprus and Malta**

Ladies and Gentlemen,

At the European Council on 10 July 2007, the Heads of State and Government of the European Union have decided that Cyprus and Malta will adopt the euro as from 1 January 2008 onwards.

The objective of the present circular is to clarify the impact of the adoption of the euro by Cyprus and Malta for the establishment of the monthly and quarterly statistical reports.

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

### **1.1 Impact on the monthly statistical data collection**

The statistical report S 1.3 «Monthly statistical balance sheet of UCIs» requires a breakdown of assets and liabilities 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, and distinguishes between the following breakdowns:

- All countries: this category regroups all the operations regardless of the country of residency or the country of the registered office of the counterpart
- Luxembourg (LU)
- OMUMs: i.e. Other Monetary Union Members States
- Rest of the world: i.e. the countries that are not included in the categories «Luxembourg» and «Other MUMs»

As from 1 January 2008 onwards, the category «Other Monetary Union Members States» (OMUMs) will also include Cyprus and Malta, that are currently, and until 31 December 2007, included in the category «Rest of the world».

Furthermore, money market funds are reminded that the inclusion of Cyprus and Malta in the category «Other Monetary Union Members States» entails a more detailed sector breakdown of assets and liabilities with counterparts that are residents of Cyprus and Malta. The details of these sector breakdowns are detailed in the annex 1 – S 1.3 «Monthly statistical balance sheet» (pp. 6 to 15) to circular BCL 2002/171.

As a consequence, money market funds are invited to modify their reporting systems in order to include assets and liabilities resulting from operations with counterparts from Cyprus and Malta in the category «Other Monetary Union Members States» while proceeding to the appropriate sector breakdown.

### **1.2 Impact on the quarterly statistical data collection**

#### **1.2.1 Report S 2.10 «Breakdown by countries»**

The statistical report S 2.10 «Breakdown by countries» also requires a breakdown of assets and liabilities according to the country of residency or the country of the registered office of the counterpart and distinguishes between the following breakdowns:

- Luxembourg (LU)

- Belgium (BE)
- Germany (DE)  
including Helgoland
- Greece (GR)
- France (FR)  
including the overseas departments (French Guyana, Guadeloupe, Martinique and Reunion) Saint Pierre and Miquelon, Mayotte and Monaco
- Spain (ES)  
Including Canary Islands and Ceuta and Mellila
- Ireland (IE)
- Italy (IT)  
including San Marino and the Vatican
- Netherlands (NL)
- Austria (AT)
- Portugal (PT)  
including the Azores and Madeira
- Finland (FI)  
including Ahvenanmaa
- Denmark (DK)
- Sweden (SE)
- Great-Britain (GB)  
including Guernsey, Jersey, Isle of Man, Anguilla, Montserrat, British Virgin Islands, Turks and Caicos
- Rest of the world: i.e. the countries that are not included in the aforementioned categories

Since the ECB is currently working on the revision of regulation ECB/2001/13 concerning the consolidated balance sheet of the monetary financial institutions sector with the aim that a revised version should enter into force on 1 January 2009, BCL has decided to leave report S 2.10 «Breakdown by countries» unchanged at the current juncture. Hence, Slovenia, Cyprus and Malta continue to be reported in the category «Rest of the world».

### **1.2.2 Reports S 2.11 «Breakdown by currencies» and S 2.12 «Breakdown by sectors»**

The statistical reports S 2.11 «Breakdown by currencies» and S 2.12 «Breakdown by sectors» also require a breakdown of assets and liabilities according to the country of residency or the country of the registered office of the counterpart and distinguish between the following breakdowns:

- Luxembourg (LU)
- OMUMs: i.e. Other Monetary Union Members States
- Rest of the world: i.e. the countries that are not included in the two aforementioned categories

As from 1 January 2008 onwards, the category «Other Monetary Union Members States» (OMUMs) will also include Cyprus and Malta that are currently, and until 31 December 2007, included in the category «Rest of the world».

Furthermore, money market funds are reminded that the inclusion of Cyprus and Malta in the category «Other Monetary Union Members States» entails a more detailed sector breakdown of assets and liabilities with counterparts that are residents of Cyprus and Malta. The details of these sector breakdowns are detailed in the annex 3 – S 2.11 «Breakdown by currencies» (pp. 6 to 15) and 4 - S 2.12 «Breakdown by sectors» (pp. 5 to 14) to circular BCL 2002/171.

As a consequence, money market funds are invited to modify their reporting systems in order to include assets and liabilities resulting from operations with counterparts from Cyprus and Malta in the category «Other Monetary Union Members States» while applying the appropriate sector breakdown.

## **2 Quality of the data transmitted**

Money market funds are reminded to scrupulously check the correct identification of their counterparts and to use, in particular, the official list of credit institutions published by the Commission de surveillance du secteur financier as well as the official list of monetary financial institutions made available to reporting agents on the website of the European central bank.

We therefore consider it necessary to stress once again the importance of the quality of the data transmitted to the BCL and the necessity to submit data to the verification rules detailed in the technical documentation. Only a rigorous control, undertaken during data production, will allow respecting the quality requirements as well as the reporting deadlines. This point is all the more important since the data collected will be checked by the ECB before aggregating it with the data of the other Member states. Any error or important negligence will have harmful repercussions on the reputation of the whole community of the Luxembourg monetary financial institutions.

### **3 Setting up of the new arrangements**

The new classification of assets and liabilities with counterparts that are residents of Cyprus and Malta must be achieved for the first time when establishing monthly statistical reports referring to January 2008 and quarterly statistical reports referring to March 2008.

Yours sincerely

BANQUE CENTRALE DU LUXEMBOURG  
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