

Notice

General overview

Payments relating to external transactions – Claims and liabilities in foreign trade - Cross-border equity investment

I Further information

The purpose of this notice is to outline the most important reporting regulations. It is aimed first and foremost at those enterprises and individuals who participate only occasionally in external transactions and are therefore less familiar with the reporting regulations.

- This notice does not explain regulations on foreign trade statistics for exporters and importers, nor does it explain the special regulations on external transactions concerning, for example, merchanting, maritime shipping companies and credit institutions.

Anyone in the Federal Republic of Germany (individuals, enterprises and public authorities) can make payments to or receive payments from non-residents without restrictions or official authorisation. However, the statistical reporting requirements applying to external transactions of German residents have to be observed.

- These reporting regulations apply to **payments made and received in foreign trade, the stock of certain external claims and liabilities as well as the stock of cross-border equity investment**. The corresponding statistical reports are used for the purpose of compiling the balance of payments for the Federal Republic of Germany and for statistics on foreign direct investment stocks.
- These external sector statistics provide the bodies responsible for economic and monetary policy as well as associations and enterprises with comprehensive and reliable information on the degree and structure of Germany's external trade links with the rest of the world.

Confidentiality

The statistical reports are to be submitted to the Deutsche Bundesbank, which, for its part, is required to handle **all individual data** in the strictest confidence. Figures relating to individual parties may not be published or passed on to other bodies such as tax offices.

The reporting regulations do **not** apply to

individuals meeting their normal travel expenses while travelling abroad or purchasing foreign currency from credit institutions for travel purposes.

II Reports on payments made and received pursuant to section 67 et seq of the Foreign Trade and Payments Regulation (AWV)

1 Reporting requirements

Residents – natural and legal persons whose normal place of abode, place of residence or domicile is in the Federal Republic of Germany – have to report **payments** of more than

€12,500 or the equivalent

which they **receive from non-residents** or from residents for the account of non-residents (incoming payments) or **make to non-residents** or to residents for the account of non-residents (outgoing payments).

Payments include amongst others:

cash payments, payments made by means of direct debit, cheques and bills, and remittances denominated in euro and other currencies made through financial institutions as well as netting and clearing arrangements.

The following are **exempt** from the requirement to report:

- Payments received for exported goods
- Payments made for imported goods
- Payments and repayments of loans and deposits with an originally agreed maturity up to 12 months.

2 Reporting forms / reports

- Reporting form annex Z4** "Payments relating to external transactions" is to be used for all **incoming and outgoing payments** which are not to be reported on reporting form Z10, including all **offsets and allocations** that are made as part of a clearing or netting procedure, for example.
- Reporting form annex Z10** "Securities and financial derivatives transactions" is to be used for all **incoming and outgoing payments** for sales and purchases of **securities** or **financial derivatives** as well as for payments in connection with redemption of securities.
- Outgoing** payments to non-residents' accounts held at resident financial institutions and to residents for the account of non-residents have also to be reported using annex Z4.

3 Submission and reporting deadline

- **Z4:** The report is to be submitted **electronically** to the Deutsche Bundesbank by the seventh calendar day of the month following the month in which the payments were made or the transactions were concluded.
- **Z10:** The report is to be submitted **electronically** to the Deutsche Bundesbank by the fifth calendar day of the month following the reporting month.

Information as to electronic submission can be found on our website (www.bundesbank.de) in the section Service/ExtraNet.

III Monthly reports on the stocks of claims and liabilities pursuant to section 66 of the Foreign Trade and Payments Regulation (AWV)

1 Reporting requirement

Residents – except MFIs, investment stock corporations (*Investmentaktiengesellschaften*), capital investment companies for their special assets and individuals - are obliged to report their total **claims and liabilities** vis-à-vis non-residents, if the total claims or total liabilities at the end of a month **exceed €5 million** following end of the calendar month.

Furthermore, resident enterprises whose claims or liabilities vis-à-vis non-residents amount to more than €500 million must report their claims and liabilities vis-à-vis non-residents arising from derivative financial instruments quarterly.

2 Reporting forms / reports

Reporting form annexes Z5, Z5a and Z5b are available for submitting these stock data reports. The type of business relations with non-residents has to be taken into account here.

- a) **Z5 "Claims and liabilities arising from financial operations with non-resident banks"**
- b) **Z5a sheet 1/1 "Claims and liabilities arising from financial operations with affiliated non-resident non-banks"**
- c) **Z5a sheet 1/2 "Claims and liabilities arising from financial operations with other non-resident non-banks"**
- d) **Z5a sheet 2/1 "Claims and liabilities vis-à-vis affiliated non-resident non-banks arising from transactions in goods and services"** (export claims and import liabilities including advance payments made and received);
- e) **Z5a sheet 2/2 "Claims and liabilities vis-à-vis other non-resident non-banks arising from transactions in goods and services"**
- f) **Z5b "Claims and liabilities vis-à-vis non-residents arising from derivative financial instruments"**.

3 Submission and reporting deadline

- **Z5:** The report is to be submitted **electronically** to the Deutsche Bundesbank by the tenth calendar day of the following month with the status from the last working day of the previous month.
- **Z5a, sheet 1 and sheet 2:** The reports are to be submitted **electronically** to the Deutsche Bundesbank, no later than the twentieth calendar day of the following month with the status from the last working day of the previous month.
- **Z5b:** The report is to be submitted **electronically** to the Deutsche Bundesbank, by the fiftieth calendar day after the end of each calendar quarter.

Information as to electronic submission can be found on our website (www.bundesbank.de) in the section Service/ExtraNet.

IV Annual report on the level of cross-border equity investment pursuant to sections 64 and 65 of the Foreign Trade and Payments Regulation (AWV)

1 Reporting requirements

Resident enterprises and households are required to report cross-border equity investment wherever their share of capital or voting rights is 10% or higher and the investment enterprise's balance sheet total is more than €3 million (or the equivalent thereof).

2 Reporting forms / reports

- a) **K3** "Residents' assets in foreign economic territories" (section 64 of the Foreign Trade and Payments Regulation);
- a) **K4** "Non-residents' assets in Germany" (section 65 of the Foreign Trade and Payments Regulation).

3 Submission procedure and reporting deadlines

Pursuant to section 64 of annex K3 to the Foreign Trade and Payments Regulation, reports must be submitted **electronically** on an annual basis to the Deutsche Bundesbank no later than the last working day of the sixth calendar month following the balance sheet cut-off date of the party required to report. If the party required to report does not prepare a balance sheet, the report must be submitted by no later than the last working day of the sixth calendar month following 31 December.

Pursuant to section 65 of annex K4 to the Foreign Trade and Payments Regulation, the reports must be submitted **electronically** on an annual basis to the Deutsche Bundesbank no later than the last working day of the sixth calendar month following the balance sheet cut-off date of the party required to report. If the party required to report is a non-reporting domestic branch or a permanent establishment of a foreign enterprise, reports must be submitted by the last working day of the sixth calendar month following the balance sheet cut-off date of the foreign enterprise.

Information as to electronic submission can be found on our website (www.bundesbank.de) in the section Service/ExtraNet.

V Legal basis

Section 11 (2) of the Foreign Trade and Payments Act (*AWG*) together with the Foreign Trade and Payments Regulation (*AWV*), particularly sections 64 to 73, form the legal basis for reporting requirements relating to external transactions.

The Act on Statistics for Federal Purposes (*BStatG*) applies correspondingly. Under this act, the parties required to report are obliged to answer the questions truthfully, completely and within the specified time (section 15 of the Act on Statistics for Federal Purposes). Infringements of the reporting requirements constitute an administrative offence punishable by fines. The data collected are used solely for statistical

purposes. Pursuant to section 16 of the Act on Statistics for Federal Purposes and section 5 of the Federal Data Protection Act (*BDSG*), the Deutsche Bundesbank is required to handle all data relating to individual parties in the strictest confidence. No figures are passed on to other authorities such as the tax offices.

Retention period: report documents are to be kept for at least three years so that compliance with the reporting requirement can be verified. It should be possible to trace individual transactions from the documents.

VI Reporting forms and submission procedure

Annexes Z4, Z10, Z5, Z5a and Z5b as well as K3 and K4 can be viewed in PDF format on the Deutsche Bundesbank's website in the section Service/Reporting systems/External sector forms centre. Reports are to be submitted electronically (via internet to the Bundesbank's ExtraNet). Further information on this can be found on the Deutsche Bundesbank website (www.bundesbank.de) in the section Service/ExtraNet.

Information on external sector reporting

Hotline:	0800 1234 111 (freephone – only available if call is made from a German landline)
Internet:	www.bundesbank.de under Service/Reporting systems/External sector statistics
Newsletter (in German):	www.bundesbank.de under Service/Newsletter (category: Meldewesen Aussenwirtschaft)
E-mail:	presse-information@bundesbank.de