

Notice
External transactions

***Syndicated loans to non-resident and
resident borrowers***

I. Syndicated loans issued by resident financial institutions to non-resident borrowers

1. Report by resident financial institutions of loan disbursements to non-resident borrowers pursuant to section 59 of the Foreign Trade and Payments Regulation

Loan disbursements must be reported by the resident financial institution that makes the payment for its own account either to the non-resident borrower or to another resident for the non-resident borrower's account (outgoing payment) and, in return, records a receivable in its books. In practice, this means that the resident lead manager or the resident syndicate members must report the amount of their tranche of the loan. The following exemptions should be observed.

1. The disbursement of loans with an original term of up to 12 months does not have to be reported (section 59 (2) number 3 of the Foreign Trade and Payments Regulation).
2. The disbursement of loans with an original term of more than 12 months only has to be reported if the loans take the form of borrowers' notes, registered debt securities or similar non-negotiable securities (code 123). Pursuant to circular 2/2005 of the Deutsche Bundesbank by virtue of an exemption pursuant to section 64 of the Foreign Trade and Payments Regulation, Monetary Financial Institutions (MFIs) do not have to submit reports of other loans with an original term of more than 12 months (code 121) as an outgoing payment.

2. Report by resident financial institutions of repayments, interest and commissions pursuant to sections 59 and 69 of the Foreign Trade and Payments Regulation

Repayments, interest and commissions must be reported by the resident financial institution that receives payment for its own account either from the non-resident borrower or from another resident for the non-resident borrower's account (incoming payment). In practice, this means that the resident lead manager or the resident syndicate members must report the repayments, interest and commissions received in the amount of their own tranche of the loan. The following exemptions should be observed.

1. The repayment of loans with an original term of up to 12 months does not have to be reported (section 59 (2) number 3 of the Foreign Trade and Payments Regulation).
2. The repayment of loans with an original term of more than 12 months only has to be reported if the loans take the form of borrowers' notes, registered debt securities or similar non-negotiable securities (code 123). Pursuant to circular 2/2005 of the Deutsche Bundesbank by virtue of an exemption pursuant to section 64 of the Foreign Trade and Payments Regulation, Monetary Financial Institutions (MFIs) do not have to submit repayment reports of other loans with an original term of more than 12 months (code 121).

3. Form in which reports should be submitted

Reports of loan disbursements and repayments should be submitted on the form appended as Annex Z 4 to the Foreign Trade and Payments Regulation (in special cases on Z 1); reports of interest income should be submitted on Annex Z 14. Code 123 should be used for disbursements and repayments associated with borrowers' notes, registered debt securities and similar non-negotiable securities; code 184 is already entered on form Z 14 for interest payments. Commissions received should be reported on Annex Z 4 to the Foreign Trade and Payments Regulation using code 533 (see Deutsche Bundesbank, "Erläuterungen zum Leistungsverzeichnis für die Zahlungsbilanz", available only in German).

As loan disbursements and repayments for own account always have to match the amounts entered in the accounting records of resident financial institutions, there is always a direct link between these transactions and the stock figures reported by MFIs for the monthly balance sheet statistics and the external position.

II. Syndicated loans to resident borrowers (enterprises and individuals) involving non-resident lenders

1. Report of payments in connection with syndicated loans to resident borrowers pursuant to section 59 of the Foreign Trade and Payments Regulation

When loans are disbursed, resident borrowers must report the proportional amounts that are attributable to non-resident lending syndicate banks (incoming payments). Resident borrowers must report proportional loan repayments and interest payments that are attributable to non-resident syndicate banks as outgoing payments.

Disbursements and repayments of loans with an original term of up to 12 months do not have to be reported (section 59 (2) number 3 of the Foreign Trade and Payments Regulation).

In all other cases, reports should be submitted on the form appended as Annex Z 4 or Z 1 to the Foreign Trade and Payments Regulation. For loan disbursements or repayments, code 261 should be used (for loans in the form of borrowers' notes, registered debt securities and similar non-negotiable securities, code 263) and for interest payments, code 284.

Resident syndicate banks are not subject to reporting requirements. However, syndicate banks are requested to inform resident borrowers of their reporting requirements pursuant to section 59 of the Foreign Trade and Payments Regulation.

2. Reports of claims and liabilities arising from financial relationships with non-resident financial institutions pursuant to section 62 of the Foreign Trade and Payments Regulation

Syndicate banks are requested to inform resident borrowers of the monthly reporting requirement regarding proportional amounts that are attributable to non-resident syndicate banks pursuant to section 62 of the Foreign Trade and Payments Regulation (on the form appended as Annex Z 5 to the Foreign Trade and Payments Regulation).

Contact

Further information may be obtained from the Service Centre 'Außenwirtschaftsstatistik', 55148 Mainz, as well as from the Deutsche Bundesbank, Balance of Payments Statistics Division, post-office box 30 09, 55020 Mainz.

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