

Notice
External transactions
Claims and liabilities in foreign trade
Cross-border equity investment
General overview

I. General 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 payment transactions concerning, for example, merchanting, maritime shipping companies and credit institutions.

Anyone in the Federal Republic of Germany (whether an individual, an enterprise or a public authority) 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 connection with external transactions, the level of certain external claims and liabilities as well as the level 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 Figures relating to individual parties may not be published or passed on to other bodies such as tax offices.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 those purchasing foreign currency from credit institutions for travel purposes.

II. Reports on payments made and received pursuant to section 59 et seq of the Foreign Trade and Payments Regulation (AWV)

1. Reporting requirement

Residents – individuals 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 the following:

Cash payments, payments made by means of direct debit, cheques and bills, 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 agreed maturity up to 12 months.

2. Forms / reports

- a) **Reporting form Z 1** "Payment order for external transactions" is to be used for **outgoing payments** which are made through **resident financial institutions**, especially if those are made by remittance.
(Exceptions: securities transactions and financial derivatives, merchanting and SEPA credit transfers)
As a rule, **Z 1 reporting forms** are obtainable from financial institutions.
- b) **Reporting form Z 4** "Payments relating to external transactions" is to be used for all **incoming and outgoing** payments which are **not** to be reported on reporting form Z 1 and Z 10, including all payments which are settled through **accounts abroad** and all **netting and clearing arrangements** that are made as part of a clearing or netting procedure, for example.
Furthermore, all payments that are processed by SEPA credit transfer must be reported on reporting form Z 4.
- c) **Reporting form Z 10** "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.
- d) **Outgoing** payments to non-residents' accounts held at resident financial institutions and to residents for the account of non-residents can also be reported on form Z 4.

3. Submission and reporting deadline

- **Z 1:** Sheet 1 (payment order) and sheet 2 (statistical report) are to be submitted to the financial institution.
- **Z 4:** The report is to be submitted to the Deutsche Bundesbank, service centre "Außenwirtschaftsstatistik", 55148 Mainz, Germany, by the seventh day of the month following the month in which the payments were made or the transactions concluded.
- **Z 10:** The report is to be submitted to the Deutsche Bundesbank, service centre "Außenwirtschaftsstatistik", 55148 Mainz, Germany, by the fifth day of the month following the reporting month.

III. Monthly reports on the position of claims and liabilities pursuant to section 62 of the Foreign Trade and Payments Regulation (AWV)

1. Reporting requirement

Resident non-banks have to report their claims **and** liabilities vis-à-vis non-residents if the sum of the **claims** **or** the sum of the **liabilities** at the end of the month amounts to **more than €5 million** or the equivalent. Furthermore, resident enterprises whose claims or liabilities vis-à-vis non-residents amount to more than €500 million have to report their claims and liabilities vis-à-vis non-residents arising from derivative financial instruments once a year (at year end).

Individuals are **exempt** from the requirement to report.

2. Forms / reports

Forms Z 5, Z 5a and Z 5b are available for submitting these stock data reports. The type of business relations with non-residents has to be taken into account here.

- a) Z 5** "Claims and liabilities arising from financial operations with non-resident banks"
- b) Z 5a sheet 1** "Claims and liabilities arising from financial operations with non-resident non-banks"
- c) Z 5a sheet 2** "Claims and liabilities vis-à-vis non-residents arising from transactions in goods and services" (export claims and import liabilities including advance payments made and received)
- d) Z 5b** "Claims and liabilities vis-à-vis non-residents arising from derivative financial instruments"

3. Submission and reporting deadline

- **Z 5:** The report is to be submitted to the Deutsche Bundesbank, service centre "Außenwirtschaftsstatistik", 55148 Mainz, Germany, by the tenth day following the end of the month.
- **Z 5a, sheet 1 and sheet 2:** The reports are to be submitted to the Deutsche Bundesbank, service centre "Außenwirtschaftsstatistik", 55148 Mainz, Germany, by the 20th day following the end of the month.
- **Z 5b:** The report is to be submitted to the Deutsche Bundesbank, service centre "Außenwirtschaftsstatistik", 55148 Mainz, Germany, at year end, by 20 February of the following year at the latest.

IV. Annual report on the level of cross-border equity investment pursuant to sections 56 (a) and 58 (a) of the Foreign Trade and Payments Regulation (AWV)

1. Reporting requirement

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

2. Forms / reports

- a) K 3** "Residents' assets in foreign economic territories" (section 56 (a) of the Foreign Trade and Payments Regulation (AWV));
- b) K 4** "Non-residents' assets in Germany" (section 58 (a) of the Foreign Trade and Payments Regulation (AWV))

3. Submission procedure and reporting deadline

The reports are to be submitted once a year to the Deutsche Bundesbank service centre "Aussenwirtschaftsstatistik", 55148 Mainz, Germany by the last working day of the sixth month following the balance sheet date of the party required to report (= reporting date).

The reporting date for parties subject to K 3 reporting requirements that do not produce an independent balance sheet (individuals) is 31 December. If the branches or permanent establishments of a non-resident party subject to K 4 reporting requirements do not draw up a balance sheet of their own, then the non-resident's balance sheet date is regarded as the reporting date.

V. Legal basis

Section 26 (2) of the Foreign Trade and Payments Act (AWG) together with the Foreign Trade and Payments Regulation (AWV), particularly sections 56 (a), 58 (a) and 59 to 64, form the legal basis for reporting requirements relating to external transactions.

The Act on Statistics for Federal Purposes (BStatG) applies accordingly. 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 which may incur 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 Law (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.

Record-keeping requirements: As proof of compliance with reporting requirements, report documents (eg copies of the reports submitted) must be kept for a minimum of three years. It should be possible to trace individual transactions from the documents.

VI. Forms and contact

Reporting forms Z 4, Z 10, Z 5, Z 5a and Z 5b as well as K 3 and K 4 are obtainable free of charge from service centre "Außenwirtschaftsstatistik", 55148 Mainz, or as a download from the internet under http://www.bundesbank.de/meldewesen/mw_formaussenwirtschaft.php.

Reports can also be submitted electronically (via the internet to the Bundesbank's ExtraNet). Further information is available on the internet: <http://www.bundesbank.de/extranet/extranet.en.php>

Further information may be obtained from the Deutsche Bundesbank, service centre "Außenwirtschaftsstatistik", 55148 Mainz, Germany, as well as from the Balance of Payments Statistics Division, International Investment Position, Postfach 30 09, 55020 Mainz, Germany.

Information: +49 800 1234 111 (freephone when calling from within Germany)

Internet: www.bundesbank.de

Newsletter (in German): registration on the website under "Meldewesen → Newsletter"
(category: Außenwirtschaft)