

Explanatory notes by the Deutsche Bundesbank on the report “Securities and financial derivatives transactions with non-residents”

- Form Annex Z 10 to the Foreign Trade and Payments Regulation -

The form is to be used for statistical reporting pursuant to sections 59 (1) and 69 (2) number 1 of the Foreign Trade and Payments Regulation (*Außenwirtschaftsverordnung - AWV*).

The statistical data are required by the Deutsche Bundesbank for compiling the German balance of payments and there is a statutory obligation to furnish information. These data are subject to secrecy requirements and will not be passed on to third parties.

Legal basis: Foreign Trade and Payments Act (*Außenwirtschaftsgesetz - AWG*), Foreign Trade and Payments Regulation (*Außenwirtschaftsverordnung - AWV*), Federal Statistics Act (*Bundesstatistikgesetz - BStatG*).

A. Reporting requirement and reporting threshold

To be reported: Incoming and outgoing payments of more than € 12,500, or the equivalent in other currencies, relating to securities or financial derivatives which the respondent sells to or buys from non-residents for its own account or for the account of others. In addition payments which the respondent makes to non-residents or receives from non-residents in connection with the redemption of domestic securities and repayments on foreign securities in own stocks.

Domestic **monetary financial institutions** report particularly:

- (a) Domestic and foreign securities or financial derivatives sold to or purchased from non-residents while executing residents' orders.
- (b) Domestic and foreign securities or financial derivatives sold to or purchased from residents while executing non-residents' orders.
- (c) Payments to or from non-residents in connection with the redemption of domestic securities.
- (d) Payments received from non-residents in connection with the redemption of foreign securities if these are part of the own stocks of the reporting institution.
- (e) Transactions with non-residents involving domestic or foreign securities and transactions with financial derivatives which are concluded on foreign stock exchanges or directly with non-residents for the reporting institution's own account.
- (f) Payments for the acquisition and sale or repayment of money market instruments (eg unsecuritised certificates of deposit, Euronotes and commercial paper)

Not to be reported: Transactions with domestic or foreign securities or financial derivatives which are concluded between residents.

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.

B. Submission of reports and reporting deadline

The report has to be submitted to the Deutsche Bundesbank. A single copy of the report has to be sent to the service centre 'Außenwirtschaftsstatistik', 55148 Mainz, by the fifth day of the month following the reporting month. Reporting forms may be obtained free of charge by the service centre, 'Außenwirtschaftsstatistik'. Alternatively, they can be downloaded as PDF or Excel files from our website (www.bundesbank.de/meldewesen/mw_aussenwirtschaft.en.php). Reports can also be submitted electronically (via the internet to the Bundesbank's ExtraNet). Further information is available on our website: <http://www.bundesbank.de/extranet/extranet.en.php>.

C. Explanatory notes on column 5 “Country” of form Z 10

In the case of foreign securities the country of residence of the issuer is to be given. In the case of domestic securities, by contrast, the country of the foreign buyer or seller is to be given. In the case of transactions in bonds issued by international organisations, including international credit institutions, and in the case of transactions in domestic securities which are settled with international organisations the name of the international organisation is to be indicated in column 5 and not the country in which the organisation is domiciled.

For transactions with a Central Counterparty (CCP) the following country classification applies: If the Central Counterparty is located abroad the country of residence of the CCP or the stock exchange is to be given in column 5. For transactions that are concluded by a resident General Clearer with a non-resident Non-clearer the country of the non-resident Non-clearer is to be given in column 5.

In case of OTC-transactions in financial derivatives with foreign option writers the country of residence of the foreign option writer is to be indicated; for OTC-transactions with resident option writers the country of the non-resident counterparty is required.