DEUTSCHE BUNDESBANK
Statistics Department
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Frankfurt am Main, July 2010

Notes

on reporting direct investment stocks

pursuant to sections 56 (a), 56 (b), 58 (a) and 58 (b) of the Foreign Trade and Payments Regulation (*Außenwirtschaftsverordnung*)
- Forms appended to the Foreign Trade and Payments Regulation as Annex K 3 and Annex K 4 -
As of reporting year 2010

1 Changes applying as of reporting year 2010 (reports as of balance sheet date 31 December 2009)

- A new item has been included in sheet 2 of both Annex K 3 and Annex K 4 to the Foreign Trade and Payments Regulation where the international securities identification number (ISIN) is to be entered for direct participating interests in listed enterprises.

- The “shares in affiliated enterprises/participating interests” that are held in the German investor (Annex K 3) or in the non-resident investor (Annex K 4) are to be entered in column 2 and, in the case of indirect participating interests, the “shares in affiliated enterprises/participating interests” that are held in the enterprise holding the direct participating interests are to be entered in column 3.

- The “loans to shareholders/affiliated enterprises/enterprises linked with the party required to report through participating interests” and the “claims on shareholders/affiliated enterprises/enterprises linked with the party required to report through participating interests” are to be broken down according to residency status (“resident in Germany”, “resident in a foreign economic territory”).

- On sheet 2 of Annex K 3, the annual turnover is to be entered in “million units of currency” and no longer in “Euro million”.

- An additional item “Accumulated other comprehensive income” has been included in the balance sheet liabilities on sheet 2 of Annex K 3. This item is to be completed only if international accounting standards (in particular, IFRS) are used.

2 Supplementary notes on completing the reporting forms

General information

- For data supplied to international organisations and the Federal Ministry for Economics and Technology, key data used to classify small and medium-sized enterprises in Germany are of increasing interest. All enterprises should report **key data on the German investor** (balance sheet total, annual turnover and number of employees) on sheet 1 of form K 3. To classify investments by enterprises belonging to a group, the enterprises are asked to (voluntarily) provide key data on the group.

- Owing to the requirements of the European Central Bank and international organisations, **the market capitalisation of the shares held on the balance sheet date** should be reported, in respect of **direct participating interests in listed enterprises**, on sheet 2 of the forms. Entries on K 3 reporting forms must be in thousand units of currency as per balance sheet data, and entries on K 4 reporting forms must be in thousands of euro.

- The **economic sector** should always be specified in words (eg “processing of plastic products”, “manufacture of glass”) and not indicated by a code number. The actual kind of the economic activity of the company in question should always be given.

- On sheet 2 of forms K 3 and K 4, please enter
  - the shares of **voting rights** as a percentage if these differ from the share of equity (see also “Balance sheet items”),
  - the **annual turnover** of the participating interest (no decimal places) and
  - the **number of persons employed** (full-time equivalents).

- If there is a **final owner** abroad, the respective **country of domicile** should be indicated on sheet 2 of form K 4. In addition, if the **party required to report** has an **indirect participating interest** in Germany, the **designation of the enterprise holding the direct participating interest** should be given.

- If the existing exemption limit for the current reporting year means that a **report is no longer required**, the attached **questionnaire** should be completed and sent back to us. If a report on form K 3 or K 4 is submitted to us, there is no need to return a questionnaire for individual investment enterprises that are no longer required to report. These can be entered at the bottom of sheet 1.

Balance sheet items

- The **balance sheet data should be** entered **on form K 3 in thousand units of currency**. Figures may only be given in **euro** if the participating interest is in a **euro-area member state**. Otherwise, the amounts to be reported are to be given in the currency unit in which the balance sheet of the non-resident enterprise is drawn up. It is possible to submit balance sheet data in accordance with IFRS or US-GAAP if the balance sheet is drawn up in accordance with these accounting standards in the country in which the enterprise is domiciled.

- When completing sheet 2 (information on the balance sheet), for K 3 reports, the shares ascribable to the party required to report and, for K 4 reports, the shares ascribable to the foreign shareholder are always to be entered in the column next to the information on the balance sheet (column 2). However, in the case of indirect participating interests, the parts of the balance sheet ascribable to the enterprise holding the direct participating interests are always to be entered in column 3. Also in the case of 100% participating interests, the columns should be completed accordingly.

Asset side

- When recording **participating interests** under item 13, a check needs to be made to ascertain whether there are any indirect participating interests that are subject to reporting requirements as indicated in the explanatory notes on the back of the reporting forms.

- **Net asset surplus, accruals and prepaid expenses** and items which may be deemed to be accruals should be recorded under item 21 “Other assets”.

Liabilities side

- The items “profit/loss carried forward” (item 31) and “profit/loss for the financial year” (item 32) should be entered separately and not netted (**no data on net profit/net loss**).

- **Profit carried forward from previous years** is to be recorded under item 31 “Profit/loss carried forward” until it is distributed.

- **Profit for the current year** which has been earmarked for distribution and shown in the balance sheet as a liability item is also to be recorded under item 32 “Profit/loss for the financial year”. Interim dividends already paid in the course of the financial year should likewise be recorded under this item; as a contra item, the figure for **interim dividends** is to be deducted from item 31 “Profit/loss carried forward”.

- Accrued liabilities and items which may be deemed to be accrued liabilities, special reserves and provisions (excluding any with equity capital character) are to be recorded under item 39 “other liabilities”.

3 Downloading of reporting forms / submission via ExtraNet

The current versions of forms K 3 and K 4 can be downloaded in either Excel or PDF format from the Bundesbank’s homepage at http://www.bundesbank.de/meldewesen/mw_aussenwirtschaft_k3k4.en.php. These files are to be completed and may be either printed and submitted in paper form to the service centre “Aussenwirtschaftsstatistik” in Mainz or submitted electronically via ExtraNet.

Further information may be obtained by calling our **hotline 0800-1234 111** (freephone when calling from within Germany).