

Notice

Nettings and clearings and the contribution of assets and rights

External transactions

I Payment Reports pursuant to sections 67 et seq of the Foreign Trade and Payments Regulation (*Aussenwirtschaftsverordnung*)

In the Balance of Payments Statistics, transactions are generally recorded in full (principle of gross reporting). Section 67 (3) of the Foreign Trade and Payments Regulation thus also defines netting and clearing and the contribution of assets and rights in enterprises, branches and permanent establishments as payment. If there is no case for an exemption pursuant to section 67 (2) of the Foreign Trade and Payments Regulation, residents have to report in full and on a monthly basis due to netting or clearing vis-à-vis non-residents,

- their expired claims and substantiated liabilities as incoming payments, and
- their expired liabilities and substantiated claims as outgoing payments

as well as in the case of contributions of assets and rights,

- the countervalues of the assets contributed to foreign enterprises, branches and permanent establishments (eg machines acquired abroad) or of rights (eg of patents) as incoming payments,
- the equity injections into a foreign enterprise as outgoing payments,
- the countervalues of the assets contributed to German enterprises, branches and permanent establishments (eg machines acquired abroad) or of rights (eg patents) as outgoing payments, and
- the equity injections into a German enterprise as incoming payments.

If the mutual claims and payments resulting from the business relationship with a non-resident are netted on an ongoing basis (current account pursuant to section 355 of the German Commercial Code (*Handelsgesetzbuch*)), residents are to report

- their debit entries as incoming payments and
- their credit entries as outgoing payments

on reporting form Annex Z4 to the Foreign Trade and Payments Regulation (AWV) as a collective report for the month of the recording; effective payments for the purpose of settlement (acquisitions) are not to be reported pursuant to section 67 (2) sentence 3 of the Foreign Trade and Payments Regulation (AWV). Section III of this notice provides some examples as well as a specimen report.

II Stock data reports pursuant to section 66 of the Foreign Trade and Payments Regulation (AWV)

Residents must include the end-of-month balances on settlement accounts in their monthly stock data reports on claims and liabilities vis-à-vis non-residents.

III Examples and a specimen report

- 1 Interest of €87,000, due for a loan taken out from a Swiss bank with an agreed maturity of more than 12 months, is debited to the loan account; as agreed, this results in an increase in a resident's debt liabilities vis-à-vis a non-resident.
- 2 Liabilities from a German enterprise's imports of goods amounting to €100,000 are netted with commission claims on the French exporter amounting to €65,300. The remaining amount of €34,700 is transferred. Pursuant to section 67 (2) sentence 2 of the Foreign Trade and Payments Regulation (AWV), this amount is not to be reported.
- 3 Debit entries and credit entries on a settlement account held by a German enterprise for the US parent company:

Debit		Credit	
Exports of goods	€150,000	Imports of goods	€2,500,000
Freight	€2,750	Trade fair expenses	€60,000
Settlement of balances	€248,000	Commission	€20,000
Discounts	€20,650	Rental of building	€130,700
Balance	€2,289,300		
	<u>€2,710,700</u>		<u>€2,710,700</u>

- 4 Equity injection for a newly established enterprise in Russia through contribution of patents amounting to €1,000,000.

Notes

- The **payments** to be reported on the form “Annex Z4 to the Foreign Trade and Payments Regulation (AWV)” are printed on the next page; besides the precise designation of the underlying transaction, the appropriate code is to be specified in accordance with the Bundesbank's Special Statistical Publication 7 (“Notes on the coding list for the balance of payments statistics”), as a download from the internet in PDF and Excel format or in accordance with the “Coding list for the balance of payments - Annex LV to the Foreign Trade and Payments Regulation (AWV)” as a download from the internet in PDF and Excel format. Please note the cases for exemption pursuant to section 67 (2) of the Foreign Trade and Payments Regulation when applying the examples.
- The balance of the settlement account in example 3 should be included in the **stock data report** which may have to be submitted on the form “Annex Z5a to the Foreign Trade and Payments Regulation (AWV)”, page 1, pursuant to section 66 of the Foreign Trade and Payments Regulation (AWV).

IV Form of reporting, reporting deadline, reporting office

The reporting and the reporting deadline for payment reports are specified in sections 67 (4) and (5) and 71 of the Foreign Trade and Payments Regulation (AWV) respectively. The reporting form and reporting deadline for monthly stock data reports on claims and liabilities are specified in section 66 of the Foreign Trade and Payments Regulation (AWV). The reports are to be submitted electronically. The formal requirements to be adhered to are set out on the Deutsche Bundesbank website.

Information on foreign trade and payments reporting system

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

Annex Z 4 to the AWV

Payments relating to external transactions

Reports pursuant to section 67 et seq of the Foreign Trade and Payments Regulation

To

Deutsche Bundesbank
Servicezentrum Außenwirtschaftsstatistik
55148 Mainz

Month/Year:

M	M
J	J

Registration number:

0	1	2	3	4	5	6	7
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Respondent: Muster GmbH
Branch of activity: Maschinenbau
Address: 78910 Irgendwo
Phone (-extension) 0789/123.3456 Fax: -3333
Contact: Herr Mustermann
Email-address: mustermann@muster.de

Purpose of payment	Number of units ¹⁾ Shares	ISIN ¹⁾	BA	Transaction code	Country	Country code	Incoming payments	Outgoing payments	Netting and clearing: V Contributions of assets and rights: E
							Amounts in thousands of euro		
example 1									
long-term loan				261	Switzerland	CH	87		V
interest				284	Switzerland	CH		87	V
example 2									
commission				523	France	FR	65		V
example 3									
discounts				600	USA	US	21		V
trade fair costs				540	USA	US		60	V
commission				523	USA	US		20	V
rent for buildings				280	USA	US		131	V
example 4									
capital increases at a foreign enterprise (10 per cent or more)				211	Russia	RU		1000	E
patent (contribution)				635	Russia	RU	1000		E

SAMPLE

Muster GmbH