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► **B** REGULATION (EC) No 184/2005 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 12 January 2005

on Community statistics concerning balance of payments, international trade in services and foreign direct investment

(OJ L 35, 8.2.2005, p. 23)

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REGULATION (EC) No 184/2005 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 12 January 2005

on Community statistics concerning balance of payments, international trade in services and foreign direct investment

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 285(1) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Central Bank, delivered in accordance with Article 105(4) of the Treaty ⁽¹⁾,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ⁽²⁾,

Whereas:

- (1) The Treaty requires the Commission to submit reports to the Council in order to enable the Council to monitor economic developments in each of the Member States and in the Community as well as the consistency of economic policies with certain broad guidelines.
- (2) According to the Treaty, the Commission must submit proposals to the Council for implementing the common commercial policy and the Council must authorise the Commission to open the necessary negotiations.
- (3) The implementation and the review of trade agreements, including the General Agreement on Trade in Services (GATS) ⁽³⁾ and the Agreement on Trade-Related aspects of Intellectual Property Rights (TRIPs) ⁽⁴⁾, as well as the current and future negotiations on further agreements, call for the relevant statistical information to be made available.
- (4) Council Regulation (EC) No 2223/96 of 25 June 1996 on the European System of national and regional accounts in the Community ⁽⁵⁾ (ESA 95) contains the reference framework of common standards, definitions, classifications, and accounting rules for drawing up the accounts of the Member States for the statistical requirements of the Community, in order to obtain comparable results between Member States.
- (5) The Action Plan on EMU Statistical Requirements presented to the Council in September 2000 and the 3rd, 4th and 5th Progress Reports, also supported by the Council, provide for quarterly European accounts by the institutional sector within 90 days. The timely provision of quarterly balance-of-payments figures is a prerequisite for the compilation of these quarterly European accounts.
- (6) Council Regulation (EC, Euratom) No 58/97 of 20 December 1996 on Structural Business Statistics ⁽⁶⁾, established a common framework for the collection, compilation, transmission and evaluation of Community statistics on the structure, activity,

⁽¹⁾ OJ C 296, 6.12.2003, p. 5.

⁽²⁾ Opinion of the European Parliament of 30 March 2004 (not yet published in the Official Journal) and Council Decision of 13 December 2004.

⁽³⁾ OJ L 336, 23.12.1994, p. 191.

⁽⁴⁾ OJ L 336, 23.12.1994, p. 214.

⁽⁵⁾ OJ L 310, 30.11.1996, p. 1. Regulation as last amended by Regulation (EC) No 1267/2003 of the European Parliament and of the Council (OJ L 180, 18.7.2003, p. 1).

⁽⁶⁾ OJ L 14, 17.1.1997, p. 1. Regulation as last amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

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competitiveness and performance of businesses in the Community and sets out the characteristics which should be collected in this area.

- (7) Regulation (EC) No 2560/2001 of the European Parliament and of the Council of 19 December 2001 on cross-border payments in euro ⁽¹⁾, had a direct impact on the collection of statistics; an increase in the threshold provided for in that Regulation would have a significant impact on the reporting burden of undertakings and on the quality of balance of payments statistics of Member States, especially in the Member States that have collection systems based on settlements.
- (8) Collectively, the Balance of Payments Manual of the International Monetary Fund, the Guideline of the European Central Bank (ECB) of 2 May 2003 on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserves template ⁽²⁾, the Manual on statistics of international trade in services of the United Nations, and the OECD Benchmark Definition of Foreign Direct Investment, define the general rules for compiling statistics on balance of payments, international trade in services, and foreign direct investment.
- (9) In the field of balance of payments statistics, the ECB and the Commission coordinate work on compilation issues as appropriate. This Regulation defines in particular the statistical information that the Commission needs from the Member States in order to produce Community statistics on balance of payments, international trade in services and foreign direct investment. For the purposes of producing and disseminating those Community statistics, the Commission and the Member States consult with each other on matters concerning the quality of the data supplied and its dissemination.
- (10) Council Regulation (Euratom, EEC) No 1588/90 of 11 June 1990 on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities ⁽³⁾, provides that national rules on statistical confidentiality may not be invoked to prevent the transmission of confidential statistical data to the Community authority (Eurostat) where an act of Community law governing a Community statistic provides for the transmission of such data.
- (11) Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank ⁽⁴⁾, lays down a confidentiality regime that applies to confidential statistical information transmitted to the ECB.
- (12) The production of specific Community statistics is governed by the rules set out in Council Regulation (EC) No 322/97 of 17 February 1997 on Community statistics ⁽⁵⁾.
- (13) There is a clear need to produce Community statistics on balance of payments, international trade in services and foreign direct investment which follow common statistical quality standards.
- (14) Since the objective of this Regulation, namely the creation of common statistical quality standards for the production of comparable statistics on balance of payments, international trade in services and foreign direct investment, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set

⁽¹⁾ OJ L 344, 28.12.2001, p. 13.

⁽²⁾ OJ L 131, 28.5.2003, p. 20.

⁽³⁾ OJ L 151, 15.6.1990, p. 1. Regulation as last amended by Regulation (EC) No 1882/2003.

⁽⁴⁾ OJ L 318, 27.11.1998, p. 8.

⁽⁵⁾ OJ L 52, 22.2.1997, p. 1. Regulation as amended by Regulation (EC) No 1882/2003.

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out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

- (15) In order to guarantee the fulfilment of the obligations laid down in this Regulation, the national institutions responsible for the collection of data within the Member States may need to gain access to administrative data sources such as business registers held by other public institutions and to other databases containing information on cross-border transactions and positions, wherever such data are necessary for the production of Community statistics.
- (16) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission ⁽¹⁾,

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation establishes a common framework for the systematic production of Community statistics on balance of payments, international trade in services and foreign direct investment.

Article 2

Submission of data

1. Member States shall submit to the Commission (Eurostat) data on balance of payments, international trade in services and foreign direct investment as referred to in Annex I. The data shall be as defined in Annex II.
2. Member States shall submit the data to the Commission (Eurostat) in accordance with the deadlines shown in Annex I.

Article 3

Data sources

1. Member States shall collect the information required pursuant to this Regulation using all the sources they consider relevant and appropriate. These may include administrative data sources such as business registers.
2. Natural and legal persons required to supply information shall, when responding, comply with the time limits and definitions set by the national institutions responsible for the collection of data within the Member States in accordance with this Regulation.
3. Where the required data cannot be collected at a reasonable cost, best estimates may be transmitted (zero values included).

Article 4

Quality criteria and reports

1. Member States shall take all reasonable measures they consider necessary to ensure the quality of the data transmitted according to common quality standards.
2. Member States shall supply the Commission with a report on the quality of the data transmitted (hereinafter referred to as 'quality report').

⁽¹⁾ OJ L 184, 17.7.1999, p. 23.

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3. The common quality standards, as well as the content and periodicity of the quality reports, shall be specified in accordance with the procedure referred to in Article 11(2), taking into account the implications as regards the cost of collecting and compiling the data as well as important changes concerning data collection.

The quality of the data transmitted shall be assessed, on the basis of the quality reports, by the Commission with the assistance of the Balance of Payments Committee referred to in Article 11. This assessment by the Commission shall be sent to the European Parliament for information.

4. Member States shall communicate to the Commission major methodological or other changes that would influence the data transmitted, not later than three months after any such change becomes applicable. The Commission shall notify the European Parliament and the other Member States of any such communication.

*Article 5***Data flows**

The statistics to be produced shall be grouped for transmission to the Commission (Eurostat) according to the following data flows:

- (a) balance of payments euro indicators;
- (b) balance of payments quarterly statistics;
- (c) international trade in services;
- (d) foreign direct investment (FDI) flows;
- (e) FDI positions.

The data flows shall be as further specified in Annex I.

*Article 6***Reference period and periodicity**

Member States shall compile the data flows according to the relevant first reference period and the periodicity as specified in Annex I.

*Article 7***Transmission of data**

Member States shall transmit to the Commission (Eurostat) the data required by this Regulation following a format and a procedure defined by the Commission, in accordance with the procedure referred to in Article 11(2).

*Article 8***Transmission and exchange of confidential data**

1. Notwithstanding the rules laid down in Article 5(4) of Regulation (Euratom, EEC) No 1588/90, the transmission of confidential data between Eurostat and the ECB may take place to the extent this transmission is necessary to ensure coherence between the balance of payments figures of the European Union and those of the economic territory of the Member States which have adopted the single currency.

2. Paragraph 1 shall apply on condition that the ECB takes due account of the principles defined in Article 10 of Regulation (EC) No 322/97 and complies with the conditions laid down in Article 14 of the same Regulation.

3. The exchange of confidential data, as defined by Article 13 of Regulation (EC) No 322/97, shall be allowed between Member States where the exchange is necessary to safeguard the quality of the balance of payment figures of the European Union.

Member States receiving confidential data from other Member States shall treat that information confidentially.

*Article 9***Dissemination**

The Commission (Eurostat) shall disseminate the Community statistics produced pursuant to this Regulation, with a periodicity similar to that specified in Annex I.

*Article 10***Adaptation to economic and technical changes**

The measures necessary to take account of economic and technical changes shall be laid down in accordance with the procedure referred to in Article 11(2).

Such measures shall concern:

- (a) the updating of the definitions (Annex II);
- (b) the updating of data requirements, including submission deadlines as well as revisions, extensions and eliminations of data flows (Annex I).

*Article 11***Committee procedure**

1. The Commission shall be assisted by a Balance of Payments Committee, hereinafter the 'Committee'.

2. Where reference is made to this paragraph, Articles 5 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 5(6) of Decision 1999/468/EC shall be set at three months.

3. The Committee shall adopt its Rules of Procedure.

4. The ECB may attend the meetings of the Committee as an observer.

*Article 12***Report on implementation**

By 28 February 2010, the Commission shall submit a report to the European Parliament and the Council on the implementation of this Regulation.

In particular, the report shall:

- (a) record the quality of the statistics produced;
- (b) assess the benefits accruing to the Community, the Member States and the providers and users of statistical information of the statistics produced in relation to the costs;
- (c) identify areas for potential improvement and amendments considered necessary in the light of the results obtained;
- (d) review the operation of the Committee and recommend whether the scope of implementing measures should be redefined.

*Article 13***Entry into force**

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.



ANNEX I

DATA FLOWS

referred to in Article 5

1. Balance of payments euro indicators

BOP EUR Euro Indicators	Deadline: t ⁽¹⁾ + 2 months Periodicity: Quarter First reference period: First quarter of 2006		
	Credit	Debit	Net
Current Account	Extra-EU	Extra-EU	Extra-EU
Services	Extra-EU	Extra-EU	Extra-EU

(1) t = reference period (year or quarter).

2. Balance of payments quarterly statistics

BOP Q Quarterly Data	Deadline: t + 3 months Periodicity: Quarter First reference period: First quarter of 2006		
	Credit	Debit	Net
I. Current Account	Level 1	Level 1	Level 1
<i>Goods</i>	Level 1	Level 1	Level 1
<i>Services</i>	Level 1	Level 1	Level 1
Transportation	Level 1	Level 1	Level 1
Travel	Level 1	Level 1	Level 1
Communications services	Level 1	Level 1	Level 1
Construction services	Level 1	Level 1	Level 1
Insurance services	Level 1	Level 1	Level 1
Financial services	Level 1	Level 1	Level 1
Computer and information services	Level 1	Level 1	Level 1
Royalties and licence fees	Level 1	Level 1	Level 1
Other business services	Level 1	Level 1	Level 1
Personal, cultural and recreational services	Level 1	Level 1	Level 1
Government services, not included elsewhere.	Level 1	Level 1	Level 1
<i>Income</i>	Level 1	Level 1	Level 1
Compensation of employees	Level 1	Level 1	Level 1
Investment Income			
— Direct Investment	Level 1	Level 1	Level 1
— Portfolio Investment	Extra-EU		World
— Other Investment	Extra-EU	Extra-EU	Extra-EU
<i>Current transfers</i>	Level 1	Level 1	Level 1
General Government	Extra-EU	Extra-EU	Extra-EU
Other sectors	Extra-EU	Extra-EU	Extra-EU
II. Capital Account	Extra-EU	Extra-EU	Extra-EU
	Net assets	Net liabilities	Net
III. Financial Account			
<i>Direct Investment</i>			Level 1
Abroad			Level 1
— Equity capital			Level 1
— Reinvested earnings			Level 1
— Other capital			Level 1

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BOP Q Quarterly Data	Deadline: t + 3 months Periodicity: Quarter First reference period: First quarter of 2006		
	Credit	Debit	Net
In the reporting economy			Level 1
— Equity capital			Level 1
— Reinvested earnings			Level 1
— Other capital			Level 1
<i>Portfolio Investment</i>	Intra-EU Extra-EU	World	
<i>Financial derivatives</i>			World
<i>Other Investment</i>	Extra-EU	Extra-EU	Extra-EU

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3. International trade in services

BOP ITS International Trade in Services	Deadline: t + 9 months Periodicity: Year First reference period: 2006		
	Credit	Debit	Net
Total Services	Level 3	Level 3	Level 3
Transportation	Level 2	Level 2	Level 2
Sea transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Air transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Other transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
<i>Extended classification of other transport</i>			
Space transport	Level 2	Level 2	Level 2
Rail transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Road transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Inland waterway transport	Level 2	Level 2	Level 2
— Passenger	Level 2	Level 2	Level 2
— Freight	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Pipeline transport and electricity transmission	Level 2	Level 2	Level 2
Other supporting and auxiliary transport services	Level 2	Level 2	Level 2
Travel	Level 2	Level 2	Level 2



BOP ITS International Trade in Services	Deadline: t + 9 months Periodicity: Year First reference period: 2006		
	Credit	Debit	Net
Business travel	Level 2	Level 2	Level 2
— Expenditure by seasonal and border workers	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Personal travel	Level 2	Level 2	Level 2
— Health-related expenditure	Level 2	Level 2	Level 2
— Education-related expenditure	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Communications services	Level 2	Level 2	Level 2
Postal and courier services	Level 2	Level 2	Level 2
Telecommunications services	Level 2	Level 2	Level 2
Construction services	Level 2	Level 2	Level 2
Construction abroad	Level 2	Level 2	Level 2
Construction in the compiling economy	Level 2	Level 2	Level 2
Insurance services	Level 2	Level 2	Level 2
Life insurance and pension funding	Level 2	Level 2	Level 2
Freight insurance	Level 2	Level 2	Level 2
Other direct insurance	Level 2	Level 2	Level 2
Reinsurance	Level 2	Level 2	Level 2
Auxiliary services	Level 2	Level 2	Level 2
Financial services	Level 2	Level 2	Level 2
Computer and information services	Level 2	Level 2	Level 2
Computer services	Level 2	Level 2	Level 2
Information services	Level 2	Level 2	Level 2
— News agency services	Level 2	Level 2	Level 2
— Other information provision services	Level 2	Level 2	Level 2
Royalties and licence fees	Level 2	Level 2	Level 2
Franchises and similar rights	Level 2	Level 2	Level 2
Other royalties and license fees	Level 2	Level 2	Level 2
Other business services	Level 2	Level 2	Level 2
Merchanting and other trade-related services	Level 2	Level 2	Level 2
— Merchanting	Level 2	Level 2	Level 2
— Other trade-related services	Level 2	Level 2	Level 2
Operational leasing services	Level 2	Level 2	Level 2
Miscellaneous business, professional and technical services	Level 2	Level 2	Level 2
— Legal, accounting, management consulting and public relations	Level 2	Level 2	Level 2
— Legal services	Level 2	Level 2	Level 2
— Accounting, auditing, bookkeeping and tax consulting services	Level 2	Level 2	Level 2
— Business and management consulting and public relations services	Level 2	Level 2	Level 2
— Advertising, market research, and public opinion polling	Level 2	Level 2	Level 2
— Research and development	Level 2	Level 2	Level 2
— Architectural, engineering and other technical services	Level 2	Level 2	Level 2
— Agricultural, mining and on-site processing services	Level 2	Level 2	Level 2
— Waste treatment and depollution	Level 2	Level 2	Level 2
— Agricultural, mining and other on-site	Level 2	Level 2	Level 2

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BOP ITS International Trade in Services	Deadline: t + 9 months Periodicity: Year First reference period: 2006		
	Credit	Debit	Net
processing services			
— Other business services	Level 2	Level 2	Level 2
— Services between related enterprises, not included elsewhere.	Level 2	Level 2	Level 2
Personal, cultural and recreational services	Level 2	Level 2	Level 2
Audiovisual and related services	Level 2	Level 2	Level 2
Other personal, cultural and recreational services	Level 2	Level 2	Level 2
— Education services	Level 2	Level 2	Level 2
— Health services	Level 2	Level 2	Level 2
— Other	Level 2	Level 2	Level 2
Government services (not included elsewhere)	Level 2	Level 2	Level 2
Embassies and consulates	Level 2	Level 2	Level 2
Military units and agencies	Level 2	Level 2	Level 2
Other government services	Level 2	Level 2	Level 2
Memorandum items			
Audiovisual transactions	Level 1	Level 1	Level 1
Postal services	Level 1	Level 1	Level 1
Courier services	Level 1	Level 1	Level 1

4. **Foreign Direct Investment (FDI) flows**

BOP FDI Direct Investment Flows (*)		Deadline: t + 9 months Periodicity: Year First reference period: 2006		
A	Geographical breakdown Item	Data type	Geographical breakdown	Activity breakdown
	<i>Direct investment abroad</i>			
510	Equity capital	Net	Level 2	Not required
525	Reinvested earnings	Net	Level 2	Not required
530	Other capital	Net	Level 2	Not required
505	Direct investment abroad: Total	Net	Level 3	Not required
	<i>Direct investment in the reporting economy</i>			
560	Equity capital	Net	Level 2	Not required
575	Reinvested earnings	Net	Level 2	Not required
580	Other capital	Net	Level 2	Not required
555	Direct investment in the reporting economy: Total	Net	Level 3	Not required
	<i>Direct investment income</i>			
332	Dividends	Credit, debit, net	Level 2	Not required
333	Reinvested earning and undistributed branch profits	Credit, debit, net	Level 2	Not required
334	Income on debt	Credit, debit, net	Level 2	Not required
330	Direct investment income: Total	Credit, debit, net	Level 3	Not required

(*) Only the geographical breakdown.

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BOP FDI Direct Investment Flows		Deadline: t + 21 months Periodicity: Year First reference period: 2006		
A	Geographical breakdown Item	Data type	Geographical breakdown	Activity breakdown
	<i>Direct investment abroad</i>			
510	Equity capital	Net	Level 2	Not required
525	Reinvested earnings	Net	Level 2	Not required
530	Other capital	Net	Level 2	Not required
505	Direct investment abroad: Total	Net	Level 3	Not required
	<i>Direct investment in the reporting economy</i>			
560	Equity capital	Net	Level 2	Not required
575	Reinvested earnings	Net	Level 2	Not required
580	Other capital	Net	Level 2	Not required
555	Direct investment in the reporting economy: Total	Net	Level 3	Not required
	<i>Direct investment income</i>			
332	Dividends	Credit, debit, net	Level 2	Not required
333	Reinvested earning and undistributed branch profits	Credit, debit, net	Level 2	Not required
334	Income on debt	Credit, debit, net	Level 2	Not required
330	Direct investment income: Total	Credit, debit, net	Level 3	Not required
B	Activity breakdown Item	Data type	Geographical breakdown	Activity breakdown
505	► M1 <i>Direct investment abroad: Total</i> ◀	Net	Level 1	Level 2
		Net	Level 2	Level 1
555	<i>Direct investment in the reporting economy: Total</i>	Net	Level 1	Level 2
		Net	Level 2	Level 1
330	<i>Direct investment income: Total</i>	Credit, debit, net	Level 1	Level 2
		Credit, debit, net	Level 2	Level 1

5. Foreign Direct Investment (FDI) positions

BOP POS Direct Investment Positions (*) ⁽¹⁾		Deadline: t + 9 months Periodicity: Year First reference period: 2006		
A	Geographical breakdown Item	Data type	Geographical breakdown	Activity breakdown
	<i>Direct investment assets</i>			
506	Equity capital and reinvested earnings	Net Positions	Level 1	Not required
530	Other capital	Net Positions	Level 1	Not required
505	Direct investment abroad: Total assets, net	Net Positions	Level 2	Not required
	<i>Direct investment liabilities</i>			
556	Equity capital and reinvested earnings	Net Positions	Level 1	Not required
580	Other capital	Net Positions	Level 1	Not required

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BOP POS Direct Investment Positions (*) ⁽¹⁾		Deadline: t + 9 months Periodicity: Year First reference period: 2006		
555	Direct investment in the reporting economy: Total liabilities, net	Net Positions	Level 2	Not required

(*) Only the geographical breakdown.

⁽¹⁾ FDI positions as at 31.12.2005 will be transmitted in September 2007 pursuant to existing gentlemen's agreements.

BOP POS Direct Investment Positions ⁽¹⁾		Deadline: t + 21 months Periodicity: Year First reference period: 2006		
A	Geographical breakdown Item	Data type	Geographical breakdown	Activity breakdown
	<i>Direct investment assets</i>			
506	Equity capital and reinvested earnings	Net Positions	Level 2	Not required
530	Other capital	Net Positions	Level 2	Not required
505	Direct investment abroad: Total assets, net	Net Positions	Level 3	Not required
	<i>Direct investment liabilities</i>			
556	Equity capital and reinvested earnings	Net Positions	Level 2	Not required
580	Other capital	Net Positions	Level 2	Not required
555	Direct investment in the reporting economy: Total liabilities, net	Net Positions	Level 3	Not required
B	Activity breakdown Item	Data type	Geographical breakdown	Activity breakdown
505	Direct investment abroad: Total assets, net	Net Positions	Level 1 Level 2	Level 2 Level 1
555	Direct investment in the reporting economy: Total liabilities, net	Net Positions	Level 1 Level 2	Level 2 Level 1

⁽¹⁾ The revised data on FDI positions as at 31.12.2005 will be transmitted in September 2008 pursuant to this Regulation.

6. Geographical breakdown levels

Level 1		Level 2	
A1	World (all entities)	A1	World (all entities)
D3	EU-25 (Intra-EU-25)	D3	EU-25 (Intra-EU-25)
U4	Extra-euro-zone	U4	Extra-euro-zone
4A	European Union institutions	4A	European Union institutions
D5	Extra-EU-25	D5	Extra-EU-25
		IS	Iceland
		LI	Liechtenstein
		NO	Norway
CH	Switzerland	CH	Switzerland
		BG	Bulgaria
		HR	Croatia
		RO	Romania
►M1	RU Russian Federation ◄	RU	Russian Federation
		TR	Turkey
		EG	Egypt
		MA	Morocco
		NG	Nigeria

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Level 1		Level 2	
CA	Canada	ZA	South Africa
US	United States of America	CA	Canada
		US	United States of America
		MX	Mexico
		AR	Argentina
▶ M1 BR	Brazil ◀	BR	Brazil
		CL	Chile
		UY	Uruguay
		VE	Venezuela
		IL	Israel
▶ M1 CN	China ◀	CN	China
▶ M1 HK	Hong Kong ◀	HK	Hong Kong
▶ M1 IN	India ◀	IN	India
		ID	Indonesia
JP	Japan	JP	Japan
		KR	South Korea
		MY	Malaysia
		PH	Philippines
		SG	Singapore
		TW	Taiwan
		TH	Thailand
		AU	Australia
		NZ	New Zealand
Z8	Extra- EU-25 non-allocated	Z8	Extra- EU-25 non-allocated
C4	Offshore financial centres ⁽¹⁾	C4	Offshore financial centres

⁽¹⁾ Only for FDI.

Level 3

7Z	International Organisations excluding European Union Institutions
AD	Andorra
AE	United Arab Emirates
AF	Afghanistan
AG	Antigua and Barbuda
AI	Anguilla
AL	Albania
AM	Armenia
AN	Netherlands Antilles
AO	Angola
AQ	Antarctica
AR	Argentina
AS	American Samoa
AT	Austria
AU	Australia
AW	Aruba
AZ	Azerbaijan
BA	Bosnia and Herzegovina
BB	Barbados
BD	Bangladesh
BE	Belgium
BF	Burkina Faso
BG	Bulgaria

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Level 3

BH	Bahrain
BI	Burundi
BJ	Benin
BM	Bermuda
BN	Brunei Darussalam
BO	Bolivia
BR	Brazil
BS	Bahamas
BT	Bhutan
BV	Bouvet Island
BW	Botswana
BY	Belarus
BZ	Belize
CA	Canada
CC	Cocos (Keeling) Islands
CD	Congo, the Democratic Republic of the
CF	Central African Republic
CG	Congo
CH	Switzerland
CI	Côte d'Ivoire
CK	Cook Islands
CL	Chile
CM	Cameroon
CN	China
CO	Colombia
CR	Costa Rica
CS	Serbia and Montenegro
CU	Cuba
CV	Cape Verde
CX	Christmas Island
CY	Cyprus
CZ	Czech Republic
DE	Germany
DJ	Djibouti
DK	Denmark
DM	Dominica
DO	Dominican Republic
DZ	Algeria
EC	Ecuador
EE	Estonia
EG	Egypt
ER	Eritrea
ES	Spain
ET	Ethiopia
FI	Finland
FJ	Fiji
FK	Falkland Islands (Malvinas)
FM	Micronesia, Federated States of
FO	Faeroe Islands
FR	France
GA	Gabon

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Level 3

GB	United Kingdom
GD	Grenada
GE	Georgia
GG	Guernsey (No official ISO 3166-1 country code, exceptionally reserved code elements)
GH	Ghana
GI	Gibraltar
GL	Greenland
GM	Gambia
GN	Guinea
GQ	Equatorial Guinea
GR	Greece
GS	South Georgia and the South Sandwich Islands
GT	Guatemala
GU	Guam
GW	Guinea-Bissau
GY	Guyana
HK	Hong Kong
HM	Heard Island and McDonald Islands
HN	Honduras
HR	Croatia
HT	Haiti
HU	Hungary
ID	Indonesia
IE	Ireland
IL	Israel
IM	Isle of Man (No official ISO 3166-1 country code, exceptionally reserved code elements)
IN	India
IO	British Indian Ocean Territory
IQ	Iraq
IR	Iran, Islamic Republic of
IS	Iceland
IT	Italy
JE	Jersey (No official ISO 3166-1 country code, exceptionally reserved code elements)
JM	Jamaica
JO	Jordan
JP	Japan
KE	Kenya
KG	Kyrgyzstan
KH	Cambodia (Kampuchea)
KI	Kiribati
KM	Comoros
KN	St Kitts and Nevis
KP	Korea, Democratic People's Republic of (North Korea)
KR	Korea, Republic of (South Korea)
KW	Kuwait
KY	Cayman Islands
KZ	Kazakhstan
LA	Lao People's Democratic Republic
LB	Lebanon

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Level 3

LC	Saint Lucia
LI	Liechtenstein
LK	Sri Lanka
LR	Liberia
LS	Lesotho
LT	Lithuania
LU	Luxembourg
LV	Latvia
LY	Libyan Arab Jamahiriya
MA	Morocco
MD	Moldova, Republic of
MG	Madagascar
MH	Marshall Islands
MK ⁽¹⁾	Macedonia, the Former Yugoslav Republic of
ML	Mali
MM	Myanmar
MN	Mongolia
MO	Macao
MP	Northern Mariana Islands
MQ	Martinique
MR	Mauritania
MS	Montserrat
MT	Malta
MU	Mauritius
MV	Maldives
MW	Malawi
MX	Mexico
MY	Malaysia
MZ	Mozambique
NA	Namibia
NC	New Caledonia
NE	Niger
NF	Norfolk Island
NG	Nigeria
NI	Nicaragua
NL	Netherlands
NO	Norway
NP	Nepal
NR	Nauru
NU	Niue
NZ	New Zealand
OM	Oman
PA	Panama
PE	Peru
PF	French Polynesia
PG	Papua New Guinea
PH	Philippines
PK	Pakistan
PL	Poland
PN	Pitcairn
PR	Puerto Rico

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Level 3

PS	Palestinian Territory, Occupied
PT	Portugal
PW	Palau
PY	Paraguay
QA	Qatar
RO	Romania
RU	Russian Federation
RW	Rwanda
SA	Saudi Arabia
SB	Solomon Islands
SC	Seychelles
SD	Sudan
SE	Sweden
SG	Singapore
SH	St Helena
SI	Slovenia
SK	Slovakia
SL	Sierra Leone
SM	San Marino
SN	Senegal
SO	Somalia
SR	Suriname
ST	Sao Tome and Principe
SV	El Salvador
SY	Syrian Arab Republic
SZ	Swaziland
TC	Turks and Caicos Islands
TD	Chad
TG	Togo
TH	Thailand
TJ	Tajikistan
TK	Tokelau
TL	Timor Leste
TM	Turkmenistan
TN	Tunisia
TO	Tonga
TR	Turkey
TT	Trinidad and Tobago
TV	Tuvalu
TW	Taiwan, Province of China
TZ	Tanzania, United Republic of
UA	Ukraine
UG	Uganda
UM	United States Minor Outlying Islands
US	United States
UY	Uruguay
UZ	Uzbekistan
VA	Holy See (Vatican City State)
VC	St Vincent and the Grenadines
VE	Venezuela
VG	Virgin Islands, British

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Level 3	
VI	Virgin Islands, US
VN	Vietnam
VU	Vanuatu
WF	Wallis and Futuna
WS	Samoa
YE	Yemen
YT	Mayotte
ZA	South Africa
ZM	Zambia
ZW	Zimbabwe

(¹) Provisional code that does not affect the definitive denomination of the country to be attributed after the conclusion of the negotiations currently taking place in the United Nations.

7. Activity breakdown levels

Level 1	Level 2	NACE rev. 1
	AGRICULTURE AND FISHING	Section A and B
MINING & QUARRYING	MINING AND QUARRYING	Section C
	Of which:	
	Extraction of petroleum and gas	Div 11
MANUFACTURING	MANUFACTURING	Section D
	Food products	Subsection DA
	Textiles and wearing apparel	Subsection DB
	Wood, publishing and printing	Subsections DD and DE
	TOTAL textiles and wood activities	
	Refined petroleum products and other treatments	Div 23
	Manufacture of chemicals and chemical products	Div 24
	Rubber and plastic products	Div 25
Petroleum, chemical, rubber, plastic products	TOTAL petroleum, chemical, rubber, plastic products	
	Metal products	Subsection DJ
	Mechanical products	Div 29
	TOTAL metal and mechanical products	
	Office machinery and computers	Div 30
	Radio, TV, communication equipment	Div 32
Office machinery, computers, RTV, communication equipment	TOTAL machines, computers, RTV, communication equipment.	
	Motor vehicles	Div 34
	Other transport equipment	Div 35
Vehicles, other transport equipment	TOTAL vehicles and other transport equipment	
	Manufacturing n.i.e.	
ELECTRICITY, GAS & WATER	ELECTRICITY, GAS AND WATER	Section E
CONSTRUCTION	CONSTRUCTION	Section F
TOTAL SERVICES	TOTAL SERVICES	
TRADE AND REPAIRS	TRADE AND REPAIRS	Section G
	Sale, maintenance and repair of motor vehicles and motor cycles; retail sale of automotive fuel	Div 50

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Level 1	Level 2	
		NACE rev. 1
HOTELS & RESTAURANTS	Wholesale trade and commission trade, except of motor vehicles and motor cycles	Div 51
TRANSPORT, STORAGE AND COMMUNICATIONS	Retail trade, except of motor vehicles and motor cycles; repair of personal and household goods	Div 52
	HOTELS AND RESTAURANTS	Section H
	TRANSPORT, STORAGE AND COMMUNICATIONS	Section I
	Transport and storage	Div 60, 61, 62, 63
	Land transport; transport via pipelines	Div 60
	Water transport	Div 61
	Air transport	Div 62
	Supporting and auxiliary transport activities; activities of travel agencies	Div 63
	Post and telecommunications	Div 64
	Post and courier activities	Group 641
	Telecommunications	Group 642
FINANCIAL INTERMEDIATION	FINANCIAL INTERMEDIATION	Section J
	Financial intermediation, except insurance and pension funding	Div 65
	Insurance and pension funding, except compulsory social security	Div 66
	Activities auxiliary to financial intermediation	Div 67
	REAL ESTATE ACTIVITIES	Section K, Div 70
	RENTING OF MACHINERY AND EQUIPMENT WITHOUT OPERATOR AND OF PERSONAL AND HOUSEHOLD GOODS	Section K, Div 71
COMPUTER & RELATED ACTIVITIES	COMPUTER AND RELATED ACTIVITIES	Section K, Div 72
RESEARCH & DEVELOPMENT	RESEARCH AND DEVELOPMENT	Section K, Div 73
OTHER BUSINESS ACTIVITIES	OTHER BUSINESS ACTIVITIES	Section K, Div 74
	Legal accounting, market research, consultancy	Group 741
	Legal activities	Class 7411
	Accounting, bookkeeping and audit; tax consultancy	Class 7412
	Market research and public opinion polling	Class 7413
	► M1 Business and management consultancy activities, including those of holding companies ◀	Class 7414, 7415
	Architectural, engineering and other technical activities	Group 742
	Advertising	Group 744
	Business activities not elsewhere classified.	Group 743, 745, 746, 747, 748
	EDUCATION	Section M
	HEALTH AND SOCIAL WORK	Section N
	SEWAGE AND REFUSE DISPOSAL	Section O, Div 90
	ACTIVITIES OF MEMBERSHIP ORGANISATIONS NOT ELSEWHERE CLASSIFIED.	Section O, Div 91
	RECREATIONAL, CULTURAL, SPORTING ACTIVITIES	Section O, Div 92
	Motion picture, radio, television, other entertainment	Group 921, 922,

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Level 1	Level 2	
		NACE rev. 1
	activities News agency activities Library, archives, museums, other cultural activities Sporting and other recreational activities OTHER SERVICE ACTIVITIES Not allocated	923 Group 924 Group 925 Group 926, 927 Section O, Div 93



ANNEX II

DEFINITIONS

referred to in Article 10

GOODS (CODE 100)

The goods component of the Balance of Payments Current Account covers moveable goods for which change of ownership (between residents and non-residents) occurs. These goods should be measured at market value on an f.o.b. basis. Exceptions to the change of ownership rule (transactions in these items are recorded in goods) include: goods on financial lease, goods transferred between a parent enterprise and a branch, and some goods for processing. Intra-EU Trade in Goods: the partner country should be defined according to the consignment principle. It includes: general merchandise, goods for processing, repairs on goods, goods procured in ports by carriers and non-monetary gold.

SERVICES (CODE 200)

Transportation (code 205)

Covers all transportation services that are provided by residents of one economy for those of another and that involve the carriage of passengers, the movement of goods (freight), rentals (charters) of carriers with crew, and related supporting and auxiliary services.

Sea transport (code 206)

Covers all transportation services by sea. The following breakdown is required: Passenger Sea Transport (code 207); Freight Sea Transport (code 208), and Other Sea Transport (code 209).

Air transport (code 210)

Covers all transportation services provided by air. The following breakdown is required: Passenger Air Transport (code 211); Freight Air Transport (code 212), and Other Air Transport (code 213).

Other transport (code 214)

Covers all transportation services not provided by sea or air. The following breakdown is required: Passenger on Other Transport (code 215); Freight on Other Transport (code 216), and Other on Other Transport (code 217).

An extended classification for Other Transport (code 214) is required as follows:

Space transport (code 218)

Includes satellite launches undertaken by commercial enterprises for the owners of the satellites (such as telecommunication enterprises) and other operations performed by operators of space equipment, such as transport of goods and people for scientific experiments. Also included, is space passenger transport and the payments made by an economy in order to have its residents included on the space vehicles of another economy.

Rail transport (code 219)

Covers transport by train. A further subdivision between Passenger Rail Transport (code 220), Freight Rail Transport (code 221) and Other rail transport (code 222) is required.

Road transport (code 223)

Covers transport by lorries, trucks, buses and coaches. A further subdivision between Passenger Road Transport (code 224), Freight Road Transport (code 225) and Other Road Transport (code 226) is required.

▼ B**Inland Waterway Transport (code 227)**

Relates to international transportation on rivers, canals and lakes. Included are waterways that are internal to one country and those that are shared among two or more countries. A further subdivision between Passenger Inland Waterway Transport (code 228), Freight Inland Waterway Transport (code 229) and Other Inland Waterway Transport (code 230) is required.

Pipeline Transport and Electricity Transmission (code 231)

Covers international transport of goods in pipelines. Also included are charges for the transmission of electricity when this is separate from the production and distribution process. The provision of electricity itself is excluded, as is the provision of petroleum and related products, water and other goods supplied through pipelines. Also excluded are distribution services of electricity, water, gas and other petroleum products (included in Other Business Services (code 284)).

Other Supporting and Auxiliary Transport Services (code 232)

Other supporting and auxiliary transport services covers all other transportation services that cannot be allocated to any of the components of transportation services described above.

Travel (code 236)

Travel covers primarily the goods and services acquired from an economy by travellers during visits of less than one year to that economy. The goods and services are purchased by, or on behalf of, the traveller or provided, without a quid pro quo (that is, are provided as a gift), for the traveller to use or give away. Excluded are transportation of travellers within the economies that they are visiting, where such transportation is provided by carriers not resident in the particular economy being visited, as well as the international carriage of travellers, both of which are covered in passenger services under transportation. Also excluded are goods purchased by a traveller for resale in the traveller's own economy or in any other economy. Travel is divided in two subcomponents: Business Travel (code 237) and Personal Travel (code 240).

Business Travel (code 237)

Business travel covers the acquisition of goods and services by business travellers. Also includes the acquisition of goods and services for personal use by seasonal, border and other workers who are not resident in the economy in which they are employed and whose employer is resident in that economy. Business travel is further divided into Expenditure by seasonal and border workers (code 238) and Other Business Travel (code 239).

Expenditure by seasonal and border workers (code 238)

Includes the acquisition of goods and services for personal use by seasonal, border and other workers who are not resident in the economy in which they are employed and whose employer is resident in that economy.

Other Business Travel (code 239)

Covers all Business Travel (code 237) not included in Expenditure by seasonal and border workers (code 238).

Personal Travel (code 240)

Personal travel covers goods and services acquired by travellers going abroad for purposes other than business, such as holidays, participation in recreational and cultural activities, visits with friends and relations, pilgrimage, and education- and health-related purposes. Personal travel (code 240) is divided in three subcomponents: Health-related Expenditure (code 241), Education-related Expenditure (code 242) and Other Personal Travel (code 243).

Health-related Expenditure (code 241)

It is defined as the total expenditure by those travelling for medical reasons.

Education-related expenditure (code 242)

It is defined as the total expenditure by students.

▼ B**Other Personal Travel (code 243)**

Covers all Personal Travel (code 240) not included in Health-related Expenditure (code 241) or Education-related Expenditure (code 242).

Other services (code 981)

All Services (code 200) not included in Transportation (code 205) or Travel (code 236).

Communication services (code 245)

Comprises Postal and Courier Services (code 246) and Telecommunication Services (code 247).

Postal and Courier Services (code 246)

Comprises Postal Services (code 958) and Courier Services (code 959).

Postal Services (code 958)

Includes *poste restante* services, telegram services and post office counter services, such as sales of stamps, money orders etc. Postal services are often, but not exclusively, supplied by national postal administrations. Postal services are subject to international agreements, and the flows between operators of different economies should be recorded on a gross basis.

Courier Services (code 959)

Courier services focuses on express and door-to-door delivery. Couriers may use self-owned, privately shared or public transportation to supply these services. Included are express delivery services, which might include, for example, on-demand pick-up or time-definite delivery.

Telecommunications Services (code 247)

Encompasses the transmission of sound, images or other information by telephone, telex, telegram, radio and television cable and broadcasting, satellite, electronic mail, facsimile services etc., including business network services, teleconferencing and support services. It does not include the value of the information transported. Also included are cellular telephone services, Internet backbone services and online access services, including provision of access to the Internet.

Construction Services (code 249)

Comprises Construction Abroad (code 250) and Construction in the Compiling Economy (code 251).

Construction Abroad (code 250)

Comprises the construction services provided to non-residents by enterprises resident in the compiling economy (credit) and the goods and services purchased in the host economy by these enterprises (debit).

Construction in the Compiling Economy (code 251)

Comprises construction services provided to residents of the compiling economy by non-resident construction enterprises (debit) and the goods and services purchased in the compiling economy by these non-resident enterprises (credit).

Insurance Services (code 253)

Covers the provision of various types of insurance to non-residents by resident insurance enterprises, and vice versa. These services are estimated or valued by the service charges included in total premiums rather than by the total value of the premiums. It comprises Life insurance and pension funding (code 254), Freight insurance (code 255), Other direct insurance (code 256), Reinsurance (code 257) and Auxiliary services (code 258)

Life Insurance and Pension Funding (code 254)

Holders of life insurance policies, both with profit and without profit, make regular payments to an insurer (there may be just a single payment), in return for which the insurer guarantees to pay the policy holder an agreed minimum sum or

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an annuity, at a given date or at the death of the policy holder, if this occurs earlier. Term life insurance, where benefits are provided in the case of death but in no other circumstances, is a form of direct insurance, and is excluded here and included in Other direct insurance (code 256).

Pension funds are separate funds established for the purpose of providing income on retirement for specific groups of employees. They are organised and directed by private or public employers or jointly by employers and their employees. They are funded by contributions from the employer and/or the employees and by the investment income earned on fund assets, and they also engage in financial transactions on their own account. They do not include social security schemes organised for large sections of the community that are imposed, controlled or financed by general government. Pension fund management services are included. In the case of pension funds, 'premiums' are generally described as 'contributions', while 'claims' are generally described as 'benefits'

Freight Insurance (code 255)

Freight insurance services relate to insurance provided on goods that are in the process of being exported or imported, on a basis that is consistent with the measurement of goods f.o.b. and freight transportation.

Other Direct Insurance (code 256)

Other direct insurance covers all other forms of casualty insurance. Included are term life insurance; accident and health insurance (unless these are provided as part of government social security schemes); marine, aviation and other transport insurance, fire and other property damage, pecuniary loss insurance, general liability insurance and other insurance, such as travel insurance and insurance related to loans and credit cards.

Reinsurance (code 257)

Reinsurance is the process of subcontracting parts of the insurance risk, often to specialised operators, in return for a proportionate share of the premium income. Reinsurance transactions may relate to packages that mix several types of risks.

Auxiliary Services (code 258)

Comprises transactions that are closely related to insurance and pension fund operations. Included are agents' commissions, insurance brokering and agency services, insurance and pension consultancy services, evaluation and adjustment services, actuarial services, salvage administration services, and regulatory and monitoring services on indemnities and recovery services.

Financial Services (code 260)

Financial services covers financial intermediation and auxiliary services, except those of life insurance enterprises and pension funds (which are included in life insurance and pension funding) and other insurance services that are conducted between residents and non-residents. Such services may be provided by banks, stock exchanges, factoring enterprises, credit card enterprises and other enterprises. Included are services provided in connection with transactions in financial instruments, as well as other services related to financial activity, such as advisory, custody and asset management services.

Computer and Information Services (code 262)

Comprises Computer Services (code 263) and Information Services (code 264).

Computer Services (code 263)

Consists of hardware and software-related services and data-processing services. Included are hardware and software consultancy and implementation services; maintenance and repair of computers and peripheral equipment; disaster recovery services, provision of advice and assistance on matters related to the management of computer resources; analysis, design and programming of systems ready to use (including web page development and design), and technical consultancy related to software; development, production, supply and documentation of customised software, including operating systems made on order for specific users; systems maintenance and other support services, such as training provided as part of consultancy; data-processing services, such as data entry, tabulation and processing on a time-sharing basis; web page hosting services (i.e. the provision of server space on the Internet to host clients' web pages); and computer facilities management.

▼ B**Information Services (code 264)**

Comprises News Agency Services (code 889) and Other information provision services (code 890).

News Agency Services (code 889)

News agency services include the provision of news, photographs, and feature articles to the media.

Other information provision services (code 890)

Includes database services - database conception, data storage and the dissemination of data and databases (including directories and mailing lists) - both online and through magnetic, optical or printed media and web search portals (search engine services that find internet addresses for clients who input keyword queries). Also included are direct, non-bulk subscriptions to newspapers and periodicals, whether by mail, electronic transmission or other means.

Royalties and licence fees (code 266)

Comprises Franchises and similar rights (code 891) and Other royalties and licence fees (code 892).

Franchises and similar rights (code 891)

Comprises international payments and receipts of franchising fees and the royalties paid for the use of registered trademarks.

Other royalties and licence fees (code 892)

Includes international payments and receipts for the authorised use of intangible, non-produced, non-financial assets and proprietary rights (such as patents, copyrights and industrial processes and designs) and the use, through licensing agreements, of produced originals or prototypes (such as manuscripts, computer programs, and cinematographic works and sound recordings).

Other business services (code 268)

Comprises Merchanting and other trade-related services (code 269), Operational leasing services (code 272) and Miscellaneous business, professional, and technical services (code 273).

Merchanting and other trade-related services (code 269)

Comprise Merchanting (code 270) and Other trade-related services (code 271)

Merchanting (code 270)

Merchanting is defined as the purchase of a good by a resident of the compiling economy from a non-resident and the subsequent resale of the good to another non-resident; during the process, the good does not enter or leave the compiling economy.

Other trade-related services (code 271)

Covers commissions on goods and service transactions between (a) resident merchants, commodity brokers, dealers, and commission agents and (b) non-residents.

Operational leasing services (code 272)

Covers resident/non-resident leasing (rental) and charters, without operators, of ships, aircraft and transportation equipment, such as railway cars, containers and rigs, without crew.

Miscellaneous business, professional, and technical services (code 273)

Comprises Legal, accounting, management consulting, and public relations (code 274), Advertising, market research and public opinion polling (code 278), Research and development (code 279), Architectural, engineering and other tech-

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nical services (code 280), Agricultural, mining, and on-site processing services (code 281), Other business services (code 284) and Services between related enterprises, n.i.e. (code 285).

Legal, accounting, management consulting, and public relations (code 274)

Comprises Legal services (code 275), Accounting, auditing, bookkeeping and tax consultancy services (code 276) and Business and management consulting and public relations services (code 277).

Legal services (code 275)

Covers legal advisory and representation services in any legal, judicial and statutory procedures, drafting services of legal documentation and instruments, certification consultancy; and escrow and settlement services.

Accounting, auditing, bookkeeping and tax consultancy services (code 276)

Covers the recording of commercial transactions for businesses and others, examination services of accounting records and financial statements, business tax planning and consulting; and preparation of tax documents.

Business and management consulting and public relations services (code 277)

Covers advisory, guidance and operational assistance services provided to businesses for business policy and strategy and the overall planning, structuring and control of an organisation. Included are management auditing, market management, human resources, production management and project management consulting; and advisory, guidance and operational services related to improving the image of the clients and their relations with the institutions and the general public.

Advertising, market research and public opinion polling (code 278)

Services transacted between residents and non-residents. Covers the design, creation and marketing of advertisements by advertising agencies, media placement, including the purchase and sale of advertising space, exhibition services provided by trade fairs, the promotion of products abroad, market research, telemarketing and public opinion polling on various issues.

Research and development (code 279)

Covers those services that are transacted between residents and non-residents and associated with basic research, applied research and experimental development of new products and processes.

Architectural, engineering and other technical services (code 280)

Covers transactions between residents and non-residents related to architectural design of urban and other development projects; planning and project design and supervision of dams, bridges, airports, turnkey projects etc.; surveying, cartography, product testing and certification; and technical inspection services.

Agricultural, mining and on-site processing services (code 281)

Comprises Waste treatment and depollution (code 282) and Agricultural, mining, and other on-site processing services (code 283).

Waste treatment and depollution (code 282)

Includes the treatment of radioactive and other waste, stripping of contaminated soil, cleaning up of pollution including oil spills, restoration of mining sites; and decontamination and sanitation services. Also included are all other services that relate to the cleaning or restoring of the environment.

Agricultural, mining, and other on-site processing services (code 283)

Comprises:

- (a) agricultural services that are incidental to agriculture, such as the provision of agricultural machinery with crew, harvesting, treatment of crops, pest control, animal boarding, animal care, and breeding services. Services in hunting, trapping, forestry and logging, and fishing are also included here;

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- (b) mining services provided at oil and gas fields, including drilling, derrick building, repair and dismantling services, and oil and gas well casing cementing. Services incidental to mineral prospecting and exploration, as well as mining engineering and geological surveying, are also included here;
- (c) other on-site processing services, which covers on-site processing of or work on goods that have been imported without change of ownership, processed but not re-exported to the country from which the goods were consigned (but are instead either sold in the processing economy or sold to a third economy) or vice versa.

Other business services (code 284)

Covers services transactions between residents and non-residents, such as the placement of personnel, security and investigative services, translation and interpretation, photographic services, building cleaning, real estate services to businesses and any other business services that cannot be classified to any of the aforementioned business services.

Services between related enterprises, n.i.e. (code 285)

It is a residual category. It covers payments between related enterprises for services that cannot be specifically classified to any other component. It includes payments from branches, subsidiaries and associates to their parent enterprise or other related enterprises that represent contributions to the general management costs of the branches, subsidiaries and associates (for planning, organising and controlling) and also reimbursements of expenses settled directly by parent enterprises. Also included are transactions between parent enterprises and their branches, subsidiaries and associates to cover overhead expenses.

Personal, cultural and recreational services (code 287)

Comprises Audiovisual and related services (code 288) and Other personal, cultural and recreational services (code 289).

Audiovisual and related services (code 288)

Comprises services and associated fees related to the production of motion pictures (on film or videotape), radio and television programmes (live or on tape) and musical recordings. Included are receipts or payments for rentals; fees received by resident actors, producers etc. for productions abroad (or by non-residents for work carried out in the compiling economy); fees for distribution rights sold to the media for a limited number of showings in specified areas and access to encrypted television channels (such as cable services). Fees to actors, directors and producers involved with theatrical and musical productions, sporting events, circuses and other similar events and fees for distribution rights (for television, radio, and film) for these activities are included.

Other personal, cultural and recreational services (code 289)

Comprises Education services (code 895), Health services (code 896) and Other or Other personal, cultural and recreational services not included elsewhere (code 897).

Education services (code 895)

Comprises services supplied between residents and non-residents relating to education, such as correspondence courses and education via television or the Internet, as well as by teachers etc. who supply services directly in host economies.

Health services (code 896)

Comprises services provided by doctors, nurses and paramedical and similar personnel, as well as laboratory and similar services, whether rendered remotely or on-site. Excluded is all expenditure by travellers on education and health (included in travel).

Other on Other personal, cultural and recreational services (code 897)

It is a residual category covering Other personal, cultural and recreational services (code 289) not included in Education services (code 895) and Health services (code 896).

▼ **B****Government services, n.i.e. (code 291)**

It is a residual category covering government transactions (including those of international organisations) not contained in the other components of the Extended Balance of Payments Services classification (EBOPS). Included are all transactions (in both goods and services) by embassies, consulates, military units and defence agencies with residents of economies in which the embassies, consulates, military units and defence agencies are located and all transactions with other economies. Excluded are transactions with residents of the home economies represented by the embassies, consulates, military units and defence agencies, and transactions in the commissaries and post exchanges of these embassies and consulates.

A breakdown of this item into services transacted by Embassies and consulates (code 292), Services transacted by Military units and agencies (code 293) and Other government services (code 294) is required.

INCOME (CODE 300)

Income covers two types of transactions between residents and non-residents: (i) those involving compensation of employees, which is paid to non-resident workers (e.g. border, seasonal and other short-term workers), and (ii) those involving investment income receipts and payments on external financial assets and liabilities.

Compensation of employees (code 310)

Compensation of employees comprises wages, salaries, and other benefits, in cash or in kind, earned by individuals, in economies other than those in which they are resident, for work performed for (and paid for by) residents of those economies. Included are contributions paid by employers, on behalf of employees, to social security schemes or to private insurance or pension funds (whether funded or unfunded) to secure benefits for employees.

Investment Income (code 320)

Investment income is income derived from ownership of external financial assets and payable by residents of one economy to residents of another economy. Investment income includes interest, dividends, remittances of branch profits, and direct investors' shares of the retained earnings of direct investment enterprises. Investment income should be classified by direct, portfolio and other investment components.

Direct investment income (code 330)

Direct investment income, namely income on equity and income on debt, covers income accruing to a direct investor resident in one economy from ownership of direct investment capital in an enterprise in another economy. Income on direct investment is presented on a net basis for both direct investment abroad and in the reporting economy (i.e. receipts of income on equity and income on debt less payments on income on equity and income on debt for each). Income on equity is subdivided into (i) distributed income (dividends and distributed branch profits), and (ii) reinvested earnings and undistributed branch profits. Income on debt consists of interest payable, on intercompany debt, to/from direct investors from/to associated enterprises abroad. Income on non-participating preference shares is treated as interest income, rather than dividend income, and is included in income on debt.

Dividends and distributed branch profits (code 332)

Dividends, including stock dividends, are the distribution of earnings allocated to shares and other forms of participation in the equity of incorporated private enterprises, cooperatives, and public corporations. Distributed income may be in the form of dividends on common or preferred shares owned by direct investors in associated enterprises abroad, or vice versa.

Reinvested earnings and undistributed branch profits (code 333)

Reinvested earnings comprise direct investors' shares - in proportion to equity held, of (i) earnings that foreign subsidiaries and associated enterprises do not distribute as dividends and (ii) earnings that branches and other unincorporated enterprises do not remit to direct investors. (If that part of earnings is not identified, all branch earnings are considered, by convention, to be distributed).

▼ **B****Income on debt (code 334)**

Income on debt consists of interest payable, on intercompany debt, to/from direct investors from/to associated enterprises abroad. Income on nonparticipating preference shares is treated as interest income, rather than dividend income, and is included in income on debt.

Equity capital and reinvested earnings abroad (code 506)

Equity capital comprises equity in branches, all shares (whether voting or non-voting) in subsidiaries and associates (except nonparticipating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Reinvested earnings consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor.

Equity capital and reinvested earnings in the reporting economy (code 556)

Equity capital comprises equity in branches, all shares (whether voting or non-voting) in subsidiaries and associates (except nonparticipating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Reinvested earnings consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor.

Portfolio investment income (code 339)

Portfolio investment income comprises income transactions between residents and non-residents and is derived from holdings of shares, bonds, notes, and money market instruments. This category is subdivided into income on equity (dividends) and income on debt (interest).

Other investment income (code 370)

Other investment income covers interest receipts and payments on all other resident claims (assets) on and liabilities to non-residents, respectively. This category also includes, in principle, imputed income to households from net equity in life insurance reserves and in pension funds. Interest on assets comprises interest on long- and short-term loans, on deposits, on other commercial and financial claims, and on an economy's creditor position in the IMF. Interest on liabilities covers interest on loans, on deposits, and on other claims and interest related to the use of IMF credit and loans from the IMF. Also included is interest paid to the IMF on the Fund's SDR holdings in the General Resources Account.

Current transfers (code 379)

Current transfers are offset items to unilateral transactions in which one economic entity provides a real resource or a financial item to another entity without receiving any real resource or financial item in exchange. These resources are consumed immediately or shortly after the transfer is made. Current transfers are all transfers that are not capital. Current transfers are classified according to the sector of the compiling economy into general government and other sectors.

General government transfers (code 380)

General government transfers comprise current international cooperation and cover current transfers, in cash or in kind, between governments of different economies or between governments and international organisations.

Other sectors (code 390)

Current transfers between other sectors of an economy and non-residents comprise those occurring between individuals, between non-governmental institutions or organisations (or between the two groups), or between non-resident governmental institutions and individuals or non-governmental institutions.

Capital account (code 994)

The capital account covers all transactions that involve the receipt or payment of capital transfers and acquisition/disposal of non-produced, non-financial assets.

▼ **B****Financial account (code 995)**

The financial account covers all transactions associated with changes of ownership in the foreign financial assets and liabilities of an economy. Such changes include the creation and liquidation of claims on, or by the rest of the world. All components are classified according to type of investment or by functional subdivision (direct investment, portfolio investment, financial derivatives, other investment, reserve assets).

DIRECT INVESTMENT (CODE 500)

Foreign direct investment is the category of international investment that reflects the objective of a resident entity in one economy (direct investor) obtaining a lasting interest in an enterprise resident in an economy other than that of the investor (direct investment enterprise). 'Lasting interest' implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence by the investor on the management of the direct investment enterprise. Direct investment comprises the initial transaction between the two entities, that is, the transaction that establishes the direct investment relationship, and all subsequent transactions between them and among affiliated enterprises, both incorporated and unincorporated.

Direct Investment abroad (code 505)

Direct investment is classified primarily on a directional basis, resident direct investment abroad and non-resident investment in the reporting economy.

Equity capital (code 510)

Equity capital comprises equity in branches, all shares (whether voting or non-voting) in subsidiaries and associates (except nonparticipating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Equity capital also covers the acquisition by a direct investment enterprise of shares in its direct investor.

Reinvested earnings (code 525)

Reinvested earnings consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor. These reinvested earnings are recorded as income with an offsetting capital transaction.

Other direct investment capital (code 530)

Other direct investment capital (or intercompany debt transactions) covers the borrowing and lending of funds - including debt securities, suppliers' credits and nonparticipating preferred shares (which are treated as debt securities), between direct investors and subsidiaries, branches, and associates. Debt claims on the direct investor by the direct investment enterprise are also recorded as direct investment capital.

Direct investment in the reporting economy (code 555)

Direct investment is classified primarily on a directional basis, resident direct investment abroad and non-resident investment in the reporting economy.

Equity capital (code 560)

Equity capital comprises equity in branches, all shares (whether voting or nonvoting) in subsidiaries and associates (except non-participating, preferred shares that are treated as debt securities and included under other direct investment capital), and other capital contributions. Equity capital also covers the acquisition by a direct investment enterprise of shares in its direct investor.

Reinvested earnings (code 575)

Reinvested earnings consist of the direct investor's share (in proportion to direct equity participation) of earnings not distributed as dividends by subsidiaries or associates and earnings of branches not remitted to the direct investor. These reinvested earnings are recorded as income with an offsetting capital transaction.

▼ B**Other direct investment capital (code 580)**

Other direct investment capital (or intercompany debt transactions) covers the borrowing and lending of funds, including debt securities, suppliers' credits and non-participating preferred shares (which are treated as debt securities), between direct investors and subsidiaries, branches, and associates. Debt claims on the direct investor by the direct investment enterprise are also recorded as direct investment capital.

PORTFOLIO INVESTMENT (CODE 600)

Portfolio investment covers transactions in equity and debt securities. Debt securities are subdivided into bonds and notes, money market instruments, and financial derivatives when the derivatives generate financial claims and liabilities. Unless they are categorised either as direct investment or as reserve assets.

Financial derivatives (code 910)

A financial derivatives contract is a financial instrument that is linked to another specific financial instrument or indicator or commodity and through which specific financial risks (such as interest rate risk, foreign exchange risk, equity and commodity price risks, credit risks, etc.) can, in their own right, be traded in financial markets.

OTHER INVESTMENT (CODE 700)

The other investment item is defined as a residual category that includes all financial transactions not covered in direct investment, portfolio investment, financial derivatives or reserve assets accounts.