



Reporting guidelines trade credit surveys

1. (First sheet of the) Reporting form

Centrale Bank van Curaçao en Sint Maarten

Reporting Form Trade Credit

Year

Quarter

Form 1 : IMPORT TRADE CREDIT RECEIVED - SHORT TERM									
Countries where line of trade credit is held	Currency of reporting	Beginning balance	Trade credit received	Repayment on trade credit		Price changes	Exchange rate changes	Other changes*	Ending balance
1	<input type="text"/>	<input type="text"/>							0
2	<input type="text"/>	<input type="text"/>							0
3	<input type="text"/>	<input type="text"/>							0
4	<input type="text"/>	<input type="text"/>							0
5	<input type="text"/>	<input type="text"/>							0
6	<input type="text"/>	<input type="text"/>							0
7	<input type="text"/>	<input type="text"/>							0
8	<input type="text"/>	<input type="text"/>							0
9	<input type="text"/>	<input type="text"/>							0
10	<input type="text"/>	<input type="text"/>							0

*For example, lost or returned goods.

The trade credit report consists of the following sections:

- a. Trade credits received for **imports** of goods;
- b. Advance payments made for **imports** of goods
- c. Trade credits extended for **exports** of goods;
- d. Advance payments received for **exports** of goods.

2. Short-term and long-term trade credit

The trade credit report makes a distinction between short-term and long-term trade credit. Short-term trade credit has an original maturity of 1 year or less (≤ 1).

3. Country

The trade credit balance must be broken down by country. Different credit lines related to the same country may be combined.

4. Currency of reporting

Each credit line may either be reported in the original currency in which it is denominated or be converted to the guilder equivalent (or any other currency in which the books of the enterprise are kept). The currency used should be reported in the currency column.

5. Beginning balance

The beginning balance is the outstanding balance of trade credits at the beginning of each quarter. It should be equal to the reported ending balance of the previous quarter.

6. New trade credits on imports or exports of goods

All new trade credits related to imports or exports of goods during a quarter should be recorded in the fourth column.

For import of goods a distinction is made between trade credit received by the local importer of goods **from** the supplier and advance payments made by the local importer **to** the supplier.

For export of goods a distinction is made between trade credit extended by the local exporter of goods **to** the buyer and advanced payments received by the local exporter **from** the buyer.

7. Repayments/Delivery of goods

In the fifth column the settlements made on trade credits that were either received or extended in previous periods must be recorded. These settlements are either in the form of cash (repayments) or in the form of goods previously paid for (delivery of goods)

8. Price, exchange rate, and other changes

The sixth, seventh, and eighth column is for all other changes in the outstanding balance of trade credits, for example, changes due to exchange rate fluctuations.

These changes should be reported as a negative (positive) amount if it leads to a reduction (increase) in the outstanding balance of the credit.

9. Ending balance

The last column is reserved for the outstanding balance of trade credits at the end of each quarter. The ending balance equals the beginning balance **plus** trade credits received/extended **minus** repayments **plus** other changes (positive or negative), and is automatically calculated.

10. Example of trade credit related to imports

A local enterprise has an initial debt to a supplier from Brazil of \$ 2,000 on July 1st, 2017, due to short-term trade credits received in the previous periods. During July - September, the enterprise has the following new transactions with this supplier in Brazil:

- Imports of sugar for the amount of \$ 1,000 of which **\$ 100** is paid immediately and **\$ 900** will be paid after nine months.
- Coffee imported in the previous quarter, from the same supplier, has to be partly repaid in the current quarter; the amount paid was **\$ 500**. The line of credit for the imported coffee was 4 months.

The local enterprise needs 5 new computer servers. The computer manufacturer in the Netherlands wants half of the payment before placing the order. Consequently, an advance payment of **Euro 20.000** is made in August. The servers will be delivered within six months after receipt of the payment.

Finally, this enterprise also trades with various suppliers in Germany. The initial debt to supplier 1 amounts to \$ 8,000. The enterprise imports software from this supplier for the amount of **\$ 3,000** in July, which it will have to pay in the next quarter.

In addition, this enterprise has to repay **Euro 4,000** on a trade credit (for the total amount of Euro 9,500) received six months earlier from supplier 2. Another trade credit previously received for the amount of **Euro 1,000** from supplier 2 will not be repaid, because after release of the goods by customs the enterprise discovered they did not meet the required standards. The goods were returned and the order was cancelled.

All these transactions should be recorded in the trade credit survey as follows:

Report form: **IMPORT
TRADE CREDIT RECEIVED
SHORT TERM¹**

Year	2017
Quarter	3

Form 1 : IMPORT TRADE CREDIT RECEIVED - SHORT TERM									
	Countries where line of trade credit is held	Currency of reporting	Beginning balance	Trade credit received	Repayment on trade credit	Price changes	Exchange rate changes	Other changes*	Ending balance
1	Brazil	USD	2,000	900	500				2,400
2	Germany	USD	8,000	3,000					11,000
3	Germany	EUR	10,500		4,000			1,000	5,500

*For example, lost or returned goods.

¹ There are two suppliers in Germany and their trade credits are being held in different currencies. This is why they should be reported separately.

Report form: **IMPORT**
ADVANCE PAYMENTS MADE
SHORT TERM

Year	2017
Quarter	3

Form 3 : ADVANCE PAYMENTS MADE ON TRADE CREDIT - SHORT TERM									
Countries where line of trade credit is held	Currency of reporting	Beginning balance	Advance payments made	Delivery of goods		Price changes	Exchange rate changes	Other changes*	Ending balance
1 Netherlands	EUR	0	20,000						20,000

*For example, lost or returned goods.