

Centrale Bank van Curaçao en Sint Maarten



Manual

International Investment Position Survey

Prepared by: Project group IIP

June 26, 2017

Contents

Introduction	4
General reporting and explanatory notes	5
<i>Residency</i>	5
<i>Representation</i>	5
<i>General valuation principles and conversion to guilders</i>	5
<i>Contents of the survey</i>	6
<i>General notes – standard columns</i>	8
<i>General notes – breakdown by country</i>	9
Form 1: Real Estate Abroad	10
Form 2 - 4: Direct Investment Outward	11
<i>Form 2: Shareholders' equity in directly owned enterprise abroad</i>	12
<i>Form 3: Retained earnings by your directly owned enterprise abroad</i>	13
<i>Form 4: Debt claims on your directly owned enterprise abroad</i>	16
Form 5 - 8: Direct Investment Inward	17
<i>Form 5: Foreign shareholders' equity in your enterprise</i>	18
<i>Form 6: Retained earnings by your enterprise</i>	20
<i>Form 7: Debt liabilities to foreign shareholders</i>	22
<i>Form 8: Debt claims and liabilities with sister enterprises abroad</i>	24
Form 9 - 11: Portfolio Investment Assets	26
<i>Equity securities</i>	26
<i>Form 9: Equity securities</i>	26
<i>Debt securities</i>	28
<i>Form 10: Long-term debt securities</i>	28
<i>Form 11: Short-term debt securities</i>	30
Form 12 - 15: Other Investment - Loans extended or received	33
<i>Form 12: Long-term loans extended to abroad</i>	33
<i>Form 13: Short-term loans extended to abroad</i>	34
<i>Form 14: Long-term loans received from abroad</i>	35
<i>Form 15: Short-term loans received from abroad</i>	36

Form 16: Other Investment – Deposits	38
Form 17: Other Investment – Assets and Liabilities	39
Example of a directly owned enterprise abroad	40
Example of an enterprise with foreign shareholders	42
Example repurchase arrangements	44
Example financial institution	47
Glossary	50

Introduction

The Centrale Bank van Curaçao en Sint Maarten (CBCS) has introduced a survey to collect annual data on transactions and positions in foreign assets and liabilities. The collected data will be used to improve the compilation of the balance of payments and to create new statistics on the international investment position (IIP) for Curaçao and Sint Maarten. This survey is based on guidelines of the International Monetary Fund (IMF) to improve the coverage and quality of statistics on international capital flows and to facilitate international data comparability.

Purpose and legal basis of the survey

The monitoring of private capital flows and positions and their composition is very important for macroeconomic analysis. In a small open economy with relatively free mobility of capital, it is only through surveys that data on transactions and positions in foreign assets and liabilities can be collected. Compilation of these data is mandated by the International Monetary Fund (IMF) for its international monitoring and assessment role. Also major credit rating agencies use these data in their assessments.

Pursuant to article 9 of the Foreign Exchange Regulation Curaçao and Sint Maarten (2010), every entity is obliged to truthfully submit all information and data that the CBCS requires to compile the balance of payments, including the international investment position (IIP). The supplied data will be treated strictly confidential and will be used for statistical purposes only. Furthermore, the data will be published only in aggregated form, which prevents the disclosure of data provided by individual respondents.

What, when, and how to report

The survey should be reported in accordance with the reporting instructions provided and the completed survey should be submitted by **September 29, 2017**. For assistance in understanding or completing the survey, please contact the person mentioned in accompanying letter.

The survey can be downloaded as a Microsoft Excel 2007 file from our website: <http://www.centralbank.cw/iip-survey-general>. Please send the completed survey back to us as an Excel file only by electronic mail to siro-dev@centralbank.cw.

We thank you in advance for your cooperation.

Centrale Bank van Curaçao en Sint Maarten

General reporting and explanatory notes

Residency

The balance of payments and international investment position include transactions/positions between residents and nonresidents only. In accordance with the definitions of the IMF, **residents** of a country are natural persons and legal entities whose centre of economic interest lies in the country concerned. This definition is elaborated further in article 1 of the Foreign Exchange Regulation Curaçao and Sint Maarten (2010).

This survey is only intended for enterprises¹ registered in Curaçao and Sint Maarten, including corporations legally registered in Curaçao and Sint Maarten with no “physical presence”.

Representation

Reporting enterprises usually report directly to the CBCS without the intervention of third parties. A reporting enterprise may outsource its reporting to an external party (a representative) but shall remain responsible at all times for the fulfillment of its reporting requirements. Sanctions will be imposed on reporting enterprises failing to (timely) meet the reporting requirements.

Representatives of reporting enterprises must be resident natural persons or legal entities, and all correspondence by the CBCS on behalf of the reporting enterprise will be sent to the representative’s correspondence address. Change of representatives should be reported immediately to the Bank through an official letter.

General valuation principles and conversion to guilders

The positions to be reported (for the beginning and the end of the year) are in principle to be valued at current market prices. Amounts in foreign currency should be converted into guilders using the reference (middle) rate on the last trading day of the year. The positions at the beginning of the year should be stated on the basis of end-of-year market prices from the preceding year. If current market prices are not available, e.g., in the case of unlisted securities, approximations of current prices are acceptable.

In the case of transactions, the market price almost always corresponds with the agreed transaction price. Transactions in foreign currency should be converted into guilders according to the reference (middle) rate on the transaction day or reported as the actual exchange rate used in the transaction.

¹ An enterprise is defined as an institutional unit engaged in production. Investment funds and other corporations or trusts that hold assets and liabilities on behalf of groups of owners are also enterprises, even if they are engaged in little or no production. An enterprise may be a corporation (including branches), a nonprofit institution, or an unincorporated enterprise, such as a government unit.

Contents of the survey

The survey is set up in a Microsoft Excel 2007 file consisting of 3 sections and 18 worksheets. We strongly suggest that the survey be filled out by the person most familiar with the financial affairs of the reporting enterprise, for example, the finance manager, investment manager, or an accountant.

The survey consists of the following sections:

Section I: Registration

The first sheet of the survey is the registration form and must be filled in by every respondent to enable categorization of the entities by sector. If an external party is completing the survey on behalf of your enterprise, its name also must be filled in.

Section II: Filtering questions

The second sheet of the survey consists of a set of filtering questions regarding the reporter details. Based on your answers to these questions, you will know which sheets of the survey are relevant for your enterprise.

There are 11 filtering questions. You must select ‘Yes’ or ‘No’ for each question.

The filtering questions are categorized as shown in Table 1.

Table 1

Filtering questions	Type of Investment
1-8	Ownership Investment
9	Securities Investment
10-11	Other investment

Section III: The questionnaire forms

The survey concerns transactions and positions data from January 1 to December 31.

Table 2

Type of Investment	Worksheet	Short description
Ownership Investment (Direct Investment)	Form 1: Real Estate-Abroad	Land, buildings, or residential properties located abroad.
	Form 2 and 4: Direct Investment - Outward	Intercompany lending between your enterprise and your directly owned enterprise abroad ² , including all debt instruments that require the payment of principal and/or interest.
	Form 3: Retained Earnings Assets	Your enterprise's share in the earnings of your directly owned enterprise abroad that are not distributed.
	Form 5, 7 and 8: Direct Investment-Inward	Intercompany lending between your enterprise and your foreign shareholders ³ including all debt instruments that require the payment of principal and/or interest.
	Form 6: Retained Earnings Liabilities	Your foreign shareholders' share in the earnings of your enterprise that are not distributed.
Portfolio Investment	Form 9, 10 and 11: Portfolio Investment Assets	Investment in securities issued by nonresident entities.
Other Investment	Form 12 and 13: Loans Extended	Loans extended to non-related enterprises abroad.
	Form 14 and 15: Loans Received	Loans received from non-related enterprises abroad.
	Form 16: Deposits ⁴	Deposits held abroad or held by nonresidents with your enterprise.
	Form 17: Other Assets and Liabilities	Other assets and liabilities not included elsewhere.

² In the IMF terminology, the term directly owned enterprise abroad is defined as foreign direct investment enterprise (FDE), which is an entity subject to control or a significant degree of influence by a direct investor.

³ In the IMF terminology, the term foreign shareholder is defined as foreign direct investor (FDI), which is an entity or group of related entities that is able to exercise control or a significant degree of influence over another entity that is a resident of another country.

⁴ This form is only applicable for deposit-taking corporations.

General notes – standard columns

All worksheets contain the following columns (see Figure 1):

(i) *Opening position* refers to the value of the financial claims or liabilities of your enterprise vis-à-vis the rest of the world at the beginning of the year. The opening position reported by your enterprise should match the closing position of the previous year.

(ii) *Transactions* (increases/decreases) are the gross transactions carried out during the reporting year. Examples of transactions that increase assets are purchases of shares in foreign securities and extension of long-term loans to non-related foreign enterprises. Increases in liabilities occur, for example, when a sister company abroad provides you with trade credit. Examples of transactions that decrease assets are sales of real estate held abroad by your enterprise. Decreases in liabilities occur when your enterprise pays off a loan obtained from a bank abroad.

Increases must be reported with a positive sign (+) and decreases with a negative sign (-).

(iii) *Revaluation* entails value changes caused by market price and/or exchange rate changes:

- **Price changes** are caused by, e.g., asset price volatility.
- **Exchange rate changes** show all the changes that result from exposure to exchange rate fluctuations.

(iv) *Other changes* include changes in the value of financial assets and liabilities not related to transactions or to revaluations. Examples are write-offs, reclassifications, and changes in financial assets arising from entities changing their country of residence.

(v) *The closing position* refers to the value of the financial claims or financial liabilities of your enterprise vis-à-vis the rest of the world at the end of the year. The closing position is a result of your reported data and will be automatically generated in the Excel file.

Figure 1

(i) Opening Position	Change in Position					(v) Closing Position
	(ii) Transactions		(iii) Revaluation		(iv)	
	Increases (+)	Decreases (-)	Price Changes	Exchange Rate Changes	Other Changes	

General notes – breakdown by country

Various data must also be broken down by country (see Figure 2 for an example).

Figure 2

Form 5: Foreign shareholders' equity in Naf. thousands	Opening Position 2014	Change in Position						Closing Position 2014
		Transactions		Revaluation			Other Changes	
		Increases (+)	Decreases (-)		Price Changes	Exchange Rate Changes		
Value of the foreign shareholder's equity in your enterprise (5.1)	166,000	500	-46,550		0	0	-1,000	118,950
Countries where the foreign shareholder is located (5.2)								
1	Brazil - BR	3,500		-550				2,950
2	United Kingdom - GB	2,500	500	-1,500				1,500
3	Aruba - AW	75,000		-25,000				50,000
4	Netherlands - NL	85,000		-19,500			-1,000	64,500
5								0
6								0
7								0
8								0
9								0
10								0

When you click on the arrow as indicated above, a dialog box will appear that allows you to select a country, as shown below.

The overall total (5.1) is automatically calculated based on the totals by country (5.2).

In the next sections, we will explain each form separately.

Form 1: Real Estate Abroad

Form 1 concerns real estate investments abroad (Figure 3). Types of real estate can be land, buildings, or residential properties.

Figure 3

Form 1 : Real Estate Abroad in Naf. thousands	Opening Position 2014	Change in Position					Closing Position 2014	
		Transactions			Revaluation			
		Purchases (+)	Sales (-)		Price Changes	Exchange Rate Changes		
Total value real estate abroad (1.1)	0	0	0		0	0	0	
Countries where the real estate is located (1.2)								
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

The specific data we are interested in are:

- (1.1) **Value real estate abroad:** the total value of all properties located abroad and owned by your enterprise. This value is automatically calculated based on the totals under item (1.2).
- (1.2) **Countries where the real estate is located:** specify the countries where your real estate investments are located, and for each country you must report the data as follows:
 - *Opening position:* the total value of properties owned by your enterprise in that country at the beginning of the reporting year;
 - *Transactions:* purchases or sales of properties;
 - *Revaluations:* changes in your properties' value due to price and/or exchange rate changes;
 - *Other changes:* changes in your properties' value for other reasons, e.g., destruction of property by storm or fire;
 - *Closing position:* the total value of properties owned by your enterprise at the end of the reporting year, which is automatically generated in the Excel file.

Form 2 - 4: Direct Investment Outward

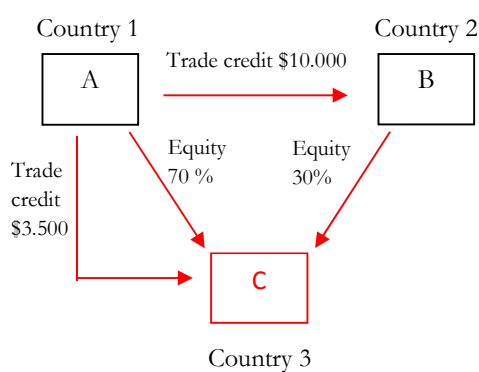
Direct Investment is a category of cross-border investment associated with a resident in one country having control or a significant degree of influence on the management of an enterprise that is domiciled in another country. Control or influence is achieved by directly or indirectly owning **equity** that represents **10%** or more of the shares in the enterprise.

The underlying ownership links of the direct investment category can be complicated (see Box 1). For simplicity, we are only interested in the data when there is a direct ownership of equity in enterprises abroad.

Box 1 Example of underlying outward ownership links

In the figure below, enterprises A, B, and C are located in different countries. Enterprise C is a subsidiary of both enterprises A and B. In addition, enterprise A has trade credit extended to both enterprises B and C, but has no equity investment in enterprise B. Since we are interested only in the data when there is a **direct** ownership of equity in enterprises abroad, implies that the reporting must be done as follows:

- if enterprise A is the *resident* entity, then A must report the data concerning the equity investment and trade credit loan with regard to its subsidiary enterprise C; the trade credit extended to enterprise B should not be reported in this survey because there is no equity investment between enterprise A and B.
- if enterprise B is the *resident* entity, then B must report the data concerning only concerning the equity investment with regard to its subsidiary enterprise C.



If enterprise C is the *resident* company, then C must report the data with regard to its foreign shareholders enterprise A and B, and the trade credit loan with enterprise A. This type of relationship falls under the direct investment inward category and will be discussed in the next chapter (Form 5 - 8: Direct Investment Inward).

Form 2 – 4 are designed to capture data on positions (stocks) and financial transactions concerning your direct ownership of enterprises abroad, and are broken down as follows:

- Form 2: shareholders' equity in directly owned enterprise abroad;
- Form 3: retained earnings by your directly owned enterprise abroad;
- Form 4: debt claims on your directly owned enterprise abroad.

Form 2: Shareholders' equity in directly owned enterprise abroad

Form 2 is setup to register positions, transactions and other type of changes concerning your shareholders' equity in enterprise abroad in which you own **10%** or more of the shares (Figure 4).

Figure 4

Form 2: Shareholders' equity in NAF, thousands	Opening Position 2014	Change in Position						Closing Position 2014
		Transactions			Revaluation		Other Changes	
		Increases (+)	Decreases (-)		Price Changes	Exchange Rate Changes		
Value of your shareholder's equity in enterprises abroad (2.1)	0	0	0		0	0	0	
Countries where the enterprise is located (2.2)								
1 <input type="text"/>								
2 <input type="text"/>								
3 <input type="text"/>								
4 <input type="text"/>								
5 <input type="text"/>								
6 <input type="text"/>								
7 <input type="text"/>								
8 <input type="text"/>								
9 <input type="text"/>								
10 <input type="text"/>								

The specific data we are interested in are:

- (2.1) **Value of your shareholders' equity in enterprises abroad:** the total equity value in enterprises abroad which entitles you **10%** or more of shares.

This value is automatically calculated based on the totals under item (2.2).

Equity consists of all instruments acknowledging a claim on the residual value of an enterprise after the claims of all creditors have been met. Examples are ordinary shares, participating preference shares, and depositary receipts.

For consistency purposes, please report the shareholders' equity as the sum of:

- (i) paid-up capital (excluding shares held by the enterprise itself and including share premium accounts);
- (ii) all types of reserves identified as equity in the enterprise's balance sheet (e.g., undistributed net profits resulting from the preceding financial years);
- (iii) cumulated reinvested earnings (including results for the reporting year).

Unincorporated entities, like branches, would have no share capital, but they may have other types of reserves and reinvested earnings, which is why they must also be included as part of your shareholders' equity in enterprises abroad.

(2.2) **Countries where the enterprise is located:** specify the countries where your directly owned enterprises are located, and for each country you must report the data as follows:

- *Opening position:* the total equity value your enterprise owns in the selected country at the beginning of the reporting year;
- *Transactions:* the total equity-related transactions, like an increase in share capital or sale of shares during the reporting year;
- *Revaluations:* the changes in the value of your equity investments due to price and/or exchange rate changes;
- *Other changes:* the changes in the value of your equity investments due to other reasons, e.g., reinvested earnings results for the reporting year;
- *Closing position:* the total equity value your enterprise owns at the end of the reporting year is automatically calculated in the Excel file.

Form 3: Retained earnings by your directly owned enterprise abroad

Form 3 is designed to report retained earnings from your enterprises abroad (Figure 5).

The retained earnings of an enterprise represent the corporation's cumulative earnings that have not been distributed to its shareholders. Retained earnings are also known as accumulated earnings, undistributed earnings, or undistributed profits.

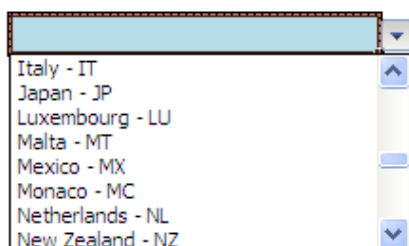
Retained earnings are treated as being distributed to the owners and reinvested back by the owners in their enterprises. Retained earnings may be negative in some cases, for example, in case of losses by the relevant enterprise. Just as positive reinvested earnings are treated as being an injection of equity into the enterprise by the owner, negative reinvested earnings is treated as a withdrawal of equity.

Figure 5

Form 3: Retained Earnings by your enterprises abroad						
in Naf. thousands						
		Country of residence of your enterprises abroad (3.1)				
		Country 1	Country 2	Country 3	Country 4	Country 5
		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
1	% Equity owned by your enterprise at the beginning of 2014 (3.2)					
2	Operating surplus + net income for 2014 (3.3)					
3	Profit taxes due for payment (3.4)					
4	Dividends payable/branch profits for 2014 (3.5)					
5	Retained earnings for 2014 (2 - 3 - 4) (3.6)	0	0	0	0	0
6	% Equity owned by your enterprise at end of 2014 (3.7)					
7	Retained earnings attributable to reporting enterprise (5 * 6) (3.8)	0	0	0	0	0
8	Dividends/branch profits received in 2014 (3.9)					

Here we are looking for the following specific data:

- (3.1) **Country of residence of your enterprises abroad:** in this section, you must select the countries of your 5 main enterprises abroad, based on the share of equity owned by your enterprise during the reporting year.⁵ The equity owned by your enterprise must represent 10 % or more of the shares in enterprises abroad. When you click in the row below the country heading, a dialog box will appear from which you can select a country, as shown below.



- (3.2) **% Equity owned by your enterprise at the beginning of the reporting year:** specify the percentage of shares owned by your enterprise at the beginning of the reporting period. Unincorporated entities, like branches, are treated as wholly-owned enterprises.

⁵ If two or more of your enterprises are established in the same country, you should mention them separately. Consequently, the same country can be mentioned more than once.

- (3.3) **Operating surplus + net income for the reporting year:** specify the sum of the operating surplus + net income for each of your 5 main enterprises abroad. The definitions we use are:
- (i) operating surplus: operating revenue minus operating expenses for each of your 5 main foreign enterprises;
 - (ii) net income: refers to receivable (accrued) interest, dividends, and any undistributed profits from the ownership of subsidiaries and associates attributable to the enterprises concerned minus interest, dividends and rent payable by the enterprises.
- (3.4) **Profit taxes due for payment:** specify the profit taxes to be paid in the reporting period for each of your 5 main enterprises abroad.
The amount of taxes due for payment could be related to previous years.
- (3.5) **Dividends payable/branch profits for the reporting year:** specify the dividends which have been declared by each of your 5 main enterprises abroad in the reporting year. Under this heading you must also include distributed income, such as distributed branch profits.
- (3.6) **Retained earnings for the reporting year:** this section is automatically calculated given the information provided under rows 2, 3, and 4.
This value does not represent the cumulative retained earnings of the enterprise, but only the retained earnings for the reporting period.
- (3.7) **% Equity owned by your enterprise at end of the reporting year:** specify the percentage of shares owned by your enterprise at the end of the reporting period.
If the % of equity remained the same as at the beginning of the year, you do not have to fill the value again.
- (3.8) **Retained earnings attributable to reporting enterprise:** this section is also automatically calculated given the information provided in rows 5 and 6, and refers to the share of the retained earnings belonging to your enterprise.
This value must also be inserted under the column 'Other Changes' in form no. 2 for the corresponding country of your enterprises abroad.
- (3.9) **Dividends/branch profits received in the reporting year:** specify the amount of dividends or branch profits actually received from your enterprises abroad.
Amount received could be related to results of previous periods.

Form 4: Debt claims on your directly owned enterprise abroad

Whereas equity gives a residual claim on the assets of the entity, a debt instrument involves an obligation to pay an amount of principal and/or interest at some point(s) in the future. Form 4 is setup to register positions, transactions and other type of changes concerning your debt claims only on directly owned enterprises abroad (Figure 6). The opposite may also be possible, that your enterprise has debt liabilities to your directly owned enterprises abroad, but we do require these to be reported.

Figure 6

Form 4: Debt claims in NAF, thousands	Opening Position 2014	Change in Position					Closing Position 2014
		Transactions		Revaluation			
		Increases (+)	Decreases (-)	Price Changes	Exchange Rate Changes	Other Changes	
Debt claims on your enterprises abroad (4.1)	0	0	0	0	0	0	
Debt claims by country (4.2)							
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

The specific data we are looking for are basically the same as previously described:

- (4.1) **Debt claims on your enterprises abroad:** refers to the total value of funds owed by your directly owned enterprises abroad. These funds include debt securities, and other debt (loans, trade credit, other accounts payable/receivable).

Debt securities are to be valued at market prices and all other types of debt – that is, loans, deposits, trade credit, and other accounts payable/receivable – are to be valued at nominal value.

This value is automatically calculated based on the totals under item (4.2).

- (4.2) **Debt claims by country:** specify the countries where your directly owned enterprises are located and on which your enterprise has a debt claim. For each country, you must report the data as explained under (2.2).

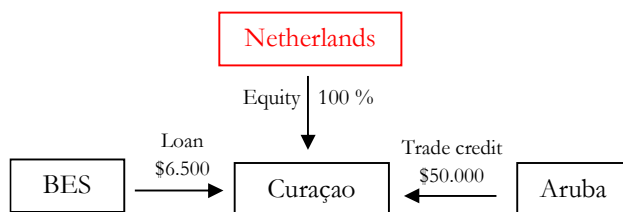
Form 5 - 8: Direct Investment Inward

Form 5 – 8 are designed to capture data on positions (stocks), financial transactions, and the retained earnings concerning your direct investment inward relationships, resulting from an overseas enterprise having control or a significant degree of influence over the management of your enterprise. This is the case for many enterprises in Curaçao and Sint Maarten. The overseas enterprise is called a foreign direct investor (FDI) in IMF terminology, however, in this manual we will use the common terms of foreign shareholder and parent company.

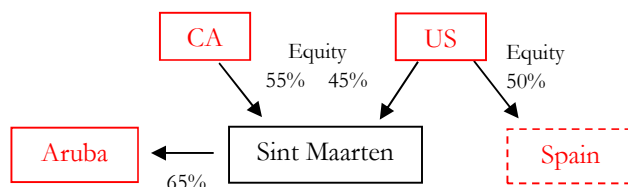
For simplicity, we are only interested in the data when your enterprise is directly owned by one or more enterprises abroad (see Box 2 below).

Box 2 Examples of underlying inward ownership links

An enterprise in Curaçao is fully owned by an entity in the Netherlands, and has loans and trade credit outstanding to entities in the BES islands and Aruba. In this case, the enterprise in Curaçao must only report the data concerning their parent company in the Netherlands. The loan and trade credit data should not be reported in this survey because there is no equity investment between the enterprise in Curaçao and the entities in the BES islands and Aruba.



A second example is shown below. An enterprise in Sint Maarten is fully owned by 2 entities in the US and Canada (CA), and partly owns enterprises in Aruba. One of the foreign shareholders also owns an enterprise in Spain.



In this case, the enterprise in Sint Maarten must report the data concerning the direct ownership links with Canada, the USA and Aruba. The ownership link with Aruba falls under the outward category we discussed in the previous chapter (Form 2 - 4: Direct Investment Outward).

In addition, since the enterprises in Sint Maarten and Spain are owned by the same foreign shareholder in the US, they are considered to be a sister enterprises. Any transactions between the enterprise in Sint Maarten and its sister enterprise in Spain must also be reported.

Form 5 -8 are broken down as follows:

- Form 5: foreign shareholders' equity in your enterprise;
- Form 6: retained earnings by your enterprise;
- Form 7: debt liabilities to foreign shareholders;
- Form 8: debt claims and liabilities with sister enterprises abroad.

Form 5: Foreign shareholders' equity in your enterprise

Form 5 is setup to register positions, transactions and other type of changes concerning the foreign shareholders' equity in your enterprise (Figure 7). This ownership must entitle the foreign shareholder(s) **10%** or more of the shares.

Figure 7

Form 5: Foreign shareholders' equity in NAf. thousands	Opening Position 2014	Change in Position						Closing Position 2014
		Transactions			Revaluation			
		Increases (+)	Decreases (-)		Price Changes	Exchange Rate Changes	Other Changes	
Value of the foreign shareholder's equity in your enterprise (5.1)	0	0	0		0	0	0	
Countries where the foreign shareholder is located (5.2)								
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

The specific data we are interested in are:

- (5.1) **Value of the foreign shareholders' equity in your enterprise:** refers to the total equity value owned by foreign shareholders.

This value is automatically calculated based on the totals under item (5.2).

Equity consists of all instruments acknowledging a claim on the residual value of an enterprise after the claims of all creditors have been met. Examples are ordinary shares, participating preference shares, and depositary receipts.

For consistency purposes, please report the shareholders' equity as the sum of:

- (i) paid-up capital (excluding shares held by the enterprise itself and including share premium accounts);
- (ii) all types of reserves identified as equity in the enterprise's balance sheet (e.g., undistributed net profits resulting from the preceding financial years);
- (iii) cumulated reinvested earnings (including results for the reporting year).

If your enterprise is an unincorporated entity, like a branch, you would have no share capital, but you may have other types of reserves and reinvested earnings with regard to your main office abroad. If this is the case, then you must include these values as part of the foreign shareholders' equity in your enterprise.

- (5.2) **Countries where the foreign shareholder is located:** indicate the countries where your foreign shareholder is located, and for each country report the data as follows:
- *Opening position:* the value of your enterprise's equity owned by the foreign shareholders in the selected country at the beginning of the reporting year;
 - *Transactions:* total equity-related transactions, e.g., capital contributions by your foreign shareholders or conversion of loans extended to your enterprise in shares of your enterprise;
 - *Revaluations:* changes in the value of the investment due to price and/or exchange rate changes;
 - *Other changes:* changes in the value of the investment due to other reasons, e.g., if a foreign shareholder previously owned 25% of the shares of your enterprise and sold 20%, then the relationship between the parties changes from a direct ownership investment to portfolio investment;⁶
 - *Closing position:* the value of the equity of your enterprise owned by foreign enterprises at the end of the reporting year is automatically calculated in the Excel file.

⁶ A sale of equity holdings during the reporting year that resulted in a change of the relationship between the parties from a direct ownership to a portfolio investment must be recorded only under the other changes category and not under the transactions category.

Form 6: Retained earnings by your enterprise

Form 6 must be used to report the foreign investors' shares in the retained earnings of your enterprise (Figure 8).

The retained earnings of an enterprise represent the corporation's cumulative earnings that have not been distributed to its shareholders. Retained earnings are also known as accumulated earnings, undistributed earnings, or undistributed profits.

Retained earnings are treated as being distributed to the owners and reinvested back by the owners in their enterprises. Retained earnings may be negative in some cases, for example, in case of losses by the relevant enterprise. Just as positive reinvested earnings are treated as being an injection of equity into the enterprise by the owner, negative reinvested earnings is treated as a withdrawal of equity.

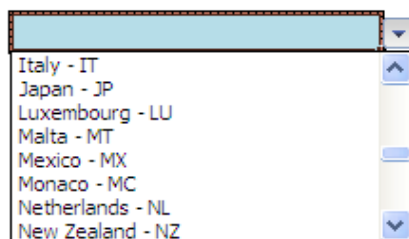
Figure 8

Form 6: Retained Earnings by Reporting Enterprise								
in Naf. thousands								
		Country of residence of foreign shareholders (6.1)						
		Country 1	Country 2	Country 3	Country 4	Country 5	Country 6	Country 7
1	% Equity owned by foreign shareholders at the beginning of 2014 (6.2)							
2	Operating surplus + net income for 2014 (6.3)	0	0	0	0	0	0	0
3	Profit taxes due for payment (6.4)	0	0	0	0	0	0	0
4	Dividends payable/branch profits for 2014 (6.5)	0	0	0	0	0	0	0
5	Retained earnings for 2014 (2 - 3 - 4) (6.6)	0	0	0	0	0	0	0
6	% Equity owned by foreign shareholders at the end of 2014 (6.7)							
7	Retained earnings attributable to foreign shareholders (6.8)	0	0	0	0	0	0	0
8	Dividends/branch profits paid in 2014 (6.9)							

The data we are interested in are the following:

- (6.1) **Country of residence of foreign shareholders:** specify the countries of your foreign shareholders.⁷ When you click in the row below the country heading, a dialog box will appear from which you can select a country, as shown below.

⁷ If two or more of the foreign shareholders are established in the same country, you should mention them separately. Consequently, the same country can be mentioned more than once.



- (6.2) **% Equity owned by foreign shareholders at the beginning of the reporting year:** specify the percentage of shares owned by each of the foreign shareholders at the beginning of the reporting period.

Unincorporated entities, like branches, are treated as wholly-owned enterprises.

- (6.3) **Operating surplus plus net income for the reporting year:** specify your enterprise's total operating surplus + net income for the reporting year. The definitions we use are:

- (i) operating surplus: operating revenue minus operating expenses;
- (ii) net income: refers to receivable (accrued) interest, dividends, and any undistributed profits from the ownership of subsidiaries and associates attributable to the enterprises concerned minus interest, dividends and rent payable by the enterprises.

This section is automatically calculated for the foreign shareholders separately, based on the amount of equity they own in your enterprise.

- (6.4) **Profit taxes due for payment:** specify the total taxes due to be paid in the reporting period. This section is also automatically calculated for the foreign shareholders separately, based on the amount of equity they own in your enterprise.

The amount of taxes due for payment could be related to previous years.

- (6.5) **Dividends payable/branch profits for the reporting year:** specify the dividends which have been declared by your enterprise in the reporting year. Under this heading you must also include distributed income, such as distributed branch profits.

This section is also automatically calculated for the foreign shareholders separately, based on the amount of equity they own in your enterprise.

- (6.6) **Retained earnings for the reporting year:** this section is automatically calculated given the information provided under rows 2, 3, and 4.

This value does not represent the cumulative retained earnings of your enterprise, but only the retained earnings for the reporting period.

- (6.7) **% Equity owned by foreign shareholders at the end of the reporting year:** specify the percentage of shares owned in your enterprise by each of the foreign shareholders at the end of the reporting period.

If the % of equity remained the same as at the beginning of the year, you do not have to fill the value again.

- (6.8) **Retained earnings attributable to foreign shareholders:** this section is also automatically calculated given the information provided in the rows above, and refers to the percentage of the retained earnings that your foreign shareholders have as a claim on your enterprise. This value must also be inserted under the column ‘Other Changes’ in form no. 5 for the corresponding country of your foreign shareholders.

- (6.9) **Dividends/branch profits paid in the reporting year:** specify the actual amount of dividends or branch profits actually paid by your enterprise to foreign shareholders. Amount paid could be related to results of previous periods.

Form 7: Debt liabilities to foreign shareholders

Form 7 is setup to register positions, transactions and other type of changes concerning your debt liabilities to the foreign shareholders (Figure 9). In the IMF terminology, the term ‘intercompany lending’ is often used, as a definition for the borrowing and lending of funds, including debt securities and trade credits, among foreign investors and related subsidiaries, branches, and associates.

The opposite may also be possible, that your enterprise has debt claims on your foreign shareholders (reverse investments), but we do not require these to be reported.

Figure 9

Form 7: Debt liabilities in NAf. thousands	Opening Position 2014	Change in Position					Closing Position 2014	
		Transactions			Revaluation			
		Increases (+)	Decreases (-)		Price Changes	Exchange Rate Changes		Other Changes
Debt liabilities to foreign shareholders (7.1)	0	0	0		0	0	0	
Debt liabilities by country (7.2)								
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

The specific data we are seeking are basically the same as previously described:

- (7.1) **Debt liabilities to foreign shareholders:** refers to the total value of your debt liabilities to foreign shareholders (parent companies). Examples are loans extended to your enterprise (on a nominal value basis). This value is automatically calculated based on the totals under item (7.2).
- (7.2) **Debt liabilities by country:** indicate the countries where the foreign shareholders are located, to which your enterprise have debt liabilities. For each country, you must report the data as explained under (5.2).

Form 8: Debt claims and liabilities with sister enterprises abroad

Form 8 is setup to register positions, transactions and other type of changes concerning your debt claims and/or liabilities with foreign sister enterprises (Figure 10). A sister enterprise is owned by the same parent company.

Figure 10

Form 8: Debt positions Sister enterprises abroad in NAF. thousands	Opening Position 2014	Change in Position					Closing Position 2014	
		Transactions		Revaluation				
		Increases (+)	Decreases (-)	Price Changes	Exchange Rate Changes	Other Changes		
Debt claims on sister enterprises abroad								
A. Debt claims on sister enterprises abroad (8.1)	0	0	0	0	0	0	0	
<i>Debt claims by country (8.2)</i>								
1 <input type="text"/>							0	
2 <input type="text"/>							0	
3 <input type="text"/>							0	
4 <input type="text"/>							0	
5 <input type="text"/>							0	
6 <input type="text"/>							0	
7 <input type="text"/>							0	
8 <input type="text"/>							0	
9 <input type="text"/>							0	
10 <input type="text"/>							0	
Debt liabilities to sister enterprises abroad								
B. Debt liabilities to sister enterprises abroad (8.3)	0	0	0	0	0	0	0	
<i>Debt liabilities by country (8.4)</i>								
1 <input type="text"/>							0	
2 <input type="text"/>							0	
3 <input type="text"/>							0	
4 <input type="text"/>							0	
5 <input type="text"/>							0	
6 <input type="text"/>							0	
7 <input type="text"/>							0	
8 <input type="text"/>							0	
9 <input type="text"/>							0	
10 <input type="text"/>							0	

The specific data we are seeking are basically the same as previously described:

- (8.1) **Debt claims on sister enterprises abroad:** refers to the total value of debt owed by the sister enterprises abroad. Examples are loans extended to your sister enterprises.

This value is automatically calculated based on the totals under item (8.2).

(8.2) **Debt claims by country:** indicate the countries where the sister enterprises are located, on which your enterprise have debt claims. For each country, you must report the data as explained under (5.2).

(8.3) **Debt liabilities to sister enterprises abroad:** refers to the total value of debt owed by your enterprise to sister enterprises abroad. Examples are trade credit received from sister enterprises.

This value is automatically calculated based on the totals under item (8.4).

(8.4) **Debt liabilities by country:** indicate the countries where the sister enterprises are located, to which your enterprise have debt liabilities. For each country, you must report the data as explained under (5.2).

Form 9 - 11: Portfolio Investment Assets

Portfolio investment is defined as cross-border transactions involving debt or equity securities other than those included in direct ownership investment or reserve assets. Securities are debt and equity instruments that have the characteristic feature of negotiability.

This survey only covers investments by residents in equity, short-term and long-term debt securities issued by **unrelated** nonresident entities.

Equity securities

Equity securities are instruments that signify an ownership position in a corporation and represent a claim on its proportional share in the corporation's assets and profits. Equity securities should be reported at market prices in guilders. For enterprises listed on a stock exchange, the market value of your holding of their equity securities should be calculated using the market price on their main stock exchange prevailing at the close of business on December 31. The market value of equities that are not quoted on stock exchanges or otherwise traded regularly could be estimated by using the net asset value of the enterprises to which the equities relate or recent transaction prices.

Equity securities include among others:

- ordinary shares;
- stocks;
- participating preferred shares;
- shares/units in mutual funds and investment trusts;
- depositary receipt (DR);
- equity securities that have been **sold** under repurchase agreements; and
- equity securities that have been “**lent**” under a securities lending arrangement.

Equity securities that have been *bought* under repurchase agreements and/or *acquired* under a securities lending arrangement must be **excluded** from your equity holdings because there is no change of economic ownership of the securities involved.

Also to be excluded from equity securities investments are investments in derivative instruments and nonparticipating preference shares.

Form 9: Equity securities

Form 9 is setup to register positions, transactions and other type of changes concerning your investment in equity securities issued abroad by unrelated entities, held on your own behalf or on behalf of your resident clients (Figure 11).

Figure 11

Form 9: Foreign equity securities in NAF. thousands	Opening Position 2014	Change in Position					Closing Position 2014	Income Receivable
		Transactions		Revaluation				
		Issues/ Purchases (+)	Redemptions/ Sales (-)	Price Changes	Exchange Rate Changes	Other Changes		
								(9.3) ↓
Total equity securities (9.1)	0	0	0	0	0	0	0	
Equity holdings by country of issuer (9.2)								
1							0	
2							0	
3							0	
4							0	
5							0	
6							0	
7							0	
8							0	
9							0	
10							0	
Note: Only 10 rows are shown in this figure for illustration purposes. This form contains additional rows in the survey.								

The data we are interested in are the following:

- (9.1) **Total equity securities:** refers to the total foreign equity value owned by your enterprise, not representing 10% or more of the shares in each of the issuing entities. This value is automatically calculated based on the totals under item (9.2).
- (9.2) **Equity holdings by country of issuer:** specify the equity securities held by your enterprise broken down by the country of residence of the nonresident issuer. The residence of an enterprise is considered to be where it is legally incorporated or, in the absence of legal incorporation, where it is legally domiciled. For each country, you must report the data as follows:
- *Opening position:* the total equity value your enterprise owns at the beginning of the reporting year;
 - *Transactions:* equity-related transactions, like sales of shares during the reporting year;
 - *Revaluations:* changes in the value of your equity investments due to price and/or exchange rate changes;
 - *Other changes:* changes in the value of your equity investments due to other reasons, e.g., if you previously had 2% of the shares in a foreign enterprise and acquired 15%, then the relationship changes from portfolio investment to direct ownership investment because you now own more than 10% of the shares;
 - *Closing position:* the total equity value your enterprise owns at the end of the reporting year is automatically calculated in the Excel file.

(9.3) **Income receivable:** refers to the total dividends earned during the year.

Dividends should be recorded on the ex-dividend date.⁸ We do not require a breakdown of the total dividends earned by country.

Debt securities

Debt securities are a type of financial instrument that can be bought or sold between two parties and has basic terms defined, such as notional amount (amount borrowed), interest rate and maturity or renewal date. Examples are different types of bonds, documents such as debentures, or even paper money issued by a bank or government.

Debt securities investments are mostly traded over the counter instead of being centrally traded on exchanges as stocks are. Debt securities should also be reported at market prices. For those securities that are traded, prices should be commonly available from securities exchanges, commercial vendors (for instance, Reuters and Bloomberg), or organizations that maintain securities databases. The market value at the close of business on December 31 should be taken. For debt securities not readily tradable, the net present value of the expected stream of future payments associated with the securities could be used to estimate the market value.

Form 10: Long-term debt securities

Form 10 is setup to register positions, transactions and other types of changes concerning your investment in long-term debt securities issued abroad by unrelated entities, and held on your own behalf or on behalf of your resident clients (Figure 12).

⁸ The date the recipients of the dividend are determined comes from the shareholders' register. After this date, subsequent shareholders are not entitled to the dividends.

Figure 12

Form 10: Foreign debt securities long-term in Naf. thousands	Opening Position 2014	Change in Position					Closing Position 2014	Income Receivable
		Transactions		Revaluation				
		Issues/ Purchases (+)	Redemptions/ Sales (-)	Price Changes	Exchange Rate Changes	Other Changes		
								(10.3) ↓
Total long-term debt securities (10.1)	0	0	0	0	0	0	0	
Long-term debt holdings by country of issuer (10.2)								
1							0	
2							0	
3							0	
4							0	
5							0	
6							0	
7							0	
8							0	
9							0	
10							0	
Note: Only 10 rows are shown in this figure for illustration purposes. This form contains additional rows in the survey.								

The data we are interested in are the following:

(10.1) **Total long-term debt securities:** refers to the total value of bonds, debentures, and notes that usually assign the holder the unconditional right to a fixed cash flow or contractually determined variable money income and have *an original term to maturity of more than one year*.

This value is automatically calculated based on the totals under item (10.2).

(10.2) **Long-term debt holdings by country of issuer:** specify the long-term debt securities held by your enterprise broken down by the country of residence of the nonresident issuer. For each country, you must report the data as follows:

- *Opening position:* the total value of debt securities your enterprise owns at the beginning of the reporting year;
- *Transactions:* total debt securities-related transactions, like sales or purchases of bonds during the reporting year;
- *Revaluations:* changes in the value of your debt holdings due to price and/or exchange rate changes;
- *Other changes:* changes in the value of your debt holding due to other reasons, e.g., if you may recognize that a claim can no longer be collected because of bankruptcy;
- *Closing position:* the total value of debt securities your enterprise owns at the end of the reporting year is automatically calculated in the Excel file.

(10.3) **Income receivable:** refers to total interest earned during the year.

Interest should be recorded on an accrual basis. We do not require a breakdown of the total dividends earned by country.

Long-term debt securities include among others:

- bonds, such as treasury, zero-coupon, currency-linked, and Eurobonds;
- asset-backed securities, such as mortgage-backed bonds;
- nonparticipating preference shares;
- debentures;
- negotiable certificates of deposits with contractual maturity of more than one year;
- bearer depositary receipts denoting ownership of debt securities issued by nonresidents;
- debt securities that have been **sold** under repurchase agreements; and
- debt securities that have been “**lent**” under a securities lending arrangement.

Long-term debt securities that have been *bought* under repurchase agreements and/or *acquired* under a securities lending arrangement must be **excluded** from your long-term debt holdings because there is no change of economic ownership of the securities involved.

Also to be excluded from long-term debt securities investments are investments in derivative instruments, (tradable) loans and money market instruments, such as e.g. treasury notes and note issuance facilities.

Form 11: Short-term debt securities

Form 11 is setup to register positions, transactions and other type of changes concerning your investment in short-term securities issued abroad by unrelated entities, and held on your own behalf or on behalf of your resident clients (Figure 13).

Figure 13

Form 11: Foreign debt securities short-term in Naf. thousands	Opening Position 2014	Change in Position					Closing Position 2014	Income Receivable
		Transactions		Revaluation				
		Issues/ Purchases (+)	Redemptions/ Sales (-)	Price Changes	Exchange Rate Changes	Other Changes		
								(11.3) ↓
Total short-term debt securities (11.1)	0	0	0	0	0	0	0	
Short-term debt holdings by country of issuer (11.2)								
1							0	
2							0	
3							0	
4							0	
5							0	
6							0	
7							0	
8							0	
9							0	
10							0	
Note: Only 10 rows are shown in this figure for illustration purposes. This form contains additional rows in the survey.								

The data we are interested in are the following:

- (11.1) **Total short-term debt securities:** covers money market instruments that usually assign the holder the unconditional right to receive a stated, fixed sum of money on a specified date and have an *original term to maturity of one year or less*.

This value is automatically calculated based on the totals under item (11.2).

- (11.2) **Short-term debt holdings by country of issuer:** see explanation under (10.2).

- (11.3) **Income receivable:** refers to total interest earned during the year.

Interest should be recorded on an accrual basis. We do not require a breakdown of the total dividends earned by country.

Short-term debt securities include among others:

- treasury bills/notes;
- bankers' acceptances;
- commercial and financial paper;
- certificates of deposit with contractual maturity of one year or less;
- short-term notes issued under note issuance facilities or revolving underwriting facilities, and promissory notes;
- debt securities that have been **sold** under repurchase agreements; and
- debt securities that have been "**lent**" under a securities lending arrangement.

Short-term debt securities that have been *bought* under repurchase agreements and/or *acquired* under a securities lending arrangement must be **excluded** from your short-term debt holdings because there is no change of economic ownership of the securities involved.

Form 12 - 15: Other Investment - Loans extended or received

Loans are financial assets that are created when a creditor lends funds directly to a debtor through an instrument that is not intended to be traded. This category includes all loans and advances, like bank overdrafts, credit facilities, and commercial mortgages.

Forms 12 – 15 in this survey are designed to record loan data only between unrelated entities. Loans are to be valued at nominal value and loans related to repos also must be included. Accrued interest not yet received or paid should be included in the outstanding amount of the loan, rather than being classified separately.

Form 12: Long-term loans extended to abroad

Form 12 is designed to capture data on positions, transactions and other type of changes concerning long-term loans extended by your enterprise to unrelated entities abroad (Figure 14). Loans extended by your enterprise to branches or subsidiaries abroad must be registered under Form 4.

Figure 14

Form 12: Loans extended in NAF thousands	Opening Position 2014	Change in Position					Closing Position 2014	
		Transactions			Revaluation			
		New loans (+)	Repayments (-)		Price Changes	Exchange Rate Changes		Other Changes
Long-term loan claims on unrelated non-residents								
Long-term loans extended (12.1)	0	0	0		0	0	0	
Long-term loans extended by country of the debtor (12.2)								
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
Note: Only 10 rows are shown in this figure for illustration purposes. This form contains additional rows in the survey.								

The specific data we are interested in are the following:

(12.1) **Long-term loans extended:** refers to loans and financial leases extended by your enterprise abroad with *original maturities of more than 1 year*. This value is automatically calculated based on the totals under item (12.2).

(12.2) **Long-term loans extended by country of debtor:** specify the countries of the long-term debtor, and for each country you must report the data as follows:

- *Opening position:* the outstanding value of the loans extended by your enterprise at the beginning of the reporting year;
- *Transactions:* new loans extended or repayments received;
- *Revaluations:* changes in the outstanding value of the loans extended due to price and/or exchange rate changes;
- *Other changes:* changes in the outstanding value of the loans extended due to other reasons, e.g., if a loan is written off as uncollectible because of bankruptcy or liquidation of the debtor;
- *Closing position:* the outstanding value of the loans extended by your enterprise at the end of the reporting year is automatically calculated in the Excel file.

Form 13: Short-term loans extended to abroad

Form 13 is designed to capture data on positions, transactions and other type of changes concerning short-term loans extended by your enterprise to unrelated entities abroad (Figure 15). Loans extended by your enterprise to branches or subsidiaries abroad must be registered under Form 4. This category includes loans such as overdraft facilities.

Figure 15

Form 13: Loans extended in NAf. thousands	Opening Position 2014	Change in Position					Closing Position 2014
		Transactions			Revaluation		
		New loans (+)	Repayments (-)		Price Changes	Exchange Rate Changes	Other Changes
Short-term loan claims on unrelated non-residents							
Short-term loans extended (13.1)	0	0	0		0	0	0
Short-term loans extended by country of the debtor (13.2)							
1 <input type="text"/>							0
2 <input type="text"/>							0
3 <input type="text"/>							0
4 <input type="text"/>							0
5 <input type="text"/>							0
6 <input type="text"/>							0
7 <input type="text"/>							0
8 <input type="text"/>							0
9 <input type="text"/>							0
10 <input type="text"/>							0

Note: Only 10 rows are shown in this figure for illustration purposes. This form contains additional rows in the survey.

The specific data we are interested in are the following:

- (13.1) **Short-term loans extended:** refers to loans and financial leases extended by your enterprise abroad with *original maturities of less than 1 year*. This value is automatically calculated based on the totals under item (13.2).
- (13.2) **Short-term loans extended by country of debtor:** specify the countries of the short-term debtor and for each country you must report the data as explained under (12.2).

Form 14: Long-term loans received from abroad

Form 14 is designed to capture data on positions, transactions and other type of changes with regard to long-term loans received by your enterprise from unrelated entities abroad (Figure 16). Loans received by your enterprise from foreign shareholders or sister enterprises abroad must be registered under Forms 7 or 8.

Figure 16

Form 14: Loans received in NAF thousands	Opening Position 2014	Change in Position					Closing Position 2014	
		Transactions			Revaluation			Other Changes
		New loans (+)	Repayments (-)		Price Changes	Exchange Rate Changes		
Long-term loan debt to unrelated non-residents								
Long-term loans received (14.1)		0	0	0	0	0	0	
Long-term loans received by country of the creditor (14.2)								
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
Note: Only 10 rows are shown in this figure for illustration purposes. This form contains additional rows in the survey.								

The specific data we are interested in are the following:

- (14.1) **Long-term loans received:** refers to loans and financial leases received by your enterprise from abroad with *original maturities of more than 1 year*. This value is automatically calculated based on the totals under item (14.2).

(14.2) **Long-term loans received by country of creditor:** specify the countries of the long-term creditor, and for each country you must report the data as follows:

- *Opening position:* the outstanding value of the loans received by your enterprise at the beginning of the reporting year;
- *Transactions:* new loans received or repayments made by your enterprise;
- *Revaluations:* changes in the outstanding value of the loans received due to price and/or exchange rate changes;
- *Other changes:* changes in the outstanding value of the loans received due to other reasons, e.g., if a loan is written off;
- *Closing position:* the outstanding value of the loans received by your enterprise at the end of the reporting year is automatically calculated in the Excel file.

Form 15: Short-term loans received from abroad

Form 15 is designed to capture data on positions, transactions and other type of changes with regard to short-term loans received by your enterprise from abroad (Figure 17). Loans received by your enterprise from foreign shareholders or sister enterprises abroad must be registered under Forms 7 or 8.

Figure 17

Form 15: Loans received in NAf. thousands	Opening Position 2014	Change in Position					Closing Position 2014	
		Transactions			Revaluation			
		New loans (+)	Repayments (-)		Price Changes	Exchange Rate Changes		Other Changes
Short-term loan debt to unrelated non-residents								
Short-term loans received (15.1)		0	0	0		0	0	0
Short-term loans received by country of the creditor (15.2)								
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
Note: Only 10 rows are shown in this figure for illustration purposes. This form contains additional rows in the survey.								

The specific data we are interested in are the following:

- (15.1) **Short-term loans received:** refers to loans and financial leases received by your enterprise from abroad with *original maturities of less than 1 year*. Loans related to repos also must be included.

This value is automatically calculated based on the totals under item (15.2).

- (15.2) **Short-term loans received by country of creditor:** specify the countries of the short-term creditor and for each country you must report the data as explained under (14.2).

Form 16: Other Investment – Deposits

Deposits include all claims that are (1) on the central bank, deposit-taking corporations other than the central bank, and, in some cases, other institutional units; and (2) represented by evidence of deposit. This category includes checking accounts, savings accounts, and other time deposits.

This form must only be completed if you are a deposit-taking corporation. In general, the following financial intermediaries are classified in this subsector:

- a) commercial banks;
- b) savings banks;
- c) cooperative credit banks and credit unions; and
- d) specialized banks or other financial institutions if they take deposits or issue close substitutes for deposits.

Form 16 is designed to capture data on positions, transactions and other type of changes with regard to deposits held by your enterprise abroad or that non-resident hold with your enterprise (Figure 18). We do not require a breakdown of the total by country.

Figure 18

Form 16: Deposits in NAf. thousands	Opening Position 2014	Change in Position						Closing Position 2014	Interest receivable payable
		Transactions			Revaluation		Other Changes		
		Increases (+)	Decreases (-)		Price Changes	Exchange Rate Changes			
									(16.3)
A. Deposits held at institutions abroad (16.1)								0	
B. Deposits of non-residents held with your enterprise (16.2)								0	

The specific data we are interested in are the following:

- (16.1) **Deposit held at institutions abroad:** refers to the total nominal value of deposits held by your enterprise at financial institutions abroad.
- (16.2) **Deposit of nonresidents held with your enterprise:** refers to the total nominal value of deposits held by nonresidents with your enterprise.
- (16.3) **Income receivable/payable:** refers to total value of interest (receivable and payable) that accrued during the reporting year, even if some payment were made during the year.

Form 17: Other Investment – Assets and Liabilities

Form 17 is designed to capture data on positions, transactions and other type of changes with regard to all other claims held by your enterprise abroad or liabilities that non-resident hold with your enterprise (Figure 19). We do not require a breakdown of the total by country.

Figure 19

Form 17: Other assets and liabilities in NAF. thousands	Opening Position 2014	Change in Position						Closing Position 2014
		Transactions			Revaluation			
		Increases (+)	Decreases (-)		Price Changes	Exchange Rate Changes	Other Changes	
A. Other accounts receivable (17.1)								
B. Other accounts payable (17.2)								

The specific data we are interested in are the following:

- (17.1) **Other accounts receivable:** refers to the total value of claims held by your enterprise abroad, that cannot be classified under the previously presented forms 1, 2, 4, 9, 10, 11, 12 or 13. Examples are trade credit extended and advances, prepayments of contributions.
- (17.2) **Other accounts payable:** refers to the total value of liabilities that non-resident hold with your enterprise, that cannot be classified under the previously presented forms 5, 7, 8, 14 or 15. Examples are trade credit received, dividends, and social contributions that have accrued but not yet paid.

Example of a directly owned enterprise abroad

An enterprise in Curaçao has a wholly owned subsidiary in Aruba, named Aruban Life Events N.V., with a share capital value of \$1.000.000. During the 2014 they sold 25% of their shares to an enterprise in Sint Maarten. From the financial statements of Aruban Life Events N.V., we can derive the following information:

- The enterprise registered a net operating income before taxes of \$1.500.000;
- Taxes on profit paid were \$75.000;
- Dividends payable were set at \$250.000 and \$100.000 was actually paid to the enterprise in Curaçao.

Given the above information, the enterprises in Curaçao and Sint Maarten will have to report form 2 and 3.

Figure 20a: Enterprise in Curaçao

Form 2: Shareholders' equity in NAf. thousands		Opening Position 2014	Change in Position					Closing Position 2014
			Transactions		Revaluation			
			Increases (+)	Decreases (-)	Price Changes	Exchange Rate Changes	Other Changes	
					Values of share capital converted to NAf.guilders using the rate US\$ 1 = NAf. 1.79.			
Value of your shareholder's equity in enterprises abroad		1,790		-448			1,577	2,920
Countries where the enterprise is located					Retained earnings by Aruban Life Events N.V. in 2014			
1	Aruba - AW	1,790		-448	→		1,577	2,920

Form 3: Retained Earnings by your enterprises abroad						
in Naf. thousands						
		Country of residence of your enterprises abroad				
		Country 1	Country 2	Country 3	Country 4	Country 5
		Aruba - AW				
1	% Equity owned by your enterprise at the beginning of 2014	100%	Values from the Profit and Loss statement of Aruban life Events N.V. are converted to Naf.guilders using the rate US\$ 1 = Naf. 1.79.			
2	Operating surplus + net income for 2014	2,685				
3	Profit taxes due for payment	134				
4	Dividends payable/branch profits for 2014	448				
5	Retained earnings for 2014 (2 - 3 - 4)	2,103	Values under retained earnings row must be included in form 2.			
6	% Equity owned by your enterprise at end of 2014	75%				
7	Retained earnings attributable to reporting enterprise (5 * 6)	1,577	←			
8	Dividends/branch profits received in 2014	179				

Figure 20b: Enterprise in Sint Maarten

Form 2: Shareholders' equity in NAf. thousands		Opening Position 2014	Change in Position					Closing Position 2014	
			Transactions			Revaluation			Other Changes
			Increases (+)	Decreases (-)		Price Changes	Exchange Rate Changes		
						Values of share capital converted to NAf.guilders using the rate US\$ 1 = NAf. 1.79.			
Value of your shareholder's equity in enterprises abroad			448					526	973
Countries where the enterprise is located						Retained earnings by Aruban Life Events N.V. in 2014			
1	Aruba - AW		448					526	973

Form 3: Retained Earnings by your enterprises abroad in NAf. thousands						
		Country of residence of your enterprises abroad				
		Country 1	Country 2	Country 3	Country 4	Country 5
		Aruba - AW				
1	% Equity owned by your enterprise at the beginning of 2014		Values from the Profit and Loss statement of Aruban life Events N.V. are converted to NAf.guilders using the rate US\$ 1 = NAf. 1.79.			
2	Operating surplus + net income for 2014	2,685				
3	Profit taxes due for payment	134				
4	Dividends payable/branch profits for 2014	448				
5	Retained earnings for 2014 (2 - 3 - 4)	2,103				
6	% Equity owned by your enterprise at end of 2014	25%	Values under retained earnings row must be included in form 2.			
7	Retained earnings attributable to reporting enterprise (5 * 6)	526				
8	Dividends/branch profits received in 2014					

Example of an enterprise with foreign shareholders

An enterprise in Curaçao, named Fun Electronics N.V., has 2 foreign shareholders, one in Canada and one in France. At the beginning of 2014, they own 70% and 30%, respectively, of the share capital of Fun Electronics N.V. The Canadian shareholder also has other subsidiaries in Aruba, Suriname and Venezuela. From the financial statements of Fun Electronics N.V., we can derive the following information:

- The share capital at the beginning of 2014 was NAf.3.000.000;
- The enterprise registered a net operating income before taxes of NAf.4.500.000;
- Taxes on profit paid were NAf.875.000;
- Dividends payable were set at NAf.1.500.000 and fully paid in 2014.

In addition, Fun Electronics N.V. has other accounts payable to their shareholder in France, and trade credit with the other Canadian subsidiaries in Aruba and Venezuela. At the end of 2014, there would be no change with regard to the debt to the shareholder in France, and the trade credit balances would decrease due to repayments made by Fun Electronics N.V., and changes due to exchange rate fluctuations.

Given the above information, Fun Electronics N.V., must report form 5, 6 and 7 with regard to the shareholders, and form 8 concerning the transactions with their sister enterprises in Aruba and Venezuela.

Figure 21

Form 5: Foreign shareholders' equity in NAF. thousands		Opening Position 2014	Change in Position					Closing Position 2014	
			Transactions			Revaluation			
			Increases (+)	Decreases (-)		Price Changes	Exchange Rate Changes		Other Changes
Value of the foreign shareholder's equity in your enterprise		3,000	0	0		0	0	2,125	5,125
Countries where the foreign shareholder is located									
1	Canada - CA	2,100					Retained earnings by Fun Electronics N.V. in 2014 →	1,488	3,588
2	France - FR	900						638	1,538

Figure 21 (cont'd)

Form 6: Retained Earnings by Reporting Enterprise										
in Naf. thousands										
		Country of residence of foreign shareholders								
		Country 1	Country 2	Country 3	Country 4	Country 5	Country 6	Country 7		
		Canada - CA	France - FR							
1	% Equity owned by foreign shareholders at the beginning of 2014	100%	70%	30%	Countries 1 and 2 data are automatically calculated given the % shares owned by the investors in Canada and France.					
2	Operating surplus + net income for 2014	4,500	3,150	1,350						
3	Profit taxes due for payment	875	613	263						
4	Dividends payable/branch profits for 2014	1,500	1,050	450						
5	Retained earnings for 2014 (2 - 3 - 4)	2,125	1,488	638	Values under retained earnings row must be included in form 5.					
6	% Equity owned by foreign shareholders at the end of 2014									
7	Retained earnings attributable to foreign shareholders		1,488	638						
8	Dividends/branch profits paid in 2014	1,500	1,050	450						

Form 7:		Change in Position						Closing Position 2014
Debt liabilities in Naf. thousands	Opening Position 2014	Transactions		Revaluation				
		Increases (+)	Decreases (-)	Price Changes	Exchange Rate Changes	Other Changes		
Debt liabilities to foreign shareholders	1,550	0	0	0	0	0	1,550	
Debt liabilities by country								
1 France - FR	1,550						1,550	

Form 8:		Change in Position						Closing Position 2014
Debt positions Sister enterprises abroad in Naf. thousands	Opening Position 2014	Transactions		Revaluation				
		Increases (+)	Decreases (-)	Price Changes	Exchange Rate Changes	Other Changes		
Debt liabilities to sister enterprises abroad								
B. Debt liabilities to sister enterprises abroad	6,575	0	-1,745	0	-755	0	4,075	
Debt liabilities by country								
1 Aruba - AW	4,000		-845		-100		3,055	
2 Venezuela - VE	2,575		-900		-655		1,020	

Example repurchase arrangements

A repurchase agreement (repo) is an arrangement involving the sale of securities in exchange for cash with a commitment to repurchase the same or similar securities at a fixed price on a specified future date or on demand. A reverse repo is the same transaction seen from the other side; that is, an agreement whereby a security is purchased at a specified price with a commitment to resell the same or similar securities at a fixed price on a specified future date or on demand.

For the purposes of this survey and in line with the IMF recommendations, repo transactions must be recorded as collateralized loans. The example below illustrates one of the problems that can arise when the recording of repos is not done on a consistent basis by all the respondents.

Example:

At the beginning of 2014, enterprise (A) in Sint Maarten has total equity holdings issued by unrelated entities in Spain and France, worth NAf.40.000.000 and NAf.45.000.000, respectively.

During 2014, enterprise (A) enters a short-term repo arrangement with an enterprise in the US worth NAf.1.000.000. The securities involved in the arrangement were issued by an entity in Spain. In addition, the investments in France are revaluated due to exchange rate changes during the reporting period. And finally, we assume that the total dividends earned in 2014 were NAf.600.000.

Enterprise (A) treats repos as collateralized loans, and must consequently use form 9 and 15 to properly show its positions and transactions during the year.

Figure 22a

Form 9: Foreign equity securities in NAF. thousands	Opening Position 2014	Change in Position					Closing Position 2014	Income Receivable	
		Transactions		Revaluation					
		Issues/ Purchases (+)	Redemptions/ Sales (-)		Price Changes	Exchange Rate Changes			Other Changes
Total equity securities	45,000	0	0		0	500	0	45,500	600
Equity holdings by country of the issuer									
1 France - FR	45,000					500		45,500	
2 Spain - ES	40,000							40,000	

Figure 22a (cont'd)

Form 15: Loans received in NAF. thousands	Opening Position 2014	Change in Position						Closing Position 2014
		Transactions			Revaluation			
		New loans (+)	Repayments (-)		Price Changes	Exchange Rate Changes	Other Changes	
Short-term loan debt to unrelated non-residents								
Short-term loans received	0	10,000	Enterprise (A) treats repo transaction as collateralized loan		0	0	0	10,000
Short-term loans received by country of the creditor								
1 Spain - ES		10,000						10,000

At the beginning of 2014, enterprise (B) in Sint Maarten has total equity holdings issued by unrelated entities in the Netherlands worth NAf.45.000.000.

During 2014, enterprise (B) also enters a repo arrangement with an enterprise in the US worth NAf.5.000.000. Enterprise (B) treats the repo arrangement as sale and purchases of securities and uses only form 9 to show its positions and transactions during the year. The amount of dividends earned was NAf.750.000.

Figure 22b

Form 9: Foreign equity securities in NAF. thousands		Opening Position 2014	Change in Position						Closing Position 2014	Income Receivable
			Transactions			Revaluation				
			Issues/ Purchases (+)	Redemptions/ Sales (-)		Price Changes	Exchange Rate Changes	Other Changes		
Total equity securities		45,000	0	-5,000	Enterprise (B) treats repo transaction as sale of securities	0	0	40,000	750	
Equity holdings by country of the issuer										
1	Netherlands - NL	45,000		-5,000				40,000		

The correct reporting for the positions and transactions of enterprise (B) is shown in figure 22c, using form 9 and 15 to properly show the investment holdings and the increased foreign loan liabilities due to the repo agreement.

Figure 22c

Form 9: Foreign equity securities in NAF. thousands	Opening Position 2014	Change in Position					Closing Position 2014	Income Receivable	
		Transactions			Revaluation				
		Issues/ Purchases (+)	Redemptions/ Sales (-)		Price Changes	Exchange Rate Changes			Other Changes
Total equity securities	45,000	0	0		0	0	0	45,000	750
Equity holdings by country of the issuer									
1 Netherlands - NL	45,000							45,000	

Form 15: Loans received in NAf. thousands		Opening Position 2014	Change in Position					Closing Position 2014	
			Transactions			Revaluation			
			New loans (+)	Repayments (-)		Price Changes	Exchange Rate Changes		Other Changes
Short-term loan debt to unrelated non-residents									
Short-term loans received		1,500	5,000	Enterprise (B) treats repo transaction as collateralized loan		0	0	0	6,500
Short-term loans received by country of the creditor									
1	Netherlands - NL	1,500	5,000						6,500

Example financial institution

A savings bank in Curaçao, named Win Bank N.V., has only local shareholders, but with branches in Aruba, Suriname and the BES islands. The business of Win Bank N.V. is accepting savings deposits, paying interest on those deposits, and lends the funds to other entities at an interest rate. Their business abroad is solely conducted through the branches.

A branch office is not a separate legal entity of the parent corporation. A branch usually does not have equity from its main office, but they do maintain a complete set of accounting records and prepare their own financial statements.

For this example we assume that the branches in Aruba, Suriname and the BES islands have retained earnings of \$100.000, \$72.500, and \$130.000, respectively, at the beginning of 2014. In addition, the table below summarizes other financial data of the branches; all values are denominated in US dollars.

Table 3

Branch	Net income	Taxes	Profits remitted*
Aruba	1.100.000	66.000	750.000
Suriname	375.000	17.500	300.000
Bes Islands	750.000	55.000	525.000

* including profits previous years not distributed

Each branch operates from office buildings belonging to Win Bank N.V. (no renting); at the beginning of 2014 the value of these properties are calculated at \$2.250.000, \$1.125.000 and \$735.000, respectively. And finally, they have various clients with saving deposits and outstanding long-term loans in Aruba, Suriname and the BES islands.

The purpose of this survey is to collect annual data on transactions and positions in foreign assets and liabilities. Consequently, the business of the branches is the information that Win Bank N.V. must report, using:

- form 1 for the office building owned;
- form 2 for the value of all types of reserves (e.g., undistributed net profits resulting from the preceding financial years) and cumulated reinvested earnings;
- form 3 for the financial result of the reporting year;
- forms 12 for the outstanding long-term loans to clients in Aruba, Suriname and the BES islands;
- forms 16 for the deposits held by the clients in Aruba, Suriname and the BES islands.

Figure 23

Form 1 : Real Estate Abroad in NAf. thousands		Opening Position 2014	Change in Position					Closing Position 2014	
			Transactions			Revaluation			Other Changes
			Purchases (+)	Sales (-)		Price Changes	Exchange Rate Changes		
Total value real estate abroad		7,357	0	0	Values of properties are converted to NAf.guilders using the rate US\$ 1 = NAf. 1.79. Values assumed to remain unchanged.			0	7,357
Countries where the real estate is located									
1	Aruba - AW	4,028							4,028
2	BES Islands - BES	1,316							1,316
3	Suriname - SR	2,014							2,014

Form 2: Shareholders' equity in NAf. thousands	Opening Position 2014	Change in Position					Closing Position 2014
		Transactions		Revaluation			
		Increases (+)	Decreases (-)	Price Changes	Exchange Rate Changes	Other Changes	
Value of your shareholder's equity in enterprises abroad	541	0	0	Values cumulated retained earnings converted to NAf.guilders using the rate US\$ 1 = NAf. 1.79.		916	1,457
Countries where the enterprise is located							
1 Aruba - AW	179			Column 'Other changes' includes retained earnings by the branches in 2014		508	687
2 BES Islands - BES	233					304	537
3 Suriname - SR	130					103	233

Form 3: Retained Earnings by your enterprises abroad in Naf. thousands						
		Country of residence of your enterprises abroad				
		Country 1	Country 2	Country 3	Country 4	Country 5
		Aruba - AW	BES Islands - BES	Suriname - SR		
1	% Equity owned by your enterprise at the beginning of 2014	100%	100%	100%	There is no equity invested, but the assets and liabilities of the branch office basically belong to WinBank N.V.	
2	Operating surplus + net income for 2014	1,969	1,343	671		
3	Profit taxes due for payment	118	98	31		
4	Dividends payable/branch profits for 2014	1,343	940	537	Values from financial data for the branches are converted to Naf.guilders using the rate US\$ 1 = Naf. 1.79.	
5	Retained earnings for 2014 (2 - 3 - 4)	508	304	103		
6	% Equity owned by your enterprise at end of 2014					
7	Retained earnings attributable to reporting enterprise (5 * 6)	508	304	103	Values under retained earnings row must be included in form 2.	
8	Dividends/branch profits received in 2014	1,343	940	537		

Figure 23 (cont'd)

Form 12: Loans extended in NAF thousands		Opening Position 2014	Change in Position						Closing Position 2014
			Transactions			Revaluation			
			New loans (+)	Repayments (-)		Price Changes	Exchange Rate Changes	Other Changes	
Long-term loan claims on unrelated non-residents									
Long-term loans extended		30,627	5,549	-4,433		0	-1,476	-250	30,017
Long-term loans extended by country of the debtor									
1	Aruba - AW	23,678	3,500	-2,500			-255		24,423
2	BES Islands - BES	1,250	1,499	-678			-455		1,616
3	Suriname - SR	5,699	550	-1,255			-766	-250	3,978

Form 16: Deposits in NAf. thousands	Opening Position 2014	Change in Position						Closing Position 2014	Interest receivable/ payable
		Transactions			Revaluation				
		Increases (+)	Decreases (-)		Price Changes	Exchange Rate Changes	Other Changes		
A. Deposits held at institutions abroad	55,000		-7,500					47,500	4,650
B. Deposits of non-residents held by your enterprise	26,000	4,500	-1,000					29,500	2,350

Glossary

Asset-backed securities are arrangements under which payments of interest and principal are backed by payments on specified assets or income streams. They are backed by mortgages, home equity loans, student loans, and other debts as well as pools of leased property.

Bankers' acceptance is a short-term debt instrument issued by a company that is guaranteed by a commercial bank. Bankers' acceptances are issued by companies as part of a commercial transaction. These instruments are similar to T-bills and are frequently used in money market funds. The date of maturity typically ranges between 30 and 180 days from the date of issue. However, banks or investors often trade the instruments on the secondary market before the acceptances reach maturity.

Collateral loan (also called a secured loan) is a loan from banking or other financial institution where the creditor may sell the security offered as collateral if the loan remains unpaid. A collateral loan is often offered at a lower interest rate than an unsecured loan, because repayment is guaranteed should the borrower default on the loan.

Stocks or bonds are often used as collateral for this type of loan. Borrowers can use their ownership in property, where a portion of perhaps a home or a piece of land is assigned as collateral. If the borrower defaults, he must sell the property to pay back the loan, while the lender also has rights to sell the property.

Debenture is a type of debt instrument that is not secured by physical assets or collateral. Debentures are backed only by the general creditworthiness and reputation of the issuer. Both corporations and governments frequently issue this type of bond in order to secure capital. Debentures have no collateral. Bond buyers generally purchase debentures based on the belief that the bond issuer is unlikely to default on the repayment. An example of a government debenture would be any government-issued Treasury bond (T-bond) or Treasury bill (T-bill).

Direct investment is a category of cross-border investment associated with a resident in one country having control or a significant degree of influence over the management of an enterprise domiciled in another country.

Direct investment inward relationships arise when enterprises abroad have control or a significant degree of influence over the management of a domestic enterprise. Control or influence is achieved when the foreign shareholders own directly or indirectly 10% or more of the shares in the resident enterprise.

Direct investment outward relationships arise when a resident enterprise and/or consolidated resident subsidiaries have control or a significant degree of influence over the management of an enterprise abroad. Control or influence is achieved by directly or indirectly owning equity that represents 10% or more of the shares in the enterprise abroad.

Direct investment enterprises are entities subject to control or a significant degree of influence by a direct investor.

Direct investor is an entity or group of related entities that is able to exercise control or a significant degree of influence over another entity that is resident of a different country.

Ex-dividend date is the date the recipients of the dividend are determined from the shareholders' register. After this date, subsequent shareholders are not entitled to the dividend. The ex-dividend date is a reminder to purchase stocks several days before the record date in order for a shareholder to be included in the dividend distribution.

Intercompany lending is a term used to describe direct investment debt positions between affiliated enterprises.

Retained earnings show the net earnings from production and primary and secondary income transactions before attributing reinvested earnings. It equals the net operating surplus plus primary income, current transfers receivable, and changes in pension entitlements minus primary income and current transfers payable.

Repurchase agreement is an arrangement involving the sale of securities in exchange for cash with a commitment to repurchase the same or similar securities at a fixed price at some future date. A reverse repo is the same transaction seen from the other side; that is, an agreement whereby a security is purchased at a specified price with a commitment to resell the same or similar securities at a fixed price on a specified future date or on demand.

Share premium accounts balances the difference between the par value of a company's shares and the amount that the company actually received for newly issued shares.

Suppose a company issues 100 shares of \$1 each, but is paid \$3 per share. It then has \$300 of equity capital, but only \$100 of this is share capital. The difference is clearly of the same nature as the share capital in that it is funding raised from shareholders in return for their ownership of the company. It is shown on the balance sheet as part of shareholders' funds called the share premium account.