

Zurich, April 2011

Statistics
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Notes on the general current account survey for companies from all sectors

I. General remarks

Purpose of survey

This survey is used for drawing up the current account, which covers the trade in goods and services, labour and investment income, as well as transfers between Switzerland or the Principality of Liechtenstein and other countries.

Legal basis

According to the Federal Act on the Swiss National Bank of 3 October 2003 (National Bank Act), the Ordinance on the National Bank Act of 18 March 2004 (National Bank Ordinance), and the annexes to the currency treaty between the Swiss Confederation and the Principality of Liechtenstein of 3 November 1998, the Swiss National Bank is authorised to collect the statistical data required for drawing up the balance of payments and the statistics on the international investment position.

Reporting institutions

Pursuant to the Appendix to the National Bank Ordinance, legal entities and companies are obliged to supply information if the transaction value of a reporting item (cf. III. description of categories) exceeds CHF 100,000 in the period under review.

Reporting period

Data reporting covers one calendar quarter or one calendar year. Data for the second, third or fourth quarter must not be combined with data for the preceding quarters. Receipts and expenses must be reported on an accrual basis.

Submission deadline

Quarterly survey: One month after the end of the reporting quarter (e.g. for first quarter of 2012 -> submission deadline, 30 April 2012).

Annual survey: Three months after the end of the reporting year (e.g. for 2012 -> submission deadline, 31 March 2013).

Confidentiality and data protection

The Swiss National Bank will treat the data collected as confidential. Confidentiality and data protection are governed by the National Bank Act and the National Bank Ordinance as well as by the Federal Act on Data Protection of 19 June 1992.

Queries and information

Questions regarding contents of the survey	e-mail: serviceBOP@snb.ch ; tel: +41 44 631 35 34
Technical questions regarding online delivery	to be announced
Questions regarding forms in Excel format	to be announced

II. Explanations**Definition of cross-border transactions**

One of the contracting parties (private or public entity) is resident in Switzerland and the other is either resident in a foreign country or is a foreign state. In principle, the distinction between resident and non-resident, and between individual countries, will be made according to the country of domicile of the contracting parties and not according to the place where the service is performed. The Principality of Liechtenstein is classed as part of the domestic market.

Receipts: The service recipient is resident in a foreign country, while the service provider is resident in Switzerland or the Principality of Liechtenstein.

Expenses: The service recipient is resident in Switzerland or the Principality of Liechtenstein, while the service provider is resident in a foreign country.

If both contracting parties are resident in Switzerland or the Principality of Liechtenstein, transactions shall not be reported. If both contracting parties are resident in a foreign country, transactions shall not be reported.

Geographical breakdown

All items must be broken down by country, with the following *exceptions*:

- All entries marked 'of which intragroup'
- Freight transport (3.1)
- Transport, auxiliary and supporting services (3.3)
- Merchanting, broken down by category of goods (11.1 to 11.9)

For more information on the geographical breakdown, see the separate explanations under *Current account survey – geographical breakdown*.

Estimates

Data estimates will be accepted for all items as long as the estimates have been made on a best efforts basis. Estimations may be necessary in the following cases: allocation of residual turnover, allocation of operating overheads (cf. also II. Explanations, Intragroup transactions), reallocation from main items to sub-items, allocation of transactions to countries or regions. In such cases, the SNB recommends using an allocation formula based on plausible assumptions.

The same formula can be used for several quarters, or even years, provided the underlying assumptions do not change. For queries and assistance relating to estimates or estimation methods, entities should contact the SNB, which will be happy to help.

Example (allocating a residual amount using an allocation formula): entity XYZ Ltd reports total services imports of CHF 100 million, of which CHF 55 million (55%) are allocated to '6. Financial services' and CHF 40 million (40%) to '8.2 Computer services'. The information in the reporting system does not allow a clear allocation of the remaining 5% (= CHF 5 million) of total services imports. However, it is known that a large proportion belongs to '8.1 Telecommunications services' and a smaller proportion to '2. Maintenance and repair services'. On the basis of this information, XYZ Ltd applies the following allocation formula: 60% to '8.1 Telecommunications services' and 40% to '2. Maintenance and repair services'; thus, XYZ Ltd reports CHF 3 million under '8.1 Telecommunications services' (= CHF 5 million x 60%) and CHF 2 million under '2. Maintenance and repair services' (= CHF 5 million x 40%).

Intragroup transactions

Cross-border transactions within a corporate group must also be reported.

- Intragroup transactions must be reported at market prices; should these be unavailable, intragroup transfer prices will be accepted.
- Only the amount paid for intragroup services should be reported. For instance, where payment is made on the basis of a 'cost plus' contract for the intermediation of services, only the sum paid for the intermediation should be reported, but not the value of the services themselves.
- Operating overheads must be divided and allocated to the individual service categories, such as 6. Financial services, 8.2 Computer services, etc. (cf. II. Explanations, Estimates).

Centralised/decentralised reporting

Where several companies within a group are required to report in Switzerland, the group has the choice between submitting an aggregated report for all group companies in Switzerland or instructing the individual reporting companies to report their transactions themselves. If a group submits an aggregated report, it should notify the SNB which companies in Switzerland are covered by the report.

General contractors

If, in the performance of a contract, a resident general contractor subcontracts (parts of) the contract to another, *non-resident* entity, the services provided by the non-resident subcontractor should be reported by the general contractor as services imports (expenses). If, in the performance of a contract, a resident general contractor subcontracts (parts of) the contract to another, *resident* entity, the services rendered by the resident subcontractor should not be reported by the general contractor. In both cases, it is irrelevant whether the contract is being performed for a resident or non-resident customer.

Conversion rules for transactions in foreign currency

Quarterly survey: It is recommended that the quarterly average exchange rate be used.

Annual survey: It is recommended that the annual average exchange rate be used.

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Accuracy and zero entries

All figures should be entered in thousands of Swiss francs (CHF 1,000s). Reporting institutions may state figures to as many decimal places as they wish. If the figure for a particular entry is zero, the entry field should be left blank. No zero entries may be made. If a value is less than the unit required, a fractional amount must be stated using decimal places.

III. Description of categories

* Items marked with an asterisk (*) are defined as (main) items, as set out in the cover letter of May 2011.

In the notes below, the following simplified designations are used:

Entity based in Switzerland or the Principality of Liechtenstein

=> resident entity

Entity based outside Switzerland or the Principality of Liechtenstein

=> non-resident entity

Item	TRADE IN SERVICES: Categories		
1.*	Manufacturing services abroad on physical inputs owned by others (does not apply to goods that cross the Swiss border; expenses only)	Description Remuneration for the processing of goods; the goods continue to be owned by the customer. This category includes the processing of raw materials (oil refining, liquefaction of natural gas, etc.), assembly (clothing, electronics, etc.), surface treatments, labelling, and so forth, including expenses for manufacturing services performed on physical inputs owned by others as part of toll processing/manufacturing activities. The fee charged by the processor, which covers the cost of materials and labour, should be reported, rather than the difference in the gross value of the goods before and after processing. <i>Excluding:</i> Manufacturing services on physical inputs owned by others, during which the goods cross the Swiss border -> not covered by this survey Packing incidental to transport -> Transport, auxiliary and supporting services (3.3) Assembly as part of construction work -> Construction (4.X.3) Note Expenses related to toll processing/manufacturing contracts should also be reported under this category. Under toll contracts, a resident entity supplies a non-resident	Examples <i>Expenses</i> A resident commodities trader pays a non-resident entity a fee for refining crude oil abroad.

		manufacturing company with the materials (commodities, semi-manufactures, etc.) for processing. The resident entity remains the legal owner of the materials, i.e. there is no change of ownership. The resident entity remunerates the non-resident manufacturing company for the processing. The processed goods are then resold by the resident entity – directly from the warehouse abroad of the non-resident manufacturing company. Cf. IV. Special issues, IV.1 Definition of merchanting (11.).	
2.*	Maintenance and repair services (does not apply to goods that cross the Swiss border; excluding construction maintenance and repairs (4.) as well as maintenance and repairs of computers (8.2))	<p>Description</p> <p>Fees for maintenance and repairs by residents of goods owned by non-residents and located outside the compiling economy (receipts); fees for maintenance and repairs by non-residents of goods owned by residents and located outside the compiling economy (expenses). Covers both minor repairs that maintain the item in working order and major repairs that extend the efficiency or capacity of the good or extend its life. Maintenance and repairs of ships, aircraft and other transport equipment also belongs in this category. The value recorded for maintenance and repairs is the value of the work done – not the difference in the gross value of the goods before and after repairs. The value of maintenance and repairs includes any parts or materials supplied by the repairer and included in the charge.</p> <p><i>Excluding:</i></p> <p>Fees for maintenance and repairs of goods, during which the goods cross the Swiss border -> not covered by this survey</p> <p>Cleaning of transport equipment -> Transport, auxiliary and supporting services (3.3)</p> <p>Construction maintenance and repairs -> Other construction (4.X.3)</p> <p>Maintenance and repairs of computers -> Computer services (8.2)</p> <p>Note</p> <p>-</p>	<p>Example</p> <p><i>Receipts</i></p> <p>A resident engineering company performs maintenance of an oil pump in the Middle East for a non-resident entity.</p> <p><i>Expenses</i></p> <p>A resident airline pays a fee to a non-resident entity for repair of an aircraft at a foreign airport.</p>
3.	Transport services (freight forwarding and logistics companies should only report passenger transport)	<p>Description</p> <p><u>3.1 Freight transport*</u></p> <p>Remuneration for freight transport which is <i>not billed through a resident freight forwarding company</i>.</p> <p>Receipts: From transports by resident entities on behalf and at the expense of non-residents; including transports in the non-resident's country of domicile.</p> <p>Expenses: For transports by non-resident entities on behalf and at the expense of residents; including transports in the compiling economy.</p>	<p>Examples</p> <p><i>Receipts</i></p> <p><u>3.1.5 Freight transport (inland waterway)</u></p> <p>A resident shipping company transports goods from Basel to Rotterdam for a non-resident customer; <i>the transport is organised and billed by a non-resident freight forwarding company.</i></p>

	<p>Note This category is not to be reported by freight forwarding and logistics companies. Freight transports are to be reported without any breakdown by country or mode of transport.</p> <p><u>3.2. Passenger transport*</u> This includes remuneration for <i>international</i> passenger transport. Receipts: From transports abroad of non-residents by resident entities. Expenses: For transports of residents by non-resident entities in the compiling economy and abroad, excluding transports in the non-resident entity's country of domicile.</p> <p><u>3.2.X Modes of transport</u> Receipts from and expenses for passenger transports are to be broken down by mode of transport.</p> <ol style="list-style-type: none"> 1. Air 2. Rail 3. Road 4. Sea 5. Inland waterway <p><i>Excluding:</i> Receipts: From passenger services provided within a territory to non-residents by residents -> not covered by this survey Expenses: For passenger services provided to residents by non-resident carriers within the non-resident carrier's country of domicile -> not covered by this survey Cruise fares -> not covered by this survey</p> <p>Note If a breakdown by mode of transport is not possible for passenger transports, the following estimation method can be used: -> Passenger transports to countries bordering Switzerland: 2/3 air, 1/3 rail; -> Passenger transports to other countries: 1/1 air; -> The remaining three modes of transport (road, sea, inland waterway) are disregarded. If a breakdown by country is not possible for passenger transports, the following estimation method can be used: -> Take the geographical breakdown used for the reporting entity's total services exports.</p>	<p><u>3.2.1 Passenger transport (air)</u> A resident airline transports a non-resident from Zurich to Delhi.</p> <p><u>3.3.1 Auxiliary and supporting services (air)</u> A resident air traffic control company provides a non-resident airline with air traffic control services during landing.</p> <p><i>Expenses</i></p> <p><u>3.1.4 Freight transport (sea)</u> A resident entity pays a non-resident shipping company to transport goods by sea from Rotterdam to New York; <i>the transport is organised and billed by a non-resident freight forwarding company.</i></p> <p><u>3.2.1 Passenger transport (air)</u> A resident service company pays a non-resident airline the airfare for a resident staff member to fly from Frankfurt to Singapore.</p> <p><u>3.3.2 Auxiliary and supporting services (rail)</u> A resident railway operator pays fees to a non-resident railway operator for use of the rail network.</p>
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3.3 Auxiliary and supporting services*

Remuneration for brokerage, pilotage, air traffic control, cleaning performed in ports and airports on transport equipment, transport costs of salvage operations, storage and warehousing, navigational aid, leasing (rental) or charters of transport equipment with crew, etc.

Freight transport: Only those auxiliary and supporting transport services which are not billed through a resident freight forwarding company.

Passenger transport: All auxiliary and supporting transport services.

Excluding:

Auxiliary and supporting transport services which are billed through a resident freight forwarding company -> not covered by this survey

Maintenance and repairs on transport equipment -> Maintenance and repair services (2.)

Note

This category is not to be reported by freight forwarding and logistics companies.

Auxiliary and supporting transport services are to be reported without any breakdown by country or mode of transport.

3.4 Electricity transmission*

Remuneration for the movement or transfer of electric energy at high voltage over an interconnected group of lines and associated equipment between points of supply and the points at which it is transformed to low voltage for delivery to consumers or delivery to other electric systems.

Excluding:

Electricity distribution (delivery of electricity from the substation to the consumer) ->

Other business services (9.3.7)

The electricity itself -> not covered by this survey

3.5 Pipeline transport*

Remuneration for the international transport in pipelines of gas, petroleum and other goods.

3.6 Space transport*

This includes remuneration for satellite launches undertaken by commercial enterprises for the owners of the satellites (such as telecommunications companies) and other operations

		<p>performed by operators of space equipment, such as transport of goods and people for scientific experiments; space passenger transport; payments made by an economy for the use of another economy's space vehicles.</p> <p><u>3.7 Other transport services*</u> This category should be used to report all transport-related receipts and expenses which cannot be allocated to any other category.</p> <p><i>Excluding:</i> Leasing (rental) and charters of transport equipment, without crew -> Operating leasing (9.3.4)</p> <p><u>3.8 Postal and courier services*</u> Remuneration for the pick-up, transport and delivery of letters, newspapers, parcels, express deliveries, door-to-door deliveries, post office counter services, sales of stamps, poste restante services, telegram services, etc.</p> <p><i>Excluding:</i> Financial services rendered by postal administration entities -> Financial services (6.)</p>	
4.	Construction	<p>Description Remuneration for construction work on structures of all kinds, such as general construction, renovation, repair, installation and assembly, plumbing and demolition; management of construction projects; outgoings for the acquisition of goods (such as machinery and equipment, and construction materials) and services (such as payment of construction workers) needed for construction.</p> <p><u>4.1 Construction abroad (construction sites abroad)*</u> <i>Receipts (construction services):</i> Remuneration for construction services provided by a resident entity for a non-resident customer on construction sites abroad. <i>Expenses (for acquisitions of goods and services for construction sites abroad):</i> Expenses of a resident construction company for purchases abroad for the construction site abroad.</p> <p><u>4.2 Construction in the compiling economy (construction sites in the compiling economy)*</u> <i>Expenses (construction services):</i> Remuneration for construction services provided by a non-resident entity for a resident customer on construction sites in the compiling economy.</p>	<p>Examples <i>Receipts</i> <u>4.1.1 Construction abroad (construction sites abroad), building construction</u> <i>Construction services:</i> A resident construction company builds an office complex in Munich for a non-resident customer. <u>4.2.2 Construction in the compiling economy (construction sites in the compiling economy), civil engineering</u> <i>Sales of goods and services for construction sites in the compiling economy:</i> A resident entity sells concrete to a non-resident construction company which is building a section of motorway in Switzerland.</p>

	<p><i>Receipts (from sales of goods and services for construction sites in the compiling economy):</i> Receipts of resident entities from sales in Switzerland to non-resident construction companies for construction sites in Switzerland.</p> <p><u>4.X.1 Building construction</u> This refers to construction work on structures that are above ground level (housing, office and commercial buildings, public buildings, etc.). This includes new construction, refurbishment, extension, conversion, assembly of prefabricated constructions on the construction site, and temporary structures.</p> <p><u>4.X.2 Civil engineering</u> This refers to construction work on structures that are at or below ground level (highways, bridges, tunnels, railways, airport runways, harbours, etc.). This includes new construction, refurbishment, extension, conversion, assembly of prefabricated constructions on the construction site, and temporary structures.</p> <p><u>4.X.3 Other construction</u> This refers to specialised building construction and civil engineering services, such as work on project sections or associated site preparation, as well as completion and finishing work (such as masonry work, roofing; installation of water supply systems, heating, ventilation and air-conditioning systems, antennas, alarm systems and lifts; lighting and signal installation for highways and airports, etc; laying of floors such as tiles and parquet; wall covering activities such as paper hanging; sanding of floors, etc.)</p> <p><i>Excluding:</i> Construction projects scheduled to take a year or more to complete -> not covered by this survey</p> <p>Note The basis for the geographical breakdown is the country of domicile of the customer, not the location of the construction site (cf. II. Explanations, Definition of cross-border transactions). General contractors: If, in the performance of a contract, a resident general contractor subcontracts (parts of) the contract to another, <i>non-resident</i> entity, the services provided by the non-resident subcontractor should be reported by the general contractor as services imports (expenses). It is irrelevant whether the contract is being performed for a resident or non-resident customer (cf. II. Explanations, General contractors).</p>	<p><i>Expenses</i></p> <p><u>4.1.1 Construction abroad (construction sites abroad), building construction</u> <i>Acquisition of goods and services for construction sites abroad:</i> A resident construction company buys materials in Munich for construction of an office complex in Munich.</p> <p><u>4.2.2 Construction in the compiling economy (construction sites in the compiling economy), civil engineering</u> <i>Construction services:</i> A resident entity commissions a non-resident construction company to build a section of motorway in Switzerland.</p>
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<p>5.</p>	<p>Insurance (not to be reported by insurance corporations)</p>	<p>Description</p> <p><u>5.1 Premiums paid to non-resident insurance corporations (expenses only)*</u> Premium payments by resident entities to non-resident insurance corporations.</p> <p><u>5.2 Claims paid by non-resident insurance corporations (receipts only)*</u> Claims payments by non-resident insurance corporations to resident entities.</p> <p><u>5.3 Auxiliary insurance services*</u> Remuneration for activities related to insurance and pension fund operations: insurance brokering and agency services, insurance and pension consultancy services, evaluation and loss adjustment services, actuarial services and advice, salvage administration services, and regulatory and monitoring services on indemnities and recovery services.</p> <p><i>Excluding:</i> Transport costs associated with salvage operations -> Transport, auxiliary and supporting services (3.3)</p> <p>Note -</p>	<p>Examples</p> <p><i>Receipts</i></p> <p><u>5.2 Claims paid by non-resident insurance corporations (receipts only)</u> A resident credit card issuer receives claims payments from a non-resident non-life insurance corporation.</p> <p><u>5.3 Auxiliary insurance services</u> A resident insurance expert is paid a fee to provide actuarial advisory services for a non-resident insurance corporation.</p> <p><i>Expenses</i></p> <p><u>5.1 Premiums paid to non-resident insurance corporations (expenses only)</u> A resident entity pays premiums to a non-resident non-life insurance corporation to insure traded commodities during merchanting transactions.</p> <p><u>5.3 Auxiliary insurance services</u> A resident commodities trader pays a fee to a non-resident insurance corporation for insurance consultancy services.</p>
<p>6.*</p>	<p>Financial services (not to be reported by banks)</p>	<p>Description</p> <p>Commissions, brokerage fees, charges for financial intermediation and associated services, such as credit brokerage, management of operating/custody accounts, asset management, investment advice, securities underwriting, financial leasing, documentary credit business, factoring, custody, securities trading and settlement, mergers and acquisitions, fiduciary transactions and the like; management of licences and patents.</p> <p><i>Excluding:</i> Services rendered by insurance corporations -> Insurance (5.) Services rendered by pension funds -> not covered by this survey Interest payments -> not covered by this survey</p> <p>Note Some companies have the sole or predominant function of holding and managing financial assets on behalf of their owners (such as mutual funds, holding companies, trusts and</p>	<p>Examples</p> <p><i>Receipts</i></p> <p>A resident holding company brokers a credit for a non-resident subsidiary; the holding company receives a brokerage fee.</p> <p><i>Expenses</i></p> <p>A resident entity pays fees to a non-resident bank for securities settlement.</p>

		special purpose entities). In the process of managing those assets, these companies incur administrative expenses, such as payments to fund managers, custodians, banks, accountants, lawyers, or their own staff. The expenses can be charged for explicitly as a fee, or implicitly by being paid out of investment income received or out of the assets of the company. The expenses implicitly paid for should be recognised as a service to the owners.	
7.*	Charges for the use of intellectual property n.i.e.	<p>Description</p> <p>Charges for the use of intellectual property rights (excluding computer software (8.2) and audiovisual content (10.1)) arising from research and development, as well as trademarks (such as patents, copyrights, industrial processes and designs including trade secrets), and franchises;</p> <p>Charges for licences to reproduce and distribute intellectual property (including computer software and audiovisual content) embodied in produced originals or prototypes (such as copyrights on books and manuscripts, computer software, cinematographic works, and sound recordings) and related rights (such as for live performances and television, cable or satellite broadcast).</p> <p><i>Excluding:</i></p> <p>Purchases and sales of franchises and trademarks -> Capital transfers (18.)</p> <p>Charges for the use (excluding reproduction and distribution) of computer software -> Computer services (8.2)</p> <p>Sales of licences to use computer software -> Computer services (8.2)</p> <p>Sales of proprietary rights arising from research and development -> Research and development (9.1.2)</p> <p>Charges for the use (excluding reproduction and distribution) of audiovisual content -> Audiovisual and related services (10.1)</p> <p>Sales of licences to use audiovisual content -> Audiovisual and related services (10.1)</p> <p>Purchases or sales of computer software or audiovisual content on physical storage devices with licence for perpetual use -> not covered by this survey</p> <p>Note</p> <p>Cf. IV. Special issues, IV.2 Definitions in the treatment of intellectual property.</p>	<p>Examples</p> <p><i>Receipts</i></p> <p>A resident chemical company transfers the use of a patent to a non-resident subsidiary in return for a fee (no sale).</p> <p><i>Expenses</i></p> <p>A resident entity pays a licence fee to a non-resident entity for the right to put the non-resident entity's new medicine into mass production in a given market.</p>

8.	Telecommunications, computer and information services		
8.1*	Telecommunications services	<p>Description Remuneration for transmission of data (such as sound, images and other information) via communication equipment (such as internet, telephone, telex, telegram, radio and television cable transmission, e-mail, facsimile, teleconferencing, etc.) and associated services; remuneration for internet access via fixed network or WLAN, mobile telecommunications services, etc.</p> <p><i>Excluding:</i> Installation of telecommunications equipment -> Construction (4.X.3) Database services -> Other information provision services (8.3.2) The value of the data transmitted.</p> <p>Note -</p>	<p>Examples</p> <p><i>Receipts</i> A resident telecommunications company receives payments for roaming charges from a non-resident telecommunications company.</p> <p><i>Expenses</i> A resident entity pays a fee for the use of a non-resident entity's satellite transmission services.</p>
8.2*	Computer services	<p>Description Remuneration for development, production and documentation of customised software, including operating systems, and related licences to use, as well as purchases and sales; charges for licences to use non-customised software provided on a storage device (such as a CD-ROM) with a periodic licence fee; remuneration for non-customised software delivered electronically (such as in the form of downloads). Remuneration for hardware and software consultancy and implementation services, including the management of subcontracted computer services; hardware and software installation; maintenance and repairs of computers and peripheral equipment; data backup and recovery services; analysis, programming and design of systems ready to use (including web page development and design), and technical consultancy related to software; systems maintenance and other support services; training on customised software; data processing and hosting services (such as data entry and processing); hosting and maintenance services.</p> <p><i>Excluding:</i> Charges for licences to reproduce and distribute software -> Charges for the use of intellectual property (7.) Training on non-customised software -> Education services (10.3) Purchases or sales of non-customised software on physical storage devices with licence for perpetual use -> not covered by this survey</p> <p>Note Cf. IV. Special issues, IV.2 Definitions in the treatment of intellectual property.</p>	<p>Examples</p> <p><i>Receipts</i> A resident parent company performs software maintenance for a non-resident subsidiary.</p> <p><i>Expenses</i> A resident entity commissions a non-resident entity to develop a corporate application.</p>

8.3*	Information services	<p>Description</p> <p><u>8.3.1 News agency services</u> Remuneration for the provision of news, photographs, editorials, feature articles and documentary reports to the media.</p> <p><u>8.3.2 Other information provision services</u> Remuneration for database services such as database design, data storage and retention, dissemination of data and databases (including directories and mailing lists), and services associated with internet search engines. Remuneration for library and archive services, and for direct non-bulk subscriptions to newspapers and periodicals; downloaded content that is not software, audio or video.</p> <p><i>Excluding:</i> Software downloads -> Computer services (8.2) Downloads of audiovisual content -> Audiovisual and related services (10.1) Bulk newspapers and periodicals (such as daily newspapers, fashion magazines) -> not covered by this survey</p> <p>Note -</p>	<p>Examples</p> <p><i>Receipts (8.3.2)</i> A resident entity produces a customer database for a non-resident entity.</p> <p><i>Expenses (8.3.1)</i> A resident media company pays fees to a non-resident media company for the regular provision of stock market data.</p>
9. Other business services			
9.1*	Research and development	<p>Description</p> <p><u>9.1.1 Research and development services</u> Remuneration for services related to basic and applied research, product and process development.</p> <p><u>9.1.2 Purchases and sales of proprietary rights arising from research and development</u> Remuneration for purchases and sales of proprietary rights arising from research and development.</p> <p><i>Excluding:</i> Amounts payable for use of proprietary rights arising from research and development -> Charges for the use of intellectual property (7.) Consultancy work -> Management consulting and public relations services (9.2.3) Technical studies -> Scientific and other technical services (9.3.3)</p> <p>Note -</p>	<p>Examples</p> <p><i>Receipts (9.1.1)</i> A resident pharmaceutical company is commissioned by a non-resident entity to carry out applied research.</p> <p><i>Expenses (9.1.1)</i> A resident biotech company commissions a non-resident entity to develop a new product.</p>

9.2*	Professional and management consulting services	<p>Description</p> <p><u>9.2.1 Legal services</u> Remuneration for legal advice and representation in legal and judicial proceedings, preparation of legal documents and instruments, certification and authentication as well as arbitration and custodianship.</p> <p><u>9.2.2 Accounting, auditing, bookkeeping and tax consulting services</u> Recording of commercial transactions for businesses and others; examination services of accounting records and financial statements; business tax planning and consulting; preparation of tax documents.</p> <p><u>9.2.3 Business and management consulting and public relations services</u> Advisory, guidance and operational assistance services provided to businesses for business policy and strategy and the overall planning, structuring and control of an organisation; management auditing, market management, human resources, production management and project management consulting; advisory, guidance and operational services related to improving the image of the clients and their relations with the public.</p> <p><u>9.2.4 Advertising, market research and public opinion polling</u> Remuneration for advertising, market research, opinion polls, including design, creation and marketing of advertisements by advertising agencies; media placement, including purchase and sale of advertising space; exhibition services provided by trade fairs; product marketing; market research; telemarketing and public opinion polling.</p> <p>Note -</p>	<p>Examples</p> <p><i>Receipts</i></p> <p><u>9.2.1 Legal services</u> A resident legal firm represents a non-resident entity in a legal dispute.</p> <p><u>9.2.2 Accounting, auditing, bookkeeping and tax consulting services</u> A resident firm of auditors audits the accounts of a non-resident entity.</p> <p><u>9.2.3 Business and management consulting and public relations services</u> A resident business consultant provides public relations advice to a non-resident entity.</p> <p><u>9.2.4 Advertising, market research and public opinion polling</u> A resident advertising agency is commissioned by a non-resident manufacturing company to promote its products.</p> <p><i>Expenses</i></p> <p><u>9.2.1 Legal services</u> A non-resident legal firm is commissioned by a resident entity to negotiate contracts with third parties.</p> <p><u>9.2.2 Accounting, auditing, bookkeeping and tax consulting services</u> A resident entity pays a non-resident business consultant for tax advice.</p> <p><u>9.2.3 Business and management consulting and public relations services</u> A resident entity pays a non-resident business consultant to provide support in implementing a new business strategy.</p> <p><u>9.2.4 Advertising, market research and public opinion polling</u> A resident market research institute commissions a non-resident call centre to conduct opinion polls.</p>

9.3*	Technical, trade-related and other business services	Description	Examples
		<p>Description</p> <p><u>9.3.1 Architectural services</u> Remuneration for services such as architectural design of urban and other development projects, etc.</p> <p><u>9.3.2 Engineering and planning services</u> Design, development and utilisation of machines, materials, instruments, structures, processes and systems; provision of designs, plans and studies related to engineering projects.</p> <p><i>Excluding:</i> Mining engineering -> Other business services (9.3.7)</p> <p><u>9.3.3 Scientific and other technical services</u> Remuneration for surveying, cartography, product testing and certification, and technical inspection services.</p> <p><i>Excluding:</i> Inspection of goods -> Trade-related services (9.3.5)</p> <p><u>9.3.4 Operating leasing</u> Leasing (rental) and charters of transport equipment without crew, of other equipment such as ships and aircraft without crew, railway cars, containers, rigs, etc., and of machinery; operating leasing of dwellings and other buildings.</p> <p><i>Excluding:</i> Rental of transport equipment with crew -> Transport, auxiliary and supporting services (3.3) Leasing of telecommunications equipment -> Telecommunications services (8.1) Rental of dwellings (accommodation) and vehicles to non-residents during their stays in economies other than their economies of residence -> not covered by this survey Rental of land and other natural resources, etc. -> not covered by this survey</p> <p>Note Cf. IV. Special issues, IV.3 Distinction between Operating leasing (9.3.4) and Financial leasing (14.).</p>	<p>Examples</p> <p><i>Receipts</i></p> <p><u>9.3.1 Architectural services</u> A resident firm of architects is commissioned by a non-resident entity to draw up architectural designs for a museum extension in Milan.</p> <p><u>9.3.2 Engineering and planning services</u> A resident engineering firm is commissioned by a non-resident entity to develop a production process for the manufacture of plastics.</p> <p><u>9.3.3 Scientific and other technical services</u> A resident land surveying company is commissioned by a non-resident customer to gather geodata in the high alpine region.</p> <p><u>9.3.4 Operating leasing</u> A resident cargo company leases containers for a freight consignment to a non-resident merchandise trader.</p> <p><u>9.3.5 Trade-related services</u> A resident goods inspector performs certification of a goods delivery for a non-resident trading company</p> <p><u>9.3.6 Waste treatment and depollution services</u> A resident recycling company recycles PET bottles for a non-resident entity.</p> <p><u>9.3.7 Other business services</u> A resident entity recruits specialised staff for a non-resident entity (placement of personnel).</p> <p><i>Expenses</i></p> <p><u>9.3.1 Architectural services</u> A resident entity commissions a non-resident firm of architects to design an office complex.</p> <p><u>9.3.2 Engineering and planning services</u> A resident construction company buys technical advice from a non-resident engineering company in connection with a tunnelling project.</p>

		<p><u>9.3.5 Trade-related services</u> Remuneration for brokerage and other assistance in connection with trade in goods and services, payable to traders, commercial agents, commodity and capital goods brokers, auctioneers and commission agents; and for the inspection of goods.</p> <p><i>Excluding:</i> Transport-related services such as brokerage -> Transport, auxiliary and supporting services (3.3) Financial intermediation -> Financial services (6.) Charges for franchises -> Charges for the use of intellectual property (7.) Technical inspections -> Scientific and other technical services (9.3.2)</p> <p><u>9.3.6 Waste treatment and depollution services</u> Remuneration for treatment of radioactive and other waste; stripping of contaminated soil; cleaning-up of pollution including oil spills; restoration of mining sites; and decontamination and sanitation services. Also included are all other services that relate to the cleaning or restoring of the environment.</p> <p><u>9.3.7 Other business services</u> Remuneration for business services that cannot be allocated to any other business service category, such as placement of personnel, translation and interpretation, agricultural services, mining, vehicle breakdown services, security services, building cleaning, arranging accommodation such as hotel rooms, etc.</p>	<p><u>9.3.3 Scientific and other technical services</u> A resident entity commissions a non-resident entity to perform certification of a production process.</p> <p><u>9.3.4 Operating leasing</u> A resident airline charters an aircraft without crew from a non-resident airline.</p> <p><u>9.3.5 Trade-related services</u> A resident entity commissions a non-resident estate agent to find an industrial property near Lake Geneva.</p> <p><u>9.3.6 Waste treatment and depollution services</u> A resident entity pays a non-resident entity to dispose of hazardous waste.</p> <p><u>9.3.7 Other business services</u> A resident entity buys translation services from a non-resident translation agency.</p>
10.*	Personal, cultural and recreational services		
10.1	Audiovisual and related services	<p>Description Services related to the production of motion pictures (on film, videotape or transmitted electronically), radio and television programmes (live or on tape) and musical recordings; rentals of audiovisual and related products; charges for access to encrypted television channels (such as cable and satellite services); fees for the services of performing artists, authors, composers, sculptors, set designers, costume designers and lighting designers; purchases and sales of ownership rights, entertainment, literary or artistic originals, such as books, manuscripts, radio and television broadcast originals, motion picture and sound recordings, videotape, etc. over which legal or de facto ownership can be established by copyright.</p>	<p>Examples</p> <p><i>Receipts</i> A resident music group receives a fee for a concert performed abroad and organised by a non-resident concert organiser.</p> <p><i>Expenses</i> A resident concert organiser pays a fee to a non-resident musical ensemble for a performance in Switzerland.</p>

		<p><i>Excluding:</i> Charges for licences to reproduce and/or distribute audiovisual content -> Charges for the use of intellectual property (7.) Purchases or sales of audiovisual content on physical storage devices with licence for perpetual use -> not covered by this survey</p> <p>Note Cf. IV. Special issues, IV.2 Treatment of intellectual property.</p>	
10.2	Health services	<p>Description Human health services provided by hospitals, doctors, nurses and paramedical and similar personnel; laboratory and similar services, whether rendered remotely (through telemedicine or telediagnosis) or on-site; diagnostic-imaging services, pharmaceutical, radiology and rehabilitation services.</p> <p><i>Excluding:</i> Veterinary services -> Other business services (9.3.7) Health services provided to non-residents who are present in the territory of the service provider -> not covered by this survey</p> <p>Note -</p>	<p>Examples</p> <p><i>Receipts</i> A resident private clinic supplies a non-resident hospital with telediagnoses on the basis of data provided.</p> <p><i>Expenses</i> A resident special clinic buys laboratory services from a non-resident laboratory.</p>
10.3	Education services	<p>Description Services relating to all levels of education, delivered through correspondence courses, via television, satellite or the internet, as well as by teachers and so forth who supply services directly in host economies.</p> <p><i>Excluding:</i> Education services provided to non-residents who are present in the territory of the service provider -> not covered by this survey</p> <p>Note -</p>	<p>Examples</p> <p><i>Receipts</i> A resident university offers MBA distance-learning courses for non-resident customers.</p> <p><i>Expenses</i> A resident biotech company flies a specialist in from abroad to train specialised staff in Switzerland.</p>

10.4	Other personal, cultural and recreational services	<p>Description Services associated with museums and other cultural, sporting, gambling and recreational activities, membership dues of associations; activities associated with the conservation and preservation of museums, historical buildings and sites, monuments, buildings and artefacts; display services of collections of art and history; natural heritage services; activities associated with the operation of sports facilities, amusement parks, and gambling.</p> <p><i>Excluding:</i> Services provided to non-residents who are present in the territory of the service provider -> not covered by this survey</p> <p>Note -</p>	<p>Examples</p> <p><i>Receipts</i> The international football governing body, headquartered in Switzerland, collects membership dues from member countries.</p> <p><i>Expenses</i> A resident art dealer pays fees to a non-resident auction house for the auction of paintings.</p>
Item	TRADE IN GOODS: Categories		
11.*	Merchanting	<p>Description Merchanting is defined as the purchase of goods by an entity in Switzerland from a non-resident entity and their subsequent resale to another non-resident entity; the economy of origin and the economy of destination can be the same. During the transaction, the goods do not cross the Swiss border, or are otherwise not subject to the payment of customs duty in Switzerland. The condition of the goods under merchanting does not change. Merchanting transactions should be reported at their transaction price. Receipts: Gross income from goods sales (sales proceeds). Expenses: Cost value of goods sold.</p> <p><u>11.1 to 11.9: Gross income from goods sales, by category of goods</u></p> <ol style="list-style-type: none"> 1. Agricultural and forestry products 2. Energy sources 3. Textiles, clothing and footwear 4. Paper and graphic arts 5. Leather, rubber, plastics, chemicals 6. Non-metallic mineral products, metals 7. Machinery, equipment, electronics, vehicles 8. Precision instruments, watches, jewellery 9. Other 	<p>Example A resident merchant purchases crude oil in Russia (<i>expenses</i>), and sells it to Germany (<i>receipts</i>) without incurring any customs duty on the oil in Switzerland.</p>

		<p><i>Excluding:</i> Income in the form of dividends, interest payments, etc, from non-resident subsidiaries and branches -> not covered by this survey Trade in goods under toll processing/manufacturing contracts -> not covered by this survey; cf. IV. Special issues, IV.1 Definition of merchanting (11.).</p> <p>Note Goods trade that is not billed through Switzerland should only be reported under merchanting if the condition of the goods does not change during the trade; cf. IV. Special issues, IV.1 Definition of merchanting (11.). Bonded warehouses are deemed to be outside Swiss territory.</p>	
12.*	Trade in ships	<p>Description Purchases and sales of ships which are not transacted via the Directorate General of Customs (such as Rhine vessels, maritime fleet).</p> <p>Note -</p>	<p>Examples</p> <p><i>Receipts</i> A resident shipping company sells a Rhine vessel to a non-resident shipping line.</p> <p><i>Expenses</i> A resident shipping company buys a maritime vessel from a non-resident shipbuilding company.</p>
13.*	Goods procured in ports	<p>Description Goods such as fuels, on-board catering, provisions, stores, ballast, and dunnage procured by non-resident transport operators in ports from resident providers, and goods procured by resident transport operators from non-resident providers.</p> <p><i>Excluding:</i> Maintenance and repair costs of transport operators -> Transport, auxiliary and supporting services (3.3) Goods procured by ship's crew, drivers, etc. for their own use -> not covered by this survey</p> <p>Note -</p>	<p>Examples</p> <p><i>Receipts</i> A resident catering company supplies in-flight catering to non-resident airlines.</p> <p><i>Expenses</i> A resident airline refuels or buys fuel at a non-resident airport for its onward journey.</p>

Item	INVESTMENT INCOME: Category		
14.*	Investment income from financial leasing	<p>Description This includes interest paid in connection with financial leases.</p> <p><i>Excluding:</i> Fees associated with operating leasing -> Operating leasing (9.3.4)</p> <p>Note Cf. IV. Special issues, IV.3 Distinction between Operating leasing (9.3.4) and Financial leasing (14.).</p>	<p>Examples</p> <p><i>Receipts</i> A resident lessor receives a fee from a non-resident manufacturing company for the financial lease of capital goods.</p> <p><i>Expenses</i> A resident airline pays interest to a non-resident lessor for the lease of a fleet of aircraft.</p>
Item	TRANSFERS: Categories		
15.*	Aid	<p>Description Receipts and expenses relating to donations; expenses for foreign aid in the form of money, goods (food, clothing, other consumer goods, medicines, etc.) or services (psychological and medical care, etc.), such as in the event of famine, natural disasters, war; contributions (expenses only) to international organisations such as the Red Cross (ICRC), UN, UNESCO, etc.</p> <p>Note Transfers are payments for which no corresponding value is received in return. International organisations are, by definition, always non-residents.</p>	<p>Examples</p> <p><i>Receipts</i> A resident development aid organisation receives donations from a non-resident entity.</p> <p><i>Expenses</i> A resident aid organisation transfers money for a development project to a non-resident partner organisation.</p>
16.*	Fines and penalties	<p>Description Fines and penalties imposed on companies by courts of law or other government bodies.</p> <p>Note Transfers are payments for which no corresponding value is received in return.</p>	<p>Examples</p> <p><i>Expenses</i> A resident entity pays a fine to a non-resident authority for breach of anti-trust legislation.</p>

17.*	Taxes	<p>Description Taxes on income and capital gains from financial assets, taxes on interest and dividends, taxes on financial transactions (such as taxes on issue, purchase and sale of securities).</p> <p>Note Refunds of taxes to taxpayers are treated as negative taxes. Transfers are payments for which no corresponding value is received in return.</p>	<p>Examples</p> <p><i>Expenses</i> A resident entity pays taxes to a non-resident authority for the issue of securities.</p>
18.*	Capital transfers	<p>Description Capital transfers include debt forgiveness, payments of compensation (settled in and out of court), guarantees, inheritances (legacies), purchases and sales of franchises and trademarks.</p> <p><i>Excluding:</i> Debt write-offs -> not covered by this survey</p> <p>Note Transfers are payments for which no corresponding value is received in return. Capital transfers are typically large and infrequent. Cf. IV. Special issues, IV.2 Definitions in the treatment of intellectual property.</p>	<p>Examples</p> <p><i>Receipts</i> A non-resident private individual leaves part of his/her estate to a resident aid organisation.</p> <p><i>Expenses</i> A resident entity pays compensation to a foreign state following a court arbitration ruling.</p>

IV. Special issues

IV.1 Definition of merchanting (11.)

Merchanting is defined as the purchase of goods by an entity in Switzerland from a non-resident entity and their subsequent resale to another non-resident entity, without the goods crossing the Swiss border or incurring any customs duty in Switzerland.

However, the following limitation applies: **the condition of the goods does not change during the merchanting transaction.** If the condition of the goods does change (i.e. toll processing or manufacturing services on physical inputs owned by others), the goods trade should not be recorded under merchanting, but only under expenses for manufacturing services on physical inputs owned by others. The following two examples illustrate the distinction.

Example 1: Merchanting, the condition of the goods does not change (from the Swiss perspective)

An entity resident in Switzerland buys refined oil for 1,000 units from an entity resident in Russia. The Swiss entity sends the refined oil from Russia to an entity resident in China (via pipeline), without the oil crossing the Swiss border or incurring any customs duty in Switzerland. The Chinese entity fills the refined oil into containers for shipment; **thus, the condition of the oil does not change.** The Swiss entity then sells the refined oil for 1,100 units to an oil trader resident in Belgium. The resulting account entries are:

Category	Entry
<i>Switzerland</i>	
Merchanting	-1,000 units (negative exports)
Merchanting	+1,100 units (exports)
Net receipts from merchanting	100 units (net exports)
<i>Russia</i>	
Trade in goods	+1,000 units (exports)
<i>China</i>	
Trade in goods	+1,100 units (exports)
Trade in goods	-1,000 units (imports)
<i>Belgium</i>	
Trade in goods	-1,100 units (imports)

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Example 2: No merchanting (toll processing), the condition of the goods does change (from the Swiss perspective)

An entity resident in Switzerland buys crude oil for 1,000 units from an entity resident in Russia. The Swiss entity sends the crude oil from Russia to an entity resident in China (via pipeline), without the oil crossing the Swiss border or incurring any customs duty in Switzerland. The Chinese entity refines the crude oil and then fills it into containers for shipment; **the condition of the oil has thus changed (from crude oil to refined oil)**. The Swiss entity then sells the refined oil for 1,500 units to an oil trader resident in Belgium. The resulting account entries are:

Category	Entry
<u>Switzerland</u>	
Manufacturing services on physical inputs owned by others	-500 units (expenses)
<u>Russia</u>	
Trade in goods	+1,000 units (exports)
<u>China</u>	
Trade in goods	+1,500 units (exports)
Trade in goods	-1,000 units (imports)
Manufacturing services on physical inputs owned by others	+500 units (receipts)
<u>Belgium</u>	
Trade in goods	-1,500 units (imports)

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IV.2 Definitions in the treatment of intellectual property

The table below provides an overview of the treatment of intellectual property in Switzerland's current account.

Object of transaction	Use		Sale/purchase
Franchises and trademarks	Charges for the use of intellectual property (7.)		Capital transfers (18.)
Outcomes of research and development	Charges for the use of intellectual property (7.)		Research and development (9.1)
Computer services; Audiovisual and related services	Licence to use excluding reproduction and distribution	Licence to reproduce and distribute	Computer services (8.2) or Audiovisual and related services (10.1)
Customised mass-produced goods for <i>fixed-period</i> use	Computer services (8.2) or Audiovisual and related services (10.1)	Charges for the use of intellectual property (7.)	
Mass-produced goods with right to <i>perpetual</i> use	Not covered by this survey (trade in goods)	Charges for the use of intellectual property (7.)	Computer services (8.2) or Audiovisual and related services (10.1)

IV.3 Distinction between Operating leasing (9.3.4) and Financial leasing (14.)

The table below provides an overview of some of the criteria that can be used to distinguish between Operating leasing (9.3.4) and Financial leasing (14.).

Criterion	Operating lease: has rental characteristics	Financial lease: has loan characteristics
Term of lease	Short-term	Long-term, covering the major part of the economic life of the leased asset
Purchase option/transfer of legal ownership at the end of the lease term	No	Yes
Lessor has an interest in recovering the leased asset	Yes	No
Cancellable	Yes	Usually no
Investment risk	Lessor	Lessee
Shown in the balance sheet	Lessor	Lessee
Measures taken to maintain value (maintenance and repairs, insurance)	Lessor	Lessee