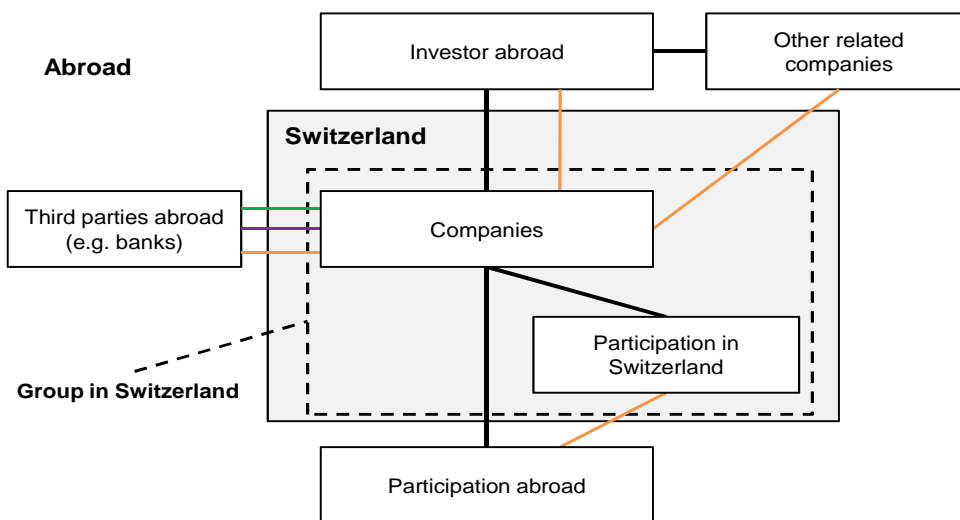


Notes on cross-border capital linkages annual survey – INA

Overview

The answers provided in this worksheet determine the further procedure of the survey. The following chart shows an example of the balance sheet items with **counterparties abroad** which need to be taken into account. All references to Switzerland also include the Principality of Liechtenstein. Not all possible holdings are shown here.

- Loans vis-à-vis counterparties domiciled abroad
- Other assets/liabilities vis-à-vis counterparties domiciled abroad (equity securities, short and long-term debt securities, derivatives and structured products)
- Derivatives vis-à-vis counterparties domiciled abroad



**Participations in Switzerland**

Participations in Switzerland are all legally independent enterprises domiciled in Switzerland in which your company holds at least 10% of the voting stock.

**Group in Switzerland**

Groups in Switzerland comprise all companies domiciled in Switzerland which are included in this report. This is generally the company required to report as well as all legally independent enterprises domiciled in Switzerland, in which the former holds at least 10% of the voting stock (participations in Switzerland).

**Differentiating counterparties abroad:**

**(a) Investors abroad**

Investors domiciled abroad are all legal entities and private individuals holding at least 10% of the voting stock in your company (e.g. parent company).

For example:

- Parent companies abroad
- Intermediate companies abroad
- Private individuals abroad
- Public institutions abroad

Nominee shareholders holding shares in the name of their clients are not considered investors.

**(b) Participations abroad**

Participations abroad are all companies abroad in which your group in Switzerland holds at least 10% of the voting stock (e.g. subsidiaries). Branches abroad are treated as participations.

**(c) Third parties abroad**

Third parties abroad are companies, public-law institutions and other counterparties abroad with which no direct investment relations exist (no direct or indirect participations of 10% or more of the voting stock).

**(d) Other related companies**

Other related companies are companies which are all in the same group, but which are not considered direct or indirect investors or participations (cf. chart for the difference between *investors*, *participations* and *other related companies*).

### Differentiating types of capital:

#### (a) Loans vis-à-vis counterparties domiciled abroad

Loans comprise both assets and liabilities vis-à-vis a counterparty domiciled abroad.

These include trade credits, current account overdraft facilities, bills of exchange, advances, loans and deposits with banks abroad, loans from repo transactions, interest assets and liabilities as well as similar assets and liabilities.

Debt securities, equity securities, derivatives and structured products are not part of loans and should not be reported. Similarly, fiduciary funds invested in the money market abroad through the intermediation of domestic banks should not be reported.

#### (b) Other assets and liabilities vis-à-vis counterparties domiciled abroad

Other assets and liabilities include equity securities, short and long-term debt securities as well as derivatives and structured products (cf. section INQ4X for further details).

Equity securities, structured products and short and long-term debt certificates in safe custody accounts at banks in Switzerland should not be reported. Derivatives must always be reported. Derivative financial instruments that comprise more than one currency should be reported in the currency in which the transaction will be settled.

#### (c) Turnover on derivatives vis-à-vis counterparties abroad

The following products are classed as derivative financial instruments: forwards, futures, swaps and options.

### Special provisions for insurance corporations:

Insurance corporations must report:

- Capital investments and liabilities from cross-border insurance business, particularly from reinsurance business
  - Capital investments held for branches abroad should not be reported.
- 'Free' capital investments abroad (capital investments with no counterpart actuarial liabilities)
- Capital investments abroad to cover domestic risks

Capital investments held for branches abroad should not be reported.

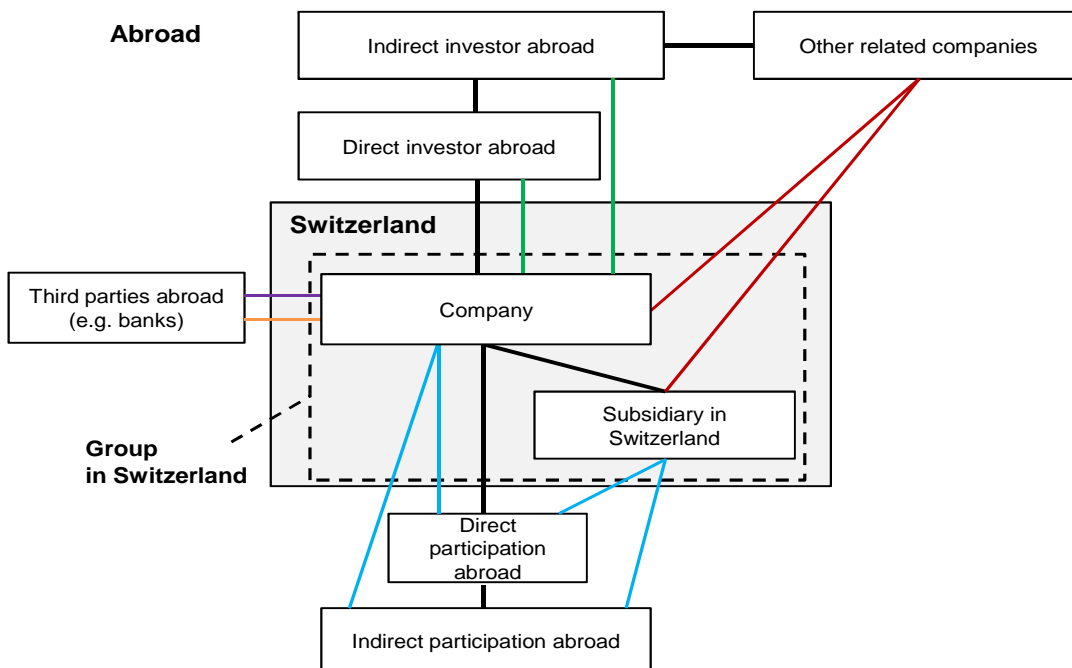
## INA3X Loans in CHF, EUR, USD, GBP, JPY and other currencies

Please indicate your loans vis-à-vis counterparties domiciled abroad broken down by counterpart item. The loan should always be reported in CHF on the worksheet of the original currency.

The following chart illustrates possible counterpart items. The chart is not exhaustive.

**Important:** Only loans vis-à-vis **counterparties abroad** should be reported.

- Loans vis-à-vis direct or indirect investor abroad (e.g. parent company)
- Loans vis-à-vis third parties
- Loans vis-à-vis direct or indirect participation abroad (e.g. subsidiary)
- Trade credits and advances
- Loans vis-à-vis other related companies (e.g. fellow companies)



### Loans vis-à-vis non-consolidated subsidiaries abroad

Loans vis-à-vis non-consolidated subsidiaries abroad (usually minority interests) must be reported as loans vis-à-vis participations abroad. If loans vis-à-vis non-consolidated subsidiaries abroad cannot be differentiated from loans vis-à-vis third parties, they can be reported as loans vis-à-vis third parties abroad.

### Differentiating loans

#### Loans include:

Bills of exchange, advances, loans and deposits with banks abroad, loans from repo transactions, interest assets and liabilities, current account overdraft facilities and trade credits.

#### Loans do not include:

Fiduciary funds invested in the money market abroad through the intermediation of domestic banks, as well as debt securities, equity securities, derivatives and structured products.

### Valuation of loans

Loans must be valued at their nominal value plus accrued interest.

### Short and long-term loans

Long-term loans: Residual maturity of more than one year.

### Trade credits and advances

#### Assets

- Trade credits: Claims in goods and services transactions relating to the granting of a payment period or grace period by your group to a beneficiary (claims from delivery and payment and/or from borrowers).
- Advances: Prepayments or advance payments made by your group to the service provider between the conclusion of the purchase agreement and delivery or partial delivery.

#### Liabilities

- Trade credits: Liabilities in goods and services transactions relating to the granting of a payment period or grace period by the service provider to your group (claims from delivery and payment and/or from creditors).
- Advances: Prepayments or advance payments made by the service provider to your group between the conclusion of the purchase agreement and delivery or partial delivery.

### Conversion rules for stocks in foreign currencies

Please convert stocks in foreign currencies into Swiss francs using the exchange rate on the reporting date.

If a breakdown of loans by currency is not possible, stocks must be reported in Swiss francs.

**Equity securities**

**Assets**

Equity securities (shares, participation certificates and similar securities) issued by non-residents which are not issued by related companies (parent companies, subsidiaries and fellow companies), and units in collective investment schemes domiciled abroad.

Equity securities in safe custody accounts at banks in Switzerland should not be reported.

**Short-term debt securities**

**Assets**

Negotiable short-term debt certificates on a discount basis as well as any other fixed-income securities issued by non-residents with an original maturity of one year or less.

Short-term debt securities in safe custody accounts at banks in Switzerland should not be reported.

**Liabilities**

Reporting company's own debt certificates issued abroad on a discount basis and reporting company's other fixed-income securities issued abroad with an original maturity of one year or less.

**Long-term debt securities**

**Assets**

Negotiable long-term debt securities (bonds, notes, zero bonds, etc.) issued by non-residents with an original maturity of more than one year.

Short-term debt securities in safe custody accounts at banks in Switzerland should not be reported.

**Liabilities**

Reporting company's own long-term debt securities (bonds, notes, zero bonds, etc.) issued abroad with an original maturity of more than one year.

**Structured products (certificates, products with maximum yield, capital-protected products)**

Securities which, by combining different financial instruments, form new products. Apart from basic investments, such as shares or bonds, structured products may also include derivatives. In addition, standardised debt certificates which reflect an underlying asset one-to-one (pure certificates) also form part of structured products.

**Assets**

Structured products issued by non-residents. Structured products in safe custody accounts at banks in Switzerland should not be reported.

**Liabilities**

Reporting company's structured products issued abroad.

**Derivatives**

Forwards, futures, swaps and options; forward contracts whose values depend on one or more underlying financial instruments, indices or goods.

**Assets**

Claims from derivative financial instruments.

Derivative financial instruments in safe custody accounts at banks in Switzerland should also be reported.

**Liabilities**

Liabilities from derivative financial instruments.

Examples of items to be reported:

- Purchased and written options (warrants)
- Futures and options traded on derivatives exchanges
- Over-the-counter options and forward transactions, e.g. foreign exchange swaps, interest rate swaps, forward rate agreements, cross-currency swaps, equity swaps, etc.

Forward contracts on goods and services concluded with the intention of deliveries of goods or services should not be reported.

**Conversion rules for stocks in foreign currencies**

Please convert stocks in foreign currencies into Swiss francs using the exchange rate on the reporting date. If a breakdown of loans by currency is not possible, stocks must be reported in Swiss francs.

- Structured products that comprise more than one currency should be reported in the currency in which the transaction will be settled.

- Derivative financial instruments that comprise more than one currency should be reported in the currency in which the transaction will be settled.

## INA50 Interest expenses and interest receipts on loans vis-à-vis counterparties abroad

Interest on short and long-term inward and outward loans (excluding debt securities, equity securities, derivatives and structured products). Please calculate all interest in Swiss francs and record it with the correct counterparty.

### Calculation of interest

Interest expenses and interest receipts on the loans allocated to the applicable accounting period, reported in INQ3X less non-reclaimable withholding tax.

## INA60 Turnover on derivatives vis-à-vis counterparties abroad

Examples of turnover to be reported:

- Premiums (paid or received) as well as realised gains and losses on purchased and written options and warrants
- Margin (paid or received) on futures and options traded on derivatives exchanges
- Profits from and losses on over-the-counter options and forward transactions:
  - o Net interest (paid or received) on interest rate swaps, forward rate agreements, cross-currency swaps and equity swaps
  - o Net payments on settling or closing-out of foreign exchange swaps contracts

Delivery of underlying assets of derivative financial instruments should not be reported.