
Revision of financial account surveys (investmentBOP project) – banks

Contents	Page
1. Overview	2
2. Objectives of revision	2
3. Legal basis of survey	2
4. Major changes	3
4.1. New survey structure and data collection by group	3
4.2. eSurvey online portal	3
4.3. Content changes	3
5. Consultation with selected reporting institutions	3
6. New surveys	4
6.1. Changes in grouping of contents	4
6.2. Structure of specialist content in surveys	5
7. Changeover timetable	6
Appendix: Overview of changes	7
General changes	7
Quarterly survey (banks with large cross-border capital linkages)	7
Annual survey (banks with cross-border capital linkages)	8

1. Overview

investmentBOP is a statistical project conducted by the Swiss National Bank (SNB). As part of this project, new surveys will be introduced to replace the quarterly and annual direct investment surveys (INVU/INVE). The reporting date for the new INQ quarterly survey is 31 September 2014, and for the INP annual survey, it is 31 December 2014.

This change is necessary in order to conform, from the 2014 reporting year onwards, with new international standards issued by the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD) on drawing up the balance of payments, the international investment position, and the statistics on direct investment. Furthermore, the new surveys comply with the requirements of the bilateral statistical agreement with the EU.

This background note provides information on the objectives of the revision and the major changes compared to the previous surveys. In addition, the results of the consultation procedure with selected reporting institutions will be explained and the basic components and structure of the new surveys defined, including features specific to banks. This is followed by a timetable of the changeover. In the appendix, the differences between the existing and the new surveys are presented. You will find the complete specification of the surveys (INP and INQ) in separate Excel documents.

For any questions regarding the project, please e-mail us at investmentBOP@snb.ch

2. Objectives of revision

By replacing the existing surveys, the SNB is pursuing the following objectives:

- Compliance with the requirements of
 - the new IMF and OECD international standards on drawing up the balance of payments, the international investment position, and the statistics on direct investments
 - the bilateral statistical agreement with the EU
- Closing gaps in statistical data and improving data quality
- Carrying out consistent and understandable surveys
- Facilitating submission of data with an online portal (eSurvey)

3. Legal basis of survey

As previously, 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 appendix to the currency treaty between the Swiss Confederation and the Principality of Liechtenstein of 3 November 1998 form the basis for collecting the statistical data required to draw up the balance of payments and the statistics on the international investment position.

Furthermore, international agreements also oblige the SNB to collect such data:

- Switzerland's membership in the International Monetary Fund (IMF)
- Bilateral agreements¹ between Switzerland and the EU in the area of statistics

¹ Primarily Regulation (EC) no. 184/2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment (expires at the end of 2013 to be replaced by Regulation (EC) no. 555/2012).

4. Major changes

The major changes to the survey are listed below. For a list of all major changes, please see the appendix.

4.1. New survey structure and data collection by group

The technical contents have been reclassified. The SNB now collects data on both direct investment and on other cross-border financial linkages² in the same survey for the entire group in Switzerland. Moreover, the SNB no longer collects data separately on specific industries for banks. As a rule, large banks will therefore be required to submit one quarterly and one annual survey, while other banks will be required to submit one annual survey. This will be explained in more detail in section 6 of this document. Replacing the existing survey also means that all items will be reported from the perspective of the group in Switzerland whenever possible.

4.2. eSurvey online portal

The SNB will process the new financial account surveys via the eSurvey web portal which is currently already being used for the current account surveys. This portal is an individualised and secure solution for the submission of survey data.

4.3. Content changes

1. Quarterly surveys: Breakdown by country

Owing to higher international requirements, quarterly data will now also be broken down by geographical location. As a result, the quarterly survey is being expanded.

2. Equity capital share abroad: Direct participations only

The survey on the equity capital share in participations abroad (previously INVE, Z111) has been simplified. In future, it will be limited to the country of the direct participation.

3. Data on business activities of participations abroad

Information on the business activities was previously confined to the number of staff of participations abroad. The new survey will also include turnover and the number of participations abroad.

5. Consultation with selected reporting institutions

In the fourth quarter of 2012, the SNB consulted individual banks on the drafts for the new INP and INQ surveys. The following questions were posed:

- Is the survey clearly structured and easy to complete?
- Is the content of the draft surveys understandable?
- Do you find the explanations and notes helpful?
- What is your estimate of the time and effort required to complete the survey compared with previous surveys?

² Other cross-border financial linkages continue to be irrelevant for banks, as these items are covered by banking statistics. The new surveys contain notes accordingly.

The main results relating to the content of the survey were as follows:

- Both surveys are clearly and understandably structured.
- The explanatory notes and links between the different forms are helpful.
- Companies are able to report the additional items.
- Group level reporting is generally possible.
- The additional time and effort required to complete the survey depends on the structure and reporting system of the group.

With regard to the submission of data, the banks suggested that the handling of the forms be simplified.

6. New surveys

6.1. Changes in grouping of contents

The SNB is replacing the previous surveys (INVE, INVU and GUTQ2³) with new ones. For large banks,⁴ there will be an annual survey (INP) and a quarterly survey (INQ), and for all other banks, there will be one annual survey (INP). Replacing the existing surveys also means that all financial account data will be consistently reported from the perspective of the group in Switzerland. The following tables (1 and 2) compare the previous and new financial account surveys.

Table 1: Surveys for large banks

	Previously	New
Annual	INVE survey <ul style="list-style-type: none"> • Equity capital shares and transactions, reinvested earnings • Operational data (number of staff) • Breakdown by country 	INP survey <ul style="list-style-type: none"> • Equity capital shares and transactions, results, dividends • Operational data (number of staff, turnover, number of participations) • Breakdown by country
Quarterly	INVU survey <ul style="list-style-type: none"> • Equity capital transactions, contributions to cover losses, dividends • No breakdown by country 	INQ survey <ul style="list-style-type: none"> • Equity capital transactions, dividends • Breakdown by country

Table 2: Surveys for other banks

	Previously	New
Annual	INVE survey <ul style="list-style-type: none"> • Equity capital shares and transactions, reinvested earnings • Operational data (number of staff) • Breakdown by country 	INP survey <ul style="list-style-type: none"> • Equity capital shares and transactions, results, dividends • Operational data (number of staff, turnover, number of participations) • Breakdown by country
Quarterly	-	-

³ Not applicable to banks.

⁴ The amount of capital stock vis-à-vis other countries applies.

There are no longer any industry-specific surveys; all companies are now required to complete the same surveys. However, the surveys to do take characteristics specific to certain industries into consideration. For banks, it will be clear which sections of the surveys apply to them.

6.2. Structure of specialist content in surveys

The specialist content in each survey is structured as illustrated in the charts below. The breakdown by counterparty refers to the relationship to the counterpart item in the financial linkage (investor, participation, subsidiary or third party).

Chart 1: INP survey (annual) for banks with cross-border participations⁵

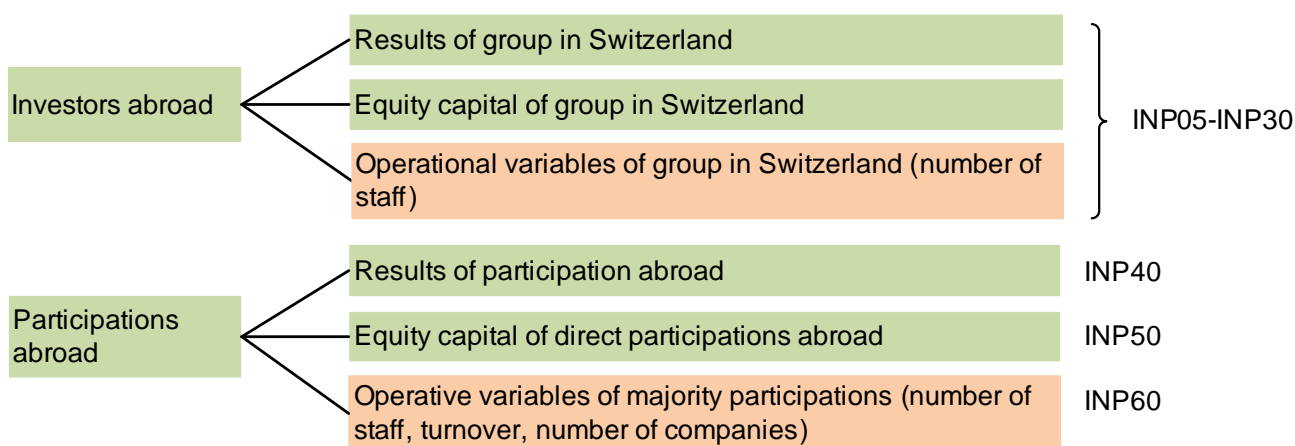
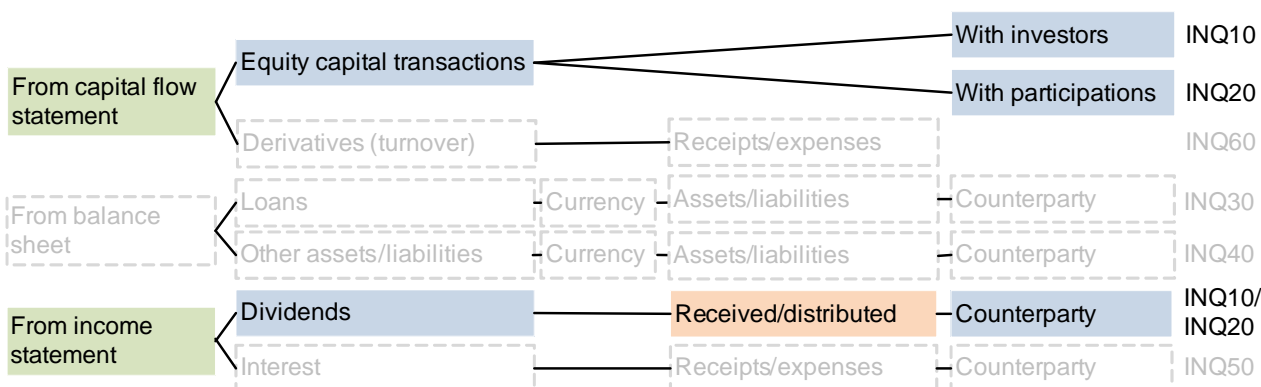


Chart 2: INQ survey (quarterly) for banks with large cross-border capital linkages⁶ (the grey items are not relevant for banks)



⁵ For the duty to report, the amount of capital stock vis-à-vis other countries applies.

⁶ For the duty to report, the amount of capital stock vis-à-vis other countries applies.

7. Changeover timetable

September 2013	Preliminary information for all reporting institutions – online publication of specification of INQ quarterly survey and INP annual survey
November 2013	Information for all reporting institutions – online publication of definitive INQ quarterly survey (Excel)
February 2014	Information for all reporting institutions – online publication of definitive INP annual survey (Excel)
30 April 2014	Standard submission deadline for last INVE annual survey (2013)
31 July 2014	Standard submission deadline for last INVU quarterly survey (Q2 2014)
30 October 2014	First submission deadline for new INQ quarterly survey (Q3 2014)
30 April 2015	First submission deadline for new INP annual survey (2014)

Appendix: Overview of changes

General changes

Item	Previously	New	Explanation / Purpose
UID (Identification Number for Businesses)	Not surveyed	To be surveyed	Necessary for the unique identification of companies; simplifies comparisons with external sources.
Current accounting standard	Not surveyed	To be surveyed	Useful for validation of reported data.
Classification according to General Classification of Economic Activities (NOGA)	In accordance with NOGA2002	In accordance with NOGA2008	Ensures comparability with other statistics / Requirements of statistical standards
List of countries	209 countries	231 countries	In line with Eurostat breakdown / Requirements of statistical standards

Quarterly survey (banks with large cross-border capital linkages⁷)

Item	Previously (INVU)	New (INQ)	Explanation / Purpose
All items	No breakdown by country	Breakdown by country	Requirements of statistical standards
Subordinated loans / Loans with equity capital character	Reported under equity capital	Reported under loans	Requirements of statistical standards
Contributions to cover losses	To be reported as separate item	To be reported as financial flows in equity capital	Requirements of statistical standards

⁷ For the duty to report, the amount of capital stock vis-à-vis other countries applies.

Annual survey (banks with cross-border capital linkages⁸)

Item	Previously (INVE)	New (INP)	Explanation / Purpose
Equity capital of participations abroad	Direct and indirect participations must be reported by country; with a 'statistical consolidation' of indirect participations in all countries.	Only countries with direct participations must be reported; with a 'statistical consolidation' only of indirect participations which are domiciled in country of direct participation.	In line with statistical standards
Subordinated loans / Loans with equity capital character	Reported under equity capital	No longer required to be reported by banks	Requirements of statistical standards
Contributions to cover losses	To be reported in INVU quarterly survey as separate item	To be reported as financial flows in equity capital	Requirements of statistical standards
Dividends	To be reported only in INVU quarterly survey as separate item	To be reported in quarterly (INQ) and annual (INP) surveys as separate item	Standardisation of surveys; improved validation of data
Equity capital of previous year	Not surveyed	To be surveyed	Validation of data
Corporate results	Not surveyed separately	To be surveyed separately	Necessary due to step-by-step calculation of reinvested earnings; improved validation of data
Variables on operational activity of majority participations (direct and indirect)	Number of staff	Number of staff, turnover, number of participations	Future requirement of Eurostat; compensating for loss of information on equity capital of indirect participations

⁸ For the duty to report, the amount of capital stock vis-à-vis other countries applies.