Reporting of International Investment Position (IIP)
through
External Assets and Liabilities System (EALIS)

Training to Labuan Entities on Current EAL Reporting

Statistical Services Department
Bank Negara Malaysia
October 2016

Presentation Outline

Topic 1: Overview of External Assets and Liabilities Information System (EALIS)

Topic 2: Components of Financial Accounts

Topic 3: Deliverables and Importance of Credible Statistics Submission

Topic 4: Case Study and Scenarios in Financial Accounts

Topic 1

Overview of External Assets and Liabilities Information System (EALIS)

Statistics and Statistical Compilation Framework

Scope of Statistics

1. Banking Statistics
2. Insurance Statistics
3. Credit & Charge Card Operations
4. Development Financial Institutions Statistics
5. External Sector Statistics
6. Macroeconomics Statistics
7. Credit Reports

Data Management

1. Data Origination
2. Data Quality and Integrity
3. Data Dissemination
4. Data Integration
5. Data Change Management
6. Metadata Management
7. Retention and Archiving

Users

Internal Departments

1. Monetary and Economic
2. Regulation
3. Supervision
4. Investment Management and Foreign Exchange Administration
5. Payment Systems
6. Financial Intelligence

External

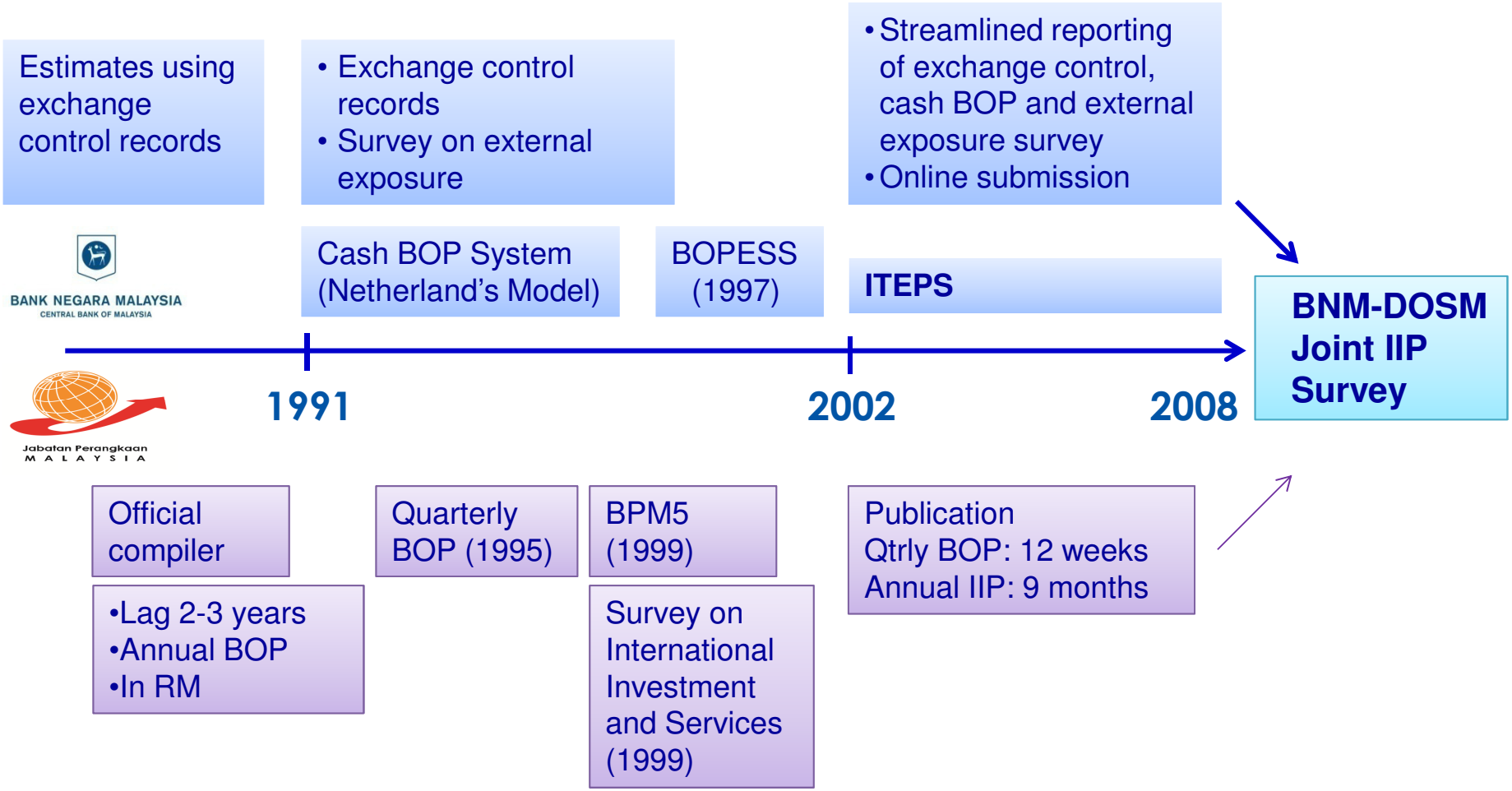
1. International Organisations
2. Department of Statistics Malaysia
3. Government Agencies
4. Financial Institutions
5. Public

Data Quality Assurance Process

Data Provider	System	Data Compiler	Data Quality Review Panel	User
• Comply with the reporting guidelines provided by Bank Negara Malaysia • Understand system functionalities and reporting requirements • Conduct internal validation to ensure data accuracy and consistency • Rectify data errors identified or rejected by system and Bank Negara Malaysia	• Develop validation rules in submission system • Perform data validation check • Generate data processing and validation result • Return data errors to reporting entities	• Perform data quality checks via micro and macro analysis • Engage and train reporting entities on reporting requirements • Enhance system to incorporate additional validation rules, where necessary • Update reporting guidelines to enhance clarity on reporting requirements	• Provide independent assessment on data quality • Users are invited to attend and participate • Ensure consistency of data with other indicators and economic/financial developments	• Highlight outliers in data compiled during analysis and research • Ensure data align with international reporting standards (e.g. IFRS and BPM) and policy guidelines

History and Background

… integrated approach in compilation of financial account and its related reports



Role of Central Bank in the ESS compilation

… strong legal and institutional framework supporting ESS compilation

COMPILERS

BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

- ✓ Income and Financial Account of BOP via joint survey with DOSM
- ✓ Cross border flows of funds via ITRS

Department of Statistics Malaysia (DOSM)

- ✓ Goods and Services Accounts via customs records and surveys

INSTITUTIONAL FRAMEWORK

- ✓ Central Bank of Malaysia Act 2009

- ✓ Statistics Act 1965

LEGAL PROVISIONS

Collaborative effort in compilation, quality assessment and dissemination in accordance to SDDS

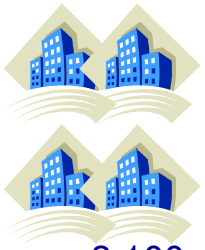
ROLES

Official release of:
- ✓ EDS
- ✓ CPIS
- ✓ IBS

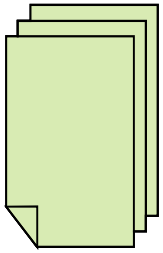
Official release of:
- ✓ BOP
- ✓ IIP
- ✓ CDIS

BNM-DOSM Joint IIP Survey Frame

… BNM-DOSM joint effort in compilation to reduce reporting burden, improve quality and turnaround time



INPUT → **BNM-DOSM Joint IIP Survey via ITEPS** → OUTPUT



- 3,100 reporting entities; incl LN entities
- 36 data items (BPM6)
- Transactional & non-transactional data
- By individual counterparties
- ISIN by ISIN
- Dimensions:
  - ✓ country and currency
  - ✓ relationship
  - ✓ institutional & business sector

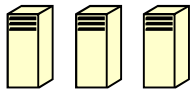
Detail data sharing with DOSM:
- IIP; BOP Income & Fin. Account; CDIS

BNM:
- Publications
  - ✓ Quarterly EDS & IBS
  - ✓ Half-yearly CPIS
- Compliance, surveillance & analysis

Validation

- Frequency: Quarterly basis
- Deadline: 15 days after end of reporting period
- **100% response rate; 98% online**
- Final data 3 weeks after deadline
- Publish **quarterly BOP/EDS: 7 weeks** after reference period (together with GDP)
- **IIP: 2 months** after reference period

Internal sources



- ROMS
- Banking stats
- INSIDES
- ITIS

External sources

- BURSA
- Market news

- Cross-check against internal and external sources
- Data quality assessment by both BNM and DOSM
- Inter-agency technical discussion
- Regular engagement with reporting entities

External Statistics Data

… close collaboration between BNM and DOSM…

BOP	Data Source
Current Account • Goods • Services • Income	• Customs Department • Quarterly Survey of International Trade in Services • Tourism Ministry • Immigration Department • International Transaction Reporting System (ITRS) • BNM-DOSM Joint IIP Survey
Capital Account	• ITRS • Other Government agencies
Financial Account • Direct Investment *- Equity Capital* *- Retained Earnings* *- Other Capital* • Portfolio Investment • Other Investment	BNM-DOSM Joint IIP Survey
Other Reports	**Data Source**
• **IIP, EDS, CPIS, CDIS, IBS**	BNM-DOSM Joint IIP Survey

Labuan Entity (LE)

- For EALIS reporting purpose, LEs are treated as Resident of Malaysia
- Selected based on cross-border transaction flows and exposures on the external financial assets and liabilities of LEs with the rest of the world (excluding Malaysia)

BNM Integrated System: ITEPS

… Integrated databases for efficient surveillance and analysis

- International Transactions and External Positions System (ITEPS) was implemented in **2002**

- Records all cross border transactions and positions of resident companies and banks in Malaysia

- Consists of **3 modules**:
  - Foreign Exchange Administration System (FEAS)
  - External Asset and Liabilities Information System (EALIS)
  - International Transactions Information System (ITIS)

- **Objectives**:
  - Streamline the collection of EAL data within the Bank
  - Collate information from foreign exchange administration records
  - Linking the actual flow of funds with the approval modules
  - Enhance processes and efficiency through adoption of IT

Benefits of integrated approach

… from compilation to dissemination

Reporting Entities

- Respond to a single survey
- Ease of data preparation due to standardised definitions and requirements
- Single point of contact for clarification and assistance

Compiler

- Eliminate duplication in collection and processing
- Greater efficiency and smoother integration
- Facilitates data sharing between two agencies

Quality

- Minimise errors
- Single version
- Consistency in various ESS outputs:
  - BOP
  - IIP
  - ED
  - CPIS
  - CDIS
  - IBS

Dissemination

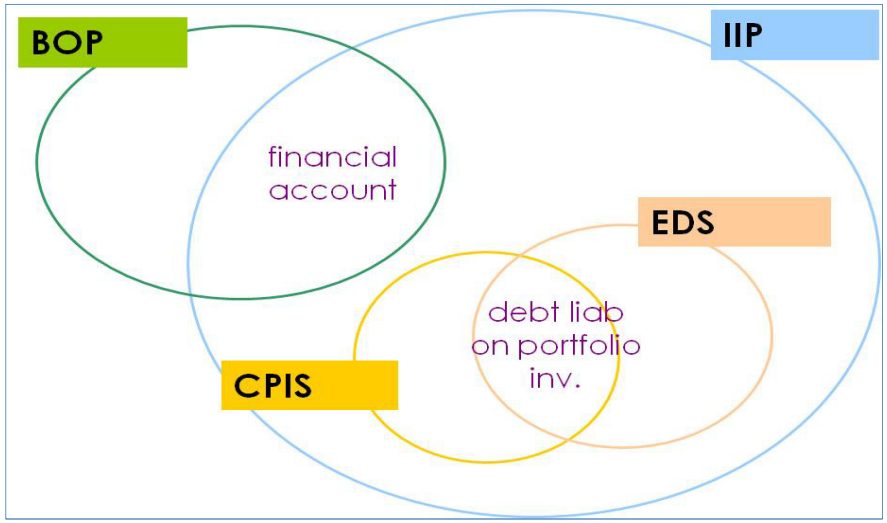
- Meet international requirements to facilitate publication and cross-country comparison
- Comprehensive information
- Shorter time lag in BOP and IIP publication

Topic 2

Components of Financial Accounts

Inter-linkages between BOP and IIP

		BOP 1. Current Account 2. Capital Account				IIP
			Other Changes			
Items	Opening Position	Transactions	Price Changes	Exch Rate Changes	Other Adj	Closing Position
Assets 1. Direct Inv 2. Portfolio Inv 3. Fin. Derivatives 4. Other Inv 5. Reserves Liabilities 1. Direct Inv 2. Portfolio Inv 3. Fin. Derivatives 4. Other Inv Net IIP		3. Financial Account				



- From the IIP framework:
  - ✓ Flow transactions: BOP Fin AC
  - ✓ Closing position: IIP
  - ✓ Non-equity liabilities: EDS
  - ✓ Portfolio investment: CPIS
  - ✓ IIP of banking institutions: IBS
- As SDDS subscriber, Malaysia complies with international requirements on all ESS reports
- These include BOP, IIP, EDS, CPIS, CDIS, and IBS
- Integrated approach facilitates productions from a single source to ensure quality and consistency

Standard Data Items

Direct Investment

- Defined as ownership of **10 percent or more** of the ordinary shares or voting power or equivalent
- A direct investment relationship refers to a lasting interest of an entity in another economy

Data Item		Definition
Equity capital	*Slide 4*	• Comprise equity in foreign owned branches, all shares in foreign owned subsidiaries and associates and other capital contributions • Exclude non-participating preference shares
Retained earnings	*Slide 6*	• Refer to company's accumulated profit/loss that has not been paid to shareholders as dividends but instead reinvested in the company • Retained earnings for the reporting quarter shall reflect the proportion to equity held by investor
Loans	*Slide 9*	• Refer to long-term and short-term loans, financial leases, overdraft/revolving credit facilities and other loans and advances
Deposits	*Slide 11*	• Refer to all placements of deposits such as current account, savings account, fixed account and other time deposits • Also cover inter-bank placements/borrowings and nostro account balances held with foreign banking institutions
Trade Credit	*Slide 13*	• Refer to commercial credits extended by exporters and importers or prepayments made by importers and exporters, exclude Letters of Credit (LCs) from financial institutions

Equity Capital

	Opening Position	Credit (Inflow)	Debit (Outflow)	Price Change	Other Change	Closing Position*
Financial Assets (Malaysian investment abroad)	Opening	Liquidation or divestment	Equity investment abroad	• Provision for diminution in value of inv. (assets only) • Changes in other capital reserves • Movement of share price in the quarter (applicable mainly for companies listed in stock exchange)	Change of Asset/Liability position which **does not involve actual cash flow** <u>Examples:</u> • Outstanding loan converted to equity capital • Change of parent company due to M&A in home country	Closing
Financial Liabilities (Foreign direct investment in Malaysia)	Opening	Equity investment in Malaysia	Liquidation or divestment			Closing

* Formula to calculate the closing position is as follows:
Closing Position of asset item
= 'Opening Position' + 'Debit' – 'Credit' ± 'Price Changes' ± 'Other Changes'

Closing Position of liability item
= 'Opening Position' – 'Debit' + 'Credit' ± 'Price Changes' ± 'Other Changes'

Common Error in EALIS Reporting

Equity Capital

Purpose Description	Common errors	Remarks
Equity Capital	• Non-reporting of equity capital investment in subsidiary abroad/by non-resident shareholder	• To report according to actual percentage holding
	• Wrongly reported as loan rather than equity capital investment and vice-versa	• To clearly identify nature of each data item

Retained Earnings

	Opening Position	Credit (Inflow)	Debit (Outflow)	Price Change	Other Change	Closing Position*
Financial Assets (Malaysian investment abroad)	Opening	Dividend declared/ received/ remitted to Malaysia	Profit/loss for the quarter after tax[2/]	Provision for diminution in value of inv.	• Realized/ unrealized gain/loss on foreign exchange • Revaluation of fixed assets • Gain/Loss resulting from disposal of assets/liabilities	Closing
Financial Liabilities[1/] (Foreign direct investment in Malaysia)	Opening	Profit/loss for the quarter after tax[2/]	Dividend declared/paid to non-resident shareholder			Closing

[1/]Applicable for:
- Foreign-owned companies (MNCs)
- Malaysian companies with foreign partner/shareholder

[2/] To indicate negative sign for losses

(Current profit or loss after tax after deducting items defined under Price and Other Changes)

Common Error in EALIS Reporting

Retained Earnings

Purpose Description	Common errors	Remarks
Retained Earnings	• Incorrect reporting of profit/(loss) in Cr and Dr transaction column	• DIA – profit to be reported as positive in Dr transaction column and loss as negative in Dr transaction column • FDI - profit to be reported as positive in Cr transaction column and loss as negative in Cr transaction column
	• Incorrect reporting of dividend in EALIS	• EALIS to report based on accrual basis instead of cash basis • Reporting of dividend receivable/payable under Others: i. DIA: ✓ Cr Dividend ✓ Dr Others (Dividend receivable) ✓ Cr Others ✓ Dr Cash (Dividend received) ii. FDI: ✓ Dr Dividend ✓ Cr Others (Dividend payable) ✓ Dr Others ✓ Cr Cash (Dividend paid)

Common Error in EALIS Reporting

Retained Earnings

Purpose Description	Common errors	Remarks
Retained Earnings	• Reporting of non-transactional items under Dr/Cr transaction • Dr/Cr transaction only for operating profit/loss	• To be reported under Other Changes: ✓ Realized/ unrealized gain/loss on foreign exchange ✓ Revaluation of fixed assets/impairment/write down ✓ Gain/Loss resulting from disposal of assets/liabilities • To be reported under Price Changes: ✓ Provision for diminution in value of investment
	• Non-reporting of retained earnings under Financial Assets or Financial Liabilities	• To report according to actual percentage holding

Loans

	Opening Position	Credit (Inflow)	Debit (Outflow)	Closing Position*	Investment Income
Financial Assets	Opening	Loan repayment received/ prepayment received	Loan extension	Closing	Interest accrued
Financial Liabilities	Opening	Loan drawdown	Loan repayment / prepayment	Closing	Interest accrued

Common Error in EALIS Reporting

Loans

Purpose Description	Common errors	Remarks
Loans	• Wrongly reported loans as deposits/ interbank borrowing and vice-versa	• To clearly identify nature of each data item
	• Wrongly reported as equity capital rather than loan and vice-versa	• To clearly identify nature of each data item

Deposits

	Opening Position	Credit (Inflow)	Debit (outflow)	Closing Position*	Investment Income
Financial Assets	Opening	Withdrawal	Placement	Closing	Interest accrued
Financial Liabilities	Opening	Placement	Withdrawal	Closing	Interest accrued

Common Error in EALIS Reporting

Deposits

Purpose Description	Common errors	Remarks
Deposits	• Wrongly reported deposits/ interbank borrowing as Loans and vice-versa	• To clearly identify nature of each data item

Trade Credits[1/]

Claims or liabilities arising from:

- direct extension of credit by suppliers for transactions in **goods and services**, and
- advance payments by buyers for **goods and services** and for work in progress (or to be undertaken)

	Opening Position	Credit (Inflow)	Debit (outflow)	Net Transaction	Closing Position
Financial Assets (Export)	Opening	Export proceeds received	Value of goods exported	Trade credits extended by suppliers	Closing
Financial Liabilities (Import)	Opening	Value of goods imported	Settlement for import of goods		Closing

[1/] Not applicable to Banking Institutions

Standard Data Items

Portfolio Investment

- Equity securities defined as ownership of **less than 10 percent** of the ordinary shares or voting power or equivalent
- Unlike the direct investor, the portfolio investor can often easily shift the investment to another area

Data Item	Definition
Equity securities *Slide 15*	• Include listed and unlisted equity shares, unit trusts and transferable subscription rights (TSR)
Bonds and notes *Slide 16*	• Refer to bonds, debentures, notes and any similar debt securities with original tenure of more than one year
Money market instruments	• Refer to money market or negotiable instruments with original tenure of less than or equal to one year. Include treasury bills, commercial and finance papers, bankers acceptances and negotiable instruments of deposits (NIDs)
Non-participating preference shares	• Refer to preference shares, which entitle the holder to a fixed rate of dividend but do not provide for participation in the distribution of the residual value upon dissolution of the issuing entity

Equity Securities

- Equity securities are instruments acknowledging the holder's claim to the residual value or residual income of the issuing enterprise after the claims of all other creditors have been met
- Equity securities defined as ownership of less than 10 percent of the ordinary shares or voting power or equivalent

	Opening Position	Credit (Inflow)	Debit (Outflow)	Price Change	Other Change	Closing Position
Financial Assets	Opening	Sale of securities	Purchase of securities	Movement of share price in the quarter	Corporate actions Examples: • Bonus issue • Delisting • Merger	Closing
Financial Liabilities[1/]	Opening	Purchase of securities	Sale of securities			Closing

Bonds and Notes

	Opening Position	Credit (Inflow)	Debit (Outflow)	Closing Position	Investment Income
Financial Assets	Opening	Receipt for proceeds from bond redemption	Payment for bond subscriptions	Closing	Interest accrued
Financial Liabilities	Opening	Receipt for proceeds from bonds issued to non-residents	Payment to non-resident holders upon bond redemption	Closing	Interest accrued

Common Error in EALIS Reporting

Equity and Debt Securities

Purpose Description	Common errors	Remarks
Equity/ Debt Securities	• Reporting of custodian data under end-investor and vice-versa	• To clearly identify both data set and report accordingly
	• Reporting of corporate action and portfolio transfer under transaction	• To report corporate action under 'Other Change' and/or 'Price Change' ✓ Bonus issue; ✓ Stock split; etc • Portfolio transfer between custodian: ✓ 'Receive Free of Payment' – positive OC ✓ 'Deliver Free of Payment' – negative OC

Standard Data Items

Other Investment

- A residual category comprising all other financial transactions

Data Item	Definition
Financial derivatives	• Record value based on net worth of the financial instrument (record gain as asset and loss as liability) • Include swaps, forwards, futures, options
Currency	• Refer to notes and coins in circulation and commonly used to make payments (for financial institutions only)
Loans *Slide 9*	• Refer to long-term and short-term loans, financial leases, overdraft/revolving credit facilities and other loans and advances
Deposits *Slide 11*	• Refer to all placements of deposits such as current account, savings account, fixed account and other time deposits • Also cover inter-bank placements/borrowings and nostro account balances held with foreign banking institutions
Real estate	• Refer to private non-business real estate investment e.g. holiday house, cottage, condominium and other dwelling that the owner uses for recreational purpose or leases to others • Also include the acquisition of land or building • Only applicable for Financial Assets reporting
Others	• Refer to financial asset/liability not classified in the above items. Include payables/receivables to/from non-residents

Sample of ISO Country and Currency

COUNTRY	CODE	CURRENCY	CODE
AFGHANISTAN	AF	Afghani	AFN
AMERICAN SAMOA	AS	US Dollar	USD
ANDORRA	AD	Euro	EUR
ANGOLA	AO	Kwanza	AOA
ARGENTINA	AR	Argentine Peso	ARS
ARMENIA	AM	Armenian Dram	AMD
ARUBA	AW	Aruban Guilder	AWG
AUSTRALIA	AU	Australian Dollar	AUD
AUSTRIA	AT	Euro	EUR

Relationship

RELATIONSHIP	CODE	DESCRIPTION	APPLICABLE FOR
Parent	PR	> 50% ownership	• Multi-national companies (MNCs) operating in Malaysia • Malaysian company with foreign partner
Head office	HO	> 50% ownership	
Direct investor	DI	10 – 50% ownership	
Sister company	SI	• Same parent • No equity holdings in each other	Common for MNCs
Subsidiary	SB	> 50% ownership	Malaysian entities with investment abroad
Associate	AS	10 – 50% ownership	
Branch	BR	100% ownership	

Topic 3

Deliverables and Importance of Credible Statistic Submission

Data Dissemination

By	Report		Timeliness	Main agency
BNM	**EDS**	External Debt Statistics	5th week after end of quarter	IMF, ADB, World Bank
	IBS	International Banking Statistics	12th week after end of quarter	BIS
	CPIS	Coordinated Portfolio Investment Statistics (semi-annual)	6 months after reference year/half-yearly	IMF
	UBO*	Ultimate Beneficial Owner	10 days after end of reporting month	(Internal)
DOSM	**BOP~**	Balance of Payments	7th week after end of quarter	IMF
	IIP	International Investment Position	3 months after reference year	IMF
	CDIS	Coordinated Direct Investment Statistics	9 months after reference year	IMF

Note:
* Unpublished data
~ Data on financial and income account are sourced from BNM-DOSM Joint IIP Survey; Cash BOP provides data in the services account mainly in other services.

EDS

http://databank.worldbank.org/data/Views/Reports/ReportWidgetCustom.aspx?Repc

Table 1 SDDS new|Quarterly...

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Malaysia

Table 1 Gross External Debt Position by Sector 2/

Data are in USD millions	2013Q4	2014Q1	2014Q2	2014Q3
0001_T1_General Government	48,280	49,609	53,531	52,602
0002_T1_.. Short-term	388	361	416	377
0003_T1_.... Currency and deposits 3/	..	..	..	..
0004_T1_.... Debt securities	..	..	..	..
0005_T1_.... Loans	..	..	..	..
0006_T1_.... Trade credit and advances	..	..	..	..
0007_T1_.... Other debt liabilities 4/ 5/	..	..	..	..
0008_T1_.. Long-term	47,893	49,249	53,114	52,225
0009_T1_.... Special drawing rights (allocations) 6/	..	..	..	..
0010_T1_.... Currency and deposits 3/	..	..	..	..
0011_T1_.... Debt securities	46,073	47,486	51,340	50,597
0012_T1_.... Loans	1,820	1,763	1,774	1,628
0013_T1_.... Trade credit and advances	..	..	..	..
0014_T1_.... Other debt liabilities 4/	..	..	..	..
0015_T1_Central Bank	25,556	24,626	25,201	25,884
0016_T1_.. Short-term	..	..	..	..
0017_T1_.... Currency and deposits 3/	..	..	..	..
0018_T1_.... Debt securities	..	..	..	..
0019_T1_.... Loans	..	..	..	..
0020_T1_.... Trade credit and advances	..	..	..	..
0021_T1_.... Other debt liabilities 4/ 5/	..	..	..	..
0022_T1_.. Long-term	..	..	..	..
0023_T1_.... Special drawing rights (allocations) 6/	..	..	..	..
0024_T1_.... Currency and deposits 3/	..	..	..	..
0025_T1_.... Debt securities	..	..	..	..
0026_T1_.... Loans	..	..	..	..
0027_T1_.... Trade credit and advances	..	..	..	..
0028_T1_.... Other debt liabilities 4/	..	..	..	..
0029_T1_Deposit-Taking Corporations, except the Central Bank	67,032	68,019	73,349	76,368
0030_T1_.. Short-term	58,753	59,235	63,414	66,054
0031_T1_.... Currency and deposits 3/	23,564	23,735	26,845	24,611
0032_T1_.... Debt securities	..	..	..	..
0033_T1_.... Loans	34,597	34,900	35,943	40,723
0034_T1_.... Trade credit and advances	..	..	..	..
0035_T1_.... Other debt liabilities 4/ 5/	592	600	625	720
0036_T1_.. Long-term	8,279	8,784	9,936	10,314
0037_T1_.... Currency and deposits 3/	..	..	..	..
0038_T1_.... Debt securities	8,068	8,658	9,766	10,208
0039_T1_.... Loans	..	..	..	..
0040_T1_.... Trade credit and advances	..	..	..	..
0041_T1_.... Other debt liabilities 4/	211	126	170	106
0042_T1_Other Sectors	71,416	72,620	74,997	71,544
0043_T1_.. Short-term	20,576	20,626	21,113	20,968
0044_T1_.... Currency and deposits 3/	..	..	..	..
0045_T1_.... Debt securities	..	..	..	..

IBS

http://www.bis.org/statistics/bankstats.htm?m=6%7C31%7C69 | Locational banking statistics

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- Credit to private sector
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Locational banking statistics

The locational banking statistics provides quarterly data on international financial claims and liabilities of bank offices resident in the BIS reporting countries broken down by currency, sector of counterparty and country of residence of counterparty, and by nationality of reporting banks. In this dataset, both domestic and foreign-owned banking offices in the reporting countries report their outstanding positions, including those vis-à-vis own affiliates. The locational banking statistics are compiled using principles that are consistent with balance of payments.

For queries on these tables, please write to statistics$bis.org (where "$" denotes "@").

- Preliminary data for Q3 2014 were released on 20 January 2015.

Table		Data	
	PDF	CSV	BIS WebStats
1 BIS reporting banks: Summary of international positions	PDF	CSV	
2 External positions of banks in individual reporting countries			
2A In all currencies vis-à-vis all sectors	PDF	CSV	
2B In all currencies vis-à-vis the non-bank sector	PDF	CSV	
2C In foreign currencies vis-à-vis all sectors	PDF	CSV	
2D In foreign currencies vis-à-vis the non-bank sector	PDF	CSV	
3 External loans and deposits of banks in individual reporting countries			
3A In all currencies vis-à-vis all sectors	PDF	CSV	
3B In all currencies vis-à-vis the non-bank sector	PDF	CSV	
4 Local positions in foreign currency of banks in individual reporting countries			
4A Vis-à-vis all sectors	PDF	CSV	
4B Vis-à-vis the non-bank sector	PDF	CSV	
5 Currency breakdown of reporting banks' international positions			
5A External positions vis-à-vis all sectors	PDF	CSV	
5B External positions vis-à-vis the non-bank sector	PDF	CSV	
5C External positions vis-à-vis official monetary institutions	PDF	CSV	

Related information

- About banking statistics
- Research and analysis
- Release calendar
- Breaks-in-series: residence
- Breaks-in-series: nationality
- Use of CSV files
- Use of BIS WebStats

Statistical data

- BIS WebStats interactive query tool

CPIS

D:\Backup\Statistics\CPIS\IMF Request on NR Govt Sector_2014\CPIS_Table 5.htm | Kijang.Net Community Portal | D:\Backup\Statistics\CPIS\I...

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Malaysia

Table 5: Reported Portfolio Investment Assets by Sector and Economy of Nonresident Issuer: TOTAL PORTFOLIO INVESTMENT

End-of-Period, US Dollars, Millions *December 2013*

Investment in	Total Assets	Sector of Issuer:											
		Central Bank	Deposit-taking Corporations except the Central Bank	Other Financial Corporations	Of which			General Government	Of which			
					Insurance Corporations and Pension Funds	Money Market Funds	Other		Nonfinancial Corporations, Households and NPISHs	Nonfinancial Corporations	Households	NPISHs
Afghanistan, Islamic Republic of	...	...	...	...	...	...	...	...	...	...	...	...
Albania	...	...	...	...	...	...	...	...	...	...	...	...
Algeria	...	...	...	...	...	...	...	...	...	...	...	...
American Samoa	...	...	...	...	...	...	...	...	...	...	...	...
Andorra	...	...	...	...	...	...	...	...	...	...	...	...
Angola	...	...	...	...	...	...	...	...	...	...	...	...
Anguilla	...	...	...	...	...	...	...	...	...	...	...	...
Antigua and Barbuda	–	...	–	...	...	...	...	...	–	...	...	...
Argentina	...	...	...	...	...	...	...	...	...	...	...	...
Armenia, Republic of	...	...	...	...	...	...	...	...	...	...	...	...
Aruba	...	...	...	...	...	...	...	...	...	...	...	...
Australia	1,973	...	907	...	...	...	...	...	1,066	...	...	...
Austria	104	...	38	...	...	...	...	...	66	...	...	...
Azerbaijan, Republic of	...	...	...	...	...	...	...	...	...	...	...	...
Bahamas, The	5	...	–	...	...	...	...	...	5	...	...	...
Bahrain, Kingdom of	140	...	–	...	...	...	...	...	140	...	...	...
Bangladesh	7	...	7	...	...	...	...	...	–	...	...	...
Barbados	...	...	...	...	...	...	...	...	...	...	...	...
Belarus	...	...	...	...	...	...	...	...	...	...	...	...
Belgium	1	...	1	...	...	...	...	...	0	...	...	...
Belize	...	...	...	...	...	...	...	...	...	...	...	...

BOP

SUMMARY OF BALANCE OF PAYMENT
2013 -2014 (RM MILLION)

Components	2013 r	2014 p	Q113 r	Q213 r	Q313 r	Q413 r	Q114 p	Q214 p	Q314 p	Q414 p
CURRENT ACCOUNT	**39,907**	**49,508**	**13,211**	**1,836**	**10,027**	**14,834**	**19,842**	**16,004**	**7,593**	**6,070**
1. Goods	108,230	125,064	28,048	19,617	27,227	33,338	33,562	30,144	28,687	32,671
1.1 Credits	679,123	726,036	160,803	162,208	174,430	181,682	178,437	182,198	179,737	185,664
1.2 Debits	570,892	600,971	132,755	142,591	147,203	148,344	144,875	152,054	151,050	152,992
2. Services	-16,693	-20,546	-2,590	-5,156	-4,832	-4,115	-2,711	-3,624	-6,360	-7,852
2.1 Credits	126,839	126,172	30,620	30,292	31,544	34,383	32,619	31,638	30,652	31,263
2.2 Debits	143,532	146,718	33,211	35,448	36,375	38,498	35,329	35,262	37,012	39,116
3. Primary income	-34,126	-37,390	-8,037	-8,092	-7,969	-10,028	-6,449	-7,708	-9,439	-13,794
3.1 Credits	47,468	51,804	9,857	10,921	12,446	14,244	14,496	14,733	13,294	9,282
3.2 Debits	81,594	89,194	17,894	19,013	20,415	24,273	20,945	22,441	22,732	23,076
4. Secondary income	-17,504	-17,619	-4,210	-4,533	-4,399	-4,361	-4,560	-2,809	-5,295	-4,955
4.1 Credits	7,584	10,308	1,617	1,929	1,903	2,135	2,068	3,877	2,047	2,316
4.2 Debits	25,088	27,927	5,827	6,463	6,302	6,496	6,628	6,686	7,342	7,271
CAPITAL ACCOUNT	**-20.9**	**280.6**	**-2.6**	**-3.7**	**4.7**	**-19.3**	**-2.4**	**0.1**	**-1.4**	**284.3**
FINANCIAL ACCOUNT	**-15,807**	**-76,495**	**1,184**	**4,384**	**-11,660**	**-9,715**	**-37,577**	**-11,757**	**-2,755**	**-24,407**
1. Direct investment	-5,450	-17,101	-2,757	-8,295	1,615	3,986	-14,621	-4,368	2,097	-209
1.1 Assets	-41,159	-51,271	-11,581	-15,540	-7,574	-6,463	-20,409	-16,564	-6,221	-8,077
1.2 Liabilities	35,708	34,170	8,825	7,245	9,189	10,450	5,788	12,196	8,318	7,868
2. Portfolio investment	-3,041	-37,867	3,917	3,277	-9,466	-769	-13,397	6,930	-11,046	-20,354
2.1 Assets	-32,116	-28,271	-5,256	-11,407	-10,075	-5,378	-7,566	-10,635	-10,311	241
2.2 Liabilities	29,075	-9,596	9,173	14,685	609	4,609	-5,831	17,566	-735	-20,595
3. Financial derivatives	-253	-975	211	-1,421	564	393	-1,487	229	50	234
4. Other investment	-7,062	-20,553	-187	10,822	-4,373	-13,325	-8,072	-14,548	6,145	-4,078
4.1 Assets	-48,437	-47,014	-5,255	-5,580	-14,266	-23,337	-9,624	-26,629	-5,173	-5,588
4.2 Liabilities	41,375	26,460	5,068	16,402	9,894	10,012	1,552	12,081	11,317	1,510
RESERVE ASSETS	**-14,649**	**36,338**	**-4,043**	**-1,518**	**-11,763**	**2,675**	**17,294**	**974**	**6,710**	**11,361**

IIP

Table 1 (cont.): Malaysia - International Investment Position, 2001 - 2013

RM Million

2008	2009	2010	2011	2012[f]	2013[p]	*As at End of Year*
805,314	**896,026**	**950,190**	**1,135,956**	**1,225,683**	**1,353,993**	***ASSETS***
280,396	316,177	346,051	397,355	424,484	478,300	*1. Direct Investment*
148,957	185,034	202,262	225,002	235,722	271,534	*1.1 Equity and Investment Fund Shares*
131,439	131,143	143,789	172,353	188,762	206,766	*1.2 Debt Instruments*
56,425	95,138	110,675	127,565	155,023	196,813	*2. Portfolio Investment*
40,440	68,946	77,240	84,217	100,486	132,038	*2.1 Equity and Investment Fund Shares*
15,985	26,192	33,435	43,348	54,537	64,775	*2.2 Debt Securities*
7,741	7,785	5,243	6,796	10,501	6,946	*3. Financial Derivatives*
143,306	145,648	159,572	180,908	208,471	230,081	*4. Other Investment*
317,445	331,277	328,649	423,331	427,204	441,853	*5. Reserve Assets*
700,526	**790,232**	**937,250**	**1,099,403**	**1,243,445**	**1,401,202**	***LIABILITIES***
303,519	313,890	360,409	424,727	462,104	504,788	*1. Direct Investment*
237,649	250,471	294,273	342,461	382,662	414,149	*1.1 Equity and Investment Fund Shares*
65,870	63,418	66,136	82,266	79,442	90,639	*1.2 Debt Instruments*
222,905	290,307	396,315	451,769	557,537	619,783	*2. Portfolio Investment*
95,878	142,856	203,208	211,468	247,803	282,832	*2.1 Equity and Investment Fund Shares*
127,027	147,451	193,107	240,301	309,734	336,951	*2.2 Debt Securities*
7,395	8,694	4,620	6,381	10,920	7,610	*3. Financial Derivatives*
166,706	177,341	175,906	216,526	212,884	269,020	*4. Other Investment*

CDIS

http://data.imf.org/regular.aspx?key=60564260 | IMF Data - CDIS Table 1: Dir...

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Report | Home

Refresh | Autoupdate | Controls | Search

Report | Tools and panels | Search

Inward | Outward | Inward Top 20 | Outward Top 20

Country: Malaysia | Calendar: 2013

Table 1-o: Outward Direct Investment Positions, as of end-2013

Reporting Economy: Malaysia

US Dollars, Millions

Investment in:	Outward Direct Investment Positions	Outward Equity Positions (Net)	Outward Debt Instruments Position					of which total Outward DI with Fellow Enterprises abroad		
			(Net)	Net Debt		Gross Debt Instruments		(Net)	Total Equity and Debt	
				Outward Debt: Resident Financial Intermediaries (Net)	Outward Debt: Resident Enterprises that are not Financial Intermediaries (Net)	Outward Debt Instruments Assets of DI in DIE (Gross)	Outward Debt Instruments Liabilities of DI to DIE (Gross) (Reverse Investment)		Outward DI with Fellow Enterprises (Gross Assets)	Outward DI with Fellow Enterprises (Gross Liabilities)
Burundi										
Cabo Verde										
Cambodia	577									
Cameroon	C									
Canada	C									
Cayman Islands	6,203									
Central African Republic										
Chad	C									
Chile	C									
China, P.R.: Hong Kong	2,532									
China, P.R.: Macao	C									
China, P.R.: Mainland	1,745									
Christmas Island										

Help

1. EDS

Detailed external debt data of countries that subscribe to the IMF's Special Data Dissemination Standard (SDDS) and a selected number of countries that participate in the IMF's General Data Dissemination System (GDDS). This comparable external debt data can facilitate macroeconomic analysis and cross-country data comparison

2. IBS

Two types of IBS:

i. Locational banking statistics (LBS) – submitted to IMF on quarterly basis
ii. Consolidated banking statistics (CBS) – not submitted

3. CPIS

Portfolio investment assets and liabilities of reporting economy by:

i. Sector;
ii. Country of destination; and
iii. Country of investor

4. UBO

Statistics on ringgit assets (debt securities and deposits) held by non-resident ultimate beneficial owners

5. BOP

A statistical statement that systematically summarizes, for a specific time period, the economic transactions of an economy with the rest of the world

6. IIP

A financial statement, at a particular point, setting out the value and composition of an economy's external financial assets and liabilities

7. CDIS

i. "Inward" direct investment positions (i.e., direct investment into the reporting economy) cross-classified by economy of immediate investor; and
ii. "Outward" direct investment positions (i.e., direct investment abroad by the reporting economy) cross-classified by economy of immediate investment

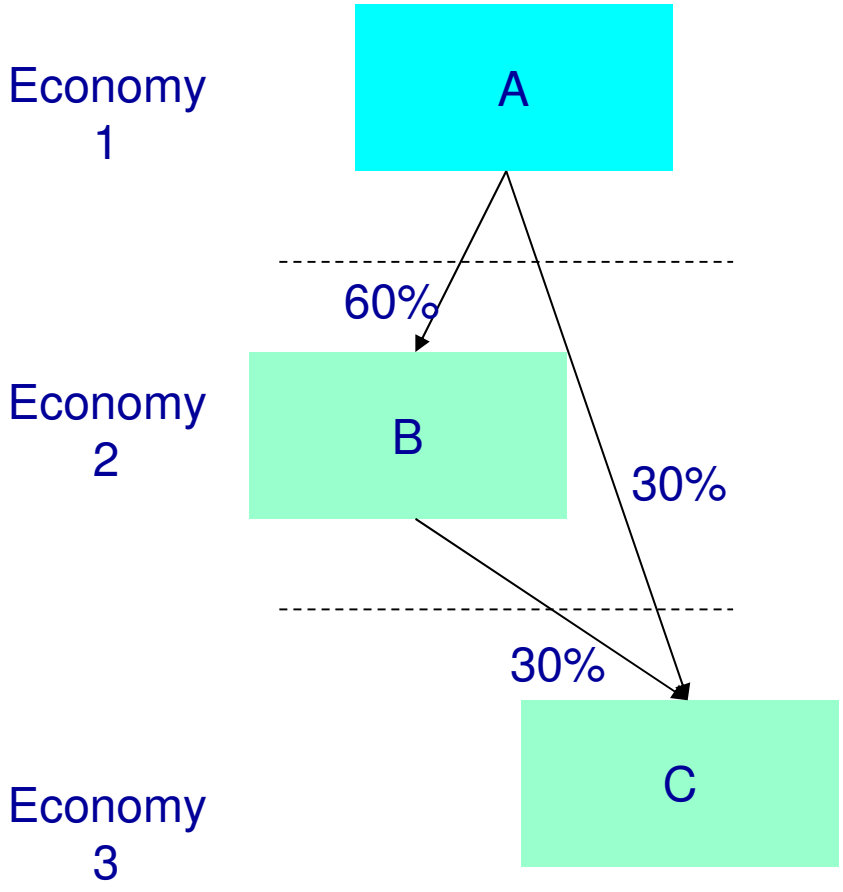
Topic 4

Case Study and Scenarios in Financial Accounts

Case Study… Assets

A is our reporting entity:

1. According to **Framework for Direct Investment Relationships (FDIR)**[1], please define relationship between A, B and C;
2. Do A need to report their equity capital holding in B and C and if yes, please state the amount[2]?
3. If A increase their paid-up capital in B via additional capital injection of RM40m, should it be recorded as debit transaction or positive adjustment?
4. Due to inability of C to repay loan of RM25m taken from A, A decided capitalize the outstanding loan amount. How should A record the transaction?

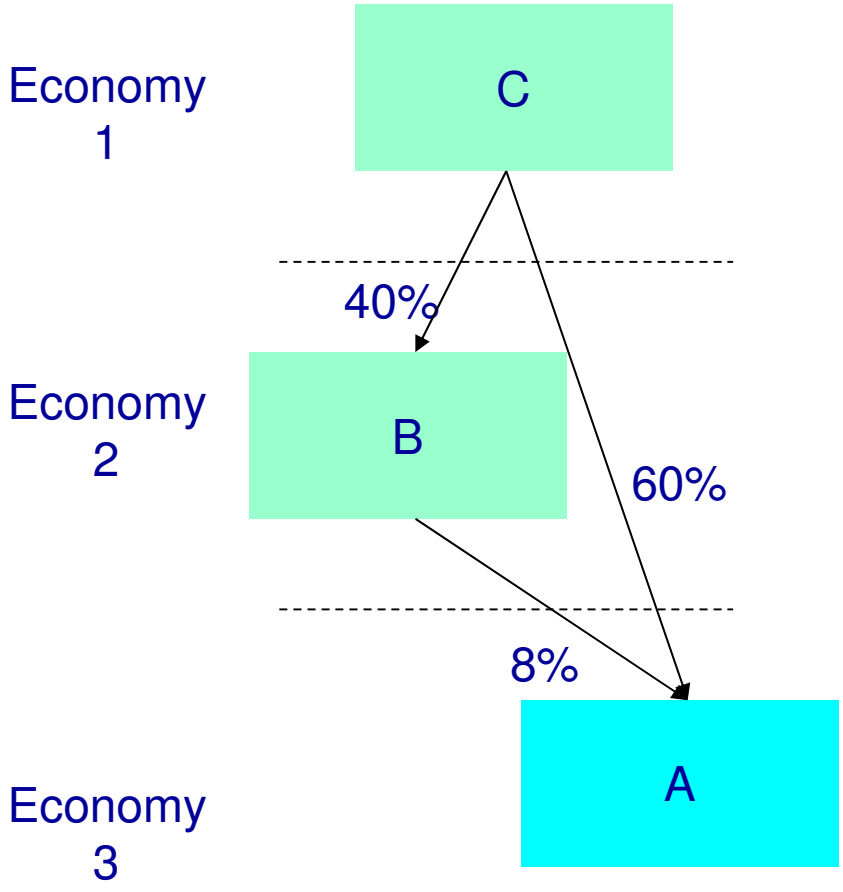


[1] OECD Benchmark Definition of Foreign Direct Investment, 4th Edition
[2] Assume paid-up capital of each entity is RM100m

Case Study… Liabilities

A is our reporting entity:

1. According to **Framework for Direct Investment Relationships (FDIR)**, please define relationship between A, B and C;
2. A is listed company at BURSA. Under which data item should A record to reflect their shares which is subscribed by B?
3. Assume A declared dividend of RM20m, how should A record it for both transactions with B and C, respectively?
4. If C fully settled on behalf of A for its amount due to B amounted to RM5m, how should A record the transaction?
5. B subscribed RM24m convertible bond issued by A. Upon maturity, the bond was converted to equity shares of A. As a result, equity holding of B in A increase from 8% to 20%. What is the relationship between A and B and how should A record these transactions?



Answers (Assets)

1. A and B -> Subsidiary; B and C -> Associate; A and C -> Associate
2. Yes.

In B is RM60m

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes	
Company A	Equity Capital	Company B	MYR	60,000,000					60,000,000

In C is RM30m

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes	
Company A	Equity Capital	Company C	MYR	30,000,000					30,000,000

3. Financial Assets -> Equity Capital -> Debit transaction

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes	
Company A	Equity Capital	Company B	MYR	60,000,000	40,000,000				100,000,000

Answers (Assets)... cont'd

4. i) Financial Assets -> Loan -> negative adjustment RM25m (to zerorise position);

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position	Investment Income
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes		
Company A	Loan	Company C	MYR	25,000,000				-25,000,000	0	

ii) Financial Assets -> Equity Capital -> positive adjustment RM25m (to reflect conversion of loan to equity capital)

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes	
Company A	Equity Capital	Company C	MYR	30,000,000				25,000,000	55,000,000

Answers (Liabilities)

1. A and B -> Not related; B and C -> Direct Investor; A and C -> Parent
2. Financial Liabilities -> Portfolio Investment -> Equity Securities
3. With B: Financial Liabilities -> Portfolio Investment -> Equity Securities -> Income RM1.6m (RM20m x 8%)

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position	Investment Income
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes		
Company A	Equity Securities	Company B	MYR	16,000,000					16,000,000	1,600,000

With C: Financial Liabilities -> Retained Earnings -> Debit Transaction RM12m (RM20m x 60%)

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes	
Company A	Retained Earnings	Company C	MYR	70,000,000	12,000,000				58,000,000

4. i) Financial Liabilities -> Loans -> Debit Transaction RM5m (with B)

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position	Investment Income
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes		
Company A	Loans	Company B	MYR	5,000,000	5,000,000				0	

ii) Financial Liabilities -> Loans -> Credit Transaction RM5m (with C)

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position	Investment Income
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes		
Company A	Loans	Company C	MYR			5,000,000			5,000,000	

Answers (Liabilities)... cont'd

5. Relationship is Direct Investor (equity holding increased from 8% to 20%)

i) Financial Liabilities -> Bond & Notes -> negative adjustment (to zerorise position)

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position	Investment Income
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes		
Company A	Bonds	Company B	MYR	24,000,000				-24,000,000		

ii) Financial Liabilities -> Equity Securities -> negative adjustment (to zerorise position)

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position	Investment Income
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes		
Company A	Equity Securities	Company B	MYR	16,000,000				-16,000,000	0	

iii) Financial Liabilities -> Equity Capital -> positive adjustment (to reflect both conversion of bond and reclassification of equity securities to equity capital)

Name	Item	Non-Resident Counterparty	Currency	Opening Position	Transaction		Adjustment		Closing Position
					Debit (Outflow)	Credit (Inflow)	Price Changes	Other Changes	
Company A	Equity Capital	Company B	MYR	0				40,000,000	40,000,000