

CONFIDENTIAL
BOP 31

CENTRAL BANK OF MALTA
CASTILLE PLACE
VALLETTA



BANK ĊENTRALI TA' MALTA
EUROSISTEMA
CENTRAL BANK OF MALTA

BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION

STATISTICS

INSURANCE AGENTS QUARTERLY QUESTIONNAIRE

Authority:

The data is being requested in terms of the Central Bank of Malta Act (CAP. 204) as amended.

Confidentiality:

The Central Bank of Malta Act guarantees the strict confidentiality of all information collected.

Purpose:

The data is required to prepare statements on both Malta's balance of payments transactions as well as the international investment position.

Guidelines

1. Filing of Reports:

Kindly send the completed form to the Central Bank of Malta, Valletta within **three weeks** of receipt. If you need any assistance please contact any of the following: Mr Ivan Ciappara, Ms. Vivien Rizzo or Ms Dorianne Sammut at the Central Bank of Malta on telephone number **25500000**.

The reports must be submitted electronically in the form or format set by the Central Bank of Malta.

The name in capital letters, email address and telephone number of the authorised official must be identified in the allotted space.

2. Reporting Entity:

This report should be completed on a consolidated basis in respect of the enterprise named on the form and any of its subsidiaries in Malta. When consolidation is not possible, the companies that is/are not consolidated may be surveyed separately. The respondent is requested to provide the names of both the consolidated and unconsolidated companies on the first page of the form.

3. Residency concept:

For balance of payments purposes, a resident is defined as any individual, enterprise or any other organisation that is ordinarily domiciled in Malta. Branches, subsidiaries and affiliates of non-resident enterprises domiciled in Malta are also regarded as residents of Malta. “Ordinarily domiciled” is defined according to whether the entity has a centre of economic interest in Malta, such as, for instance, when an enterprise engages in the production of goods and services for export.

Only those International Trading Companies that are legally registered in Malta and have a physical presence as well as a significant degree of economic activity in Malta are to be considered as resident.

A non-resident of Malta is any individual, enterprise, bank or other organisation that is ordinarily domiciled in a country other than Malta. Overseas branches and subsidiaries of Maltese enterprises/banks are regarded as non-residents.

4. Valuation and time of recording

4.1 Recording of transactions

Transactions are to be valued at the actual market prices agreed upon by the transacting parties. Transactions should be recorded when an economic value is created, transformed, exchanged, transferred or extinguished. In addition, all transactions should be recorded on a gross basis.

4.2 Services, income and current transfers transactions

Service transactions are to be recorded when the services are actually rendered (i.e. delivered or received); the date often coinciding with the date on which the service/s is/are produced.

Interest income is recorded on an accrual basis, while dividends are to be recorded as of the date on which they are paid.

Taxes and other forms of transfers to another party are recorded upon occurrence of the underlying transactions or other flows that give rise to liabilities.

4.3 Valuation of financial account transactions/positions

Financial account transactions are considered to have taken place when both creditor and debtor have entered the claim and liability respectively in their books. In most transactions, the market price (almost) always corresponds with the agreed transaction price. Transactions in foreign currency should be converted into Euro either using the official middle rate on the transaction day or the actual exchange rate used in the transaction.

5. Structure of Form BOP 31:

Form BOP 31 collects information on balance of payments transactions (as agents or brokers of non-resident insurance companies) and the external financial assets and liabilities of the reporting enterprise and its Maltese subsidiaries with non-residents.

Part A – collects quarterly information on insurance and other selected international service transactions of the reporting enterprise.

Part B – covers balance of payments transactions together with the reconciliation of the external financial assets and liabilities of the reporting enterprise.

5.1 Headings at the top of Part A

In column B “Country” include the country of residence of the non-resident transacting party. If the transactions for particular countries are less than €5,000 the amounts relating to these countries may be consolidated and attributed to the largest country.

In columns D “Premiums” report premiums payable to foreign principals during current or previous periods and cover risks incurred during the current period.

In columns E “Claims” Claims due are claims that became due, in the current periods, after the eventualities that gave rise to the claims.

5.2 Headings at the top of Part B

In column B “Country” report the country of residence of the creditor or debtor. If the opening and closing positions for particular countries are less than €5,000, the amounts relating to these countries may be consolidated and attributed to the largest country.

In column C “Position at beginning of period” report the opening position of the value of the financial claims and liabilities of the reporting enterprise and its domestic subsidiaries at the beginning of the period. The opening position should agree with the closing position you reported for the previous period.

Positions denominated in foreign currencies should be converted to Euro using the exchange rate prevailing at the close of business on the last working day of the period.

In column D “Increase due to transactions” report those transactions relating to the acquisition of the reporting enterprise’s financial claims on or liabilities to non-residents.

In column E “Decrease due to transactions” report those transactions relating to the disposal of the reporting enterprise’s financial claims on, or liabilities to non-residents.

In column F “Other changes” report all gains/losses arising from movements in exchange rates and market price changes. Middle exchange rates against the Euro can be found on the web site of the Central Bank of Malta (i.e. <http://www.centralbankmalta.com>).

In column G “Position at end of period” report the market value of the claims and liabilities of the reporting enterprise at the end of the period. Positions denominated in

foreign currencies should be converted to Euro using the exchange rate prevailing at the close of business on the last working day of the period.

In column H “Dividends/Interest received/paid” dividends or interest that relates to income earned from the ownership of financial assets other than equity assets.

6. Appendices (*ignore if sent electronically*)

Appendix 1 – Whenever the country (column B) in **Part A** of the questionnaire is reported as **various**, please fill in Appendix 1 - Part C.

The **row number** of the respective instrument shown in Part A of the questionnaire should be shown in the first column (row number) of Appendix 1. Disaggregated information for all items shown under columns B to E should be shown separately in Appendix 1 corresponding with the respective row number.

Appendix 2 – Whenever the country (column B) in **Part B** of the questionnaire is reported as **various**, please fill in Appendix 2 - Part D.

The **row number** of the respective instrument shown in Part B of the questionnaire should be shown in the first column (row number) of Appendix 2. Disaggregated information for all items from B to H should be shown separately in Appendix 2 corresponding with the respective row number.

Example 1:

Freight Insurance: Claims - €10,000 of which €6,000 (UK) and €4,000(aly).

<i>Part A</i>				
A	B	C	D	E
Part A	Country	Sector of Issuer	Premiums €'000	Claims €'000
2	Freight Insurance	Various	■	10

<i>Appendix 1 – Part C</i>				
A	B	C	D	E
Appendix 1	Country	Sector of Issuer	Premiums €'000	Claims €'000
2	UK	■		6
2	Italy	■		4

Example 2:

Receivables from other non-residents (short-term):

Position Beginning of Period: €50,000 of which €20,000 from the UK and €30,000 from the U.S.A.

Increase due to transactions: €100,000 of which €25,000 from the UK, €25,000 from the U.S.A and €50,000 from Italy.

Position at End of Period: €150,000.

Part B

	B	C	D	E	F	G	H
PART B External Assets	Country	Pos. at Beg. of period	Incr. due to trans.	Dec. due to trans.	Other changes	Pos. at end of period	Dividends Interest Rec/Paid
Receivables	Various	50	100	0	0	150	0

Appendix 2 – Part D

	B	C	D	E	F	G	H
Appendix 2	Country	Pos. at Beg. of period	Incr. due to trans.	Dec. due to trans.	Other changes	Pos. at end of period	Dividends Interest Rec/Paid
12	U.K	20	25	0	0	45	0
12	USA	30	25	0	0	55	0
12	Italy	0	50	0	0	50	0

7. Explanatory notes regarding rows to be filled in:

Please note that the shaded cells in the entire questionnaire need not to be completed either because the information requested is not required on a quarterly basis and/or because the category in the question is not applicable.

7.1 Part A – Insurance premiums and claims

In row 1 “Life insurance and pension funds” include insurance on a contractual basis of the following items: life assurance (which covers assurance on survival to a stipulated age only, assurance on death only, assurance on survival to a stipulated age or an earlier death, life assurance with return of premiums, marriage assurance and birth assurance), annuities, supplementary insurance (insurance against personal injury and disability resulting from an accident or sickness), and permanent health insurance.

In row 2 “Freight insurance” include insurance on goods that are in the process of being exported or imported.

In row 3 “Other direct insurance” include insurance against the following risks: accident, sickness, land vehicles, railway rolling stock, aircraft, ships, fire and natural forces, other damage to property, motor vehicle liability, aircraft liability, liability for ships, general liability, credit, suretyship, miscellaneous financial loss and legal expenses.

In row 4 “Commissions earned” include agency fees and commissions earned from the foreign principal.

In row 5 “Taxes” include any taxes paid in Malta by the foreign principal. These should be reported under column D. Any refunds of tax to the foreign principal should be reported under column E. Interest charges on the late payment of taxes should also be included.

In row 6 “Other services” include any other service not specified elsewhere. However, please provide details of such service in rows 7 to 9.

7.2 Part B - Selected external financial assets and liabilities of the resident reporting agency or branch.

In row 10 “Receivables from foreign parent” include receivables from a foreign direct investor who is resident in another economy and in which the direct investor owns 10 percent or more of the ordinary shares or voting power in the reporting enterprise in Malta. Examples of receivables include any amount receivable from non-residents such as wages and salaries outstanding, prepayments of insurance premiums etc.

In row 11 “Receivables from other non-residents: long-term” See note row 10. However, include only receivables from other non-residents with a maturity of more than one year.

In row 12 “Receivables from other non-residents: short-term” See row 10. However, report receivables from other non-residents with a maturity of less than one year.

In row 13 “Deposits held in foreign banks and other institutions abroad” include all claims reflecting evidence of deposit other than transferable deposits. These include non-transferable savings deposits, time deposits and deposits in savings and loan associations, building societies etc. These deposits are generally redeemable on demand or at a short notice but cannot be readily transferred to another party by way of check or similar payment order.

In row 14 “Current account deposit held abroad” report transferable deposits that are exchangeable on demand at par without restriction or penalty, freely transferable by cheque or giro order, and otherwise commonly used to make payments. Any overdrawn accounts should be included as liabilities in row 25 to 27 “Other Liabilities to non-residents” (please specify).

In row 15 “Other assets held with non-residents” covers any other asset held with non-resident and not specified above. Please provide details of such assets in rows 16 to 18.

In row 19 “Payables to foreign parent” include payables to a direct investor who is resident in another economy and owns 10 percent or more of the ordinary shares or voting power in the reporting entity. Examples include wages and salaries outstanding, and premiums payables to foreign principals.

In row 20 “Payables to other non-residents: long-term” See row 19. However, include payables to non-residents with a maturity of more than one year.

In row 21 “Payables to other non-residents: short-term” See row 19. However include payables to other non-residents with a maturity of less than one year.

In row 22 “Called up share capital (of non-residents) – more than 10%” report holdings of more than 10% ordinary shares held by non-residents in the reporting enterprise. Any share premium should also be recorded.

The purpose of the equity investment must be to acquire a more or less permanent interest whereby a certain degree of control (i.e. 'significant influence' and a 'long-term relationship') is obtained in the management of the enterprise; this is in contrast with the motives of for example: investors in securities.

In row 23 "Called up share capital of less than 10%" report holdings of less than 10% of ordinary shares held by a non-resident corporate or unincorporated body in the reporting enterprise. Any share premium should also be recorded.

Any individual holdings of more than 10% should be reported in row 22.

In row 24 "Other liabilities to non-residents" covers any external liability not specified above. Please provide details of such liabilities in rows 25 to 27.