



INVESTMENT FUND STATISTICS

REPORTING INSTRUCTIONS

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APPENDIX 1: GENERAL INFORMATION

1. On the 13 October 2013 the European Central Bank (ECB) enacted Regulation (EU) No 1073/2013 (ECB/2013/38) concerning statistics on the assets and liabilities of investment funds (IFs). The Regulation is addressed directly to reporting institutions and imposes obligations directly on them. In this regard, the Central Bank of Malta (CBM) is obliged to carry out, on behalf of the ECB, the compulsory collection of the statistics as required by this Regulation from those investment funds which are either incorporated or legally domiciled in Malta, and to transmit such aggregated statistics to the ECB. The following instructions are to be considered over and above the instructions in the said Regulation.

2. For the purpose of these reporting schedules:

- An Investment Fund (IF) means a collective investment undertaking that:
 - (a) invests in financial and non-financial assets, within the meaning of Appendix 5, to the extent that its objective is investing capital raised from the public; and
 - (b) is constituted pursuant to Community or national law under:
 - (i) contract law (as a common fund managed by management companies);
 - (ii) trust law (as a unit trust);
 - (iii) company law (as an investment company); or
 - (iv) any other similar mechanism.

The following are included within the definition of IF:

- (a) those undertakings whose units or shares are, at the request of the holders, repurchased or redeemed directly or indirectly out of the undertaking's assets; and
- (b) those undertakings which have a fixed number of issued shares and whose shareholders have to buy or sell existing shares when entering or leaving the fund.

The following are not included in the definition of IF:

- (a) pension funds within the meaning of Article 2(2)(a) of and Annex B to Regulation (EC) No 2533/98; and
- (b) money market funds within the meaning of Annex I to Regulation (EC) No 2423/2001 of the European Central Bank of 22 November 2001 concerning the consolidated balance sheet of the monetary financial institutions sector (ECB/2001/13) (1).

For the purposes of the definition of IF, 'public' shall encompass retail, professional and institutional investors.

- Participating Member State' means a Member State that has adopted the euro;

- ‘Non-participating Member State’ means a Member State that has not adopted the euro;
- ‘Resident’ means resident within the meaning of Article 1 of Regulation (EC) No 2533/98. For the purposes of these schedules, and in the absence of any significant physical dimension to a legal entity, its residence shall be determined by the economic territory under whose laws the entity is incorporated. If the entity is not incorporated, legal domicile shall be used as a criterion, namely the country whose legal system governs the creation and continued existence of the entity;

‘Reporting agent’ shall mean the legal and natural persons and the entities within the meaning of Article 2 of Regulation (EC) No 2533/98, which are subject to the ECB’s statistical reporting requirements;

3. Actual reporting population

The actual reporting population shall consist of the Investment Funds (IFs) resident in the territory of the participating Member States. The IF itself or, in the case of IFs that do not have legal personality under their national law, the persons legally entitled to represent them shall be responsible for reporting the statistical information required under this Regulation.

4. IFs are required to report the following reporting schedules to the Central Bank of Malta on the basis of the following frequency and submission time-table:

Funds falling **within the 80% bracket:**

| Code | Title | Frequency | Submission Date |
|------------|-----------------------------------------------------------|-----------|--------------------------|
| ML_incl_PL | Investment Fund (IF) shares/units ¹ | Monthly | 21st calendar day (c.d.) |
| A | Summary Statement of Assets | Quarterly | 21st c.d. |
| A1 | Deposit and loan claims | Quarterly | 21st c.d. |
| A2 | Securities other than shares up to 1 year | Quarterly | 21st c.d. |
| A3 | Securities other than shares over 1 and up to 2 years | Quarterly | 21st c.d. |
| A4 | Securities other than shares over 2 years | Quarterly | 21st c.d. |
| A5 | Shares and equity - Quoted shares other shares and equity | Quarterly | 21st c.d. |
| A6 | Investment Funds and Money Market Funds | Quarterly | 21st c.d. |

¹ See point 5 of Appendix 1.

| Code | Title | Frequency | Submission Date |
|---------------|----------------------------------------------------------------------------------------------------------|------------------|------------------------|
| A7 | Other assets | Quarterly | 21st c.d. |
| SbSA | Securities (including debt securities, shares and other equity) reported on a security-by-security basis | Quarterly | 21st c.d. |
| L | Summary Statement of Liabilities | Quarterly | 21st c.d. |
| L1 | Loans and deposits received | Quarterly | 21st c.d. |
| L2 | Investment Fund shares/units | Quarterly | 21st c.d. |
| L3 | Other liabilities | Quarterly | 21st c.d. |
| PL | Income Statement | Quarterly | 21st c.d. |
| PL by Country | Income Statement (PL by Country) | Quarterly | 21st c.d. |

Funds falling within the 20% bracket:

| Code | Title | Frequency | Submission Date |
|-------------|----------------------------------------------------------------------------------------------------------|------------------|--------------------------|
| ML_incl_PL | Investment Fund (IF) shares/units ² | Quarterly | 21st calendar day (c.d.) |
| A | Summary Statement of Assets | Yearly | 21st c.d. |
| A1 | Deposit and loan claims | Yearly | 21st c.d. |
| A2 | Securities other than shares up to 1 year | Yearly | 21st c.d. |
| A3 | Securities other than shares over 1 and up to 2 years | Yearly | 21st c.d. |
| A4 | Securities other than shares over 2 years | Yearly | 21st c.d. |
| A5 | Shares and equity - Quoted shares other shares and equity | Yearly | 21st c.d. |
| A6 | Investment Funds and Money Market Funds | Yearly | 21st c.d. |
| A7 | Other assets | Yearly | 21st c.d. |
| SbSA | Securities (including debt securities, shares and other equity) reported on a security-by-security basis | Yearly | 21st c.d. |

² See point 5 of Appendix 1.

| Code | Title | Frequency | Submission Date |
|---------------|----------------------------------|------------------|------------------------|
| L | Summary Statement of Liabilities | Yearly | 21st c.d. |
| L1 | Loans and deposits received | Yearly | 21st c.d. |
| L2 | Investment Fund shares/units | Yearly | 21st c.d. |
| L3 | Other liabilities | Yearly | 21st c.d. |
| PL | Income Statement | Yearly | 21st c.d. |
| PL by Country | Income Statement (PL by Country) | Yearly | 21st c.d. |

For Funds where the NAV is calculated annually, authorisation may be sought from the Central Bank of Malta for the former to submit the returns on an annual basis. A copy of the Prospectus which states how the NAV is being calculated should be provided to the Bank. Nevertheless, should any changes be implemented as to the frequency of this calculation, the Bank should be informed accordingly so that new reporting obligations could be communicated.

5. The Central Bank of Malta shall grant derogations to the smallest IFs in terms of total assets, provided that the IFs that contribute to the quarterly aggregated balance sheet account for at least 80% of the total of IFs' assets in terms of stocks. The CBM shall provide a list of funds which fall within the 80% bracket and funds which fall within the 20% bracket. This list is to be reviewed periodically. IFs which fall within the 80% bracket are to report the full set of returns on a quarterly basis as well as schedule ML on a monthly basis. IFs which fall within the 20% bracket are to report schedule ML on a quarterly basis, and the full set of returns on an annual basis. New funds which are licensed during the year will be informed by the CBM whether they fall in the 80% or 20% bracket.

6. Investment Funds (IFs) are to submit both monthly and quarterly schedules to the Central Bank of Malta by the 21st calendar day of the month following the reference period. Quarterly stock data must match monthly stock data. Quarterly flows must match the sum of monthly flows. The PL schedule is to be reported on a cumulative basis for the financial year.

7. IFs are required to fill in the details sheet provided with the rest of the reporting schedules. It is imperative that for each class, reporting agents report the ISIN code (where available), the number of outstanding units, and the outstanding Net Asset Value (NAV) for each class (ISIN).

8. CBM strongly recommends that the reporting agents report the reporting schedule SbSA which requires the reporting of securities with an ISIN code on a security-by-security basis. This eliminates the reporting of five (5) reporting schedules i.e.A2 to A6.

9. The reporting schedules are to be submitted:

- (i) in xml format using the INFOSTAT portal
- (ii) and electronically on: fundreporting@centralbankmalta.org in MS excel format, using password protection or Pretty Good Privacy (PGP) (to be discussed with CBM staff)
- (iii) the reporting schedules should also be sent in duplicate to the MFSA on: fundreporting@mfsa.com.mt.

10. Any queries regarding the reporting schedules should be addressed to fundreporting@centralbankmalta.org and cc. Mr. Michael Caruana on caruanamc@centralbankmalta.org

11. The reporting schedules are constructed in such a way that, whenever possible, totals are automatically generated by means of formulae. These cells are write-protected in order to maintain the original and harmonised format for all reporting agents. Shaded cells in all schedules should not be filled in.

APPENDIX 2: STATISTICAL REPORTING REQUIREMENTS

1. IFs report statistical information on a security-by-security (s-b-s) basis for debt and equity securities as per schedule SbSA. If information is not available on an s-b-s basis, schedules A2 to A6 are to be reported. Hence, IFs must provide the statistical information in accordance with the following reporting approach:

i. On a quarterly basis (for funds falling in the 80% bracket) and annually (for funds falling in the 20% bracket):

(i) security-by-security (s-b-s) information for debt and equity securities with publicly available identification codes (ISIN) held by IFs i.e. schedule Assets SbSA;

(ii) aggregated information broken down by maturities, currencies and counterparties, for assets and liabilities other than securities and for securities without publicly available identification codes i.e. schedules Assets A1 – A7 and Liabilities L1 to L3.

ii. Those funds falling **within the 80% bracket** should report all shares/units issued by IFs in schedule Liabilities ML on a monthly basis covering the previous reference month. Those funds falling **within the 20% bracket** should report all shares/units issued by IFs in schedule Liabilities ML on a quarterly basis covering the previous reference quarter. A separate Excel file containing only schedule ML can be accessed on the Central Bank of Malta's website

<https://www.centralbankmalta.org/site/excel/statistics/ScheduleML.xlsm?rnd=20170315112410>

in order to be used by reporting agents when submitting monthly schedules for funds falling in the 80% bracket and when submitting quarterly schedules for funds falling in the 20% bracket.

The aggregated data mentioned above must be provided in terms of stocks and transactions.

2. Fund-by-fund reporting

(a) The actual reporting population shall report data on its assets and liabilities on a fund-by-fund basis.

(b) IFs may report as a group (by investment strategy e.g. bond, equity, etc.), except for schedule Liabilities ML, as long as each group is classified by the following investment strategies; equity, bond, mixed, real estate, private equity hedge and other and provided that this yields the same results as fund-by-fund reporting. Schedule Liabilities ML is to be reported on a sub-fund basis.

(c) If group-reporting is adopted, it shall only be applied to sub-funds under the same scheme.

(d) The Central Bank of Malta shall approve which funds shall report as a group.

3. Accounting and valuation rules

(a) The accounting rules followed by IFs for the purposes of reporting in these schedules shall be those laid down in the relevant national law implementing Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and

consolidated accounts of banks and other financial institutions or, if the former provision is inapplicable, in any other national or international standards that apply to IFs.

(b) Without prejudice to accounting practices and netting arrangements prevailing in the participating Member States, all financial assets and liabilities shall be reported on a gross basis for statistical purposes.

(c) For items which are subject to accrued interest the following rules shall apply:

(i) “securities other than shares” exclude accrued interest.

(ii) “deposit and loan claims” and “loans and deposits received” exclude accrued interest.

Accrued interest should be kept separate from the instrument to which it relates, until the interest due date. Accrued interest is to be reported in the memorandum items.

4. Sanctions policy

The ECB’s sanctions regime laid down in Article 7 of Regulation (EC) No 2533/98 shall apply to IFs.

5. Mergers, divisions and reorganizations

In the event of a merger, division or reorganisation that might affect the fulfillment of its statistical obligations, the reporting agent involved shall inform the Central Bank of Malta, once the intention to implement such operation has become public and in due time before it takes effect, of the procedures that are planned to fulfill the statistical reporting requirements.

6. Verification and compulsory collection

The Central Bank of Malta shall exercise the rights to verify or to collect compulsorily information which reporting agents provide pursuant to the Regulation, without prejudice to the ECB’s right to exercise these rights itself. These rights shall in particular be exercised by the Central Bank of Malta when an institution included in the actual reporting population does not fulfill the minimum standards for transmission, accuracy, conceptual compliance and revisions.

APPENDIX 3 – ESTABLISHING “RESIDENCE”

1. The distinction between the Residents of Malta, Residents of other Monetary Union Member States (MUMs) or the Rest of the World (ROW) should be based on the residence definition as provided below. Thus, residence should not be based on any other definition or legally based definitions such as that for tax.

2. The resident units (e.g. households, companies) of a country are those which have a centre of economic interest in the economic territory of Malta. These resident units may or may not have the nationality of that country, may or may not be legal entities, and may or may not be present on the economic territory of the country at the time they carry out a transaction.

3. The term “economic territory” includes the geographic territory administered by the government, within which persons, goods, services and capital move freely. This comprises any free zones, including bonded warehouses and factories under customs control; the national air-space, territorial waters and the continental shelf lying in international waters, over which the country enjoys exclusive rights; and the territorial enclaves, i.e. geographic territories situated in the rest of the world and used, under international treaties or agreements between states, by general government agencies of the country e.g. embassies, consulates, military bases, scientific bases, etc. The economic territory does not include extraterritorial enclaves i.e. the parts of the country's own geographic territory used by general government agencies of other countries, by the institutions of the European Union or by international organisations under international treaties or agreements between states.

4. The term “*centre of economic interest*” indicates the fact that there exists some location within the economic territory on, or from, which a unit engages, and intends to continue to engage, in economic activities and transactions on a significant scale, either indefinitely or over a finite but long period of time (a year or more).

5. Households that have a centre of economic interest in the country are deemed to be *resident* units, even if they go abroad for short periods (less than a year). They include, in particular, the following:

- i. border workers, i.e. people who cross the frontier frequently to work in a neighbouring country;
- ii. seasonal workers, i.e. people who leave the country for several months, but less than a year, to work in another country in sectors in which additional manpower is needed periodically;
- iii. tourists, patients, students, visiting officials, businessmen, salesmen, artists and crew members who travel abroad;
- iv. locally recruited staff working in the extraterritorial enclaves of foreign governments;

v. the staff of the institutions of the European Union and of civilian or military international organisations which have their headquarters in extraterritorial enclaves; and

vi. the official, civilian or military representatives of the government of the country (including their households) established in territorial enclaves.

6. Residency and economic sector of the holders of IF shares/units

a. As regards registered shares/units, issuing IFs, or the persons legally representing them, report data on the residency and sector breakdown of the holders of their shares/units issued. If an issuing IF is not in a position directly to identify the residency and sector of the holder, it reports the relevant data on the basis of available information.

b. As regards bearer shares/units, reporting agents report data on the residency and sector breakdown of the holders of IF shares/units. If an issuing IF is not in a position directly to identify the residency and sector of the holder, it reports the relevant data on the basis of available information.

APPENDIX 4 – DEFINITIONS OF INSTRUMENT CATEGORIES

The following definitions are in accordance with the European system of national and regional accounts in the Community (ESA 2010).

ASSETS:

1. Deposits and loan claims

For the purpose of these reporting schedules, this consists of funds lent by IFs to borrowers, which are not evidenced by documents or are represented by a single document (even if it has become negotiable).

It includes assets in the form of Short term (up to 1 year) and Long Term (over 1 year) deposits:

- Deposits placed with MFIs:
 - (a) transferable deposits: deposits (in national or in foreign currency) which are immediately convertible into currency or which are transferable by cheque, banker's order, debit entry or the like, both without any kind of significant restriction or penalty
 - (b) other deposits: all holdings in deposits other than transferable deposits. Other deposits cannot be used to make payments at any time and they are not convertible into currency or transferable deposits without any kind of significant restriction or penalty. This sub-category includes time deposits and savings deposits
- Holdings of non-negotiable securities:
Holdings of securities other than shares and other equity which are not negotiable and cannot be traded on secondary markets (see also 'traded loans'),
- Traded loans:
Loans that have de facto become negotiable are to be classified under the asset item 'deposits and loan claims' provided that they continue to be evidenced by a single document and are, as a general rule, only traded occasionally,
- Claims under reverse repos:
Counterpart of cash paid out in exchange for securities purchased by IFs at a given price under a firm commitment to resell the same (or similar) securities at a fixed price on a specified future date (see point 7).

This item also includes holdings of euro and foreign currency banknotes and coins in circulation that are commonly used to make payments

2. Securities other than shares

Holdings of securities other than shares or other equity, which are negotiable and usually traded on secondary markets or can be offset on the market, and which do not grant the holder any ownership rights over the issuing institution.

This item includes:

- holdings of securities (whether or not evidenced by documents) which give the holder the unconditional right to a fixed or contractually determined income in the form of coupon payments and/or a stated fixed sum at a specific date (or dates) or starting from a date defined at the time of issue,
- negotiable loans that have been restructured into a large number of identical documents and that can be traded on secondary markets (see also 'traded loans' in point 1 above),
- subordinated debt in the form of debt securities,
- in order to maintain consistency with the treatment of repo-type operations, securities lent out under securities lending operations remain on the original owner's balance sheet (and are not to be transferred to the balance sheet of the temporary acquirer) where there is a firm commitment to reverse the operation and not simply an option to do so (see also point 7).

A maturity breakdown is required for holdings of securities other than shares. This means maturity at issue (original maturity), and it refers to the fixed period of life of a financial instrument before which it cannot be redeemed.

3. Shares and Equity

Holdings of securities which represent property rights in corporations or quasi-corporations. These securities generally entitle the holders to a share in the profits of corporations or quasi-corporations and to a share in their own funds in the event of liquidation.

This category comprises three main sub-categories:

- Quoted shares, excluding IF and MMF shares/units - Shares with prices quoted on a recognised stock exchange or other form of secondary market
- Other shares and Equity - This asset item includes shares that are not quoted on a recognized stock exchange. This item also includes other forms of equity not included elsewhere.
- Investment Fund (IF) and Money Market Fund (MMF) shares/units - This asset item includes holdings of shares/units issued by IFs and MMFs included in the list of IFs and MFIs for statistical purposes.

MMFs are collective investment undertakings the shares/units of which are, in terms of liquidity, close substitutes for deposits, and which primarily invest in money market

instruments and/or in MMF shares/units and/or in other transferable debt instruments with a residual maturity of up to and including one year, and/or in bank deposits, and/or which pursue a rate of return that approaches the interest rates of money market instruments. MMFs are defined in Regulation (EC) No 2423/2001 (ECB/2001/13) concerning the consolidated balance sheet of the monetary financial institutions sector.

IFs are defined in Appendix 1 point 2.

4. Financial derivatives

In accordance with existing international statistical standards, financial derivative instruments that have a market value should in principle be subject to on-balance-sheet recording. Derivatives have a market value when they are traded on organised markets, i.e. exchanges, or in circumstances in which they can be regularly offset on over-the-counter (OTC) markets.

Under this item, the following financial derivatives should be reported:

- a. options, whether tradable or OTC,
- b. warrants,
- c. futures, but only if they have a market value because they are tradable or can be offset, and
- d. swaps, but only if they have a market value because they are tradable or can be offset.

Financial derivatives that are subject to on-balance-sheet recording should be entered at their market value, which is the prevailing market price or a close equivalent (fair value).

Derivatives should be recorded on the balance sheet on a gross basis. Individual derivative contracts with gross positive market values should be recorded on the asset side of the balance sheet and contracts with gross negative market values on the liability side. Gross future commitments arising from derivative contracts should not be entered as on-balance sheet items. Financial derivatives may be recorded on a net basis according to different valuation methods. In the event that only net positions are available, or positions are recorded other than at market value, these positions should be reported instead

5. Non-financial assets (including fixed assets)

This item consists of:

- investments in tangible fixed assets (e.g. dwellings, other buildings and structures, and non-residential buildings) and valuables (e.g. precious metals), and
- tangible or intangible non-financial assets, which are intended to be used repeatedly for more than one year by IFs. They include land and buildings occupied by the IFs, as well as equipment, software and other infrastructure.

6. Remaining assets

This is the residual item on the asset side of the balance sheet, defined as ‘assets not included elsewhere’.

- accrued rent on buildings,
- amounts receivable which do not relate to the main IF business

For the purpose of these reporting schedules, schedule A7 on remaining assets includes sub-items financial assets further split into financial derivatives and other financial assets, and non-financial assets further split into investment in real estate property, and non-financial assets including fixed assets.

LIABILITIES:

7. Loans and deposits received

Amounts owed to creditors by IFs, other than those arising from the issue of negotiable securities.

This item consists of Short term (up to 1 year) and Long Term (over 1 year):

- loans: loans granted to the reporting IFs which are not evidenced by documents or are represented by a single document (even if it has become negotiable),
- repos: counterpart of cash received in exchange for securities/gold sold by IFs at a given price under a firm commitment to repurchase the same (or similar) securities/gold at a fixed price on a specified future date. Amounts received by IFs in exchange for securities/gold transferred to a third party (temporary acquirer) are to be classified under 'repurchase agreements' where there is a firm commitment to reverse the operation and not merely an option to do so. This implies that IFs retain effective (economic) ownership of the underlying securities/gold during the operation. In this respect, the transfer of legal ownership is not the relevant feature for determining the treatment of repo-like operations. Where the temporary acquirer sells the securities/gold received by way of a repo operation, this sale must be recorded as an outright transaction in securities/gold and entered in the balance sheet of the temporary acquirer as a negative position in the securities/gold portfolio.

The following three variants of repo-type operations are all structured in such a way as to satisfy the conditions necessary for treatment as collateralised loans. Hence amounts received by IFs (in exchange for securities/gold temporarily transferred to a third party) are classified under 'repurchase agreements':

- amounts received in exchange for securities/gold temporarily transferred to a third party in the form of a repurchase agreement,
- amounts received in exchange for securities/gold temporarily transferred to a third party in the form of bond lending (against cash collateral),
- amounts received in exchange for securities/gold temporarily transferred to a third party in the form of a sale/buy-back agreement

8. Investment Fund (IF) shares/units

Shares or units, including in the form of equity capital, issued by IFs that are included in the list of IFs for statistical purposes. This item represents the total liability to the IF's shareholders. Funds arising from non-distributed benefits or funds set aside by reporting IFs in anticipation of likely future payments and obligations are also included.

For the purpose of these reporting schedules:

- 'IF registered shares/units' means IF shares/units in respect of which, in accordance with national legislation, a record is kept identifying the holders of its shares/units, including information on the residency and sector of the holder,
- 'IF bearer shares/units' means IF shares/units in respect of which, in accordance with national legislation, a record is not kept identifying the holders of its shares/units, or in respect of which a record is kept which does not contain information on the residency and sector of the holder.

9. Financial derivatives

Refer to financial derivatives under the assets category.

10. Other Liabilities

This is the residual item on the liabilities side of the balance sheet, defined as 'liabilities not included elsewhere'.

- debt securities issued: securities other than equity issued by IFs, which are instruments usually negotiable and traded on secondary markets or which can be offset on the market and which do not grant the holder any ownership rights over the issuing institution,
- amounts payable not related to the main IF business (amounts due to suppliers, tax, wages, social contributions, etc.),
- provisions representing liabilities against third parties (pensions, dividends, etc.),
- net positions arising from securities lending without cash collateral,
- net amounts payable in respect of future settlements of transactions in securities

For the purpose of these reporting schedules, schedule L3 on remaining liabilities includes the items:

- financial derivatives,
- debt securities issued,
- other remaining liabilities

APPENDIX 5 – DEFINITIONS OF SECTORS

The ESA 2010 provides the standard for sector classification. Counterparties located in the territory of the participating Member States are identified according to their sector in accordance with the list of IFs and MFIs for statistical.

1. Monetary Financial Institutions (MFIs)

Resident national central banks, resident credit institutions as defined in Community law, and other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs, and, for their own account (at least in economic terms), to grant credits and/or make investments in securities (Regulation (EC) No 2423/2001).

2. Monetary Authorities

These include central banks and other institutions that are involved in the issuance of means of payment, maintain the internal and external value of the currency and hold all (or part of) a country's official reserves, as well as the International Monetary Fund (IMF) and the Bank for International Settlements (BIS)

3. General government

Resident units which are principally engaged in the production of non-market goods and services, intended for individual and collective consumption and/or in the redistribution of national income and wealth).

4. Other financial intermediaries and financial auxiliaries

Financial corporations and quasi-corporations (except insurance corporations and pension funds) principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits from institutional units other than MFIs, or insurance technical reserves. Also included are financial auxiliaries consisting of all financial corporations and quasi-corporations that are principally engaged in auxiliary financial activities. IFs as defined in these instructions.

5. Insurance corporations and pension funds

Financial corporations and quasi-corporations principally engaged in financial intermediation as the consequence of the pooling of risks.

6. Non-financial corporations

Corporations and quasi-corporations not engaged in financial intermediation but principally in the production of market goods and non-financial services.

7. Households and nonprofit institutions serving households

Individuals or groups of individuals as consumers, and producers of goods and non-financial services exclusively for their own final consumption, and as producers of market goods and non-financial and financial services provided that their activities are not those of quasi-corporations. Included are non-profit institutions which serve households and which are principally engaged in the production of non-market goods and services intended for particular groups of households.

APPENDIX 6 – DEFINITIONS OF SECURITY-BY-SECURITY ATTRIBUTES

1. Security identifier code

International Security Identification Code (ISIN) used to identify the security.

2. Number of units/shares (in 000s)

The number of equity securities (both local and foreign) held by the reporting institution at the end of the reporting period. *This field is not to be filled in for debt securities.*

3. Nominal value (in euro 000s)

The nominal value of debt securities (both local and foreign) held by the reporting institution at the end of the reporting period. Debt securities denominated in foreign currencies should be converted into euro using the exchange rate prevailing at end of the quarter. *This field is not to be filled in for equity securities.*

4. Nominal currency

Report the currency code of the security held e.g. EUR for euro, GBP for Sterling.

5. Market price

- For equity, the market price must be “price per unit in nominal currency” of the issue.
- For debt securities the price should be calculated including accrued interest i.e. on a dirty price basis.

When multiplying the number of units/nominal amount by the price, this should be equal to the amounts reported for securities (including accrued interest) in the balance sheet.

6. Net transactions (in euro 000s)

Report the net transactions effected during the reporting period relating to the acquisition (purchases) less disposal (sales) of both equity and debt securities. When calculating the net transactions for debt securities, please include any purchased or sold interest.

7. Interest received in the course of the period (in euro 000s)

Report any interest received during the reporting period (excluding sold interest which should be reported with the transactions in 6 above).

8. Dividends received during the period (in euro 000s)

Any dividends earned from the ownership of stock (shares) or equivalent equity such as holdings in Collective Investment Schemes. These amounts should be recorded on the basis of dividends actually received during the period.

APPENDIX 7 – CONCEPT OF FLOWS

1. Flows are defined as the difference between the stock positions at reporting dates, from which the effect of changes that arise due to influences other than true transactions are removed. These influences can take the form of revaluation adjustments i.e. market price and exchange rate changes, and other changes.

As mentioned above, the flow in a particular instrument is found by using the stock data for the same instrument as shown in the balance sheet submitted by the reporting agent i.e. position at the end of the period. The process entails a simple arithmetic operation, which in symbol format for period 't' can be expressed as:

$$F_t = (S_t - S_{t-1}) - C_t - V_t - E_t$$

where

F_t = Flow (True Transaction)

S_t = Stock end of period

S_{t-1} = Stock end of previous period

C_t = Reclassification adjustment

V_t = Price Revaluation adjustment

E_t = Exchange Rate adjustment

2. Financial (net) transactions refer to those transactions that arise out of the creation, liquidation or change in ownership of financial assets or liabilities. These transactions are measured in terms of the difference between stock positions at end-period reporting dates, from which the effect of changes due to influences from 'revaluation adjustments' (caused by price and exchange rate changes) and 'other changes and other adjustments' are removed.

3. Revaluation adjustments include price and exchange rate changes. Price and exchange rate revaluations refer to fluctuations in the valuation of assets and liabilities that arise either from changes in the prices of assets and liabilities and/or the exchange rates that affect the values expressed in euro of assets and liabilities denominated in a foreign currency.

i. The adjustment in respect of price revaluation of assets/liabilities refers to fluctuations in the valuation of assets/liabilities that arise because of a change in the price at which assets/liabilities are recorded or traded. The price revaluations include the changes that occur over time in the value of end-period stocks because of changes in the reference value at which they are recorded, i.e. holding gains/losses.

ii. Movements in exchange rates against the euro that occur between end-period reporting dates give rise to changes in the value of foreign currency assets/liabilities when expressed in euro. As these changes represent holding gains/losses and are not due to financial transactions, these effects need to be removed from the transactions data.

In principle, 'price and exchange rate revaluations' also contain valuation changes that result from transactions in assets/liabilities, i.e. realised gains/losses; however, there are different national practices in this respect.

4. Reclassifications capture information on any extraordinary activities involving the balance sheets such as catastrophic losses, changes in sector classifications of counterparties in the absence of revisions and changes in the composition of the statistical reporting population.

5. The concept of flows follows the double-entry system i.e. total assets must be equal to total liabilities.

APPENDIX 8 – DEFINITIONS OF STOCKS, FLOWS AND ACCRUED INTEREST ITEMS

1. Position at beginning of period

For those funds falling within the 80% category:

Report the opening position of the market value of the financial claims and liabilities of the reporting enterprise at the beginning of the quarter. The opening position should agree with the closing position reported at the end of the preceding quarter. In respect to **‘Liabilities ML - Investment Fund (IF) shares/units**, please refer to **Appendix 9**.

For those funds falling within the 20% category:

Report the opening position of the market value of the financial claims and liabilities of the reporting enterprise at the beginning of the quarter. The opening position should agree with the closing position reported at the end of the preceding quarter.

2. Net transactions

Net transactions are equal to an increase in transactions less a decrease in the same transaction for example granting a new loan and withdrawing a deposit (on the assets side).

- Increase in transactions: report those transactions which cause the stock of the reporting period to increase (+). Examples of transactions that increase the assets or liabilities include:
 - New loans and deposits
 - Buying securities
 - Acquisition of fixed assets
 - Issuing of IF shares/units

- Decrease in transactions: report those transactions which cause the stock of the reporting period to decrease (-). Examples of transactions that decrease the assets or liabilities include:
 - Repayment of a loan and withdrawal of a deposit
 - Selling securities
 - Redemption of IF shares/units

3. Revaluation adjustments

See appendix 7 point 3 for definition. Revaluation adjustments shall be derived i.e. cells within the reporting schedules include a formula.

4. Reclassifications

See appendix 7 point 4 for definition. Reclassifications are only to be reported following guidance from the Central Bank of Malta, except for accrued interest³.

³ The transfer of accrued interest from remaining assets/liabilities to the instrument is to be reported as a reclassification.

5. Position at end of period

Report the market value of the claims and liabilities of the reporting enterprise at the end of the quarter.

6. Position of accrued interest at the beginning of the period

Report the amount of accrued interest at the beginning of the reporting quarter. The position must agree with the position at the end of the previous quarter.

7. Accrued interest in the course of the period

Report interest accrued (i.e. receivable/payable) during the course of the quarter.

8. Received and sold interest in the course of the period

Report interest actually received or sold during the reporting quarter.

9. Paid and purchased in the course of the period

Report interest actually paid or purchased during the reporting quarter.

10. Position of Accrued Interest at the End of the Period

Report the amount of accrued interest at the end of the reporting quarter.

11. Dividends received during the period

Report dividends received during the period.

APPENDIX 9 – NOTES ON REPORTING SCHEDULES

1. Investment Fund Details

- Apart from the requested details, each Fund should report the number of units issued by the said Fund or Sub-Fund/s near each ISIN code/s.
- In the *Details* Sheet, the actual Scheme Name and Sub-Fund Name should always be reported, along with the INFOSTAT Code under **Column B, Row 13** and Investment Fund Code under **Column B, Row 15** (where applicable)

| | A | B | C | D | E | F | |
|----|---------------------|--------------------------------|---|--------------|------------------|---|--|
| 1 | Confidential | Investment Fund Details | | | | | |
| 2 | | | | | | | |
| 3 | Scheme name: | | | | | | |
| 4 | | | | | | | |
| 5 | Sub-fund name: | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | INFOSTAT Code: | | | | | | |
| 14 | | | | | | | |
| 15 | Inv. Fund Code: | | | | | | |
| 16 | | | | | | | |
| 17 | Unit ID: | | | | | | |
| 18 | | | | | | | |
| 19 | | ISIN code/s: | | No. of units | NAV in Euro 000s | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | | | | | | |

- In the *Checks* Sheet, always ensure that prior to submitting the returns all the checks are OK. In the event where a check does not pass validity, please explain accordingly by email or in the free text column G within the checks sheet. Hereunder please find an extract of the Quarterly Fullset Check Sheet:

| | A | B | C | D | E | F | G |
|----|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------|-------------|---------|---------|---|
| 1 | Confidential | | 9 | Quarterly | 410 | | |
| 2 | | | 0 | -VE Figures | 20 | | |
| 3 | Please ensure that all the checks are <u>OK</u> prior to submitting the returns, else please explain in Column G | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | Assets | NAME OF SCHEME: 0 | | | | | |
| 9 | Quarterly | NAME OF SUB-FUND: 0 | | | | | |
| 10 | | | Batch | Diff | Value 1 | Value 2 | |
| 11 | OK | Securities reported as NON s-b-s basis | | | | 0 | |
| 12 | | | | | | | |
| 13 | | Details sheet | | | | | |
| 14 | ERROR | Scheme name: | | | | | |
| 15 | ERROR | Sub-fund name: | | | | | |
| 16 | ERROR | ISIN code/s: | | | | | |
| 17 | ERROR | No. of units | | | | | |
| 18 | ERROR | NAV | | | | | |
| 19 | ERROR | Contact person: | | | | | |
| 20 | ERROR | Address: | | | | | |
| 21 | ERROR | Telephone number: | | | | | |
| 22 | ERROR | Email: | | | | | |

- Please ensure that the latest returns found in the CBM website, url: <https://www.centralbankmalta.org/returns-report-forms-and-instructions> are being sent to the CBM.

2. Liabilities ML – Investment Fund (IF) shares/units

For those funds falling within the **80%** category:

- The schedule is to be reported on a monthly basis covering the previous reference month. This also applies when reporting in a quarter such as December where opening position must tally with closing position of previous month (i.e. November).

For those funds falling within the **20%** category:

- The schedule is to be reported on a quarterly basis covering the previous reference quarter (ex. The opening position in reference quarter ex December should tally with closing position of September.)
- The IF is to report IF shares/units by residency and in Euro 000s.
- The sheet should also include:
 - funds arising from non-distributed profits;
 - the P&L / Reserves contra entry of for instance an increase in the market price of securities invested by the investment fund; or
 - funds set aside in anticipation of likely future payments and obligations.

The above should be reported under Shareholder's Funds (ML - Cell K10) as Total as well as under the appropriate residency.

3. Assets A - Summary Statement of Assets

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The purpose of the schedule is to have a summary of all asset instruments. It includes instruments reported elsewhere i.e. in their respective schedules.
- The instruments cash, total securities (equity and debt) are to be filled in.
- All other instruments are linked to their appropriate schedule or derived by means of a formula and consequently are not to be filled in. These cells are shaded.

4. Assets A1 – Deposit and loan claims

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The investment fund is to report deposit and loan claims by residency and sector.
- Note that the instrument excludes accrued interest. Accrued interest is to be reported separately in the memorandum item.

- The investment fund is to report two memorandum items. These are loan claims excluding deposits and accrued interest, which are to be reported by residency.

6. Assets A2 – Securities other than shares up to 1 year

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The schedule is to be reported only if the security does not have an ISIN number.
- The investment fund is to report securities with a maturity of up to 1 year by residency and sector.
- Note that the instrument excludes accrued interest. Accrued interest is to be reported separately in the memorandum item by residency.
- Securities up to 1 year are also to be reported by currency i.e. euro, US dollar and other foreign currencies by residency. An 'of which' item for MFIs is also to be reported.

7. Assets A3 – Securities other than shares over 1 and up to 2 years

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The schedule is to be reported only if the security does not have an ISIN number.
- See Assets A2 – Securities other than shares up to 1 year for further details.

8. Assets A4 – Securities other than shares over 2 years

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The schedule is to be reported only if the security does not have an ISIN number.
- See Assets A2 – Securities other than shares up to 1 year for further details.

9. Assets A5 – Shares and equity - Quoted shares, and other shares and equity

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The schedule includes all shares and equity. The schedule is to be reported only if quoted shares, investment fund shares/units or other shares and equity (usually unquoted shares) do not have an ISIN number.
- The investment fund is to report shares and other equity by residency and sector.

10. Assets A6 - Investment fund and money market fund shares/units

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket..
- The column 'Dividends received during the period' is a profit and loss item and should be treated separately from the other breakdowns.

11. Assets A7 – Other Assets

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket..

- The schedule is split up into financial assets and non-financial assets. Financial assets include financial derivatives and other financial assets. Non-financial assets include investment in real estate property and other non-financial assets.
- Other assets are to be reported by residency.
- Note that the element of accrued interest has been removed for the instruments deposit and loans claims, and securities. Accrued interest for these instruments is to be reported in the memorandum items of the specific reporting schedules. However, any other accrued interest must be reported under other financial assets.

12. Assets SbSA – Securities (including debt securities, shares and other equity) reported on a security-by-security basis

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The investment fund reports security by security for those securities with an ISIN number.
- See appendix 6 for definitions on the security by security attributes.
- Note that the column number of units is to be reported for equity securities only and the column nominal value is to be reported for debt securities only.
- If a security does not have an ISIN number then the appropriate schedules A2 to A6 must be reported.

13. Liabilities L – Summary Statement of Liabilities

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The purpose of the schedule is to have a summary of all liability instruments. It includes instruments reported elsewhere i.e. in their respective schedules.
- All instruments are linked to their appropriate schedule and consequently are not to be filled in. These cells are shaded.

14. Liabilities L1 – Loans and deposits received

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The instrument loans and deposits received is to be reported by residency.
- Note that the instrument excludes accrued interest. Accrued interest is to be reported separately.
- The investment fund is to report three memorandum items. These include loans and deposits received split by maturity and accrued interest, which are to be reported by residency.

15. Liabilities L2 – Investment Fund shares/units

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The investment fund is to report IF shares/units issued by residency. This item represents the total liability to the IF shareholders.
- The investment fund is to report two memorandum items. These are Holdings of more than 10% of the total of IF shares/units and Sales less Redemptions of

- Investment Fund shares/units i.e net transactions, which are to be reported by residency.
- Position at beginning of period must tally with Position at end of period reported in sheet L2 of the previous quarter.
 - The flow movement should be reported as Revaluation Adjustments in Schedule L2 under the appropriate sector and residency.
 - The revaluation adjustment reported in Schedule ML for January + February + March should tally with the Revaluation Adjustments reported in L2.
 - The sheet should also include:
 - funds arising from non-distributed profits;
 - the P&L / Reserves contra entry of for instance an increase in the market price of securities invested by the investment fund; or
 - funds set aside in anticipation of likely future payments and obligations.

The above should be reported under Shareholder's Funds (L2 - Cell I45) as Total as well as under the appropriate sector of the shareholder.

16. Liabilities L3 – Other Liabilities

- The schedule is to be reported on a quarterly basis by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The schedule is split up into financial derivatives, debt securities issued, and other remaining liabilities.
- Financial derivatives and debt securities issued are to be reported as a total. In addition, of which items are to be reported.
- Other liabilities are to be reported by residency and/or sector.
- Note that the instrument debt securities issued includes accrued interest. Any other accrued interest must be reported under other remaining liabilities excluding loans and deposits accrued interest which has to be reported in schedule Liabilities L1.

17. Income Statement (PL)

- The schedule is to be reported on a quarterly basis (cumulative) by residency by funds falling in the 80% bracket, and annually for those funds in the 20% bracket.
- The investment fund must report the income items according to the definitions specified below
- Shaded cells should not be filled in.

— **Interest Income from Investments**

This item includes interest on deposits, securities other than shares, and loans. Also included is amortised interest and discounted treasury bills. Interest is to be recorded before the deduction of any taxes levied on it.

- **Dividends Income**
This item relates to income received by ownership of shares and other equity.

 - **Other income**
Income not elsewhere specified in the PL schedule (including any appreciation of the investment). Provide clear details on individual items if greater than 25% of the total other income category in item 10.
- The investment fund must report the Expenditure items according to the definitions specified below:
- **Accounting, auditing, tax consulting, advertising, market research, business and management consultancy services**
Report expenses incurred on the above activities. Include design, creation, marketing, placement and purchase of advertisements, trade fair exhibition services and promotion, market research and public opinion polls, planning, organisation cost projecting and human resource management.
 - **Communications, Computer and information services**
Include telecommunications (broadcasting, satellite, electronic mail etc), postal, courier, newspaper and magazine delivery services etc. Include database development, storage and on line series facilities, data processing, tabulation processing services (on a time share or specific basis) and processing management services, hardware consultancy, software design, development and customised implementation and programming, maintenance and repairs of computers and peripheral equipment and news agency services. Include also printing, publicity and publishing costs.

 - **Directors Fees and Compensation of employees**
Includes directors' fees/remunerations and wages, salaries and other benefits in cash or in kind, earned by individuals for work performed. Included are contributions paid by employers on behalf of employees to social security schemes or to private insurance or pension funds to secure benefits for employees. Employees include seasonal or other short-term workers who have a centre of economic interest in their own economies.

 - **Custodian and Trustee Fees**
Include sub-custodian fees and trustee disbursements.

 - **Investment Advice Fees**
Include investment advisory fees.

 - **Management Fees and General Administrative costs**
Report any fees that include management and administrative related expenses such as preliminary expenses, transaction costs and formation expenses.

- **Legal and Other Professional Fees**
Include any other professional fee or cost such as registrar fees, performance fees and company secretary fees.
- **Interest payable**
Include interest payable on loans.
- **Other Expenses**
Expenses not elsewhere specified in the PL schedule (including any depreciation of investment). Provide clear details on individual items if greater than 25% of the total other expenses category in item 11.
- Other items
 - **Taxation**
All taxation relating to IFs, including withholding tax, paid to Residents of Malta, Residents of Monetary Union Member States and Residents of Rest of the World.
 - **Capital and Exchange Gains/(Losses)**
Net Realised Gains/(Loss) on Sale of Investments or Net Realised Gains/(Loss) on Foreign Exchange

While items 1 and 2 should always be reported with a positive sign, items 4, 5, 6 and 7 should be reported with a negative sign when payments exceed receipts.

18. Income Statement (PL by Country)

- The schedule should be considered as an extension of the Income Statement (PL) schedule, where additional details on the geographical breakdown of specific Income statement items are requested.
- The schedule is to be reported on a quarterly basis (cumulative) by funds falling in the 80% bracket, and annually (cumulative) for those funds in the 20% bracket. Additionally it should be reported by residency (i.e. residents of Malta, residents of Monetary Union Member states (MUM) and residents of Rest of the world (ROW)). Data should be categorised accordingly in relation to the euro area countries, while the list of ROW countries include EU countries which do not form part of the euro area as well as a selected number of countries (e.g. USA, Japan, Switzerland etc.) as well as international bodies (e.g. European Investment Bank, International Monetary fund, etc.)
- Income statement items for which further geographical breakdown is required include PL items 1.3, 1.4, items 2.1 – 2.10 and item 4.
- Totals for items 1,2 and 3 should match the totals for Income statement items in the Income Statement (PL) schedule.

APPENDIX 10 – STANDARDS TO BE APPLIED BY INVESTMENT FUNDS

Reporting agents must fulfill the following standards to meet the statistical reporting requirements.

1. Standards for transmission:

- (a) reporting to the Central Bank of Malta must be timely and within the deadlines set by the Central Bank of Malta;
- (b) statistical reports must take their form and format from the technical reporting requirements set by the Central Bank of Malta;
- (c) the contact person(s) within the reporting agent must be identified;
- (d) the technical specifications for data transmission to Central Bank of Malta must be followed; and
- (e) in the case of security-by-security reporting the reporting agents must provide further information (e.g. name of issuer, issue date) needed to identify securities whose security identification codes are either erroneous or not publicly available.

2. Standards for accuracy:

- (a) the statistical information must be correct:
 - all linear constraints must be fulfilled (e.g. assets and liabilities must balance, subtotals must add up to totals); and
 - data must be consistent across all frequencies;
- (b) reporting agents must be able to provide information on the developments implied by the data supplied;
- (c) the statistical information must be complete: existing gaps should be acknowledged, explained to the Central Bank of Malta and, where applicable, bridged as soon as possible;
- (d) the statistical information must not contain continuous and structural gaps;
- (e) reporting agents must follow the dimensions and decimals set by the Central Bank of Malta for the technical transmission of the data; and
- (f) reporting agents must follow the rounding policy set by the Central Bank of Malta for the technical transmission of the data.

3. Standards for conceptual compliance:

- (a) the statistical information must comply with the definitions and classifications contained in these instructions;
- (b) in the event of deviations from these definitions and classifications, where applicable, reporting agents must monitor on a regular basis and quantify the difference between the measure used and the measure contained in these instructions; and
- (c) reporting agents must be able to explain breaks in the data supplied compared with the previous periods' figures.

4. Standards for revisions:

The revisions policy and procedures set by the Central Bank of Malta must be followed. Revisions deviating from regular revisions must be accompanied by explanatory notes.

APPENDIX 11 – EXAMPLES

Security-by-security reporting in return SBSA

Reporting agents are to report their holdings of securities (both equity and debt) which have a valid ISIN code on a security by security basis in return SBSA. Only those securities without a valid ISIN code are to be reported on an aggregated basis

When an institution is submitting the return SBSA for the first time, this institution should also report SBSA for the previous reporting quarter. However, only the fields under the heading “position at end of period” are to be reported. The transactions effected during the previous reporting period are not to be filled in.

Example 1 – ISIN 1

During the quarter under review your institution purchase €10,000 nominal amount @ 101.3 (dirty price i.e. including purchased interest) of ISIN 1. During the same quarter your institution sold all its holdings of ISIN 1 @ 103.2 (dirty price i.e. including sold interest). No position in ISIN 1 was held at the beginning of the quarter.

Workings:

Net transactions –

Purchase 10@ 101.3 = € 10.13

Sale 10 @ 103.2 = € 10.32

Net Transaction = (€ 0.19)

Position beginning of quarter = 0 nominal amount

Position end of quarter = 0 Nominal amount

Example 2 – ISIN 2

At the beginning of the quarter your institution held \$20,000 nominal amount of ISIN 2. During the quarter your institution sold all its holdings in ISIN 2 @ 105.68 (dirty price i.e. including sold interest).

Workings:

Euro – USD rate at beginning of the quarter – 1.4303

Euro – USD rate actual transaction date – 1.4026

Euro – USD rate at end of the quarter – 1.3917

Net transactions - Sale 20 @ 105.68 = \$ 21.136

Converted @ actual transaction \$/€ rate of 1.4026

Net Transaction = (€ 15.0692)

Position beginning of quarter = \$20 nominal amount converted into euro @ 1.4303 = € 13.983

Position end of quarter = 0 Nominal amount

Example 3 – ISIN 3

During the quarter under review your institution purchased GBP 5,000 nominal amount @ 107.1 (dirty price i.e. including purchased interest) of ISIN 3. No position in ISIN 3 was held at the beginning of the quarter.

Workings:

Euro – GBP rate at beginning of the quarter – 0.7903

Euro – GBP rate actual transaction date – 0.8452

Euro – GBP rate at end of the quarter – 0.9525

Dirty price at end of quarter – 108.22

Net transactions - Purchase 5 @ 107.1 = £ 5.355

Converted @ actual transaction £/€ rate of 0.8452

Net Transaction = € 6.3358

Position beginning of quarter = 0

Position end of quarter = £5 nominal amount converted into euro @ 0.9525 = € 5.2493

Example 4 – ISIN 4

During the quarter under review your institution purchased €30,000 nominal amount @ 100.3 (dirty price i.e. including purchased interest) of ISIN 4. During the same quarter your institution sold €15,000 of its holdings in ISIN 4 @ 102.2 (dirty price i.e. including sold interest). At the beginning of period your institution held €10,000 (nominal amount) in ISIN 4.

Workings:

Net transactions –

Purchase 30 @ 100.3 = € 30.09

Sale 15 @ 102.2 = € 15.33

Net Transaction = € 14.76

Position beginning of quarter = 10 nominal amount

Position end of quarter = (Position @ beginning of period 10 + Net purchases during the quarter (30 – 15) = 25 Nominal amount

Dirty Price as at end of quarter – 101.88

Example 5 - ISIN 5

At the beginning of the quarter your institution held \$60,000 nominal amount of ISIN 5. No purchases or sales of this security occurred during the quarter. However, your institution received \$ 1,800 in interest.

Workings:

Euro – USD rate at beginning of the quarter – 1.4303

Euro – USD rate actual transaction date – 1.4026

Euro – USD rate at end of the quarter – 1.3917

Dirty Price as at end of quarter – 102.77

Transactions:

Net transactions - 0 – no purchases or sales were made during the quarter

Interest received during the quarter \$1.8 converted at actual transaction date 1.4026 = €1.28

Position beginning of quarter = \$60 nominal amount converted into euro @ 1.4303 = €41.949

Position end of quarter = \$60 nominal amount converted into euro @ 1.3917 = € 43.1127

Examples on how to fill in SBSA return for shares and other equity

Example 6 – ISIN 6

During the quarter under review your institution purchased 10,000 units @ €1.1 of ISIN 6.

During the same quarter your institution sold all its holdings in ISIN 6 @ €1.3. No position in ISIN 6 was held at the beginning of the quarter.

Workings:

Net transactions –

Purchase 10 @ 1.1 = € 11

Sale 10 @ 1.3 = € 13

Net Transaction = (€ 2)

Position beginning of quarter = 0 units

Position end of quarter = 0 units

Example 7 – ISIN 7

At the beginning of the quarter your institution held 1,000,000 units of ISIN 7. During the quarter your institution sold all its holdings in ISIN 7 @ \$4.88 (price per share).

Workings:

Price of ISIN 7 at beginning of the quarter – \$5.99

Euro – USD rate actual transaction date – 1.4026

Net transactions - Sale 1,000 @ \$4.88 = \$ 4,880

Converted @ actual transaction \$/€ rate of 1.4026

Net Transaction = (€ 3,479.2528)

Position beginning of quarter = 1,000 units @ \$5.99

Position end of quarter = 0 units

Example 8 – ISIN 8

During the quarter under review your institution purchased 10,000 units @ £ 4.1 per share of ISIN 8. No position in ISIN 8 was held at the beginning of the quarter.

Workings:

Price at beginning of the quarter – £4.73 26

Euro – GBP rate actual transaction date – 0.8452

Price at end of the quarter – £6.11

Net transactions –

Purchase 10 @ £4.1 = £ 41

Converted @ actual transaction £/€ rate of 0.8452

Net Transaction = € 48.5092

Position beginning of quarter = 0

Position end of quarter = 10 units @ £6.11

Example 9 – ISIN 9

During the quarter under review your institution purchase 30,000 units @ €11.3 per share of ISIN 9. During the same quarter your institution sold 15,000 units of its holdings in ISIN 9 @ €15.8 per share. At the beginning of period your institution held 10,000 units in ISIN 9.

Workings:

Net transactions – Purchase 30@ €11.3 = € 339

Sale 15 @ €15.8 = € 237

Net Transaction = € 102

Price as at end of quarter - € 16.2

Position beginning of quarter = 10 units

Position end of quarter = (Position @ beginning of period 10 + Net purchases during the quarter (30 – 15) = 25 units

Example 10 – ISIN 10

At the beginning of the quarter your institution held 600 units of ISIN 10. No purchases or sales in this ISIN occurred during the quarter. However, your institution received \$100.8 in dividends

Workings:

Price at beginning of the quarter – \$99.52

Euro – USD rate actual transaction date – 1.4026

Price at end of the quarter – \$101.88

Transactions:

Net transactions - 0 – no purchases or sales were made during the quarter

Dividends received during the quarter \$0.1008 (since transactions are to be reported in thousand's) converted at actual transaction date 1.4026 = €0.07186

Position beginning of quarter = 0.6 units @ \$99.52

Position end of quarter = 0.6 units \$101.88

| Security identifier code (ISIN) | Position at end of period | | | | Transactions effected during the quarter (Euro 000s) | | |
|---------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------|--------------|-------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------|
| | Number of units/shares (in 000s and applicable for shares and other equity only) | Nominal value (in euro 000s and applicable for debt securities only) | Nominal currency | Market price | Net transactions (purchases less sales including purchased and sold interest) | Received interest in the course of the quarter | Dividends received during the quarter |
| ISIN 1 | | 0 | EUR | | -0.19 | | |
| ISIN 2 | | 0 | USD | | -15.0692 | | |
| ISIN 3 | | 5.2493 | GBP | 108.22 | 6.3358 | | |
| ISIN 4 | | 25 | EUR | 101.88 | 14.76 | | |
| ISIN 5 | | 43.1127 | USD | 102.77 | 0 | 1.28 | |
| ISIN 6 | 0 | | EUR | | -2 | | |
| ISIN 7 | 0 | | USD | | -3479.2528 | | |
| ISIN 8 | 10 | | GBP | 6.11 | 48.5092 | | |
| ISIN 9 | 25 | | EUR | 16.2 | 102 | | |
| ISIN 10 | 0.6 | | USD | 101.88 | 0 | | 0.07186 |

It is important that the amounts and workings in the SBSA sheet tally with the amounts in sheet A – Item 3.2 – Securities reported on s-b-s basis.

Example 11

Consider 4 cases of IF shares/units (liability) for the period March to June 08:

(i) IF shares/units with an outstanding amount of Eur100 are redeemed during the period. Assume that no other transactions were made during the period and that the base currency of the fund is euro. Report the following to the Central Bank of Malta:

| Values in euros | Position at the beginning of the period | Net transactions | Revaluation adjustments | | Reclassifications | Position at the end of the period |
|-----------------|-----------------------------------------|------------------|-------------------------|-----------------------|-------------------|-----------------------------------|
| | | | Market price changes | Exchange rate changes | | |
| IF shares/units | 100 | (100) | - | - | - | 0 |

(ii) IF shares/units with an outstanding amount of Eur200 are issued during the period. Assume that no other transactions were made during the period and that the base currency of the fund is euro. Report the following to the Central Bank of Malta:

| Values in euros | Position at the beginning of the period | Net transactions | Revaluation adjustments | | Reclassifications | Position at the end of the period |
|-----------------|-----------------------------------------|------------------|-------------------------|-----------------------|-------------------|-----------------------------------|
| | | | Market price changes | Exchange rate changes | | |
| IF shares/units | 0 | 200 | - | - | - | 200 |

(iii) IF shares/units with an outstanding amount of \$350 are issued during the period. Assume that no other transactions were made during the period and that the base currency of the fund is US dollar.

- IF shares/units are to be reported to the Central Bank of Malta in euros therefore, data are to be converted in euros. Net transactions are converted using the exchange rate at the end of the transaction date. However, if the daily exchange rate is not available, the quarterly average rate released by the Central Bank of Malta is to be used <http://www.centralbankmalta.org/en/average-exchange-rates>. The position at the end of the period is converted using the closing exchange rate prevailing at the end of the period.
- Revaluation adjustments are derived by the Central Bank of Malta by means of a formula. The position at the end of period less the position at the beginning of the period less net transactions less reclassifications is in this case equal to the exchange rate change only.
- Quarterly average exchange rate €1 = \$1.5622
- End period exchange rate (June) €1 = \$1.5764.

| Values in euros | Position at the beginning of the period | Net transactions | Revaluation adjustments | | Reclassifications | Position at the end of the period |
|-------------------------------|-----------------------------------------|--------------------|-------------------------|-----------------------|-------------------|-----------------------------------|
| | | | Market price changes | Exchange rate changes | | |
| IF shares/units in US dollars | 0 | 350 | | - | - | 350 |
| IF shares/units in euros | 0 | $350/1.5622 = 224$ | | (2) | | $350/1.5764 = 222$ |

(iv) IF shares/units have an opening balance with an outstanding amount of \$100 i.e. 100 units at a market price of \$0.50. During the period the IF issued 700 units at a market price of \$0.65. Therefore, at the end of the period the closing balance had an outstanding amount of \$800 i.e. 800 units at a market price of \$1. Assume that the base currency of the fund is US dollar

- IF shares/units are to be reported to the Central Bank of Malta in euros therefore, data are to be converted in euros. Net transactions are converted using the exchange rate at the end of the transaction date. However, if the daily exchange rate is not available, the quarterly average rate released by the Central Bank of Malta is to be used <http://www.centralbankmalta.org/en/average-exchange-rates>. The position at the end of the period is converted using the closing exchange rate prevailing at the end of the period.
- Revaluation adjustments are derived by the Central Bank of Malta by means of a formula. In this case the revaluation adjustment is not only an exchange rate change but also a market price change. The position at the end of period less the position at the beginning of the period less net transactions less reclassifications is in this case equal to an exchange rate change and a market price change.
- End period exchange rate (March) €1 = \$1.5812.
- End period exchange rate (June) €1 = \$1.5764.
- Quarterly average exchange rate €1 = \$1.5622

| Values in euros | Position at the beginning of the period | Net transactions | Revaluation adjustments | | Reclassifications | Position at the end of the period |
|-------------------------------|-----------------------------------------|------------------|-------------------------|-----------------------|-------------------|-----------------------------------|
| | | | Market price changes | Exchange rate changes | | |
| Information | 100 @ \$0.50 | 700 @ \$0.65 | - | | - | 800 @ \$1 |
| IF shares/units in US dollars | 50 | 455 | - | | - | 800 |
| IF shares/units in euros | 50/1.5812 = 32 | 455/1.5622 = 291 | (184) | | - | 800/1.5764 = 507 |

Notes:

- i. Market price and exchange rate changes are amalgamated under revaluation adjustments.
- ii. Revaluation adjustments are not to be reported in the reporting schedules.
- iii. Market price changes are not applicable for deposits and loans.

Example 12

Consider three different securities in a reporting agent's portfolio. Security A is classified as held to maturity, bought on the primary market and upon maturity it will be redeemed at the same price that it was purchased. Security B and Security C are held for trading. The table below shows the developments in the portfolio relating to each security during the period under scrutiny.

| | 30 September | 2 October | 20 October | 30 October |
|----------------|--------------|-----------------|--------------|------------|
| Market price B | 100 | 99 | 102 | 103 |
| Operations | - | Bought 10 bonds | Sold 5 bonds | |

| | 30 September | 2 October | 10 October | 30 October |
|----------------|--------------|----------------|----------------|------------|
| Market price C | 102 | 100 | 98 | 100 |
| Operations | - | Bought 5 bonds | Bought 5 bonds | |

The table below shows all the necessary adjustments following the transactions shown above, segregated security by security. The adjustments that need to be reported as securities are represented by the total. It is assumed that, at the outset, the portfolio contains one hundred bonds per type of security.

Note that there are two ways how the reporting agents can make a revaluation of the portfolio.

| Values in euros | Position at the beginning of the period | Net Transactions | Revaluation adjustments | | Position at the end of the period |
|----------------------------------------|-----------------------------------------|------------------|-------------------------|-----------------------|-----------------------------------|
| | | | Market price changes | Exchange rate changes | |
| Security A | 10000 | 0 | 0 | | 10000 |
| Security B-1 st transaction | 10000 | 990 | 40 | | - |
| Security B-2 nd transaction | - | (510) | 10 | | - |
| Security B-holding gain/loss | - | 0 | 285 | | 10815 |
| Security C-1 st transaction | 10200 | 500 | 0 | | - |
| Security C-2 nd transaction | - | 490 | 10 | | - |
| Security C-holding gain/loss | - | 0 | (200) | | 11000 |
| Total | 30200 | 1470 | 145 | | 31815 |

Example 13

- In January the investment fund deposits Eur100 with a bank. Interest of Eur10 is accrued every month and is received after three months i.e. in March. Assume no other deposits were made during the period.
- The investment fund is to report as follows in schedule A1 for the instrument:

| Values in euros | Position at the beginning of the period | Net transactions | Revaluation adjustments | | Reclassifications | Position at the end of the period |
|-----------------|-----------------------------------------|------------------|-------------------------|-----------------------|-------------------|-----------------------------------|
| | | | Market price changes | Exchange rate changes | | |
| Jan | 0 | 100 | 0 | | 0 | 100 |
| Feb | 100 | 0 | 0 | | 0 | 100 |
| Mar | 100 | 30 | 0 | | 0 | 130 |

- The investment fund is to report as follows for accrued interest in the memorandum item:

| Values in euros | Position at the beginning of the period | Accrued interest during the period | Received interest during the period | Position at the end of the period |
|-----------------|-----------------------------------------|------------------------------------|-------------------------------------|-----------------------------------|
| Jan | 0 | 10 | 0 | 10 |
| Feb | 10 | 10 | 0 | 20 |
| Mar | 20 | 10 | 30 | 0 * |

*** Figure should be the sum of position at beginning of the period + accrued interest during the period – received interest during the period.**