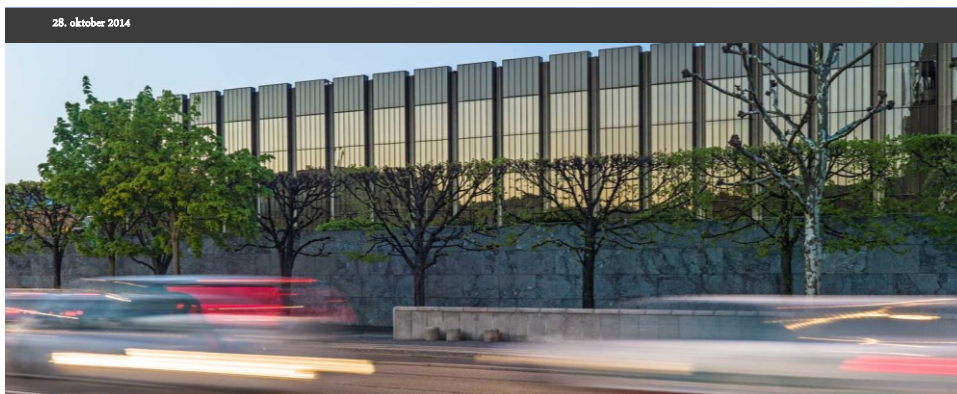


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The Danish BOP financial account system



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Today's presentation

- Before current system
- Integrated approach
- Reporting and production
- The Danish FDI statistics
- Technical overview



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Before current system

- Previous to the current system (2005) only banks were reporting on behalf of themselves and of their clients (indirect reporting)
- Now: Direct reporting from:
 - Banks
 - Investment funds
 - Other: Insurance companies and corporate (non-financial) companies
- Indirect reporting from Securities Statistics (e.g.) households
- In the middle of a changeover....



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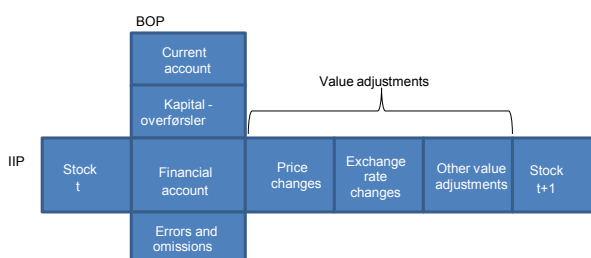
The reporting in general

- Integrated approach (also in reporting)
- Follow enterprises own bookkeeping where possible
- Most important financial institutions report all financial assets and liabilities (not just external positions!)
- Automatic control-process (objective, analytical)
- Dialogue with largest reporters



Stock/flow - consistency

- Integrated approach for the BOP financial account and the IIP
- $\text{Stock}_t + \text{flow}_{t \rightarrow t+1} + \text{value adjustments}_{t \rightarrow t+1} = \text{stock}_{t+1}$



MFI3

- New system from 2014
- All resident MFI's report. The largest monthly, some on a lower frequency
- Also reporting from Danish banks foreign units
- Monthly stock and flow statistics
- s-b-s security reporting



BPM6-reporters

- Large non-financial reporters (goal: 90 per cent coverage).
- Insurance and pension funds (goal: All should report)
- 750 reporters in total
- Monthly and yearly reporting (some only yearly) – FDI information.
- Grossing up
- Monthly financial BOP, primary income for current account, quarterly IIP, quarterly FDI flows, yearly FDI positions.
- Future: Insurance and pension fund statistics



Security statistics

- New system I 2015 (VIP)
- Will rely on more direct reporting compared to earlier (no BUD) (s-b-s in MF13)
- Still custodians (e.g. household sector)
- VP securities (central securities registration agent)
- CSDB
- All of these must come together consistent and with no double counting!



Investment funds statistics

- Monthly, quarterly, and semiannual reporting
- Still not s-b-s (will come in the future)
- Problems in estimating monthly transactions from quarterly reporting
- Have become more important since many pensions funds use investment funds.



The monthly production

- All these sources are checked in the monthly BOP-production
- Cooperation between different statistics in STAT
- Non-financial and I&P-reporters have 10 work days to report
- Production period is 10 work days
- During that period, “fresh” data are imported 4-5 times until happy with the overall quality of data.



FDI-statistics



FDI-definition

- IMF's Balance of Payments and International Investment Position Manual (BPM6) og OECD's Benchmark Definition(BD4) sets the framework.
- Eurostat is Nationalbankens most important recipient of FDI-data. (IMF, UNCTAD and OECD also receive FDI-data.)



FDI-statistics (the case of Denmark)

- 10 percent rule is mostly a 20 per cent rule due to bookkeeping
- Reverse equity not important and therefor not measured
- Mixed approach regarding the reporting unit
- Few very large firms cover very large part of FDI investment
- Listed firms at market value – unlisted own funds at book value



FDI publications

- Quarterly FDI flow statistics. 1½ month after period of reference.
- Produced “together” with financial BOP.

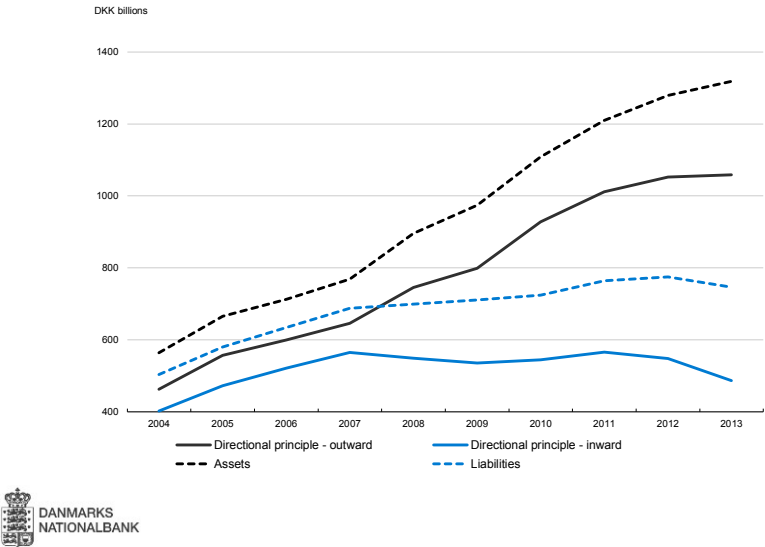
[Link](#) to last publication

- Yearly FDI positions. 2013 positions not available before October 2014.
- Long lag is due incorporation of yearly reports into the data which is based enterprises yearly bookkeeping.

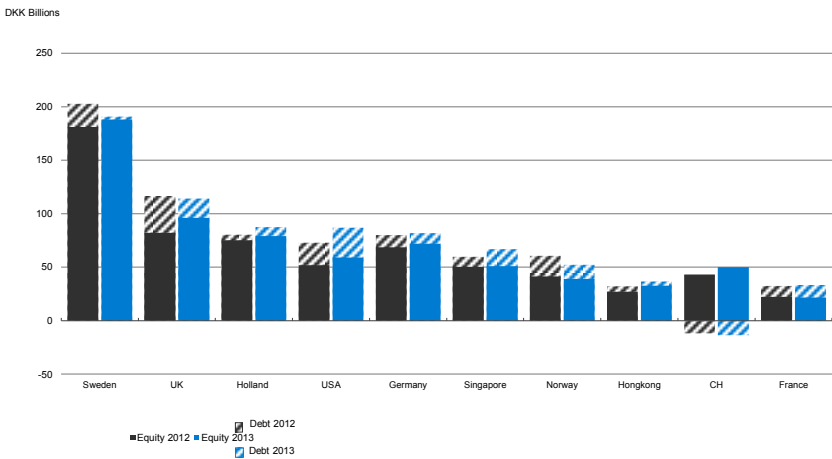
[Link](#) to this years publication



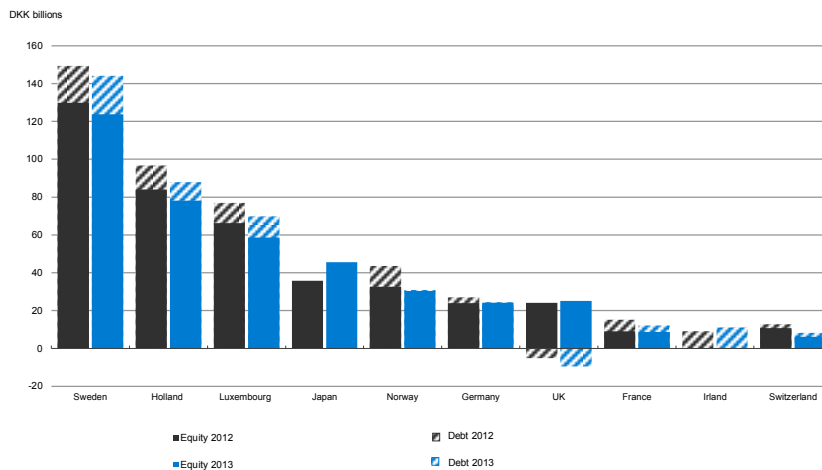
FDI stocks (asset liability vs. directional principle)



Outward country distribution



Inward country distribution



Some FDI-issues

- Country breakdown based on first counterpart Solution:
Inward FDI based on ultimate investor country
- Branch based on first counterpart - large holding sector
Solution: Branch for the parent company (conglomerates?)
- SPE's – relevant for Denmark – they are identified and excluded in the primary series
- Valuations problems – E.g. when a company goes public (IPO).



Technical overview



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Technical overview

- Forms and guideline ([Link](#) to guideline)
- [Fiona Online](#) (online IT-platform for reporters)
- MARKOS (Automatic controls and error reports)
- FREM
- SQL – databases ->DW
- Presented in OLAP-cubes (Large pivot tables)
- Published in a joint [database](#) with Statistics Denmark

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