

**EESTI PANK**  
**Governor's Decree No 14**  
**1 October 2007**

**Establishment of balance of payments reports of credit institutions**

This decree is established on the basis of Subsection 91 (1) of the Credit Institutions Act.

**Chapter 1**  
**GENERAL PROVISIONS**

**§ 1. Scope of Application**

This decree establishes the requirements as regards the content and structure of the reports listed in Section 3 of this decree (hereinafter referred to as *reports*) as well as the terms and procedure for submitting the reports to Eesti Pank.

**§ 2. Application of Decree**

All credit institutions and branches of credit institutions operating in Estonia (hereinafter referred to as *credit institutions*) shall draw up and submit the reports established under this decree.

**Chapter 2**  
**REPORTS, PRINCIPLES OF PREPARATION AND SUBMISSION THEREOF**

**§ 3. Reports**

A credit institution shall prepare and submit the following reports:

- 1) "Report on non-transactional financial flows" with code 226 (Appendix 1);
- 2) "Report on services sold to and bought from non-residents" with code 221 (Appendix 2).

**§ 4. Reporting Period and Terms of Submission**

(1) The reporting period for the report listed under clause 3 1) is one month. The reporting period for the report listed under clause 3 2) is three months.

(2) The report listed under clause 3 1) shall be submitted by the 12th (twelfth) banking day after the end of the reporting period. The report listed under clause 3 2) shall be submitted by the 10th (tenth) banking day after the end of the reporting period.

## **§ 5. Submission of Reports**

(1) The reports shall be submitted to Eesti Pank electronically in the XML (*eXtensible Markup Language*) format pursuant to Eesti Pank Governor's Decree No 15 of 20 September 2002 "Electronic Format of Reports".

(2) If errors are established or accounting principles changed, new adjusted reports shall be submitted electronically to Eesti Pank.

(3) In the absence of data regarding the reporting area, an empty report shall be submitted.

## **§ 6. Use of Classifications and International Standards**

(1) The currency code in the reports shall be established according to the international standard ISO 4217 currency codes table and shall be indicated in capital letters.

(2) The country code of the customer shall be established according to the 2-letter codes listed in the table of countries and territories under the international standard ISO 3166 and shall be indicated in capital letters.

## **Chapter 3 DATA EXCHANGE PROTECTION**

## **§ 7. Organisation of Data Exchange**

(1) The governing body of an accountable person shall appoint a representative responsible for meeting the reporting requirement (hereinafter referred to as *responsible representative*), whose task is to secure the availability of the key pair of the accountable person and the data exchanged upon submitting reports.

(2) The accountable person shall, on the fifth day at the latest following the decision made by the governing body of the accountable person indicated under Subsection 1, submit to Eesti Pank certified copies of the decision made by the governing body of the accountable person to appoint a responsible representative together with a copy of the identity document held by the responsible representative or of pages with entries of such a document.

(3) If the responsible representative is replaced or the data concerning the responsible representative change, the accountable person shall inform Eesti Pank of the changes within five banking days following the change or receipt of information thereof and shall submit the documents indicated under Subsection 2.

(4) The responsible person shall create a key pair indicated under Section 8 (hereinafter referred to as *key pair*) required for the reports by the accountable person, organise the use thereof by the employee forwarding the reports of the accountable person (hereinafter referred to as *authorised employee*) and forward the public key to Eesti Pank.

(5) Eesti Pank shall appoint a staff member for the purpose of holding the public key forwarded by the accountable person and in order to perform the tasks laid down in Section 9 (hereinafter referred to as *key manager*).

(6) Only the authorised employee or responsible representative may disclose to Eesti Pank the password phrase protecting the private key of the key pair of the accountable person.

(7) The accountable person shall sign the electronically transmitted data with the private key, encrypt them with the public key and forward to Eesti Pank.

(8) Encryption for the purposes of this decree means electronic conversion of data as a consequence of which the meaningful content of the resultant data is unavailable to unauthorised persons.

### **§ 8. Key pair**

(1) The key pair consists of a public and a private key for the purposes of Subsection 2 (2) of the Digital Signatures Act with the specifications of this decree.

(2) The length of the public key is 1024 bits.

(3) The key pair user name must include the code of the accountable person, the word "*aruandlus*", the name of the authorised employee and the final validity date of the key pair.

(4) Key pairs must be changed at least once in two years.

(5) Used key pairs must be retained so as to secure the availability of changed data.

### **§ 9. Exchange of Keys**

(1) When the keys are exchanged for the first time the responsible representative of the accountable person and the key manager shall meet and exchange public keys.

(2) In the course of subsequent regular key exchanges new public keys shall be forwarded electronically, by first signing them with the valid private key and encrypting them by using the public key of the counterparty.

(3) The exchange of keys shall be formalised with a legal instrument that fixes the key name and user name of the exchanged public keys, the personal data and fingerprints of the authorised employee as well as the data of the persons that executed the exchange of keys. For the purposes of this decree the fingerprint shall be the symbol impression derived from the key pair, which identifies the user of the key pair.

(4) In emergency situations (the private key has been disclosed, lost or destroyed) the counterparty shall be immediately informed, new key pairs shall be created and public keys shall be exchanged at a meeting between the responsible representative of the accountable person and the key manager.

(5) Key pairs that have become unserviceable must be withdrawn.

### **§ 10. Identification upon Submitting Reports**

(1) Eesti Pank shall establish the identity of the person submitting the report each time.

(2) The establishment of the identity of the person submitting the reports shall be carried out upon submitting the reports on the basis of the public key and the fingerprint.

(3) Upon performing the task indicated under Subsection 1 Eesti Pank shall register:

- 1) the name of the authorised employee;
- 2) the fingerprint of the authorised employee;
- 3) the name of the accountable person;
- 4) the time of submitting the report;
- 5) the code of the report.

## **Chapter 4 IMPLEMENTING PROVISIONS**

### **§ 11. Repeal of Decree**

Eesti Pank Governor's Decree No 17 of 31 October 2002 "Balance of payments reports of credit institutions" (RTL 2002, 125, 1830; 2005, 56, 790) and Decree No 9 of 16 May 2005 "Balance of payments reports of credit institutions" (RTL 2005, 56, 790) shall be repealed.

### **§ 12. Entry into Force of Decree**

This Decree shall enter into force on 1 January 2008.

Andres Lipstok  
Governor

Appendix 1  
to Eesti Pank Governor's Decree  
No 14 of 1 October 2007  
Establishment of balance of payments reports of credit institutions

**Report on non-transactional financial flows**

1. Area of Report

Non-transactional financial flows during the reporting period, excluding revaluation arising from movements in exchange rates.

Non-transactional financial flow is an accrual accounting based change in the book value of assets/liabilities, which does not arise from acquisition/realisation of assets or assumption/repayment of liabilities.

All balance-sheet non-transactional changes are shown in the report proceeding from the double-entry principle of accounting (e.g., an increase in the value of shares due to a rise in the market value of the shares is shown under assets and an equal equity entry increase under liabilities and equity capital). Therefore, as a rule, non-transactional financial flows that fall under the area of the report and are shown under assets should equal non-transactional financial flows shown under liabilities and shareholders' equity. Under certain circumstances a non-transactional change in the balance sheet may occur only under assets or liabilities and equity capital items. For example, if a loan is written off while recognising the collateral in the balance sheet in the same amount, both non-transactional financial flows are shown in the balance sheet under assets. Also, in case of reclassification, both negative and positive non-transactional financial flows are shown on the same side of the balance sheet.

Loan write-downs and depreciation of tangible and intangible assets do not fall under the area of the report.

2. General Requirements for Data Summarising

The sum of non-transactional financial flows of the assets and liabilities, which have coinciding identifiers, shall be shown as one row.

3. Structure of Report Rows

- 1) item type
- 2) special condition
- 3) reporting currency code
- 4) country code
- 5) customer
- 6) monetary financial institutions
- 7) listing
- 8) contractual maturity
- 9) period of notice of closing the deposit
- 10) loan purpose
- 11) non-transactional financial flow type
- 12) non-transactional financial flow amount

**1) Item type identifiers****Assets**

Cash	1
Loan	29
Money market instrument	7
Other debt instrument	9
Investment fund unit	8
Privatisation voucher	14
Share in an affiliated undertaking	10
Share in a subsidiary	11
Other stock and share	37
Derivative	38
Other claim	39
Tangible and intangible asset	15
Other asset	16

**Liabilities and equity capital**

Overnight deposit and other demand deposit	33
Time deposit	34
Savings deposit	35
Investment deposit	40
Other deposit	36
Loan received	32
Money market instrument	24
Other debt instrument	25
Stock and share	41
Derivative	42
Other liability	28
Equity capital	27

Item type "Other asset" indicates non-transactional financial flows recorded under balance sheet items "Other assets", "Non-current assets and disposal groups classified as held for sale" and "Tax assets".

Item type "Other liability" indicates non-transactional financial flows recorded under balance sheet items "Other liabilities", "Share capital repayable on demand" and "Liabilities included in disposal groups classified as held for sale".

Item type "Other claim" indicates non-transactional changes in deposits placed with other credit institutions.

Item type "Investment fund unit" also indicates money market fund units.

**2) Special condition identifiers**

Subordinated claim/liability	8
------------------------------	---

Reverse repo/repo	7
Preferred share	5
Without special condition	4

### 3) Reporting currency code

This indicates the currency in which an asset has been issued or a liability involved.

If the contractual currency of an asset issued or a resource involved is EEK, but the amount to be repaid is related to the exchange rate between EEK and another currency (e.g. EUR), the asset/liability shall be treated as issued/involved in that currency (in this case EUR). In case of securities, the currency code shall be established according to the nominal value, even if the market price of the security has been fixed in another currency. In case of derivatives, the reporting currency shall be EEK.

### 4) Country code

This indicates the country code according to the residency of the customer or security issuer (in case of derivatives, the transaction counterparty). In case of euro cash or securities issued by European Union institutions, the country code shall be marked either as EU or XX. As regards items with no residency or if it is impossible to identify (e.g. in case of item types “Tangible and intangible asset”, “Other asset”, “Other liability” and “Equity capital”), the country code shall be marked as XX.

### 5) Customer identifiers

Central government	1
Local government	2
State social security fund	13
Insurance company and pension fund	4
Other financial institution	5
Credit institution	6
Commercial undertaking of state or local government	7
Other commercial undertaking	8
Non-profit institution	9
Private person	10
Central bank	12
Unspecified	11

In case of debt securities issued, the customer is the first buyer of a debt security. In case of stocks and shares, the customer identifier shall be established according to the issuer.

In case of item types “Cash”, “Investment fund unit”, “Tangible and intangible asset”, “Other asset”, “Equity capital” and “Other liability” the customer identifier can be marked as “Unspecified”. In all other cases customer identification shall be obligatory.

### 6) Identifiers for monetary financial institutions

Credit institutions	1
Money market funds	2
Other monetary financial institutions	3

This indicates whether the institutions classified under customer types "Central bank", "Other financial institution" and "Credit institution" are included in the list of monetary financial institutions (MFIs). When establishing such affiliation, one proceeds from the list of MFIs of the European Union published on the web site of the European Central Bank

<http://www.ecb.int/stats/money/mfi/elegass/html/index.en.html> (subsections "Search the database" and "Download dataset").

In case of customer type 12 "Central bank" the MFI indicator shall be marked as "Other monetary financial institutions". The identifier for other customer types shall be 0 (zero).

#### 7) Listing identifiers

Not listed	0
Listed	1

The identifier 1 "Listed" is used only for shares and debt instruments listed on securities markets. The identifier for other assets and liabilities and equity capital shall be "Not listed".

#### 8) Identifiers for contractual maturity

Without maturity	1
On demand	2
Up to 1 year	31
1 to 2 years	6
2 to 5 years	24
Over 5 years	25

The maturity is established based on the contractual maturity of an asset/liability or, in the case of a debt instrument, on the redemption date. In case of items with no contractual maturity (e.g. "Equity capital", "Cash", "Investment fund unit", etc.) the contractual maturity identifier shall be marked as "Without maturity".

#### 9) Identifier for the period of notice of closing the deposit

Up to 3 months	3
Over 3 months	47

An identifier for the period of notice of closing the deposit is established only for the liability types "Time deposit", "Savings deposit", "Investment deposit" and "Other deposit" for closing the deposit based on the mandatory period of notice. In case of all other item types and if the period of notice of closing the above-mentioned type of deposit has not been established, the identifier for the period of notice of closing the deposit shall be 0 (zero).

#### 10) Loan purpose identifiers

Acquisition/renovation of dwelling	11
Acquisition of products and services (incl. daily settlements)	12
Other purposes of loans (issued to private persons)	24

This indicates the purpose of the issued loan. Loan purpose shall be indicated only for the item type "Loan", if the customer type is "Private person". In other cases and in the case of the item type above, if the customer type is not "Private person", the loan purpose identifier shall be marked as 0 (zero).

### 11) Non-transactional financial flow type identifiers

Revaluation due to price change		1
Write-off/recognising	3	
Reclassification		4

#### Revaluation due to price change

Includes non-transactional financial flows entered under assets, liabilities and equity capital items that arise from changes in the prices of the instruments recorded under respective items during the reporting period.

E.g., a credit institution's investment portfolio includes 10 shares in company X whose market value was 100 kroons at the beginning of the reporting period and 120 kroons at the end of the reporting period with no transactions carried out during the reporting period. Hence the revaluation due to price change is  $10 \times (120 - 100) = 200$  kroons.

#### Write-off/

Includes either partial or total write-off/ of financial and non-financial assets from a credit institution's balance sheet.

A write-off may arise from a debtor's bankruptcy or other circumstances affecting the customer's solvency. Writing off tangible and intangible assets may be caused by fire, flood, assets becoming unusable, etc.

may arise from the need to record an asset serving as collateral for a loan written off in the balance sheet, or from other similar circumstances.

All write-offs shall be shown as negative amounts and as positive amounts.

Showing the non-transactional financial flow arising from write-off/ is mandatory only in the case of item types "Loan", "Tangible and intangible asset", "Other asset", and "Equity capital".

#### Reclassification

Includes such non-transactional financial flows that arise from changes related to the customer, item type or country code (reclassification).

E.g., if a bank has a loan claim of EEK 1,000 against a state commercial undertaking and the commercial undertaking is privatised during the reporting period, the reclassification shall be recorded in the report as follows:

Item type	Customer type	Non-transactional financial flow type	Amount
29	7	4	- 1000
29	8	4	+1000

**12) Non-transactional financial flow amount**

This indicates the amount of non-transactional financial flow (increase with (+) and decrease with (-) sign) recorded in the reporting currency rounded up to integers.

Increase/decrease in equity capital is shown only when it arises from non-transactional financial flows falling into the area of this report.

E.g., if equity capital increases only at the expense of the profit earned during the reporting period, it shall not be indicated in this report.

## **Report on services sold to and bought from non-residents**

### 1. Area of Report

Services sold to and brought from non-residents.

### 2. General Requirements for Data Summarising

The sum of the costs of the services sold to and brought from non-residents that have coinciding identifiers shall be indicated on the same row.

### 3. Structure of Report Rows

- 1) item type
- 2) country code
- 3) item type identifier
- 4) cost of services sold to or brought from non-residents

#### **1) Item type identifiers**

Communication services	1
Computer and information services	2
Consultation services	3
Operating lease	4
Indemnities, damages and fines	5
Insurance premiums	6
Advertising and marketing services	7
Construction services	8
Postal or courier services	9
Banking services	10
Other services	11

Communication services indicate the sums received from and paid to non-residents for telecommunication services (e.g. television and radio transmission, telegraph, telex and facsimile transmission, satellite and cable television, electronic mail, SWIFT, etc.).

Computer and information services indicate the sums received from and paid to non-residents for the use and development of data bases, for data processing and programming, hardware consultations, software implementation, etc. The services related to news agencies are also shown here.

Consultation services indicate the sums received from and paid to non-residents for accounting services, financial management and tax consultations for undertakings, public relations, auditing services, etc.

Operating lease indicates the sums received from and paid to non-residents in relation

to lease transactions in which the lessee uses the asset during the lease period and returns the asset to the lessor when the lease contract ends.

Indemnities, damages and fines indicate the insurance indemnities, damages and fines received from and paid to non-residents.

Insurance services indicate insurance premiums paid to non-residents, i.e. sums paid for insurance contracts (policies) with the aim of delegating to insurance companies part of the liability for losses resulting from possible accidents.

Advertising and marketing services indicate the sums paid to non-residents in relation to ordering advertising services, participation in fairs and exhibitions, market research and public opinion polls and other services related to advertising and marketing.

Construction services indicate purchases of construction services (construction and renovation) from non-residents. The sums paid for design work are also shown here. If the cost of construction service also includes the cost of building materials, this item shall indicate, if possible, only the cost of the service bought.

Postal and courier services indicate the sums received from and paid to non-residents in relation to postal and courier services.

Banking services indicate the sums related to non-residents under income statement items “Fee and commission income” and “Fee and commission expenses”.

Other services indicate all the sums received from and paid to non-residents for other services, which are not covered by the items above.

## **2) Country code**

This indicates the country code according to the residency of the customer. If the residency of a non-resident customer cannot be identified, the code shall be marked as XX.

## **3) Item type identifiers**

Service bought from non-residents	1
Service sold to non-residents	2

## **4) Cost of services sold to or bought from non-residents**

This indicates the cost of services sold to or bought from non-residents in Estonian kroons rounded up to integers.