

Annual inquiry on foreign financial assets and liabilities, Content instructions

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1 Data collection

The annual inquiry on foreign financial assets and liabilities collects data on foreign financial assets and liabilities of non-financial corporations and entities at the annual level. The data collection covers all domestic sectors (excl. households). The data are collected with a web questionnaire implemented in Statistics Finland's data collection system.

The collected data are used for the compilation of statistics on balance of payments and international investment position and statistics on foreign direct investments. In addition, the data are utilised in compiling financial accounts. The compilation of statistics is based on EU Regulations and the European Central Bank's guidelines. The data supply obligation is based on the Finnish Statistics Act (280/2004, Section 14).

Further information about the data collection is available from Statistics Finland. Questions concerning the data collection can be sent to: maksutase@stat.fi.

2 General instructions

2.1 Structure of the data collection

In the annual inquiry on foreign financial assets and liabilities (BOPA annual inquiry¹), data are given on the foreign financial assets and liabilities of the entity under the reporting obligation and its Finnish subsidiaries. The data collection covers intra-group and non-group foreign assets and liabilities. Intra-group items are broken down in more detail than other items.

The data collection is divided into four form pages:

1. Basic information
 2. Equity
 3. Debt instruments
 4. Securities-based assets, total
- End page.

Start by filling in basic information related to the data collection. After this, respond to the questions concerning the reporting entity's equity and debt instrument liabilities and assets and those on securities-based assets. Additional information related to the data is given on the end page of the form. When the data on the form page have been given, mark the form page as completed. The data are transferred to Statistics Finland only when each form page is marked as completed.

The data are given **in millions of euro at the accuracy of two decimal places**. Data in other currencies than in euros are converted into euros using the closing exchange rate at the end of the year. Exchange rates can be found on the [Bank of Finland's website](#). The balance sheet and profit and loss account data asked in the data collection are given primarily based on the verified financial statement according to the IFRS standards. If verified data are unavailable, the data can be alternatively reported on the basis of a non-verified financial statement. In this case, the use of non-verified financial statement data should be notified under Additional information in the End page. In this case, it should also be indicated in

¹ BOPA = Balance of Payments Annual

Additional information whether significant revisions to the reported data are expected after the verification.

The data collection form specifies minimum euro amounts to the data inquired on different form pages, aiming to ease the response burden in cases where the amounts to be reported would be small.

2.2 Concepts and definitions

2.2.1 Foreign financial assets and liabilities

In the data collection, foreign financial assets denote Finnish residents' assets vis-à-vis non-residents. Foreign financial liabilities are Finnish residents' liabilities vis-à-vis non-residents.

2.2.2 Residents and non-residents

Economic units resident in Finland refer to economic units whose economic activity is permanently concentrated in Finland and which have a facility in Finland, such as an establishment or production plant from which they practice the activity. Economic activities are regarded as permanent if they continue for at least a year.

In practice, all entities registered in Finland are regarded as resident entities. By way of exception, however, foreign branches of entities registered in Finland are regarded as non-resident. Correspondingly, Finnish branches of entities registered abroad are regarded as resident in Finland.

The Nordic Investment Bank (NIB), the institutions of the European Union, such as the European Investment Bank (EIB), and other international organisations are regarded as non-resident and have been provided with their own separate country codes in the data collection.

2.2.3 Direct and indirect ownership percentage

The **direct ownership percentage** describes the entity's ownership share in another entity directly so that there are no other owners between the two entities in the chain of ownership. The **indirect ownership percentage** describes the entity's ownership share in another entity when the ownership share of another entity is not direct, but the chain of ownership goes through other entities. The ownership share may differ from the voting share.

In Figure 1 below, the boxes indicate economic units, the arrows holdings and the percentages ownership shares related to them. In the figure, the direct ownership share of Finnish owner B in investee C is 100 per cent. In investee D the direct ownership percentage is zero, because the only chain of ownership goes through investee C. The indirect ownership percentage of Finnish owner B in investee D is 80 per cent, or $100\% \times 80\%$.

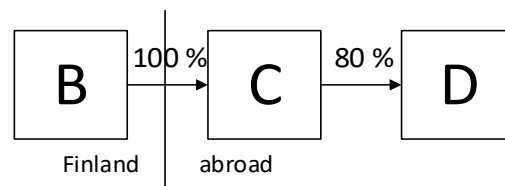


Figure 1: direct and indirect ownership percentage.

2.2.4 Enterprise group

In the data collection, an enterprise group refers to a whole comprising two or more economic entities, where one of the economic units controls directly at least 10 per cent or indirectly, or through other entities, over 50 per cent of votes in all other entities within the group.

As a concept, enterprise group is close to the accounting concept group. An enterprise group always covers at least all economic units belonging to the same group. In some cases, an enterprise group can also include a larger group of economic units than this if the conditions mentioned above are met.

A natural person can also be an economic unit belonging to an entity under the reporting obligation if this controls directly at least 10 per cent or indirectly over 50 per cent of votes in the entity under the reporting obligation.

An example of an enterprise group: In Figure 2 below, the boxes illustrate economic units. Of these, X is a Finnish reporting entity. X and E are resident in Finland while the others reside abroad. The arrows indicate holdings and the percentages next to the arrows their voting right proportions.

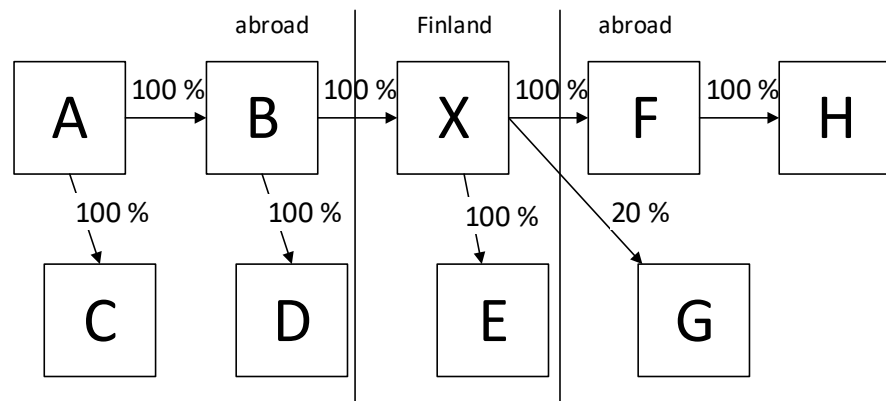


Figure 2: Group relation.

Within the enterprise group, Finnish entity X under the reporting obligation may have a relation with:

- A **foreign parent enterprise**, i.e. a non-resident economic unit holding directly a share of at least 10 per cent or indirectly over 50 per cent of votes in the Finnish entity under the reporting obligation. In Figure 2, A and B are foreign parent enterprises of entities X and E. Also see Foreign parent enterprise.
- A **foreign subsidiary, associate or branch**, i.e. a non-resident economic entity 10 per cent of whose voting rights are held directly, or 50 per cent indirectly, by the Finnish reporting entity. In Figure 2, F and H are foreign

subsidiaries of entity X. G is a foreign associate of entity X. Also see foreign subsidiary, associate and branch.

- A **foreign fellow enterprise**, i.e. a non-resident economic entity belonging to the same enterprise group with the Finnish reporting entity, which is not a parent enterprise, subsidiary or branch of the Finnish entity under the reporting obligation. Economic entities in fellow enterprise relations are combined by a common parent enterprise, which does not, however, own entities in fellow enterprise relations through the same chain of ownership. In Figure 2, C and D are foreign fellow enterprises of entity X. Also see Foreign fellow enterprise.

2.2.5 Foreign parent enterprise

In the data collection, a foreign parent enterprise refers to an economic unit registered abroad holding directly at least 10 per cent or indirectly (or through other entities) over 50 per cent of votes in the Finnish entity under the reporting obligation.

In Figure 3 below, the boxes indicate economic units, the arrows holdings and the percentages voting right proportions related to them. In the figure, B and C are foreign parent enterprises of Finnish entity X, of which B controls indirectly and C directly over 50 per cent of votes in entity X.

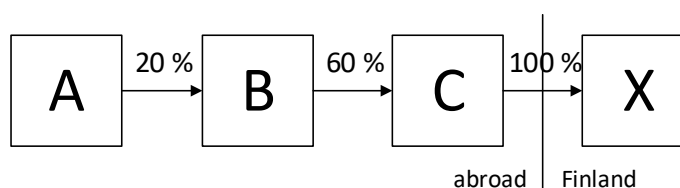


Figure 3: foreign parent enterprise.

2.2.6 Foreign subsidiary, associate and branch

In the data collection, a foreign subsidiary, associate and branch refer to a non-resident economic unit, where the Finnish reporting entity controls directly at least 10 per cent or indirectly over 50 per cent of votes.

In Figure 4 below, the boxes indicate economic units, the arrows holdings and the percentages voting right proportions related to them. In the figure, X is the reporting Finnish entity, whose foreign subsidiaries are A and B. C is X's foreign associate, because X controls at least 10 per cent but under 50 per cent of C's votes. C's subsidiary D is not to be considered in the data collection X's subsidiary or associate, because it is a question of an associate's subsidiary. In that case, it is an entity outside the enterprise group from the perspective of reporting enterprise X.

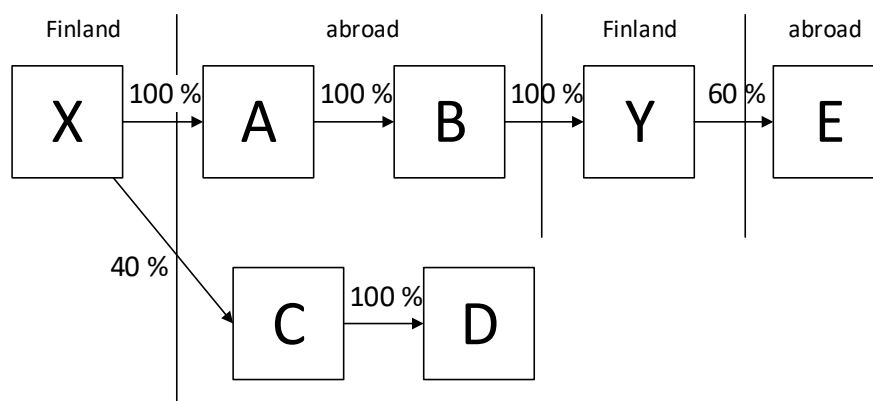


Figure 4: foreign subsidiary, associate and branch.

2.2.7 Foreign fellow enterprise

In the data collection, a foreign fellow enterprise refers to a non-resident entity belonging to the same enterprise group with the Finnish entity under the reporting obligation, which is not a parent enterprise, subsidiary, associate or branch of the reporting Finnish entity. A fellow enterprise is combined by a common parent enterprise, which does not, however, own the fellow enterprises through the same chain of ownership.

In Figure 5 below, the boxes indicate economic units, the arrows holdings and the percentages voting right proportions related to the holdings. In the figure, entities C and D are foreign fellow enterprises of Finnish entity X.

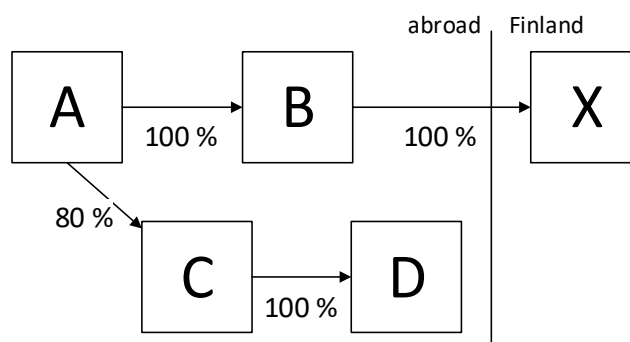


Figure 5: foreign fellow enterprise.

2.2.8 Form of incorporation

Listed limited companies are companies whose shares are equity securities quoted in secondary markets and whose shareholders are liable for the debts and other commitments of the company only to the extent of the capital they have invested in the company's shares.

Unlisted limited companies are companies whose shares are equity securities not quoted in secondary markets and whose shareholders are liable for the debts and other commitments of the company only to the extent of the capital they have invested in the company's shares.

Other forms of incorporation constitute others than listed and unlisted limited companies. Other forms of incorporation include, e.g. the entity's branches located in other countries and companies whose shares are not transferrable and whose shareholders are liable for the company's debt and other commitments with their entire assets.

3 Form page-specific instructions

3.1 Basic information

The contact details and balance sheet total of the entity under the reporting obligation, as well as basic information on the other entities reported in the inquiry are given on the Basic information form page.

In the data reported in the data collection, the entity under the reporting obligation must, in addition to its own data, include data on its Finnish subsidiaries whose balance sheet total at the end of the reporting year exceeded EUR five million, and whose chain of ownership did not go through a foreign subsidiary (i.e. there was no foreign subsidiary in the chain of ownership between the entity under the reporting obligation and the Finnish subsidiary concerned). Finnish subsidiaries comprise such economic units registered in Finland, in which the entity under the reporting obligation controlled directly and indirectly (i.e. through other entities) more than 50 per cent of votes. Where necessary, a separate annual inquiry is sent to Finnish subsidiaries, whose chain of ownership went through a foreign subsidiary, in which inquiry such subsidiaries include their own data and the data on their Finnish subsidiaries, if any.

3.2 Equity

On the Equity form page, data are given on the investments made by significant foreign owners (directly at least 10 per cent of votes), the highest controlling owner, and balance sheet and profit and loss account data on the reporting Finnish entities. On the Equity form page, data are also given on the equity investments in foreign entities belonging to the same enterprise group made by the reporting entity and other reporting entities, as well as ownership, profit and loss account, and balance sheet data of the foreign entities in question.

3.2.1 Equity-based investments from abroad to Finland

Significant foreign owners

An entity under the reporting obligation is considered to have a significant foreign owner if at least one individual foreign owner held directly at least 10 per cent of votes in the entity under the reporting obligation. Voting power is direct when there are no other entities in the chain of ownership between the foreign owner and the Finnish entity.

The **ownership percentage** of significant foreign owners is given according to the ownership percentage on the last day of the reporting year. Data are given with respect to all foreign owners that during the reporting year had directly at least a share of 10 per cent of votes in the entity under the reporting obligation, regardless of the ownership share at the end of the year. The data given on ownership percentage can differ from the voting share.

Increases and decreases in equity made by the foreign owner during the reporting year are given in net on the increases and decreases in equity made during the year. Increases made during the year are calculated with the [+] sign and decreases made during the year with the [-] sign. If the foreign owner has become a significant owner during the reporting year as a result of an acquisition, the purchase price is calculated as an increase of equity. Correspondingly, the purchase price related to the sale of a significant foreign owner's share during the year is calculated as a decrease in equity. If the purchase price is not known, you can use as an estimate the share of the balance sheet value of the equity of the entity under the reporting obligation which changed owner as a result of the sale. Value increases and decreases made to equity and dividends distributed to a foreign owner are not calculated as part of increases and decreases in equity.

Highest controlling owner

The **highest controlling owner** refers to the highest entity when going upwards in the chain of ownership or a natural person, whose voting power exceeds 50 per cent of the entity under the reporting obligation. In Figure 6 below, entity B is the highest controlling owner of entities C, D and E. The ownership percentages in the figure illustrate voting right proportions.

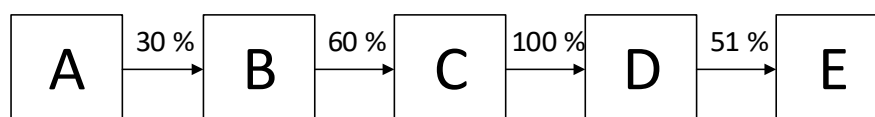


Figure: highest controlling owner.

Foreign fellow enterprise

A **foreign fellow enterprise** refers to a foreign entity belonging to the same enterprise group with the entity under the reporting obligation, which is not a parent enterprise, subsidiary or branch of the reporting entity. A fellow enterprise is connected by a common parent enterprise that does not, however, own the fellow enterprises in question through the same chain of ownership.

Equity, profit/loss and dividends

Under **Equity and appropriations** at the end of the reporting year, items belonging to equity of the balance sheet of the reporting entity are given including:

- Share capital, cooperative capital or other corresponding capital
- Other equity funds except funds of own shares/equities
- Profit/loss for the financial period
- Profit/loss for brought forward
- Appropriations

Capital loans and unpaid increases in equity are not included in the data given on equity.

Under **Profit/loss for the financial period excluding appropriations** result data are given minus appropriations possibly included in the result.

Extraordinary items included in the result refer to such significant profits and losses that may not be considered part of the entity's ordinary activities. These may include, for example:

- Profits and losses resulting from the sale of fixed assets
- Impairments and revaluations of asset items recorded in the profit/loss
- Significant foreign exchange profits and losses
- Other profits and losses outside the scope of ordinary activities.

Extraordinary profits are noted with a [+] sign and losses with a [-] sign.

Under **Dividends distributed during the financial period and retained earnings**, data are reported on dividends distributed by the reporting entity during the year (returned retained earnings for branches). Dividends that have been transferred from balance sheet equity to dividend debts during the financial period are also reported as distributed dividends. Dividend debts are reported on the debt instruments form page of this inquiry.

Under **Proposed dividend distribution for the financial period**, report the dividend proposed to be distributed based on the result of the financial period ending in the reporting year. If no decision has been made on dividends at the time of reporting, leave it empty.

Under **Direct and indirect ownership of the entity under the reporting obligation**, report in percentages the direct and indirect (going through other entities) ownership of the entity under the reporting obligation in other reporting entities. Also see Direct and indirect ownership percentage. This is on the form only in case data on equity capital, result and dividend of other reporting entities are asked separately.

3.2.2 Equity-based investments from Finland to abroad

Equity-based investments to foreign entities where the investees' direct voting power is at least 10 per cent or indirect voting power over 50 per cent.

In this section, report financial statement data on foreign investees where the entity under the reporting obligation or another reporting Finnish entity controlled at least 10 per cent of votes at the end of the reporting year, and whose balance sheet total was at least EUR five million. It is voluntary to report data on investees with a balance sheet of under EUR five million. The reported investees include foreign subsidiaries, associates and branches. If the voting power in a foreign entity was at least 10 per cent during the year but the ownership share at the end of the year was zero (e.g. as a result of an acquisition), report on this, in addition to basic data and ownership data only decreases of equity made during the year.

The data include investees owned by Finnish reporting entities both directly and indirectly (i.e. through other foreign entities). If some of the reported investees operate as a parent enterprise for a foreign subgroup and a consolidated financial statement has been prepared for the subgroup, the data based on a consolidated financial statement for the subgroup concerned prepared by the parent enterprise are sufficient. The data are given in millions of euro at the accuracy of two decimal places.

Foreign investee data are reported only once. If two or more of the reporting entities own directly a share of the same foreign entity, the Finnish entity that owns the bigger share of the foreign entity is given as the closest Finnish owner.

In that case, ownership percentages of the foreign entity in question are given as a sum of the ownership percentages of all reporting entities.

The **closest Finnish owner in the chain of ownership** is the owner entity that during the reporting year controls directly at least 10 per cent or indirectly over 50 per cent of votes, and which is closest to the border of Finland and foreign countries in the chain of ownership. In Figure 7 below, B is the closest Finnish owner entity of foreign investees C and D.

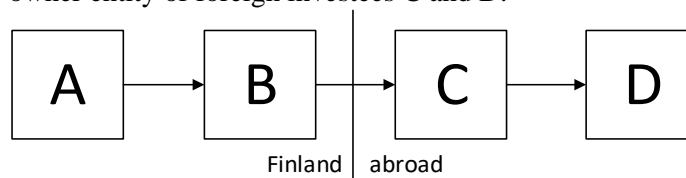


Figure 7: closest Finnish owner in the chain of ownership.

The country of location of a registered foreign investee is given as the **Country of location of foreign investee**.

Under **Country of location of the first foreign investee in the chain of ownership**, report the location country of the foreign entity that is located in the chain of ownership closest to the border of Finland and foreign countries.

Under **Direct ownership of the closest Finnish owner**, report the direct ownership percentage of the closest Finnish owner in the chain of ownership in a foreign investee at the end of the reporting year. The ownership percentage can differ from the voting share. Also see Direct and indirect ownership percentage.

Under **Direct and indirect ownership of the closest Finnish owner**, report the sum of the direct and indirect ownership of the closest Finnish owner in the chain of ownership in a foreign investee at the end of the reporting year. Thus, the ownership percentage reported here is at least equal to the direct ownership percentage. Also see Direct and indirect ownership percentage.

If the foreign investee has prepared a **consolidated subgroup financial statement**, financial statements data are given based on the consolidated subgroup financial statement. In this case, data on foreign subsidiaries belonging under the parent enterprise in question need not be reported separately, but the data on the parent enterprise of the subgroup are sufficient.

The **Balance sheet total of investee** is given in millions of euro at the accuracy of two decimal places. Data in other currencies than in euros are converted into euros using the closing exchange rate at the end of the year. If the investee has prepared a consolidated subgroup financial statement, the balance sheet total is given based on the consolidated subgroup financial statement.

Under **Equity and appropriations** at the end of the reporting year, items belonging to the equity of the balance sheet of the foreign investee are given including:

- Share capital, cooperative capital or other corresponding capital
- Other equity funds except funds of own shares/equities
- Profit/loss for the financial period
- Profit/loss brought forward
- Appropriations.

Capital loans and unpaid increases in equity are not included in the data given on equity. Data in other currencies than in euros are converted into euros using the closing exchange rate at the end of the year. If the investee has prepared a consolidated subgroup financial statement, the balance sheet total is given based on the consolidated subgroup financial statement.

Under **Profit/loss for the financial period excluding appropriations**, result data are given minus appropriations possibly included in the result. Data in other currencies than in euros are converted into euros using the daily mean exchange rate for the year. If the investee has prepared a consolidated subgroup financial statement, the result data are given based on the consolidated subgroup financial statement.

Extraordinary items included in the result refer to such profits and losses that may not be considered part of the entity's ordinary activities. These may include, for example:

- Profits and losses resulting from the sale of fixed assets
- Impairments and revaluations of asset items recorded in the profit/loss
- Significant foreign exchange profits and losses
- Other profits and losses outside the scope of ordinary activities.

The data are given as a sum of extraordinary profits (+) and extraordinary losses (-). Data in other currencies than in euros are converted into euros using the daily mean exchange rate for the year. If the investee has prepared a consolidated subgroup financial statement, the data are given based on the consolidated subgroup financial statement.

Data on **Dividends distributed during the financial period and retained earnings** are reported on accrual basis. Dividends that have been transferred from the investee's balance sheet equity to dividend debts during the financial period are also reported as distributed dividends. Dividend assets of the closest Finnish owner from a foreign investee are reported on the debt instruments form page of this inquiry. Data in other currencies than in euros are converted into euros using primarily the exchange rate at time or secondarily the daily mean exchange rate for the day.

Increases and decreases in equity made by the Finnish owner during the reporting year are given in net on the increases and decreases in equity made during the year. In other words, the data are given as a sum of increases (+) and decreases (-) made during the year. The purchase price of an acquisition during the reporting year is included in the data given as an increase in equity and correspondingly, a sale as a decrease. Value increases and decreases made to equity, dividends paid by the investee and increases or decreases in equity made by others than Finnish residents are not calculated as part of increases and decreases in equity. Data in other currencies than in euros are converted into euros using primarily the exchange rate at time of transaction or secondarily the daily mean exchange rate for the year.

3.3 Debt instruments

Data on debt instrument liabilities and assets and related interests should be reported if the amount of liabilities or assets of a particular counterparty country is over EUR 500,000 for an individual reporting entity. In other case, supply of data is voluntary. Debt instrument liabilities and assets are not asked from entities for which corresponding data have already been submitted in other inquiries of

Statistics Finland or the Bank of Finland. Data are given only on entities that are in the dropdown menu of the debt instrument form page.

On the debt instrument form page, data are provided on the entity under the reporting obligation or other reporting entities on debt instrument liabilities to foreign entities and assets and interests related to them (excluding derivatives). The data should be broken down by the type of liability, enterprise group relations and the counterparty's home country. However, interests are not asked on trade credits, nor the country breakdown on non-group trade credits. Non-group assets and liabilities are not asked on bonds and money market instruments at all.

Data on debt instrument liabilities and assets are given on the amount of the liability/asset at the end of the year and accrual-based interests accrued during the year. The items fulfilling the same specification criteria must be summed on the same row. The data are reported in millions of euro at the accuracy of two decimal places. Data in other currencies than in euros are converted into euros using the closing exchange rate at the end of the year.

If the type of liability/asset is negotiable, report the amount of liability/asset at market value, which includes interest accrued to the promissory note (at the so-called dirty price). Other foreign liabilities/assets are also reported at market value if there is a secondary market for them. In other cases, the amount is reported at nominal value to which unpaid interest accrued is included on accrual basis. The data are given in millions of euro at the accuracy of two decimal places.

3.3.1 Debt instrument liabilities to abroad

Bonds include negotiable promissory note loans issued by the Finnish reporting entity abroad, with an original maturity of over 12 months, whose holder is a foreign economic unit at the end of the reporting year. If the foreign share of this liability item is not known, an estimate is given. Only intra-group items are given of bonds.

Money market instruments include negotiable promissory note loans issued by the Finnish reporting entity abroad, with an original maturity of no more than 12 months, whose holder is a foreign economic unit at the end of the reporting year. If the foreign share of this liability item is not known, an estimate is given. Only intra-group items are given of money market instruments.

Loans and consolidated accounts include loans received from foreign economic units and debts generated on group consolidated accounts to foreign economic units belonging to the same enterprise group.

Trade credits include accounts payable and buyers' advances related to foreign goods and services trade as well as construction and other projects. Non-group trade credits are not broken down by the counterparty's country. Data are not given on interests for trade credits.

Other liabilities include other than foreign debt-based liabilities listed above. However, no data are given on derivatives.

3.3.2 Debt instrument assets from abroad

Bonds include negotiable promissory note loans issued by the foreign economic unit, with an original maturity of over 12 months, which were held by the Finnish reporting entity at the end of the reporting year. Only intra-group items are given of bonds.

Money market instruments include negotiable promissory note loans issued by the foreign economic unit, with an original maturity of no more than 12 months, which were held by the Finnish reporting entity at the end of the reporting year. Only intra-group items are given of money market instruments.

Loans and consolidated accounts include loans received from foreign economic units and debts generated on group consolidated accounts to foreign economic units belonging to the same enterprise group.

Deposits in deposit banks include deposits in foreign economic units whose primary industry is deposit bank activities.

Trade credits include trade receivables and prepaid expenses related to foreign goods and services trade as well as construction and other projects. Non-group trade credits are not broken down by the counterparty's country. Data are not given on interests for trade credits.

Other assets include other than foreign debt-based liabilities listed above. However, no data are given on derivatives.

3.4 Securities-based assets, total

On the form page Securities-based assets, total, data are given on the total value of domestic and foreign securities-based assets of the reporting entity and other reporting entities by entity. In addition, data are given on the form page concerning the share of all securities-based assets held in custody abroad.

Securities-based assets refer to marketable securities held by the reporting entity. They consist of publicly listed and unlisted shares, investment fund shares, bonds and money market instruments.

Custodians abroad mean that the securities are held in custody at an entity providing custody services with a registered domicile in a country other than Finland. Finnish-registered subsidiaries and branches of foreign entities are regarded as Finnish custodians.

3.5 End page

Additional information is given on the end page. Additional information may be explanations of unusual figures. Please note that after receiving the report, Statistics Finland may request the entity under the reporting obligation to provide other further information relating to the reported data. The additional information reported under further information may reduce the need for such requests for more information.

The end page also has a summary on the completion of form pages. The data are transferred to Statistics Finland only when each form page is marked as completed.

