

FAQ on stock reports on external claims and liabilities

The external position of non-banks is a monthly statistical statement. It provides information on the volume and structure of German financial and trade credit to non-residents and on foreign financial and trade credit to residents at the end of the reporting period, the data being broken down by type of credit, maturity, creditor and debtor country as well as by euro and foreign currency. The information is also included in other external statistics, such as the balance of payments statistics and Germany's international investment position.

- **Z 5:**
Claims and liabilities arising from financial operations with foreign banks
- **Z 5a sheet 1:**
Claims and liabilities arising from financial operations with affiliated and other foreign non-banks
- **Z 5a sheet 2:**
Receivables and liabilities vis-à-vis affiliated and other foreign non-banks arising from transactions in goods and services
- **Z 5b:**
Claims and liabilities vis-à-vis non-residents arising from derivative financial instruments

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1) Who is subject to reporting requirements?

Pursuant to Section 66 of the Foreign Trade and Payments Regulation (*Außenwirtschaftsverordnung*), domestic non-banks (enterprises and general government) are required to submit reports.

The following are exempt from the reporting requirement:

- natural persons;
- monetary financial institutions (MFIs);
- investment stock corporations;
- investment management companies with regard to the claims and liabilities of their common funds.

2) What information has to be provided?

In particular, the claims and liabilities to be reported include:

- securitised claims and liabilities (e.g. loans, bank balances, claims and liabilities to cash pool accounts);
- **cash** collateral transferred or received (e.g. in connection with securities lending transactions);
- claims and liabilities arising from the granting and taking-up of borrowers' note loans;
- claims and liabilities arising from the purchase and sale of (non-negotiable) registered debt securities;
- trade payables and trade claims;
- claims and liabilities arising from advance payments made and received;
- claims and liabilities arising from acceptances and bills of exchange.

The following should not be reported:

- undrawn credit commitments;
- equity positions in foreign banks and non-banks;
- mezzanine capital (including participation rights capital) if it can be assigned to equity capital on the balance sheet;
- claims and liabilities securitised in negotiable securities (e.g. shares, bonds, funds);
- loans in kind (e.g. claims to the return of securities lent or the obligation to return securities borrowed in connection with securities lending transactions);
- contingent liabilities (e.g. guarantees, sureties, etc.) as long as there is no assumption of liability, i.e. as long as the actual debtor pays back its liabilities itself.

Further information on Z 5/Z 5a/Z 5b reports is available at:

<https://www.bundesbank.de/en/service/reporting-systems/external-sector/faq-and-notices/faq-and-notices-619372>

<https://www.bundesbank.de/resource/blob/620248/eea8e2f6cff4167b45392a718cc936bf/mL/z5-data.pdf>

3) What are the reporting thresholds?

There is a (monthly) obligation to submit forms Z 5 and Z 5a if the sum of external claims or the sum of external liabilities amounts to more than €5 million (or the equivalent in other currencies) at the end of a given calendar month. We request that the relevant ECB reference rate be used.

Example (Z 5, Z 5a):

Form	Sum of claims	Sum of liabilities
Z 5	€2 million	€1 million
Z 5a sheet 1	€3 million	-
Z 5a sheet 2	€1 million	€3 million
Total	€6 million	€4 million

→ **The reporting threshold is exceeded.** The sum of external claims is over €5 million. All external claims and liabilities to be disclosed in Z 5, Z 5a sheet 1 and Z 5a sheet 2 should be reported.

There is **an additional (quarterly) obligation to submit form Z 5b** for claims and liabilities vis-à-vis non-residents arising from derivative financial instruments if the sum of external claims or the sum of external liabilities arising from financial operations as at the end of quarter is greater than €500 million (or the equivalent in other currencies).

Example (Z 5b):

Form	Sum of claims	Sum of liabilities
Z 5	€200 million	€100 million
Z 5a sheet 1	€400 million	€100 million
Total	€600 million	€200 million

The reporting threshold is exceeded. The sum of claims arising from financial operations with non-residents is over €500 million. In addition to stock reports Z 5 and Z 5a, the Z 5b report should also be submitted on a quarterly basis. All claims and liabilities arising from derivative financial instruments should be recorded here.

4) Is it necessary to submit a nil report in the absence of stocks subject to reporting requirements?

If a resident who was required to submit a report for a previous reporting date is no longer subject to the reporting requirement because the aforementioned thresholds are not met, they must submit written or electronic notification of this (nil report). A nil report only needs to be submitted once.

If, on the reporting date, there are no longer stocks for one of the reporting forms (e.g. Z 5a sheet 1) submitted in the past but the reporting threshold is still exceeded because of other stocks (e.g. due to the level of trade credit), we ask that you submit a nil report for this reporting form (in this case, a nil report for Z 5a sheet 1).

As regards the Z 5b report: if the claims and liabilities arising from financial operations exceed €500 million (for the first time) and there are no claims or liabilities arising from derivative financial instruments, a one-off Z 5b nil report should be submitted.

5) What are the reporting deadlines?

- Z 5: By the 10th calendar day after the end of the reporting month
- Z 5a: By the 20th calendar day after the end of the reporting month
- Z 5b: By the 50th calendar day after the end of the reporting quarter

If the end of the reporting period falls on a Sunday or public holiday, the reporting period is extended until the first subsequent working day.

6) What is the definition of “foreign banks” in form Z 5?

Foreign banks are institutions whose registered office or seat of management is located abroad, and which are regarded as banks in the country concerned.

These also include:

- branches of domestic banks located abroad, but not domestic branches or representative offices of foreign banks;
- foreign monetary authorities/central banks, including the central banks of euro area Member States and the ECB;
- supranational banks such as the Bank for International Settlements (BIS);
- within the context of the European Union, only monetary financial institutions (MFIs) are to be recorded as banks.

A list of MFIs compiled by the ECB is available online.

For more information, see also the following links:

1. MFI list:

https://www.ecb.europa.eu/stats/financial_corporations/list_of_financial_institutions/html/eleqass.en.html

2. List of codes for international organisations and other financial intermediaries:

<https://www.bundesbank.de/resource/blob/619132/fb001ce22434c32af16ff66132cca44c/mL/verzeichnis-io-data.pdf>

7) Which derivatives need to be reported using form Z 5b?

Derivatives are pending contracts that derive their value from changes in the value of an underlying asset (e.g. an interest rate, exchange rate or commodity price); they can be purchased at little or no cost and are not fulfilled until a future date. Examples of derivatives include options, futures, swaps, forwards or commodity futures whose settlement method is not physical delivery of the underlying asset but rather cash settlement. Both exchange-traded and over-the-counter (OTC) derivatives should be reported.

8) What is the relationship between the Z 5/Z 5a and Z 4 reports?



Long-term direct investment loans

Shareholding relationship between		Z 5/Z 5a1	Z 4		
resident	and	Reporting item	Loan/repayment	Interest income (BA 3)	Interest expenditure (BA 4)
German parent/ultimate parent	➔	Foreign subsidiary/second-tier subsidiary	67	222	289
German subsidiary/second-tier subsidiary	←	Foreign parent/ultimate parent	65	262	289
German subsidiary/second-tier subsidiary	➔	Foreign parent/ultimate parent	63	227	689
German parent/ultimate parent	←	Foreign subsidiary/second-tier subsidiary	69	267	689
German affiliate	➔	Foreign affiliate	73	228	789
German affiliate	←	Foreign affiliate	75	268	789
German funding subsidiary	➔	Foreign parent/ultimate parent	63	219	889
German parent/ultimate parent	←	Foreign funding subsidiary	69	269	889

Please note: The aforementioned codes for direct investment loans are not to be used when MFIs are involved.

Long-term financial credit/deposits

Business relationship between		Z 5/Z 5a1	Z 4		
resident	and	Reporting item	Loan/repayment	Interest income (BA 3)	Interest expenditure (BA 4)
German enterprise	➔	Foreign bank/non-affiliated enterprise	03 or 23	221	284
General government	➔	Foreign bank/non-affiliated enterprise	03 or 23	321	384
German enterprise (non-financial)	←	Foreign bank/non-affiliated enterprise	05 or 25	941	284
German enterprise (financial)	←	Foreign bank/non-affiliated enterprise	05 or 25	261	284
German insurance company/pension fund	←	Foreign bank/non-affiliated enterprise	05 or 25	541	284
General government	←	Foreign bank/non-affiliated enterprise	05 or 25	351	384

Borrowers' note loans, registered debt securities (non-negotiable)

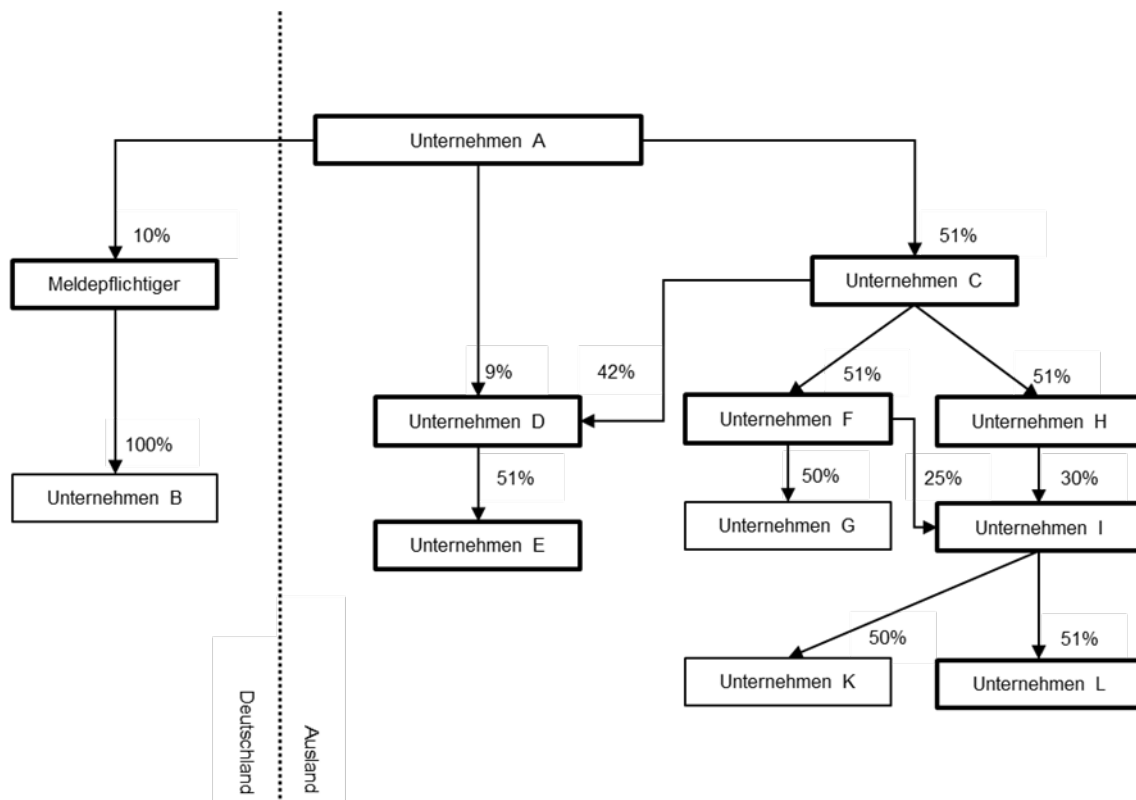
Business relationship between		Z 5/Z 5a1	Z 4		
resident	and	Reporting item	Loan/repayment	Interest income (BA 3)	Interest expenditure (BA 4)
German enterprise	➔	Issued by a non-resident	03 or 23	223	284
General government	➔	Issued by a non-resident	03 or 23	323	384
Issued by an insurance company/pension fund	←	Foreign buyer	05 or 25	663	284
Issued by a financial enterprise	←	Foreign buyer	05 or 25	263	284
Issued by a non-financial enterprise	←	Foreign buyer	05 or 25	963	284
Issued by central government	←	Foreign buyer	05 or 25	366	384
Issued by state government	←	Foreign buyer	05 or 25	367	384
Issued by local government	←	Foreign buyer	05 or 25	368	384

Payments and clearing in connection with long-term loans should be reported in accordance with the stock changes using form Z 4.

A claim or liability is considered long-term if the originally agreed maturity or notice period (irrespective of residual maturity) is longer than one year.

9) What is the definition of “affiliated enterprises”?

Affiliated enterprises are enterprises that are affiliated with the reporting entity via a common stakeholder (= enterprise A, as shown in the chart). The reporting entity’s affiliated enterprises are all enterprises – with the exception of enterprise A – outlined in bold. All enterprises not outlined in bold are considered “other enterprises”.



10) How can I submit reports?

All reports may only be submitted electronically.

The reports can be submitted via the **general statistics reporting portal (AMS)**:

<https://www.bundesbank.de/en/service/reporting-systems/external-sector/electronical-submission/general-statistics-reporting-portal/general-statistics-reporting-portal-619740>

You currently still also have the option of submitting reports in certain formats specified by the Bundesbank via **Extranet file transfer**.

11) How long is the retention period for documents?

As proof of compliance with the reporting requirements, reporting documents should be retained for a minimum of three years. It should be possible to trace individual transactions from the appropriate documents.

12) Which form should be used to report trade credit to banks?

Claims and liabilities to banks, even if they are linked to transactions in goods and services, should be disclosed using form Z 5.