



In accordance to the authorization granted by Article 35, paragraph 1, subparagraph 1.1, as well as Article 25, paragraph 1, subparagraph 1.2 of the Law on Central Bank of the Republic of Kosovo, the Board of the Central Bank of the Republic of Kosovo, in the meeting held on November 24, 2011 approved:

Regulation on Balance of Payments and International Investments Position Statistics

Article 1 Purpose

Central Bank of the Republic of Kosovo in order to achieve its objectives compiles and publishes of Kosovo Balance of Payments and International Investments Position Statistics. The purpose of the Regulation on Balance of Payments and International Investments Position Statistics (hereinafter "Regulation") is the reporting of balance of payments and international investments position statistics in compliance with international statistical standards. Consequently, the regulation defines the reporters, statistical obligation of reporters, reporting period, statistical reports, and confidentiality.

Article 2 Definitions

For the purpose of this Regulation:

— “CBK” – Central Bank of the Republics of Kosovo.

— “BP” means the key economic information that systemically summarizes economic transactions of Kosovo residents with the nonresidents, for a specific time period and includes flow data.

— “IIP” means the evaluation of cumulative balance, as it records the balance at the end of a specific period of time for foreign financial assets and liabilities of a country. Balance at the end of the period is the result of all transactions deriving from the past including corrections, as a

result of fluctuation of exchange rates to calculate the value of financial assets/liabilities at the reporting day or changes in market prices.

— “Resident” means legal entities registered and operating in Kosovo and natural persons whose residence is Kosovo and who do not leave Kosovo for a longer period than one year (except diplomats, students and patients on medical treatment). In other words, according to the definitions of the International Monetary Fund, residents of a particular country are natural and legal entities whose centre of economic interest lies in the respective country.

— “Nonresident” means any natural or legal person who operates on the basis of its activity in any country other than Kosovo. Subsidiaries or branches of a nonresident company operating in Kosovo are Kosovo resident. Consistent with this, any branch or subsidiary of a company operating outside Kosovo is Kosovo nonresident.

— “Reporters” means any foreign company (legal entity), evidenced by the CBK as an big and important transactor to be included in reporting.

— “International transactions” implies claims and liabilities between residents and nonresidents of a country during the specific period.

Article 3

Reporters

In compliance with Article 25, paragraph 1, subparagraph 1.2 of the Law on the Central Bank of the Republic of Kosovo, reporters may be natural or legal persons or entities (partnerships, branches, sub-branches of foreign companies, etc.) for purposes of the BP and IIP statistics. CBK, based on certain criteria, periodically set, prepares the sample required to be reported. CBK does also inform in written and if necessary contacts, the subjects that are included in the sample for the modes of reporting.

For statistical purposes CBK classifies legal entities by sectors, according to international statistical standards of the International Monetary Fund, European Central Bank, Eurostat, etc.

Article 4

Statistical obligations of reporters

Reporters are obliged to provide the information required in order for CBK to compile the BP and IIP statistics for Kosovo. Statistical information required by CBK should be available in forms sent by the CBK. In principle, CBK determines the individual companies as reporting companies. This implies that selected companies should report on nonconsolidated bases. However, the CBK may require reports in consolidated form on behalf of the group if the companies included in the consolidated reporting belonging to the same group.

For all reporters who do not meet the statistical requests set forth in this Regulation, the Executive Board of the Central Bank of the Republic of Kosovo shall act in accordance with the applicable law.

Article 5 Reporting period

Respective reports should be sent to CBK on a regular periodic basis. Monthly reports must be submitted no later than 15 calendar days after the reference period while quarterly reports at least one month after the reference period.

If the final statistics are not available within these time tables, provisional (preliminary) data including estimates for certain items should be submitted to the CBK within the time specified by this Regulation. Any revision of statistics by certain reporters should be reported back to the CBK, when identified.

Article 6 Statistical reports

Statistical reports reported on CBK are related to information in function of BP and PIN on regular periodic basis. CBK through reporting guidelines defines in detail the statistical reports to be submitted on CBK. Statistical reports submitted to CBK must contain information as specified below:

Form	Content
General information	General Information of the company, like: name, legal form, date of establishment, address, contact person, etc.
Capital: Foreign direct investments in Kosovo	Includes investments in equity from investors, directly to the company of direct investments. Except transactions like increase and reduction of capital in this form should be presented the sector and country of the shareholder as well as other elements that directly affect the increase/decrease of capital, such as: profit / loss, dividends paid / received, etc.
Liabilities of reporting company	Liabilities may be either to direct investors, other investors, or other nonresidents. These liabilities may be in the form of loans, deposits, accounts payable, financial derivatives, financial instruments, etc. For all these forms of liabilities is also reported the country of the company who has liability. One important item that is reported separately is also the interest.
Investments of reporting company outside Kosovo	Investments of reporting companies outside Kosovo, which can be investments in equity, debt securities (bonds, money market instruments) issued by nonresidents, nonresidents loans, deposits,

	accounts receivable, other claims on nonresidents, etc. Also, in this form are also reported the country and sector of the issuer, changes in transactions (purchase/sale), changes due to exchange rate, stock price changes and other changes. Also, dividends or interest must be reported separately.
Services	Export and import of services, are reported separately, depending on the type of service.
Receipts and other charges	Export and import of goods, provision and receipt of grants, etc.

In statistical reports, the initial and final balance of all assets and liabilities should match, considering all flows in the respective period. However, this does not mean, that all items must be fulfilled. There are cases when the required data are not available on a quarterly basis (e.g. distribution of dividends is usually done at the end of the year), then there are cases when certain items are not applicable for certain companies, etc.

Statistical reporting requirements are based on international statistical standards such as: *Balance of Payments Statistics and International Investment Position Manual - sixth edition* (International Monetary Fund 2008), *Balance of Payments Statistics and International Investments Position Compilation Guide* (International Monetary Fund 1995), *System of National Accounts 2008*, and *the European System of Regional and National accounts 95*.

For BP and IIP purposes, legal entities report to the CBK audited financial statements (annually), within the deadline as specified in the applicable legislation.

Article 7 Confidentiality

In accordance with applicable law, the CBK respects confidentiality in relation to individual data sent by the reporters, and uses such information only for statistical purposes, as defined in this Regulation.

Article 8 Quality of information reported

With the aim of increasing the quality of reported statistics, the CBK does monitoring and evaluation of the quality of data sent to CBK and take all measures it deems reasonable and necessary to ensure that the quality of data is based on defined statistical standards.

Article 9
Entry into force

This Regulation shall enter into force 15 days after approval by the Board of the Central Bank of the Republic of Kosovo.

Gazmend LUBOTENI
Chairman of the Board of the Central Bank of the Republic of Kosovo