

CMFB Template for national reports on statistics underlying the MIP¹ – B.o.P/I.I.P. statistics – Banque de France

1. INSTITUTIONAL ENVIRONMENT

1.1. *CoPI Professional Independence / PCI Professional Independence*

1.1.1 *Legal basis*

The independence of Banque de France (BdF) in exercising its powers is guaranteed by the French law (Code monétaire et financier, art. L141-1) and by EU primary law. The independence of BdF, in its capacity as a member of the ESCB, is further emphasized in Article 130 of the EU Treaty and Article 7 of the Statute of the ESCB and of the ECB, which stipulate that “*when exercising the powers and carrying out the tasks and duties conferred upon them..., neither the ECB nor a national central bank nor any member of their decision making bodies shall seek or take instructions from Community institutions or bodies, from any government of a Member State or from any other body. The Community institutions and bodies and governments of the Member States undertake to respect this principle and not to seek to influence the members of the decision making bodies of the ECB or of the national central banks in the performance of their tasks.*”

1.1.2 *Statistics work programme*

The annual statistical work programme of BdF is communicated to the French National Council on Statistical Information (Conseil national de l’information statistique, CNIS – www.cnis.fr), the institutional body that ensures dialogue between users and producers of public statistics, examines new projects and monitors the quality of existing surveys and data collections.

¹ This publication is made by the Banque de France for the sake of transparency, in the frame of the general framework on quality in statistics that has been adopted by the CMFB. It does not per se commit Eurostat or the ECB

1.2. CoP2 Mandate for data collection/PC2 Mandate for data collection

1.2.1 Allocation of responsibilities

Banque de France (BdF) is responsible for the compilation of balance payments and international investment position statistics for France.

1.2.2 Legal basis

The responsibility of BdF regarding the compilation of the BoP and IIP is established in art. L141-6 of the Code Monétaire et Financier. The same article gives BdF the power to collect data needed to fulfil its fundamental missions. Moreover, the BdF, as member of the ESCB, is allocated the task to collect information on BoP and IIP statistics on the basis of Article 2 of Regulation No 2533/98.

1.3. CoP6 Impartiality and objectivity / PC6 Impartiality and objectivity

1.3.1 Advanced release calendar

A release calendar for the monthly BoP publication for the 4 months to come is available on the BdF website (<https://www.banque-france.fr/economie-et-statistiques/calendrier.html>) Quarterly BoP data (including first revisions) and quarterly IIP are disseminated with the following monthly publication (i.e. in July, October, January and April respectively for Q1, Q2, Q3, Q4).

1.3.2 Revision policy

BoP and IIP data are subject to regular revisions, in accordance with the revision calendar for data transmissions to the ECB/Eurostat. Data published on a monthly basis can be revised with the next quarterly data production cycles, and then for three years in the BoP-IIP Annual reports published in June. The final version of the data for all periods of year N is published in June N+3.

Changes in methodology are explained in the BoP-IIP Annual report and on the BdF website.

2. STATISTICAL PROCESSES

2.1. CoP7 Sound methodology / PC7 Sound methodology

2.1.1 General remarks

BoP-IIP statistics for France follow the BPM6 methodology and the European legal framework applicable for BoP/IIP statistics (Commission Regulation 184/2005 amended by Regulation 555/2012 and ECB Guideline 2011/23 amended by ECB Guideline 2013/25).

The first publication of monthly data in BPM6 occurred in March 2014; the BoP Annual report for 2013, published in June 2014, included data in BPM6 for years 2008-2013. BPM6 back data starting in 1999 have been published in October 2014.

A presentation of the methodology and data sources for the French BoP/IIP is available on the Banque de France website [\[link\]](#). This also includes a detailed description of the coverage gaps and deviations from the underlying manual. Information on the sources and methodology used for the French BoP and IIP can also be found on the ECB *BoP book* (to be updated in 2015), and also in the IMF's Balance of Payments Statistics Yearbook (BOPSY) as well as within the metadata description of the IMF's SDDS Plus.

2.1.2 Residency

The application of residence principles in practice is in line with BPM6.

For BoP/IIP purposes, the French territory includes notably the French Overseas Departments (Guyana, Guadeloupe, Martinique, Mayotte and Réunion), and the overseas communities of Saint-Barthelemy, Saint-Martin and Saint Pierre and Miquelon, along with the Principality of Monaco, but not some French overseas territories (French Polynesia, New Caledonia and the Wallis and Futuna Islands).

2.1.3 Institutional unit definition

Data collection and compilation are based on institutional units as defined in BPM6.

2.1.4 Sectorisation & sector definition and delimitation

Institutional sectors' definition and delimitation generally follow the practice of BPM6 and French national accounts. There is one minor deviation regarding a market infrastructure which is supervised as a bank: in order to be as consistent as possible with monetary statistics, data reported by this infrastructure are split between *Other MFIs / Deposit-taking corporations, except the central bank* for the part included in the monetary statistics (own-account activities) and *Other sectors / Financial corporations other than MFIs* for the rest of its activity (customer-oriented activities).

2.1.5 Valuation

Market prices are the basis for the valuation of transactions and positions. Nominal valuation is used for positions in non-negotiable instruments, namely loans, deposits and other accounts receivable/payable. For direct investment, listed equity stocks are valued at market prices and unlisted equity stocks are valued at book value.

2.1.6 Time of recording (accrual accounting)

Interest income is recorded on an accrual basis.

2.1.7 Coverage gaps & deviations

There are some residual coverage gaps or deviations from BPM6 in specific BoP/IIP items. Margins on buying and selling financial instruments are not included in financial services. Data on insurance technical reserves has only been collected since 2014 and is not yet included in BoP/IIP. Except for travel services, no data are collected directly from resident households. Data on households assets held abroad, for instance in real estate (direct investment), portfolio investment (assets held in custody with non-resident banks) or other investment (deposits in non-resident banks) are not collected directly; they can in some cases be estimated with some delay using mirror data, notably BIS statistics that measure the liabilities of non-resident banks vis-à-vis French residents.

2.2. *CoP8 Appropriate Statistical procedures / PC8 Appropriate Statistical procedures*

2.2.1 Main features

Banque de France (BdF) compiles France's balance of payments primarily on the basis of surveys. Major non-financial enterprises with total international transactions in at least a service or income entry exceeding EUR 30 million a year are to report directly to BdF their transactions in services and their income payments to or from non-residents, but also their financial transactions with non-residents ("full direct report"). In addition, an annual survey (supplementary survey on trade in services) measures smaller non-financial enterprises' international exchanges of services.

The other main sources for compiling the balance of payments are (1) data from the Customs administration for statistics on trade in goods; (2) a quarterly survey of 600 non-financial companies completed with an annual survey including 1,000 other non-financial companies on their borrowings and loans vis-à-vis non-residents and the interest received from and paid to non-residents; (3) a quarterly survey of about 900 enterprises on trade credits supplemented by an annual survey of about 1,000 companies; (4) a monthly survey of 30 financial intermediaries supplemented by an annual survey of about 1,500 financial intermediaries on their cross-border transactions for their own account, except for securities transactions and lending/borrowing transactions; (5) monthly reports on securities holdings filed by custodians, on a security-by-security basis, on securities held for their own account or on behalf of their resident and non-resident customers (6) three surveys on inward and outward travel; (7) administrative data collected from the government or other departments of the BdF; and (8) banking data collected in association with the Prudential Supervision and Resolution Authority ("Autorité de contrôle prudentiel et de résolution").

Additionally, enterprises, insurance corporations and financial intermediaries acquiring or disposing of outward direct investment or affected by acquisitions or disposals of inward direct investment for amounts exceeding €15 million are required to disclose such transactions within 20 business days of their execution.

Quarterly data (BoP and IIP) relies mostly on collected data (data collection on a monthly or quarterly frequency), except in some cases where data are only available on an annual

frequency, sometimes with a delay. This is the case for instance for services, where the largest companies are subject to full monthly direct reporting, but data on smaller companies come from an annual sample survey, available only at the end of year Y+1. Some items in direct investment (income, reinvested earnings and the value of stocks in the IIP) are first partly estimated, and then revised based on actual annual balance sheet data when these become available.

Annual data (BoP and IIP) are consistent with quarterly data. In some cases (items for which data are only collected on an annual frequency) they may be more detailed or accurate than previously published quarterly data.

Monthly data are partly based on monthly data collections (notably for the Monetary Authorities, MFI and General Government sectors in the financial account, and for monthly direct reporters for non-financial enterprises). Data for the remaining are produced on the basis of quarterly or annual surveys or data collections. In those cases the series (or part of the series) have to be estimated until the actual data becomes available. This is notably the case for travel services and for some investment income items, for which actual data are only collected on a quarterly basis.

For all data frequencies, some items such as c.i.f./f.o.b. adjustment (for goods and services), compensation of employees, workers' remittances, insurance, non-financial corporations' other investment income rely on statistical methods but are partly based on actual data (including administrative data or mirror data).

2.2.2 *Country specific aspects*

A detailed methodological note is available on the BdF website, for the time being only in French (but an English version will be made available soon): https://www.banque-france.fr/fileadmin/user_upload/banque_de_france/Economie_et_Statistiques/BDP-Methodologie_072015.pdf

3. STATISTICAL OUTPUT

3.1. *CoP11 Relevance / PC11 Relevance*

BoP/IIP statistics are transmitted to the ECB and Eurostat for the compilation of Euro Area and European Union aggregated statistics. B.o.p./i.i.p. statistics support the ESCB in its tasks to define and implement the single monetary policy, potentially conduct foreign exchange operations and hold and manage official reserves. They also support the assessment of external vulnerabilities and interconnectedness for financial stability purposes in a world of increasingly mobile financial flows, the 'risk dashboard' of the European Systemic Risk Board (ESRB) as well as the 'scoreboard' of the macroeconomic imbalances procedure which aims to identify and address imbalances that hinder the smooth functioning of the economies of Member States, the economy of the EU, and may jeopardise the proper functioning of the economic and monetary union. They are part of the 'Special Data Dissemination Standard' and the 'Special Data Dissemination Standard Plus' of the IMF and are required for IMF 'Article IV consultations' of the euro area and EU Member States.

At national level they are used as input for the compilation of National Accounts by INSEE (the French National Statistical Institute) and BdF. They are also disseminated to the French Ministry of Finance and to the Ministry of Economy.

3.2. CoP12 Accuracy and reliability / PC12 Accuracy and reliability (including stability)

Internal consistency is checked notably through the evolution of the “net errors and omissions” item. This element is also a part of the regular quality reports carried out by international organisations. Accounting identities are ensured and an explicit stock/flow reconciliation has been published in the French BoP/IIP Annual report since even before the changeover to BPM6.

[Indicators to be compiled by the ECB/Eurostat on a common data vintage]

3.2.1 Revisions

The differences between the Euroindicators and the quarterly BoP reporting have been quite substantial, particularly for direct and portfolio investment, as well as for current transfers, which was caused by the missing information on geographical breakdown at the time of compilation of the first estimates. Revisions in the current account of the QBoP were usually small, except for services, direct investment income and current transfers. Revisions were higher for financial account, especially for outward and inward direct investment, portfolio investment assets and financial derivatives, with reasons explained by France.

Revisions in annual ITS and FDI stocks data are very limited. For FDI flows they are quite significant, mainly due to revisions for other capital.

[Indicators to be compiled by the ECB/Eurostat on a common data vintage]

3.2.2 Errors and omissions and integrity rules

According to the 2014 Annual report (published in June 2015), the average absolute value of quarterly net errors and omissions stands at EUR 8.5 billion for 2008-2014, equivalent to 1.7% of the average quarterly GDP on the same period. Since 2008, the cumulated sum of net errors and omissions amounts to EUR -76.9 billion, equivalent over 7 years to a sum of 3.6% of the 2014 GDP, or around 0.5% of GDP per year.

However, these figures should be considered carefully, as they are mostly based on back-data estimates since “genuine” BPM6-compliant compilation only started in 2013 (and thus BPM6 data can still be revised).

[Indicators to be compiled by the ECB/Eurostat on a common data vintage]

3.3. CoP13 Timeliness and punctuality / PC13 Timeliness (including punctuality)

3.3.1 National requirements

Monthly data publication at national level occurs around 42-45 days after the end of the reference month [see publication calendar here: <https://www.banque-france.fr/economie-et-statistiques/calendrier.html>].

Quarterly revisions are disseminated with the publication of monthly data for reference month M+2 following the last month of the quarter (e.g. revisions for Q1 with the publication of data for May, in July).

3.3.2 EU and other international requirements

Banque de France sends data to the ECB, Eurostat, and the IMF following the internationally agreed deadlines. For b.o.p./i.i.p., the monthly requirements by the ECB are T+44 and at EU level the timeliness requires quarterly data at T+85. For IMF data are required at T+90 in SDDS and SDDS Plus.

3.4. CoP14 Coherence and comparability / PC14 Consistency and comparability

3.4.1 Bilateral asymmetries

Bilateral asymmetries are followed up, notably through the FDI network, as well as asymmetry matrices disseminated by Eurostat. For the travel services item, contacts have been taken with large partner countries to identify, explain and possibly reduce asymmetries.

3.4.2 Consistency with related statistics

External consistency with foreign trade data is followed on a monthly basis. The discrepancies between trade data and BoP Goods generally have methodological reasons and are explicitly identified in the BoP Annual Report. Explanations on this subject can be found in page 23 of the BoP/IIP Methodology (in French as for now): https://www.banque-france.fr/fileadmin/user_upload/banque_de_france/Economie_et_Statistiques/BDP-Methodologie_072015.pdf

Regarding National Accounts, consistency efforts have been made for the changeover to BPM6 / ESA 2010. However, differences may subsist due to differing data sources and revision timetables.

Consistency with financial statistics is also considered, although there may be remaining differences e.g. with BSI data due to methodological differences as well as to the use of different data sources or reporting forms, and also different revision practices and timetables. Portfolio investment and SHS rely on the same data collection and are generally consistent (except for possible differences in revision timetables).

3.4.3 “Time” and back data consistency

Back data in BPM6 are available from 1999 onwards for BoP and IIP. The production of back data was also undertaken to correct for some breaks in series, which were caused notably by the evolution of the data collection system; main items are now fully consistent from 1999.

For a limited number of detailed breakdowns, it was not possible to recompile or estimate back data, so there may be some breaks (in such cases, generally a detailed series will not be available as far back as 1999).

Detailed information about the impact of BPM6 on France's BoP and IIP statistics can be found in an article published in the Banque de France Bulletin: https://www.banque-france.fr/fileadmin/user_upload/banque_de_france/publications/QSA37_5_Preparing-FR-Balance.pdf

3.4.4 Consistency across frequencies

Consistency across frequencies is ensured by the revision of monthly data whenever quarterly data are produced/ revised, and the revision of monthly and quarterly data whenever annual data are produced.

3.5. CoP15 Accessibility and Clarity / PC15 Accessibility and Clarity

3.5.1 Data

The monthly press release ("Stat Info") is published on the BdF website. Every three months, it includes an additional table showing the revisions for the previous quarter.

Annual figures and revisions are published in the BoP-IIP Annual Report each year at the end of June or early July. The Annual Report is available both in French and in English (published later due to translation delays) on the BdF website.

Time series are made available at the time of publication of the press releases or Annual Reports and can be downloaded on the BdF time series database: <http://webstat.banque-france.fr/fr/browse.do?node=5384880>

3.5.2 Metadata

Metadata are also available on the BdF time series database.