

Completion Instructions

Return of External Liabilities & Claims (Form MA(BS)2)

Introduction

1. This return collects information on the external liabilities and claims of an authorized institution. Data in aggregate form will be reported to the Bank for International Settlements as part of an international cooperative effort to compile and publish worldwide data on country exposures.

Section A : General Instructions

2. All authorized institutions are required to complete this return showing the position of their Hong Kong offices as at the last *calendar* day of each month. The return should be submitted not later than 21 days after the end of each month. *If the submission deadline falls on a public holiday, it will be deferred to the next working day.*
3. Amounts should be shown to the nearest million, in HK\$ or HK\$ equivalents in the case of foreign currency items, before deduction of any provisions. The closing middle market T/T rates prevailing at the reporting date should be used for conversion purpose.
4. All external liabilities and claims should be reported according to the address of the counterparty. This means, in the case of a company with branches, the business address of the office with which the liabilities or claims were incurred and in the case of an individual, his home address. Temporary or correspondence addresses should be disregarded. Any external liabilities or claims which cannot be properly classified into a particular country should be reported in aggregate under the "unallocated" category (Code 5M on last page of the return form).

5. For the purposes of this return:

(i) "liabilities" refer to all external liabilities of the reporting institution. These may include, for example:

- *equities, securities and capital instruments (e.g. perpetual and subordinated debts)*, issued by the institution and they should be allocated by country, as far as feasible, on the basis of the residence of the holder. *If difficulties are encountered in ascertaining the residence of the holder, the place of issue can be used as a proxy;*
- all accrued interest payable on the external liabilities.

(ii) "claims" refer to all external assets of an institution. These may include, for example:

- foreign currency bank-notes which should be reported as claims on the issuer, usually the central bank of the country of issue;
- *equities, debt securities, and capital instruments (e.g. perpetual and subordinated debts)*, issued by an institution abroad;
- accrued interest and overdue interest on an external claim *except those credited to interest in suspense account;*
- items in the course of collection which represent a claim on an obligor outside Hong Kong.

Holdings of fixed assets and gold are excluded.

(iii) "banks" refer to institutions which are regarded by the appropriate supervisory authorities as banks in their place of incorporation. These include the head office and any branch outside Hong Kong of the reporting institution. Central banks should also be included and shown under their respective countries *irrespective of their locations*. The Bank for International Settlements should be shown under Switzerland.

(iv) "international organizations" under Part A of the return form are those organizations listed in Annex 1. They may include other organizations which are not given in Annex 1 but are regarded as such by the HKMA.

- (v) *“Debt securities” under Part II of the return form include all negotiable short and long term debt instruments such as NCDs, bonds, notes and government papers but they do not include equity shares, investment fund units and warrants. Debts securities which are issued by the reporting institution and held by non-residents are to be reported as either liabilities to banks or liabilities to non-banks. Debt securities which are issued by non-residents and held by the reporting institution are to be reported as either claims on banks or claims on non-banks.*

Section B : Specific Instructions

Part I

6. In columns 1, 2, 5 and 6, liabilities and claims should be reported according to the location of the branch of a bank which makes or accepts the deposit, and not by the country of incorporation of the bank concerned e.g. a claim on the London branch of a U.S. bank should be reported as a claim on the United Kingdom, and not on the U.S.A.
7. Report the positions with the former Yugoslavia under the country line for "Western Europe - other" (code 2B). For positions with the successor republics of the former Soviet Union and the former Czechoslovakia, other than Russia and Czech Republic, they should be reported under the country line for "Eastern - other" (code 2E).
8. Report the difference between the sum of external liabilities (the sum of columns 1 to 4) and the sum of external claims (the sum of columns 5 to 8) in column 9. Where the sum of external liabilities exceeds that of total claims, it should be reported in brackets.
9. The external liabilities and claims to be reported in this return should be cross referenced to the relevant items in the Return of Assets and Liabilities for Hong Kong Offices (Form MA(BS)I). Details are given at Annex 2.

Part II

- 10. Report the total value of debt securities that have been reported in Part I.***

Hong Kong Monetary Authority
April 1997

Annex 1

International Organizations

(a) EU Organizations

European Atomic Energy Authority
European Coal and Steel Community
European Community
European Investment Bank
European Monetary Institute

(b) Other International Organizations

African Development Bank
Andean Development Corporation
Andean Group, The
Arab Bank for Economic Development in Africa
Arab Fund for Economic and Social Development
Arab Monetary Fund
Asian and Pacific Coconut Community
Asian Clearing Union
Asian Development Bank
Association of South East Asian Nations
Caribbean Community, The
Caribbean Development Bank
Central African States' Development Bank
Central American Common Market
Central American Bank for Economic Integration
Colombo Plan
Council of Europe
East African Development Bank
Economic Community of West African States
European Bank for Reconstruction and Development
European Company for the Financing of Railway Rolling Stock ("EUROFIMA")
European Free Trade Association
European Nuclear Research Centre
European Space Agency
European Telecommunications Satellite Organization
Food and Agriculture Organisation
General Agreement of Tariffs and Trade
Gulf Cooperation Council
Inter-American Development Bank

Intergovernmental Council of Copper Exporting Countries

International Atomic Energy Agency
International Bank for Reconstruction and Development
International Bauxite Association
International Civil Aviation Organisation
International Cocoa Organisation
International Coffee Organisation
International Cotton Advisory Committee
International Development Association
International Finance Corporation
International Fund for Agricultural Development
International Jute Organisation
International Labour Organisation
International Lead and Zinc Study Group
International Maritime Satellite Organisation
International Maritime Organisation
International Monetary Fund
International Natural Rubber Organisation
International Olive Oil Council
International Red Cross
International Rubber Study Group
International Satellite Organisation
International Sugar Organisation
International Telecommunications Union
International Tin Council
International Wheat Council
Islamic Development Bank
Latin American Association of Development Financing Institutions
Latin American Economic System
Latin American Energy Organisation
Latin American Export Bank
Latin American Integration Association
Latin American Reserve Fund
League of Arab States
Nordic Investment Bank
North Atlantic Treaty Organisation
OPEC Fund for International Development
Organisation for Economic Co-operation and Development
Organisation of African Unity
Organisation of American States
Organisation of Arab Petroleum Exporting Countries
Organisation of Central American States
Organisation of Eastern Caribbean States
Organisation of Petroleum Exporting Countries
South Asian Association for Regional Cooperation

United Nations
United Nations Conference on Trade and Development
United Nations Educational, Scientific and Cultural Organisation
United Nations International Children's Emergency Fund
Universal Postal Union
West African Clearing House
West African Economic Community
West African Monetary Union
Western European Union
World Council of Churches
World Health Organisation
World Meteorological Organisation
World Intellectual Property Organisation

Cross Reference with Return of Assets and Liabilities

<u>Items in the Return of Assets and Liabilities</u>	<u>Return of External Liabilities / Claims</u>	
	<u>to be included</u>	<u>to be excluded</u>
<u>Part I Liabilities</u>		
1. Capital and reserves	<i>held by non-residents*</i>	<i>held by residents*</i>
2. Qualifying capital instruments	<i>held by non-residents*</i>	<i>held by residents*</i>
3. Other capital-type instruments	<i>held by non-residents*</i>	<i>held by residents*</i>
4. Notes in circulation	-	all balance
6. Deposits from customers	deposits from non-residents*	deposits from residents*
7. <i>Amount payable under repos</i>	<i>due to non-residents*</i>	<i>due to residents*</i>
8. Due to banks	items 8.3 & 8.4	items 8.1 & 8.2
9. Negotiable debt instruments issued & outstanding	held by non-residents*	held by residents*
10. Other liabilities	due to non-residents*	due to residents*
<u>Part II - Assets</u>		
12. Cash	foreign currency notes	notes and coins of Hong Kong
13. Government certificate of indebtedness for notes issued	-	all balance

(Con't overleaf)

<u>Items in the Return of Assets and Liabilities</u>		<u>Return of External Liabilities / Claims</u>	
		<u>to be included</u>	<u>to be excluded</u>
15.	Loans and advances to customers	due from non-residents*	due from residents*
16.	<i>Amount receivable under reverse repos</i>	<i>due from non-residents*</i>	<i>due from residents*</i>
17.	Due from banks	items 17.3 & 17.4	items 17.1 & 17.2
18.	Negotiable certificate of deposits held	item 18.5	items 18.1, 18.2 & 18.3
19.	All negotiable debt instruments held	relevant part of items 19.1, 19.2, 19.3, 19.4 and 19.5 which are accepted or payable by parties which are located outside Hong Kong	claims on residents*
20.1	Investments in shareholdings	<i>those which are issued by non-residents*</i>	<i>those which are issued by residents*</i>
20.2	Other investments	those which are issued by non-residents*	claims on residents*
21.	Interest in land & buildings	-	all balance
22.1	Accrued interest receivable	claims on non-residents*	claims on residents*
22.2	Fixed assets	-	all balance
22.3	Suspense items	claims on non-residents*	claims on residents*
22.4	Others	claims on non-residents*	claims on residents*

* residents/non-residents of Hong Kong