

GUIDELINE FOR THE COMPLETION OF THE FORM

(Balance of Payments Report - Form 5)

OBJECTIVE OF INFORMATION COLLECTION

The objective of this report is to obtain information on foreign transactions in the assets of contractual investment funds, investment funds founded as public limited companies, as well as pension funds by management companies. This is necessary in order to prepare the balance of payments and international investment position of the Republic of Estonia. The report data allow to compose an objective summary of the current capital flows, the past and future foreign investment transactions, and the movement of the related income.

DEFINITIONS

NON-RESIDENT – a legal entity or private individual whose country of residence is not Estonia. The subsidiaries and associates belonging to non-resident enterprises and located in Estonia are non-residents. Nonresidents also include the embassies of foreign countries or other foreign government bodies in Estonia.

MONEY MARKET INSTRUMENT – a highly liquid debt obligation which is tradable in the money market, has low interest and credit risk and maturity of less than 1 year.

UNREALISED GAINS/LOSSES DUE TO EXCHANGE RATE ADJUSTMENTS – gains (+) or losses (-) due to changes in the market prices and exchange rate or revaluation and uncollectible amounts (so-called non-transactional amounts).

DERIVATIVE INSTRUMENT – a security related to a certain financial instrument, index or commodity, which enables trading with financial risks in the market, i.e the risk or obligation to buy, sell or swap certain financial assets in the future at a price and in the amount previously agreed upon (option, forward, SWAP, future, etc).

MARKET VALUE – market value must be determined on the basis of the guidelines for the compilation of the financial statements of investment funds and principles fixed in the regulation on determining the net asset value of assets and shares of investment funds.

BOND AND NOTE – as a rule, a long-term security (maturity over 1 year) proving the right of claim and entailing the borrower's obligation to repay the loan by due date and pay the interest to the lender.

FOREIGN ASSETS AND FOREIGN LIABILITIES – assets and liabilities where the counterparty is a non-resident.