

GUIDELINE FOR THE COMPLETION OF THE FORM (Balance of Payments Report – Form 7)

PLEASE PROCEED FROM THE UNCONSOLIDATED FINANCIAL STATEMENTS UPON THE COMPLETION OF THE REPORT

PROHIBITION OF NETTING

Netting (offsetting) of assets against liabilities or income against expenses is prohibited.

ACCRUAL BASIS OF ACCOUNTING

The form must be completed based on the accrual basis of accounting. Business transactions are recorded when they occur, regardless of when cash is received or paid for the transactions (Subsection 5 (2) of the Accounting Act). 2).

TRANSLATION OF FOREIGN CURRENCY INTO ESTONIAN KROONS AND EXCHANGE RATE SPREADS

All monetary amounts in the report must be presented in **thousands of kroons**. Transactions in foreign currency are translated based on the exchange rate valid on the day of the operation. The column "Unrealised gains/losses from exchange rate and price adjustments" shows the gains (+) or losses (-) from the revaluation of currency.

DEFINITIONS

Non-resident – legal entity or private individual that is registered abroad and whose country of residence is not Estonia. The branches and subsidiaries of non-resident companies that are located in Estonia are considered residents. The branches and subsidiaries of Estonian residents that are located abroad are considered non-residents. Non-residents include also the embassies of foreign countries or other foreign government bodies located in Estonia.

Control (dominant influence) over the economic activity of an enterprise – the ability to take decisions regarding the financial and business policies of another enterprise (subsidiary).

Highest controlling entity – an enterprise that controls the financial and business activities of another enterprise by holding, either directly or indirectly, over 50% of the voting shares **and that is not controlled by any other enterprise**.

Foreign assets/foreign liabilities – assets and liabilities, where the counterparty is non-resident.

Capitalisation issue – increase of the share capital on account of the company owner's equity without any instalments, by increasing the number of shares or the nominal value of the existing shares.

Unrealised gains/losses due to exchange rate or price adjustments – gains (+) or losses (-) due to changes in the market prices, the exchange rate, or revaluation and uncollectible amounts (so-called non-transactional amounts).