


South African Reserve Bank

Survey of foreign portfolio assets (equity and long-term and short-term debt securities) and currency and deposits of institutional investors

Name of authorised official (in capital letters): Tel:.....Ext:..... Fax:..... E-mail:..... Web address: Signature..... Date:.....	Reference number, name and address of organisation: 	Year ended: 2006-12-31 Due date for this return: 2007-04-30
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General information**Purpose of survey**

This survey collects information about the holdings of South African institutional investors (insurers, pension funds and collective investment schemes) of equity and long-term and short-term debt securities issued by unrelated non-residents as at 31 December 2006. The information will be used to compile balance-of-payments and international investment position statistics for South Africa. The survey is being conducted in co-ordination with other countries to facilitate international data comparability.

Who should complete this return?

Institutional investors (insurers, pension funds and collective investment scheme management companies) in South Africa that, as at 31 December 2006, own equity and/or debt securities issued by unrelated non-residents.

Authority

The information requested is collected in terms of the regulations published under Government Notices 702 and 703 of 20 April 1956.

Secrecy

In terms of clause 4 of the regulations referred to above, all employees of the South African Reserve Bank involved in this survey are sworn to secrecy. Over and above this provision, assurance is given that no action of any kind will be taken under the Exchange Control Regulations against any organisation or person on account of information furnished in this survey.

Penalty

Refusing or neglecting to furnish the information called for, is an offence subject to penalty.

Completion of form

The survey form should be submitted by no later than **30 April 2007** to the Research Department of the South African Reserve Bank. The return may either be mailed/faxed to the Reserve Bank or be completed and submitted on the Bank's website.

Enquiries should be addressed to the Balance of Payments Division, Research Department, South African Reserve Bank, PO Box 7433, Pretoria 0001, telephone (012) 313-3701/3379 or fax no (012) 313-4013 or e-mail Carlo.Somers@resbank.co.za or Barend.DeBeer@resbank.co.za

Photocopy of return

A photocopy of this return should be retained for reference purposes.

Your reference number:
(see front page)

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Form B16. Institutional investors' holdings of securities issued by unrelated non-residents as at 31 December 2006

	Country	Total	Country of non-resident issuer and code														
	Codes	1300															
1																	
Market value of securities			R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1. Equity securities issued by																	
1.1 Unrelated non-residents	0101																
1.2 Companies with primary listings abroad and secondary listings on the JSE*	0402																
2. Long-term debt securities	0203																
3. Short-term debt securities	0304																
4. Currency and deposits	0505																

* E.g. Anglo American plc, BHP Billiton plc, Dimension Data Holdings plc, Investec plc, Liberty International plc, Lonmin plc, Lonrho Africa plc, Old Mutual plc, Richemont Securities AG, SAB Miller plc

List of foreign countries and codes

Annexure A

Country of non-resident issuer	Code	Country of non-resident issuer	Code	Country of non-resident issuer	Code
Afghanistan, I.S.	AF	Grenada	GD	Palau	PW
Albania	AL	Guadeloupe	GP	Panama	PA
Algeria	DZ	Guam	GU	Papua new Guinea	PG
Andorra	AD	Guatemala	GT	Paraguay	PY
Angola	AO	Guernsey	GG	Peru	PE
Anguilla	AI	Guinea	GN	Philippines	PH
Antigua & Barbuda	AG	Guinea-Bissau	GW	Pitcairn	PN
Argentina	AR	Guyana	GY	Poland	PL
Armenia	AM	Haiti	HT	Portugal	PT
Aruba	AW	Honduras	HN	Portugal Timor	TP
Australia	AU	Hong Kong	HK	Puerto Rico	PR
Austria	AT	Hungary	HU	Qatar	QA
Azerbaijan	AZ	Iceland	IS	Reunion	RE
Bahamas, The	BS	India	IN	Romania	RO
Bahrain	BH	Indonesia	ID	Russian Federation	RU
Bangladesh	BD	Iran, Islamic Republic	IR	Rwanda	RW
Barbados	BB	Iraq	IQ	Saint Helena	SH
Belarus	BY	Ireland	IE	Saint Kitts and Nevis	KN
Belgium	BE	Isle of Man	IM	Saint Lucia	LC
Belize	BZ	Israel	IL	Saint Pierre and Miquelon	PM
Benin	BJ	Italy	IT	Saint Vincent and the Grenadines	VC
Bermuda	BM	Jamaica	JM	San Marino	SM
Bhutan	BT	Japan	JP	Sao Tomé and Príncipe	ST
Bolivia	BO	Jersey	JE	Saudi Arabia	SA
Bosnia and Herzegovina	BA	Jordan	JO	Senegal	SN
Botswana	BW	Kazaktan	KZ	Yugoslavia, Fed. Rep. of (Serbia/Montenegro)	YU
Brazil	BR	Kenya	KE	Seychelles	SC
British Virgin Islands	VG	Kiribati	KI	Sierra Leone	SL
Brunei Darussalam	BN	Korea, Democratic People's Republic of (North)	KP	Singapore	SG
Bulgaria	BG	Korea, Republic of (South)	KR	Slovak Republic	SK
Burkina Faso	BF	Kuwait	KW	Slovenia	SI
Burundi	BI	Krgyz Republic	KG	Solomon Islands	SB
Cambodia	KH	Lao, P.D.R.	LA	Somalia	SO
Cameroon	CM	Latvia	LV	South Africa	ZA
Canada	CA	Lebanon	LB	Spain	ES
Cape Verde	CV	Lesotho	LS	Spanish Sahara	EH
Cayman Islands	KY	Liberia	LR	Sri Lanka	LK
Central African Republic	CF	Libya, S.P.A.J.	LY	Sudan	SD
Chad	TD	Liechtenstein	LI	Suriname	SR
Chile	CL	Lithuania	LT	Swaziland	SZ
China	CN	Luxembourg	LU	Sweden	SE
Colombia	CO	Macao	MO	Switzerland	CH
Comoros	KM	Macedonia, FYR of	MK	Syrian Arab Republic	SY
Congo	CG	Madagascar	MG	Taiwan, Province of China	TW
Cook Islands	CK	Malawi	MW	Tajikistan	TJ
Costa Rica	CR	Malaysia	MY	Tanzania	TZ
Côte d'Ivoire	CI	Maldives	MV	Thailand	TH
Croatia	HR	Mali	ML	Togo	TG
Cuba	CU	Malta	MT	Tokelau Islands	TK
Cyprus	CY	Marshall Islands	MH	Tonga	TO
Czech Republic	CZ	Martinique	MQ	Trinidad & Tobago	TT
Denmark	DK	Mauritania	MR	Tunisia	TN
Djibouti	DJ	Mauritius	MU	Turkey	TR
Dominica	DM	Mexico	MX	Turkmenistan	TM
Dominican Republic	DO	Micronesia, Fed. Sts.	FM	Turks and Caicos Islands	TC
Ecuador	EC	Moldova	MD	Tuvalu	TV
Egypt	EG	Monaco	MC	Uganda	UG
El Salvador	SV	Mongolia	MN	Ukraine	UA
Equatorial Guinea	GQ	Montserrat	MS	United Arab Emirates	AE
Eritrea	ER	Morocco	MA	United Kingdom	GB
Estonia	EE	Mozambique	MZ	United States	US
Ethiopia	ET	Myanmar	MM	Unites States Pacific Islands	UM
Faeroe Islands	FO	Namibia	NA	United States Virgin Islands	VI
Falkland Islands	FK	Nauru	NR	Uruguay	UY
Fiji	FJ	Nepal	NP	Uzbekistan	UZ
Finland	FI	Netherlands	NL	Vanuatu	VU
France	FR	Netherlands Antilles	AN	Vatican City State	VA
French Guiana	GF	New Caledonia	NC	Venezuela	VE
French Polynesia	PF	New Zealand	NZ	Vietnam	VN
Gabon	GA	Nicaragua	NI	Wallis and Futuna Islands	WF
Gambia, The	GM	Niger	NE	West Bank/Gaza Strip	WG
Georgia	GE	Nigeria	NG	Western Samoa	WS
Germany	DE	Niue Island	NU	Yemen, Republic of	YE
Ghana	GH	Northern Mariana Islands	MP	Zaire	ZR
Gibraltar	GI	Norway	NO	Zambia	ZM
Greece	GR	Oman	OM	Zimbabwe	ZW
Greenland	GL	Pakistan	PK	International Organisations	IO

Appendix

List of foreign countries, code numbers and middle market rates of exchange with the rand

Name of Country	Code	Currency unit	Rates in rand per foreign currency unit as at		Name of Country	Code	Currency unit	Rates in rand per foreign currency unit as at	
			31/12/05	31/12/06				31/12/05	31/12/06
Andorra.....	024	Euro	**	**	Malta.....	022	Lira	17.42445	21.65479
Angola	055	New Kwanza	0.07852	0.08782	Mauritius	064	Rupee	0.20741	0.21688
Argentina	035	Peso	2.09579	2.29945	Mexico	034	Peso	0.59623	0.65123
Aruba	046	Florin	3.54330	3.93899	Monaco	023	Euro	**	**
Australia	080	Dollar	4.65266	5.55750	Morocco	074	Dirham	0.68420	0.83441
Austria**	011	Euro	**	**	Mozambique	065	Metical	0.00027	0.26942
Bahamas	042	Dollar	6.34250	7.05080	Namibia	133	Namibian Dollar	1.00000	1.00000
Bahrain	090	Dinar	16.82361	18.70239	Netherlands**	009	Euro	**	**
Belgium**	002	Euro	**	**	New Zealand.....	081	Dollar	4.31962	4.97165
Bermuda	043	Dollar	6.34250	7.05080	Nigeria	066	Naira	0.04865	0.05474
Botswana.....	051	Pula	1.15180	1.17043	Norway	013	Krone	0.93667	1.13240
Brazil.....	036	Real	2.71569	3.30248	Oman.....	097	Rial Omani	16.47403	18.31377
Bulgaria.....	109	Lev	3.82447	4.75378	Pacific Islands Trust Territory	030	Dollar	6.34250	7.05080
Canada	031	Dollar	5.42929	6.05895	Pakistan	116	Rupee	0.10608	0.11581
Canary Islands	024	Euro	**	**	Panama	032	Balboa	6.34250	7.05080
Cayman Islands	047	Dollar	7.65817	8.21389	Panama Canal Zone.....	030	Dollar	6.34250	7.05080
Channel Islands.....	001	Pound	10.88841	13.80074	Paraguay.....	034	Guarani	0.00104	0.00136
Chile	037	Peso	0.01239	0.01325	Peru	038	New Sol	1.84886	2.20821
China, People's Republic ..	121	Yuan	0.78592	0.90336	Philippines.....	119	Peso	0.11959	0.14386
Colombia	034	Peso	0.00277	0.00315	Poland	105	Zloty	1.94711	2.42796
Comoros	049	Franc	0.01521	0.01890	Portugal**	014	Euro	**	**
Congo, Dem. Rep.	070	Franc	0.01141	0.01306	Puerto Rico	030	Dollar	6.34250	7.05080
Croatia.....	108	Kuna	1.01498	1.26479	Qatar.....	098	Riyal	1.74221	1.93677
Cuba.....	045	Peso	6.342500	7.05080	Romania	106	Leu	2.03044	2.75024
Cyprus	091	Pound	13.04773	16.07936	Russia	110	Rouble	0.22067	0.26783
Czech Republic.....	107	Koruna	0.25758	0.33778	Saudi Arabia	101	Riyal	1.69115	1.88006
Denmark	003	Krone	1.00300	1.24724	Seychelles.....	072	Rupee	1.14888	1.21204
Egypt	056	Pound	1.10522	1.23027	Singapore	125	Dollar	3.81435	4.59545
Estonia.....	073	Kroon	0.47815	0.59422	Slovakia	108	Koruna	0.19771	0.26977
Faeroe Island	003	Krone	1.00300	1.24724	Solomon Islands	082	Dollar	0.84673	0.94621
Finland**	018	Euro	**	**	South Korea.....	118	Won	0.00627	0.00758
France**	004	Euro	**	**	Spain**	024	Euro	**	**
Germany**	005	Euro	**	**	Sri Lanka.....	117	Rupee	0.06212	0.06562
Ghana	057	Cedi	0.00070	0.00076	Swaziland	053	Lilangeni	1.00000	1.00000
Gibraltar	019	Pound	10.88841	13.80074	Sweden	015	Krona	0.79694	1.03037
Greece**	020	Euro	**	**	Switzerland	016	Franc	4.81258	5.77603
Greenland	003	Krone	1.00300	1.24724	Taiwan	126	Dollar	0.19312	0.21638
Guernsey	001	Pound	10.88841	13.80074	Tanzania	068	Shilling	0.00545	0.00558
Hong Kong	122	Dollar	0.81802	0.90659	Thailand	115	Baht	0.15470	0.19504
Hungary	104	Forint	0.02963	0.03698	Turkey.....	099	Lira	4.69293	4.97762
Iceland	012	Krona	0.10028	0.09918	Uganda	069	New Shilling	0.00349	0.00405
India	123	Rupee	0.14091	0.15930	United Arab Emirates	077	Dirham	1.72679	1.91973
Indonesia	079	Rupiah	0.00064	0.00078	United Kingdom	001	Pound	10.88841	13.80074
Iran	092	Rial	0.00070	0.00076	United States of America.....	030	Dollar	6.34250	7.05080
Iraq	093	Dinar	0.00432	0.00533	Uruguay	039	Peso	0.26762	0.28844
Ireland, Northern	001	Pound	10.88841	13.80074	Vatican City.....	007	Euro	**	**
Ireland, Republic of**	006	Euro	**	**	Venezuela	033	Bolivar	0.00245	0.00211
Isle of Man	001	Pound	10.88841	13.80074	Yemen, People's Democratic Republic of.....	100	Rial	0.03254	0.03552
Israel	094	Shekel	1.37770	1.67239	Zambia.....	071	Kwacha	0.00186	0.00159
Italy**	007	Euro	**	**	Zimbabwe.....	067	Dollar	0.00007	0.02820
Japan.....	120	Yen	0.05374	0.05917	Other countries in:				
Jersey	001	Pound	10.88841	13.80074	Africa	074	—	*	*
Jordan	095	Dinar	8.95328	9.94471	America, Central and South	047	—	*	*
Kenya	059	Shilling	0.08754	0.10130	Asia, excluding the Middle East	127	—	*	*
Kuwait.....	096	Dinar	21.72089	24.38879	Eastern Europe	112	—	*	*
Lesotho.....	052	Maluti	1.00000	1.00000	Euro area	—	Euro	7.4813	9.2975
Liberia	060	Dollar	0.11967	0.12370	Latin America.....	039	—	*	*
Libya	061	Dinar	4.72756	5.51922	Middle East	102	—	*	*
Liechtenstein.....	021	Franc	4.81258	5.77603	Oceania	083	—	*	*
Luxembourg**	008	Euro	**	**	Western Europe	025	—	*	*
Madagascar	062	Franc	0.00294	0.00350	Unallocated foreign	129	—	*	*
Malawi	063	Kwacha	0.05175	0.05060					
Malaysia.....	124	Ringgit	1.67813	1.99853					
Maldives Islands.....	050	Rufiya	0.49551	0.55084					

* Where the rates of these countries are required, the Reserve Bank should be approached.

** Member countries of the Euro area (see Euro area for euro exchange rate).

Explanatory notes

1. Institutional investors

Institutional investors (insurers, pension funds and collective investment schemes) of South Africa should report their own holdings of securities issued by unrelated non-residents, which are held in the custody of such end-investors and/or with domestic custodians and/or with non-resident custodians as at 31 December 2006.

An **unrelated non-resident** is defined as an incorporated or unincorporated enterprise in another country in which the South African investor owns less than 10 per cent of the ordinary shares or voting power (for an incorporated enterprise).

Respondents may compile one consolidated report for their entire organisational unit resident in South Africa, or different units of the organisation may report independently. If two or more units intend to submit separate forms, please contact the Research Department for additional identification numbers. Do **not** compile both a consolidated report for the entire domestic organisation **as well as** reports for the separate units.

2. Country of residence

A **resident** is any individual, enterprise, or other organisation ordinarily domiciled in South Africa. Branches and subsidiaries of non-resident enterprises domiciled in South Africa are regarded as South African residents. **Ordinarily domiciled** is defined as the centre of economic interest of the entity, for instance in the case of an enterprise, the place where it engages in production. Corporations legally registered in South Africa are deemed to be resident even if they have no "physical presence". A non-resident of South Africa is any individual, enterprise or other organisation ordinarily domiciled in a country other than South Africa. Non-resident branches and subsidiaries of South African enterprises are regarded as non-residents.

In the survey form, securities are to be **attributed to the country of residence of the non-resident issuer of the securities**. Country attribution should be based on the country where the issuer is ordinarily domiciled. If there is doubt about the issuer's country of domicile, then, as a general rule, the country of residence of any enterprise can be taken as the country where it is legally incorporated, or in the absence of legal incorporation, where it is legally domiciled. Securities issued by **international organisations (IO)** are not to be allocated to the country in which the IO is located but rather to a separate column marked IO specified on Form B16.

An issuer's country of residence should not be determined by the currency of issue.

3. Equity and long-term and short-term debt securities

3.1 Security

A **security** is defined as an instrument that is traded or tradable. This survey covers the investment of institutional investors in equity and long-term and short-term debt securities issued by unrelated non-resident entities.

3.2 Equity securities

Equity securities cover all instruments and records acknowledging, after the claims of all creditors have been met, claims to the residual values of enterprises.

Include in equities:

- ordinary shares;
- participating preference shares;
- depositary receipts (e.g. American depositary receipts), denoting the ownership of equity securities issued by non-residents;
- shares/units in mutual funds and investment trusts;
- equity securities that have been **sold** under repurchase agreements;
- equity securities that have been **"lent"** under a securities-lending arrangement; and
- shares in non-resident companies listed on the JSE, e.g. Anglo American plc. (please note that the value of these holdings should be shown separately in line 1.2.)

Exclude from equities:

- non-participating preference shares (should be included under long-term debt securities);
- rights, options, warrants and other derivative instruments;
- equity securities that have been **bought** under repurchase agreements; and
- equity securities that have been **acquired** under a securities-lending arrangement.

3.3 Long-term debt securities

Long-term debt securities cover bonds, debentures and notes that usually give the holder the unconditional right to a fixed cash flow or contractually determined variable money income and have an original term to maturity of **more than one year**.

Include in long-term debt securities:

- bonds such as Treasury, zero coupon, stripped, deep discounted, currency linked (e.g. dual-currency), floating rate, equity-related (e.g. convertible bonds) and Eurobonds;
- asset-backed securities such as mortgage-backed bonds and collateralised mortgage obligations (CMO);
- index-linked securities (e.g. property index certificates);
- non-participating preference shares;
- floating rate notes (FRN) such as perpetual rate notes (PRN), variable rate notes (VRN), structured FRN, reverse FRN, collared FRN, step-up recovery FRN (SURF), and range/corridor/accrual notes;
- euro medium-term notes (EMTN);
- schuldscheine (German) notes;
- bonds with optional maturity dates, the last of which is more than one year after issue;
- debentures;
- negotiable certificates of deposit with a contractual maturity of more than one year;
- other long-term securities;
- bearer depository receipts denoting ownership of debt securities issued by non-residents;
- debt securities that have been **sold** under repurchase agreements; and
- debt securities that have been **"lent"** under a securities-lending arrangement.

Exclude from long-term debt securities:

- derivative instruments;
- loans;
- trade credit and accounts receivable;
- money-market instruments (e.g. treasury notes, bankers' acceptances, negotiable certificates of deposit with a contractual maturity of one year or less, note issuance facilities, revolving underwriting facilities and promissory notes), including short-term debt securities;
- debt securities that have been **bought** under repurchase agreements; and
- debt securities that have been **acquired** under a securities-lending arrangement.

3.4 Short-term debt securities

Short-term debt securities cover only market instruments such as bills, commercial paper and bankers' acceptances, that usually give the holder the unconditional right to receive a stated, fixed sum of money on a specified date and have an original term to maturity of one year or less.

Include in short-term debt securities:

- Treasury bills and notes;
- bankers' acceptances;
- commercial and financial paper;
- certificates of deposit with a contractual maturity of one year or less;
- short-term notes issued under note issuance facilities or revolving underwriting facilities and promissory notes (such short-term notes are included even though the underlying facility (the contingency) may be for more than one year because the notes themselves are of a short-term nature);
- debt securities that have been **sold** under repurchase agreements; and
- debt securities that have been **"lent"** under a securities-lending arrangement.

Exclude from short-term debt securities:

- bonds such as Treasury, zero coupon, stripped, deep discounted, currency linked (e.g. dual-currency), floating rate, equity-related (e.g. convertible bonds) and Eurobonds;
- asset-backed securities such as mortgage-backed bonds and collateralised mortgage obligations (CMO);
- index-linked securities (e.g. property index certificates);
- non-participating preference shares;
- floating rate notes (FRN) such as perpetual rate notes (PRN), variable rate notes (VRN), structured FRN, reverse FRN, collared FRN, step-up recovery FRN (SURF), and range/corridor/accrual notes;
- euro medium-term notes (EMTN);
- schuldscheine (German) notes;
- bonds with optional maturity dates, the last of which is more than one year after issue;
- debentures;
- negotiable certificates of deposit with contractual maturity of more than one year;
- other long-term securities;
- bearer depository receipts denoting ownership of debt securities issued by non-residents;
- debt securities that have been **sold** under repurchase agreements; and
- debt securities that have been **"lent"** under a securities-lending arrangement;
- derivative instruments;
- loans; and
- trade credit and accounts receivable.

Financial derivatives should not be reported as they are not classified as securities but as a separate type of instrument. Record the value of the underlying security separately from any derivative that may be held in relation to it; however, if a security has an embedded derivative do not attempt to separate the security from the **embedded derivative**. Include the value of such a security, including the embedded financial derivative, in your submission.

4. Valuation

Market value should be used to report all holdings of securities. Please do **not** report the face value of the security as the market value.

4.1 Valuation of equity securities

Equity securities should be reported at market prices converted to South African rands, using the exchange rate prevailing at 31 December 2006.

For enterprises listed on a stock exchange, the market value of your holding of equity securities should be calculated by using the market price on the stock exchange prevailing as at 31 December 2006.

For unlisted enterprises, the market value of equity securities as at 31 December 2006 can be estimated by using one of the following methods:

- A recent transaction price;
- director's valuation; or
- net asset value. (Net asset value is equal to total assets, including intangibles, less non-equity liabilities and the paid-up value of non-voting shares. Assets and liabilities should be recorded at current, rather than historical, value.)

4.2 Valuation of debt securities

Debt securities should be recorded using one of the market valuation methods listed below in descending order of preference and converted to South African rands, using the exchange rate prevailing as at 31 December 2006:

- A quoted traded market price at the close of business on 31 December 2006;
- the present value of the expected stream of future payments/receipts associated with the securities;
- for unlisted securities, the price used to value securities for accounting or regulatory purposes;
- for deep discount or zero-coupon securities, the issue price plus amortisation of the discount; or
- for debt instruments issued at a premium, the issue price less the amortisation of the premium.

5. Exclusion of securities issued by related enterprises

Securities (whether equities or debt) issued by a non-resident enterprise that is related to the resident owner of those securities **should be excluded** from this report. Related non-resident enterprises are enterprises in which an enterprise **group** has an equity interest of 10 per cent or more or where a non-resident has more than 10 per cent of the holdings in your group. Ownership is measured in terms of the ordinary shares or the voting stock of incorporated enterprises or an equivalent beneficial interest in unincorporated enterprises. Where such a relationship exists, exclude all securities (debt and equities). The only exception is if the non-resident entity who issued the security and the domestic resident owner of the security are affiliated financial intermediaries – banks, for instance. In these circumstances, securities issued by related enterprises, other than equity or permanent debt, should be included in this report.

6. Treatment of collective investment schemes

Units in collective investment schemes (mutual funds, investment trusts, unit trusts) should be classified as equity, regardless of the type of fund or assets that the fund acquires. It is furthermore important to note that the economy of a country where a collective investment scheme is registered, is regarded as its domicile.

7. Treatment of securities involved in repurchase and securities-lending arrangements

A **repurchase agreement**¹ (repo) is an arrangement involving the sale of securities at a specified price with a commitment² to repurchasing the same or similar securities at a fixed price on a specified future date. A reverse repo is the same transaction seen from the other side, that is, an agreement whereby a security is purchased at a specified price with a commitment to reselling the same or similar securities at a fixed price on a specified future date. Securities (or stock or bond) lending is an arrangement whereby the ownership of a security is transferred in return for collateral, usually another security, on condition that the security or similar securities will revert to the original owner at a specified future date.

- Securities acquired under reverse repurchase agreement or securities-borrowing arrangements are to be *excluded* from the form.
- Securities sold under repurchase agreements or "lent" under securities-lending arrangements are to be *included* in the form.
- Securities acquired under reverse repurchase or securities-borrowing arrangements and subsequently sold to a third party should be reported as a negative holding, namely a short position.
- Valuations of securities under repurchase or securities-lending arrangements should be at *market value* as at 31 December 2006.

¹ Also included are sale/buy backs, carries, bond or stock lending with cash collateral and similar transactions which involve the sale of a security with a commitment to repurchasing it at a fixed price and on a specified date or on demand.

² If there is no commitment to repurchasing the securities, the transactions should be regarded as a straight sale of the security and should not be classified as a repo.

8. Treatment of depositary receipts

Depositary receipts, which denote the ownership of equity or debt securities issued by non-residents – for instance, American depositary receipts (ADR) or bearer depositary receipts (BDR) – should be attributed to the country of residence of the issuer of the security underlying the depositary receipt. Financial intermediaries should not report holdings of any securities against which depositary receipts have been issued and sold; however, if a depositary receipt has been issued before the financial institution arranging the issue has acquired the underlying securities, then that financial institution should report a negative holding in the underlying security.

9. Treatment of stripped securities

Stripped securities (strips) are securities that have been transformed from a principal amount with periodic interest coupons into a series of zero-coupon securities, with the range of maturities matching the coupon payment dates and the redemption date of the principal amount.

- If strips remain the direct obligation of the original issuer, then the residency of the issuer of the strips remains the same as that of the original security. Dealers who request that a settlement or clearing house should create strips from an existing security issued by a non-resident should not report ownership of the underlying security once the strips have been created.
- If strips have been created and issued by an entity in its own name, security should be classified according to the residence of the issuer of the strips. In turn, such an issuer of strips should report its ownership of the underlying securities if they were issued by a non-resident.

Strips with an **original** maturity of less than one year are classified as money-market instruments and thus, if identifiable, should be reported as short-term debt securities.

10. Asset-backed securities

In reporting the market value of holdings of asset-backed securities, the respondent must be aware of the possibility of early partial redemption of the principal. The market value of the principal amount outstanding as at 31 December 2006 should be reported; if the principal has been repaid, this market value will not be the same as the original face value revalued at end-period market prices.

11. Country of issue

Please report your entity's holdings of securities issued according to the list set out in Annexure A. The holdings of issues of securities by international organisations (such as the World Bank or the United Nations) should be shown separately; these holdings should not be reported as issues of the countries in which they are physically located because they do not qualify as liabilities of those countries.