

REPORT ON INTERNATIONAL ACQUISITIONS AND MERGERS FOR THE STATISTICS ON DIRECT INVESTMENT IN FINLAND'S BALANCE OF PAYMENTS

Finnish direct investment abroad: a Finnish enterprise buys or sells shares in a foreign enterprise or a business abroad

The Bank of Finland collects data on international acquisitions and mergers for the compilation of Finnish balance of payment statistics and the balance of payments of the Economic and Monetary Union.

The Bank of Finland's data collecting powers are based on the following legal acts: the Act on the Bank of Finland (214/1998, Section 28) and the Council Regulation No. 2533/1998 concerning the collection of statistical information by the European Central Bank.

The balance of payments records transactions made by **Finnish investors with shares and businesses of foreign companies as Finnish direct investment abroad**. Acquisitions included in direct investment are broken down by country based on the home country of the investment target.

Finnish direct investment abroad also includes changes in the assets and liabilities position of the Finnish investor vis-à-vis its foreign subsidiary which have resulted from an acquisition made abroad in the subsidiary's name.

An investment is considered to be a direct investment if the investor's (direct + indirect) holding or voting power in another enterprise after buying the shares or before them is **at least 10%**.

Sale and purchase transactions of shares are recorded at their actual sale and purchase prices. If an acquisition is conducted through a directed issue, the subscription price is recorded including any profit and losses associated with the issue. Acquisitions carried out as exchange of shares or business operations are also recorded as direct investments abroad.

In addition to this report, the Bank of Finland conducts an annual survey of direct investment to collect data on the book-value of equity capital of foreign subsidiaries and associates at the end of the financial year, changes in the accumulated earnings of these enterprises during the financial year and the country breakdown of intragroup foreign assets and liabilities.

Completion instructions for Form YKSU:

Section 3.

Basic information on the enterprise/business operation transaction

3.11 Report here the Finnish buyer/seller's subsidiary, located abroad, which owns/owned the target.

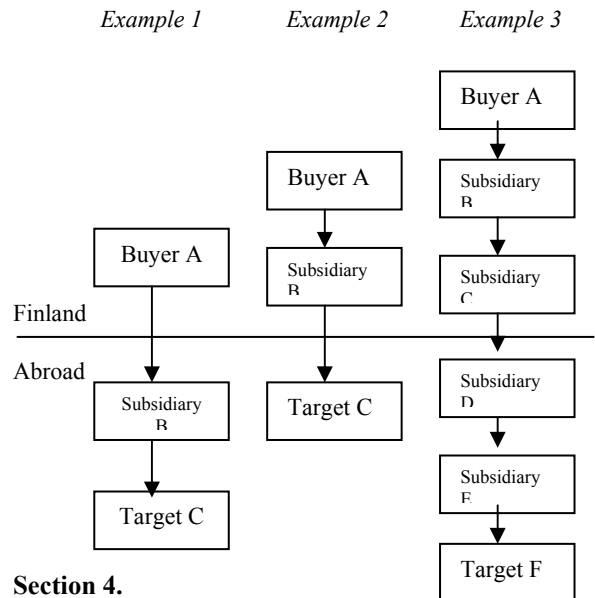
Example 1. When A buys target C into the ownership of subsidiary B, information on subsidiary B is given in sections 3.11 and 3.12.

3.13 Report here the Finnish buyer/seller's subsidiary, located in Finland, which owns/owned the target.

Example 2. When A buys target C into the ownership of subsidiary B, information on subsidiary B is given in section 3.13.

Example 3. A buys target F through its subsidiaries B, C, D and E located in Finland and abroad. The ownership chain crosses the Finnish border

between subsidiaries C and D. In such case, information on subsidiary D is given under sections 3.11 and 3.12 and information on subsidiary C under 3.13.



Section 4.

Capital movements between Finland and abroad

Purchase transaction

4.1 Report here the purchase price when a target is bought into the direct ownership of an enterprise located in Finland.

4.2 This section is for reporting:

- the possible injection of additional capital when the target is bought directly into the ownership of an enterprise located in Finland
- the increase of equity capital of a Finnish buyer's subsidiary located / to be founded abroad when the target is bought into the ownership of that subsidiary.

4.3 This section is for reporting the following arrangements between a Finnish buyer and its Finnish subsidiary:

- loans provided to the target
- loans provided to a foreign subsidiary for financing the transaction.

Sale transaction

Report here the selling price when a target owned directly in Finland is sold.

4.5 Report here the capital channelled back to Finland through a foreign subsidiary when that subsidiary has owned the target

4.6 Report here any repayments of loans provided by a Finnish owner and its Finnish subsidiaries paid in connection with the sale of the target.

Funding from outside the group

If the acquisition is financed with a loan drawn in Finland from abroad by a party outside the group, report here information on the loan.

Section 5.

Additional information

Report here eg any dividends and interest paid to a Finnish seller in connection with the sale of the target.



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Form SUT

1. Date of ownership transfer	1.1 (dd.mm.yy)		
2. Finnish-based party in business operations / equity share transaction	2.1 Name of enterprise	2.2 Business ID	2.3 Postal address
	2.4 Contact person	2.5 Telephone number	2.6 E-mail address
3. Basic information on the enterprise / business operation share transaction	3.1 Object of transaction abroad		3.2 Target's country of location
	3.3 Buyer	3.4 Buyer's country of location	3.5 Ownership share in the target prior to the transaction, %
			3.6 Ownership share in the target following the transaction, %
	3.7 Seller	3.8 Seller's country of location	3.9 Ownership share in the target prior to the transaction, %
			3.10 Ownership share in the target following the transaction, %
	3.11 Name of an indirect owner located abroad (See instructions)		3.12 Indirect owner's country of location
	3.13 Name of an indirect owner located in Finland (See instructions)		
4. Capital movements between Finland and abroad	<i>Capital invested abroad by a Finnish buyer (See instructions)</i>		
	4.1 Purchase price	4.2 Own capital	4.3 Loans
	<i>Capital channelled back from abroad to a Finnish seller (See instructions)</i>		
	4.4 Sale price	4.5 Own capital	4.6 Loans
	<i>Loan from abroad outside the group</i>		The Bank of Finland's data collecting powers are based on the following legal acts: the Act on the Bank of Finland (214/1998, Section 28) and the Council Regulation No. 2533/1998 concerning the collection of statistical information by the European Central Bank
4.7. Amount of loans drawn	4.8 Date of drawing the loan (dd.mm.yy)		
5. Additional information			
DATE AND NAME OF REPORTER			

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