

INSTRUCTIONS FOR DATA COLLECTION ON LONG-TERM SAVING (PS)

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1 INTRODUCTION

The Bank of Finland collects quarterly data from deposit banks, management companies and investment firms on long-term savings contracts made by them, on the investment and holding of funds related to these contracts and on the fees charged on the investment and holding of funds by virtue of the contracts (PS survey). The Bank of Finland uses this data for statistical purposes, and the statistics compiled will be published on the Bank of Finland website. The Financial Supervisory Authority also uses the data collected.

The Bank of Finland's authorisation to collect data is based on the Act on the Bank of Finland (214/1998 26§). The right of the Financial Supervisory Authority to access data is prescribed in the Act on the Financial Supervisory Authority (878/2008 18§).

2 BASIC CONCEPTS

In the PS survey, all classifications and concepts comply, where applicable, with the **Authority Task Force (ATF) classification package** and **MFI reporting**.

Reporter	The reporter is a provider of information responsible for submitting to the Bank of Finland the statistical data defined in this document. By virtue of the Act on Restricted Long-term Saving (1183/2009), reporters in PS reporting are deposit banks, management companies and investment firms providing long-term savings services in Finland. These reporting requirements are applicable to all service providers.
Data provider	The data provider is responsible for submitting to the Bank of Finland data for each reporter. The data provider can be someone else than the service provider (reporter), whose data is being reported.
Reporting period	Data is reported on a quarterly basis (reporting frequency) cumulatively for the calendar year.
Reporting currency	The reporting currency is euro. Therefore data for investment products valued in another currency must be converted into euro.
Data accuracy	Euro values are reported in 1000 euro. Volume data are reported as whole numbers according to normal rounding rules.
Report	Reporter's contribution to the Bank of Finland data survey to be submitted to the Bank of Finland.
Record unit	A standard unit of statistical data comprising one row of data.
PS reporting	Reporting of data on long-term savings and submitting it to the Bank of Finland.

3 CONCEPTS RELATING TO LONG-TERM SAVING

PS contract	PS contract is a contract between the depositor and service provider on the basis of which the depositor deposits funds onto a long-term savings account and the service provider records the deposits made onto the account. According to the conditions of the PS contract, the deposited funds can only be withdrawn when the person entitled to the said funds reaches a specified age or when other grounds specified in the terms and conditions of the contract are fulfilled.
PS account	PS account is a deposit account held at a deposit bank or at the Finnish branch office of a foreign deposit bank where the depositor deposits funds in accordance with the terms and conditions of the savings contract.
Depositor	The depositor is a natural person who has made a savings contract with the service provider.
Deposited funds	Deposited funds refer to monetary sums deposited onto the depositor's deposit account, assets in which the said funds have been invested as well as to the yield from this investment.

4 REPORTING IN PRACTICE

Reporting begins on 21 July 2010, when data for the second quarter of 2010 are reported. Reporters submit the data to the Bank of Finland using the DCS service. The service is maintained by the service provider, ie the DCS operator. The DCS operator is Itella Information Oy. The operator has the relevant certification (TYVI) granted by the Ministry of Finance .

To use the DCS service, reporters must order a user ID online at (<https://sol.itella.net/ec/bof-tunnustilaus>). Once the user ID has been granted, the reporter will be sent an access key list, which will be needed in addition to the user ID and password to access the DCS service.

The reporter submits the data electronically in report format to the operator. Technical reporting requirements can be found in the PS data collection record structure. In exceptional cases, data can be submitted by means of a separate data storage device (eg CD) or by paper. These exceptional arrangements must be agreed on separately with the Bank of Finland.

The DCS service provider inspects the correctness of the reporting file. The inspection is carried out in connection with the transfer of the file, and a notification of any irregularities is sent immediately. In addition, the Bank of Finland carries out their own content inspection on a technically approved file.

Data is reported on a quarterly basis and submitted to the Bank of Finland no later than the 15th banking day of the month following the reporting period. The Bank of Finland provides all entities subject to reporting requirements with the annual reporting calendar. The timetable can also be accessed online at http://www.bof.fi/en/tilastot/raportointiohjeet/ps_raportointiohjeet.htm.

If the reporter or the inspector of the report at the Bank of Finland notices any irregularities in the data, the revised report is sent to the Bank of Finland. Data can be revised retroactively.

In technical matters (operation of service, user IDs), contact the technical customer service of the DCS service at (information.fi@itella.com, tel. +358 20 452 9348). Technical customer service is available 24 hours in Finnish, Swedish and English.

The Bank of Finland and the Financial Supervisory Authority provide advice in matters relating to the content of the report. All enquiries should be sent electronically to PS@bof.fi.

5 DATA TO BE REPORTED

The data to be reported is concerned with the volume, stock, flow and valuation of assets.

Euro values are reported in 1000 euro. Volume data are reported as whole numbers according to normal rounding rules.

5.1 Change in stock, flow and valuation and funds transferred from other service providers

In the reporting period, the stock of assets changes due to various factors: the change can be due to changes in the market value or exchange rates or to a concrete financial transaction, eg. funds deposited onto a savings account. The stock of assets can also increase/decrease following the transfer of customer funds from one service provider to another. Customer funds are not necessarily realised in connection with the transfer, when no actual flow of money occurs. In this case, growth/decrease in the stock of assets is reported using the code “R” = change arising from transfer of funds to another service provider.

The Bank of Finland collects data on the stock of assets at the end of the period as well as cumulative net flows and valuation changes for the reporting year. A change due to changes in exchange rates is included in the change in market value.

Change in the stock of assets in the reporting period is made up from the following factors:

S_t = stock at the beginning of the period

S_{t+1} = stock at the end of the period

F = flow

V = valuation change

R = change due to funds transferred from another service provider

$$S_{t+1} = S_t + F_t + V_t + R_t$$

Stock at the end of the period = Stock at the beginning of the period + flow + valuation change + change due to transfer of funds

Stock is the total amount of funds at the beginning of the reporting period. The stock includes valuation change and other changes, such as changes in exchange rates. Assets in other currencies are converted into euro using the average market rate (average of sell and purchase price) of the last day of the reporting period.

Flow refers to financial transactions (net). It covers all **monetary flows** including proceeds and expenses. Valuation changes and other changes are not included in flow data, because they are not financial transactions.

$$F_t = S_t - S_{t-1} - V_t - R_t$$

Transaction flows are reported when actual money is transferred, ie on the **settlement day**.

Example: Shares bought on 30 July (transaction date) but settled on 1 August (settlement day). Flow is reported only on 1 August, when the shares are actually transferred.

For investment fund shares, flows are reported on the **value date**.

Valuation change is the change in the market value of a financial asset cumulatively over the year and includes changes in exchange rates, if any, as well as other changes.

It is always the total of valuation changes in each asset category (shares, short and long term bonds, mutual fund units and derivatives) that is reported to the Bank of Finland.

Change from transfer of funds arises when deposited funds are transferred for storage to another service provider, but actual transfer of money does not occur. In this case, the increase/decrease in the stock of assets must be reported as “R” = change arising from transfer of funds to/from another service provider. If the assets are realised and actual monetary transactions occur, the transfer is entered as flow data “F”, in addition to which “Y” is entered in record field 08. Intra-corporation transfers are also reported as transfer.

Also reported as transfer: money received from/transferred to another service provider. The direction of flow is indicated by a positive or negative sign in front of the figure.

5.2 Valuation

The following valuation principles are observed in Bank of Finland’s PS reporting:

- Market value for shares, bonds, mutual fund units and derivatives
- Nominal value for deposits

NB! Bonds are valued at the so called "clean price", ie without accrued interest:

Clean market price = nominal price * market price

6 ITEMS TO BE REPORTED

6.1 Number of long-term savings contracts (volume record MT)

Total number of PS contracts

Report the number of valid PS contracts at the end of the quarter.

Number of new PS contracts

Report the number of new PS contracts concluded in the year cumulatively as well as contracts transferred from another service or insurance provider, including intra-corporation transfers.

Number of discontinued PS contracts

Report the number of discontinued, terminated and cancelled PS contracts. Suspension of saving is not reported because the contract remains valid.

6.2 Long-term savings: new savings, payout to savers and expenses (volume record MT)

New savings

Report total of new savings deposited by customers onto their PS accounts over the current year. For example, the report for Q4 contains data on all new savings from the start of the year, ie Q1–Q4.

Do not report yields on investments in PS accounts nor expenses charged to the accounts. Report only new investments made by customers.

Payout to savers

Report the total amount of funds paid to savers from their PS accounts cumulatively over the current year. Do not report funds transferred to other service or insurance providers nor expenses charged from PS accounts, only the funds paid to savers.

When withdrawing funds, the customer pays taxes in accordance with the capital gains tax percentage. Taxes are reported as expenses, and only the actual sum of money paid to customers is reported as payout to savers.

Expenses

Report expenses charged from customers cumulatively over the current year.

Expenses include all expenses related to PS contracts ie management fees, trading and transaction fees as well as taxes paid. Taxes include all taxes, eg VAT on management fees and capital gains tax payable upon withdrawal of funds from a PS account.

Report only gross amounts for all expenses, no netting.

6.3 Long-term saving: breakdown of savings at the end of the period (savings record ST)

PS accounts

Report as **stock data** the total amount of funds in euro on PS accounts at the end of the quarter.

Report as **flow data** funds deposited onto PS accounts and paid from them cumulatively over the current year, ie net expenses in euro.

PS accounts fall under instrument 221 *Transferable overnight deposits*, as in RATI-data collection.

Deposits

Report as **stock data** the amount of funds in euro paid from PS accounts onto deposit accounts at the end of the quarter.

Report as **flow data** the net amount of funds in euro paid from PS accounts onto deposit accounts cumulatively in the current year.

Deposits fall under instrument 225 *deposits with an agreed maturity*.

The country code for instruments invested from PS accounts in deposit accounts at Finnish credit institutions or in deposit accounts of the Finnish branch offices of foreign credit institutions is FI. A list of domestic deposit banks and Finnish branch offices of foreign deposit banks can be accessed online at: http://www.bof.fi/en/tilastot/tase_ja_korko/rahalaitoslista.htm.

Foreign deposits denote deposit accounts at all other deposit banks except those referred to in the above.

The country code for the stock and flow data of funds invested in deposit accounts outside Finland is reported according to code lists 9, 9b or 9c.

Quoted shares

Report as **stock data** the market value in euro of funds invested from PS accounts in quoted shares at the end of the quarter.

Report as **flow data** the market value of purchased and sold shares ie net share subscriptions in euro in the current year.

Report as **valuation difference** net changes in market value in the current year.

Report as **change in stock due to transfer of service provider** the holding of funds transferred from another service provider; net amount in euro for the current year. If the funds are realised and monetary transactions take place, the transfer is reported as flow data.

Quoted shares fall under instrument 511. This item does not include funds invested in shares via mutual funds (instrument 52).

The country code for funds invested in quoted shares issued by domestic issuers is FI. Domestic issuers include all Finnish companies (registered in Finland). Foreign companies comprise all non-Finnish companies.

The country code for funds invested from PS accounts in quoted shares issued by foreign issuers is reported according to code lists 9, 9b or 9c.

Bonds

Report as **stock data** the market value in euro of funds invested from PS accounts in bonds issued or guaranteed by public-sector entities at the end of the quarter.

NB! Bonds are valued at the so called clean price, ie without accrued interest (see also 5.2 Valuation).

Report as **flow data** funds in euro invested in bonds issued or guaranteed by public-sector entities in the reporting period ie net payments in the current year.

Report as **valuation difference** net changes in market value in the current year.

Report as **change in stock due to transfer of service provider** the holding of funds transferred from another service provider; net amount in euro for

the current year. If the funds are realised and monetary transactions take place, the transfer is reported as flow data.

Bonds fall under instrument 331 (*short-term bonds, original maturity not longer than 12 months*) or instrument 332 (*long-term bonds, original maturity longer than 12 months*).

The country code for funds invested from PS accounts in bonds issued or guaranteed by domestic public-sector entities is FI. The country code for funds invested from PS accounts in bonds issued or guaranteed by foreign issuers is reported according to code lists 9, 9b or 9c.

The country code for bond issuers is determined on the basis of the company's country of residence. For example, if a Finnish company issues a bond in the UK, the issuer's country code is FI.

Mutual fund units

Report as **stock data** the market value of funds in euro invested from PS accounts in mutual fund units at the end of the quarter.

Report as **flow data** the differential between the purchase and redemption of mutual fund units ie net subscriptions in the current year.

Report as **valuation change** net changes in the market value of mutual fund units in the current year.

Report as **change in stock due to transfer of service provider** the holding of funds transferred from another service provider; net amount in euro for the current year. If the funds are realised and monetary transactions take place, the transfer is registered as flow data.

Mutual fund units fall under instrument 52. Mutual funds also include money market funds.

The country code for funds invested from PS accounts in domestic mutual fund units is FI. Domestic mutual fund units include all units in mutual funds registered in Finland. A list of them can be found online at: <http://www.bof.fi/en/tilastot/sijoitusrahastot/sijoitusrahastolista.htm>.

Foreign mutual fund units denote units in mutual funds registered outside Finland.

The country code for foreign mutual fund units is reported according to code lists 9, 9b or 9c.

Derivatives

Derivatives are reported at net market value. Any liabilities and receivables are netted.

Report as **stock data** refers the market value in euro of derivatives at the end of the quarter.

Report as **flow data** net cash flows between counterparties arising from the derivative contract.

Report as **valuation change** net change in market value in the current year.

Derivatives fall under instrument 34.

The country code for domestic derivatives is FI. The country code for foreign derivatives is reported according to code lists 9, 9b or 9c.

7 FOR FURTHER INFORMATION

Act on Restricted Long-Term Saving (in Finnish only):
<http://www.finlex.fi/fi/laki/alkup/2009/20091183>