



## BALANCE OF PAYMENTS USER GUIDE

Please use this User Guide to assist you in completing your specific industry questionnaire. If you have queries, please contact Julietta Beaupierre at (244-4600).

**Resident:** is any individual, enterprise or other organization domiciled in the Cayman Islands. Caymanian branches and subsidiaries of foreign businesses are regarded as residents. Domiciled is defined in terms of the center of economic interest of the entity. **The enterprise must have physical presence in the Cayman Islands.**

**Non-residents:** is any individual, enterprise or other organization domiciled in a jurisdiction other than the Cayman Islands.

**Do not include the imports and exports of goods (except goods sold or acquired under merchandising).**

### Part A and B: Receipts and Payments

#### **1. Telecommunications and related services**

These encompass the broadcast or transmission of sound, images, data or other information by telephone, telex, telegram, radio and television cable transmission, radio and television satellite, electronic mail, facsimile services, business network services, teleconferencing and support services. Also included are cellular telephone services, internet backbone services and on-line access services, including provision of access to the internet.

#### **2. Construction services**

These cover building of structures, structural repairs, installation, refurbishing, special trades, demolition and site work. Please include any equipment rentals with operator.

#### **3. Insurance claims received and premiums paid**

These refer to claims received from non-resident insurers and premiums paid to non-resident insurers. Please include any agent commissions related to these transactions. Insurance comprises life, accident and health, property, casualty, freight and other forms of risk protection.

#### **4. Financial services other than insurance**

These cover financial intermediation and auxiliary services, usually provided by banks and other financial intermediaries and auxiliaries. Included are financial advisory, custody of financial assets, financial asset management, monitoring services, trust service, merger and acquisition services, deposit taking and lending, letters of credit, credit card services, commissions and charges related to financial leasing, factoring, underwriting and clearing of payments. Also included are fees and commissions on securities such as brokerage, placement of issues.

#### **5. Computer and information services**

These include receipts or payments for services for the design, engineering and management of computer systems, development and production of original software, database services, information services and news agency services.

#### **6. Royalties and licenses fees for patents, industrial designs, trademarks & franchises**

These comprise fees received or paid for franchises and fees for the use of property rights such as trademarks, copyrights, industrial processes and designs including trade secrets, franchises.

#### **7. Non-financial commissions and fees received from or paid to non-residents**

These cover commissions on goods and service transactions between nonresidents and residents merchants, commodity brokers, dealers, manufacturers, sales branches and commission agents. Excluded are financial and insurance services commissions.

#### **7 (a and b). Goods sold or purchased under merchandising**

These include the buying or selling of goods which do not enter or leave the economy from which the trader is conducting business.

#### **8. Business, professional and technical services**

These cover legal services, management consultancy, managerial services, accounting, auditing, advertising and marketing, research and development, architectural and engineering and other technical services. It also covers operating leasing services, and charges between related parties for managerial and administrative services.

#### **9. Health services**

These cover services provided by hospitals, doctors, nurses and paramedical and similar personnel as well as laboratory and similar services, whether rendered remotely or on site.

#### **10. Education services**

These cover charges for employee training and development and services to the educational market such as testing, consulting and the development and delivery/adaptation of course materials and systems, correspondence courses and education via the internet or television. **Excluded are education services provided to non-residents who are present in the territory of the service provider. These should be part of expenditure on overseas training and conferences, see item #23.**

#### **11. Other personal, cultural and recreational services**

These cover audiovisual and related services and services associated with museums and other cultural, sporting and recreational activities.

#### **12. Dividends receipts and distributed profits from foreign parent and foreign affiliates**

These include dividends and distribution of profits received from equity investments in affiliated or parent companies.

#### **13. Interest income from claims on foreign parents and foreign affiliates**

These include interest income earned on investments in foreign affiliates and parent companies.

#### **14. Interest income on bonds, notes, money market securities from other non-residents**

These include income received by your enterprise from bonds, debentures and notes, t-bills and other money market instruments issued by non-residents and held by your enterprise.

#### **15. Net income (loss) of foreign parent and foreign affiliates**

These include net income or loss of foreign affiliates attributable to your enterprise. **please exclude extraordinary gains or losses.**

**16. Other receipts from non-residents**

These include other services receipts and transactions between your enterprise and non-residents that are not listed elsewhere

**17. Wages and salaries paid to non-residents**

These represent all salaries and wages in cash and kind in return for labor inputs rendered by non-residents. Please note that an employer-employee relationship must exist between the non-resident employee and the resident employer.

**18. Payments to head office**

These are payments to head office for management and administrative services. It excludes payments for interest, dividends and profits made to your head office.

**19. Dividends declared to foreign parent and other foreign affiliates**

These are dividend payments and distribution of profits for equity investments of parent company and foreign affiliates. (Affiliates own at least 10% of voting shares).

**20. Interest expense on debt owed to foreign parent and other foreign affiliates**

These are interest payments for loans from enterprises abroad which own 10% or more of your voting shares).

**21. Interest expense on bonds, notes and money market securities issued by other non-residents**

These include interest payment to non-residents for bonds and notes, debentures and treasury bills and other money market instruments issued by your enterprise to non-residents, other than your foreign parent/affiliates.

**22. Other investment income**

These include income paid on non-resident deposits and any other investment income payments not included elsewhere.

**23. Expenditure on overseas training and conferences**

These include expenditure overseas such as accommodation, allowances, and registration fees for attending training sessions, meetings, and conferences. **It excludes air fare.**

**24. Membership fees/affiliation fees**

These include payments to non-residents by your enterprise for membership to regional and international associations.

**25. Airport fees and service charge**

This classification includes payments by your company for airlines fees, pilot fees, registration fees, etc.

**26. Ports disbursements/charges**

These include payments made by your company for port facilities such as for bunker fuel, aviation fuel, port dues, stevedoring, airline fees, registration fees, service charges, landing fees. Also included are payments to non-residents for the provision of navigational and telecommunication services.

**27. Financial lease payments**

Payments made by your company to non-residents for

lease payments on asset. The lessee undertakes substantially all the risks and rewards from the assets.

**28. Receipts for courier services**

This includes receipts for the transporting of mail and express mail service.

**29. Premiums written**

These are the amounts charged to and paid by the non-resident policyholders during the accounting period for insurance coverage.

**30. Premiums earned**

These refer to the proportion of actual premiums that relate to the accounting period and that cover the risks incurred during the current accounting period.

**31. Claims paid**

These refer to the actual payments of cash that have been made to non-residents claimants for insured events of the current or previous period.

**32. Claims due/outstanding**

These refer to claims that become due in the reporting period, after the eventualities that gave rise to the claims. It should include claims that have been reported but not yet settled, and claims that have been reported and settled but not yet paid at the end of the accounting period.

**34. Auxiliary insurance services**

These include payments for insurance services such as agents' commissions, insurance brokering and agency services, insurance consulting services, evaluation and adjustment services, actuarial services, salvage administration services and regulatory and monitoring services on indemnities and recovery services.

**35. Ceding commission**

These refer to payments by the reinsurer to reimburse the ceding company for its acquisition expenses and other costs incurred to place the business with the reinsurer.

**36. Profit commission**

These represent a predetermined percentage of the profit realized by the reinsurer on the contracts ceded by the primary insurance companies and the cedant's share of such profits.

**39. Medical bills paid overseas on behalf of residents as part of claims paid**

These should include all payments of medical expenses paid directly overseas on behalf of resident policy holders.

**40. Other payments to non-residents**

These would include payments for other services not listed elsewhere between your enterprise and non-resident enterprises.

**70. Other purchases (stores and catering)**

These include payments made by your company for bunker fuel, aviation fuel.

## **PART C Financial Assets and Liabilities with Non-residents**

### **43. Shares and equity**

These include the shares and equity (value of investments) by your enterprise in non-resident companies (of which your enterprise owns 10% or more of the voting shares). It includes ordinary and participating preference shares.

### **44. Accumulated earnings**

These include the accumulation of income/earnings due to your enterprise from your investment in foreign enterprises. Also included are contributed surplus of the reporting entity in the foreign affiliate.

### **45. Debt claims**

This includes bonds, debentures, notes, mortgages and all forms of indebtedness owed to your enterprise by foreign affiliates, such as subsidiaries, associates, parent companies, joint ventures.

### **46. Currency and deposits**

These are the currency and deposits held by your enterprise with non-residents financial institutions.

### **47. Accounts receivable (trade and other)**

This category would include any advances, receivables and trade credits granted by your enterprise to non-resident enterprises.

### **48. Short term securities (original contractual maturity of 1 year or less)**

These include money market instruments issued for one year or less, e.g. treasury bills of foreign governments and certificates of deposits, bank notes, and corporate notes with maturity of one year or less.

### **49. Long term securities (original contractual maturity of more than 1 year)**

These include long term securities such as bonds and notes.

### **50. Corporate shares, funds or trust units**

These include equity shares and shares issued by mutual funds, investment trusts or unit trusts. It also includes money market funds.

### **51. Accounts payable (trade and other)**

This category would include any advances, trade credits and other payables extended to your enterprise from non-resident enterprises.

### **52. Other liabilities (including derivatives)**

These include holdings by non-residents of financial derivatives issued by your company e.g. options, swaps, futures and any other liabilities not elsewhere specified.

## **Part D Shareholders' Equity**

### **53. Net income (loss) for the current period**

This represents net income after taxes. (E.g. taxes paid abroad) Extraordinary gains and losses **should not be included**.

### **60. Share Capital**

Report the total amount of common and preferred share capital.

### **61. Contributed Surplus**

Include the portion of paid-in capital arising from premiums received on the issue of par value shares, profit on forfeited shares etc.

### **62 & 65. Retained Earnings**

This is the portion of earnings (i.e. surplus/deficit less dividends declared) that is retained in the business.

### **63. Dividends Declared**

This refers to the total dividends declared or payable by your organization during the reporting period.