

Technical Notes on the Major Revisions of the 2001-2003 IIP

A. Data Updates

1. Asset accounts were revised largely to incorporate the updated data of the Coordinated Portfolio Investment Survey (CPIS) and the Consolidated Statement of Condition (CSOC) of banks.
2. Liability accounts were revised to incorporate data updates on foreign direct investment in local banks.

B. Changes in Coverage

1. Direct equity investments data from BSP registration records not captured in the bank reporting system were included in both the asset and liability accounts.
2. Data on trade credits include only receivables from and payables to non-affiliates which are now sourced only from the Cross-Border Transactions Survey (CBTS). Previous estimates using data from the financial records of the Securities and Exchange Commission (SEC) have been excluded.
3. Data on trade credits with affiliates sourced from the CBTS are now reported as Other Capital under Direct Investment.

C. Changes in classification

1. Banks' assets were reclassified given new details provided by the database – CSOC.
2. Liabilities of OBUs previously lodged under 'Banks' were reclassified to 'Other Sectors' in accordance with the recommendation of the IMF mission on financial statistics.
3. Released collaterals on Brady Bonds previously recorded under the Monetary Authority's portfolio investment asset account were reclassified as reserve assets in line with the treatment of foreign investments under the New Central Bank Act, which allows investments in securities even for maturities over five years to be included as part of the gross international reserves.