

Financial Statistics
Securities and External Statistics

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PORTFOLIO INVESTMENT

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0 ADMINISTRATIVE INFORMATION ABOUT THE STATISTICAL PRODUCT

0.1 Name

Portfolio investments.

0.2 Subject Area

Balance of payments – financial account and external assets and liabilities
National accounts and Balance of payments.

0.3 Responsible Authority, Office, Person, etc.

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0.4 Purpose and History

The statistics show the cross-border transactions of securities, i.e. residents' and non-residents' sale and purchase of foreign and Danish securities respectively. The statistics are part of the financial account of the balance of payments, which is compiled in accordance with the IMF's "Balance of Payments Manual" from 1993 (BPM5).

Statistics on the financial account of the balance of payments were commenced in 1931 due to currency restrictions, but first published in a tables format as from 1947.

0.5 USERS AND APPLICATION

The statistics are used to illustrate the capital flows between Denmark and abroad, which are used – among other things – to analyse the krone exchange rate.

The users are ministries, professional and industrial bodies, Danmarks Nationalbank, banks and mortgage banks, the ECB, IMF, OECD, BIS, etc.

0.6 SOURCES

As of end-2004, the system for collecting information on Denmark's international investment position and the financial account of the balance of payments, as well as portfolio investments, is based on the following four main sources:

- Statistics on balance sheets and flows of the MFI sector, cf. the Sources and method of the statistics
- General-government statistics
- Securities statistics, cf. the Sources and method of the statistics
- Reporting by enterprises.

The main source for these statistics is Danmarks Nationalbank's Securities statistics, described in further detail in section 1.2. [Link](#)

0.7 Legal Authority to Collect Data

Pursuant to section 14a of the National Bank of Denmark Act, inserted by Act no. 579 of 1 June 2010, Danmarks Nationalbank has separate authority to collect, compile and publish statistical information to perform its tasks. The collected information may be used for other purposes than compilation of statistics. This particularly applies in connection with oversight of financial stability and when laying down monetary and foreign-exchange policies, as well as in relation to Danmarks Nationalbank's participation in the European cooperation in the financial area.

0.8 Response Burden

There is a direct response burden for a sample of non-financial corporations, insurance corporations and pension funds. Data from the other sources is collected from other registers or by others.

0.9 EU Regulation

The collection of data is based on Guideline of the ECB of 16 July 2004 on the statistical reporting requirements of the ECB in the field of balance of payments and international investment position statistics (ECB/2004/15) amended in ECB/2007/3.

1 CONTENTS

1.1 Description of Contents

The statistics comprise monthly external transactions of portfolio investments distributed by instrument, currency, country and sector.

1.2 Statistical Concepts

Data on foreign portfolio investments are primarily based on Danmarks Nationalbank's Securities statistics, which is described in the following. For a detailed description of the other sources reference is made to the Sources and method of Danmarks Nationalbank's statistics Balance of payments – Financial account.

Securities statistics

For Danish securities issued in Denmark and held by non-residents, the primary source is VP Securities. Danish securities issued abroad are reported separately to Danmarks Nationalbank. For foreign securities held by residents, the primary source of information is custodian banks in Denmark. If enterprises deposit such securities abroad, the information is included in the reports by the enterprises to Danmarks Nationalbank. It is assumed that households primarily deposit foreign securities with custodian banks in Denmark. Information is no longer obtained directly from the households. The Securities statistics are based on information on individual securities (security-by-security approach). Via master data for the individual securities, Danmarks Nationalbank can use the securities' identification numbers (ISIN codes) and the owner's holding to derive transactions and sector of issuer/owner.

The transactions are grouped by instrument, currency, country and sector, cf. below.

Instrument

The breakdown by instrument is based on BPM5. The following definition is used:

- *Portfolio investments*, i.e. transactions in shares and other equity instruments that are not direct investments, and in bonds, etc. (also known as debt instruments). Bonds, etc. are broken down by short-term (less than 1 year) and long-term (more than 1 year) maturity.

Sector

The breakdown by sector is in accordance with the European System of Accounts (ESA95). The following sectors apply:

- *Non-financial corporations*.
- *Danmarks Nationalbank*, including specification of its reserve assets by instrument.
- *Other MFIs*. Banks are specified in a separate table.
- *Other financial intermediaries, etc.*, including investment associations and investment companies, leasing and other financing companies as well as financial auxiliaries.
- *Insurance corporations and pension funds*, including ATP. Before 2005 ATP is included under General government.
- *General government*.
- *Households, etc.*, including charities, etc. that supply goods and services to households.

Accrued interest

The monthly financial transactions comprise also accrued interest.

In Danmarks Nationalbank's Securities statistics accrued interest is calculated on the basis of the master data of the security, i.e. principal, coupon interest, etc. Account is also taken of imputed interest due to reduction of maturity when the issue price deviates from par. In Danmarks Nationalbank's Statistics on balance sheets of banks and mortgage banks, accrued interest is reported on all external accounts.

Preceding sign

A positive preceding sign indicates net purchase of securities, while a negative preceding sign indicates a net sale of securities.

2 TIME

2.1 Reference Period

The statistics are compiled on a monthly basis.

2.2 Date of Publication

The statistics are published every month on the 20th banking day of the following month.

2.3 Punctuality

The statistics are usually published without delay in relation to the scheduled date.

2.4 Frequency

Monthly.

3 ACCURACY

3.1 Overall Accuracy

The statistics are primarily based on the Securities statistics, cf. the Declaration of contents of these statistics. The accuracy of the information originating from the enterprises own reports depends on the quality of the individual reports. For the other sources, cf. the Declarations of contents for the statistics in question.

3.2 Sources of Inaccuracy

This statistics cover nearly 100 per cent of the population. Concerning specific uncertainties in relation to the sources please confer the the section 0.6.

3.3 Measures of Accuracy

There are not any measurements of the uncertainties concerning the statistics available.

4 COMPARABILITY

4.1 Comparability over Time

At the turn of 2004/05 Danmarks Nationalbank implemented a different system for collecting information on Denmark's international investment

position and the financial account of the balance of payments, including portfolio investments. This means that data from before 2005 was gathered in a different way.

4.2 Comparability with other Statistics

There are no comparable statistics.

4.3 Coherence between Provisional and Final Statistics

The statistics are normally revised 2 reference periods back when the present month is published, cf. also Danmarks Nationalbank's revision policy for financial statistics and the appurtenant revision cycle.

5 ACCESSIBILITY

5.1 Forms of Dissemination

Published monthly via:

www.nationalbanken.dk
<http://nationalbanken.statbank.dk>
www.statbank.dk

5.2 Basic Material: Storage and Usability

These Sources and method do not comprise data which are stored.

5.3 Documentation

The compilation of the balance of payments is described in detail in Jens Hald, Denmark's balance of payments and international investment position, Danmarks Nationalbank, 2007.

5.4 Other Information

No further information is available.

6 Supplementary Documentation

None.