

# SURVEY OF FOREIGN DEBT AND FINANCIAL DERIVATIVE TRANSACTIONS, 2008 EXPLANATORY NOTES

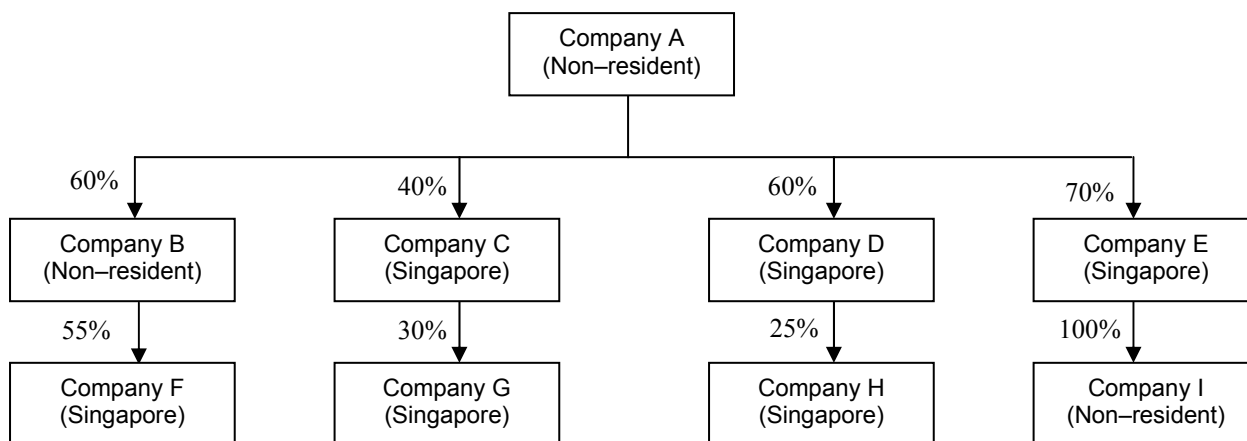
## GENERAL INSTRUCTIONS

- 1 Please state all values in **Singapore currency** to the **nearest thousand dollars**. If exact figures are not available, kindly provide your best estimates.
- 2 If the direct investor (please refer to 'Concepts and Definitions' below) is also the ultimate holding company, the relevant figures are to be reported under the 'Direct Investor' section only.
- 3 Foreign debt refers to borrowing and lending of funds between companies/individuals located overseas and your company. These transactions may be in the form of debt securities, loans, trade credits and other debt liabilities. Financial derivative transactions with foreign parties refer to derivative contracts drawn up by your company with overseas counter-parties.

## CONCEPTS AND DEFINITIONS

- 1 **Direct investors located overseas** refer to companies or enterprises incorporated/registered overseas (including investment funds) or non-resident individuals owning at least 10 per cent of your company's ordinary paid-up shares or voting power. These direct investors should be located in the **immediate foreign** country. They refer to your overseas head office if your establishment is a branch. (**Exception:** There is no direct investment relationship where the company in Singapore is an associate (please refer to point 2) of an associate of the company located in the immediate foreign country.

**Example:** (Please refer to the next page for some explanation.)



Surveyed Company In Singapore	Direct Investor(s) Located Overseas
C	A
D	A
E	A
F	B
G	-
H	A

Company F: The direct investor of F is B and not A since B is the company that is located in the immediate foreign country.

Company G: A is not a direct investor of G because G is an associate of an associate of A.

Company H: The effective interest that A has in H is  $60\% \times 25\% > 10\%$  and H is **not** an associate of an associate of A. Thus, A is a direct investor of H.

- 2 **Branches, Subsidiaries, Associates located overseas** refer to companies located overseas which your company owns at least 10 percent of the ordinary paid-up shares or voting power.
- 3 **Other Related Companies in the Same Group located overseas** refer to companies within the same group located overseas and sharing the same parent company but which are neither the direct investor nor a branch, subsidiary or associate of the company.
- 4 **Other Companies located overseas** refer to corporate entities that are not those mentioned in Notes 1 to 3 but located overseas.
- 5 **Interest Expenses/Income** refers to interest charged on loans, debt securities, trade credits and other forms of debts. Interest should be recorded on an accrual basis.
- 6 **Exchange Rate Change** refers to unrealized gains/losses in the value of asset/liability due to exchange rate variation.
- 7 **Other Changes** refer to unrealized gains/losses due to other factors, e.g. changes in price (for listed instruments) or valuation (for unlisted instruments) of assets, and other changes in the market value not due to transactions or exchange rate variation.
- 8 **Financial Derivative Contracts/Securities** are linked to a specific financial instrument or indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. They are broadly classified into the various contract types:
  - a **Forwards** – Contracts that represent agreements for delayed delivery of financial instruments or commodities in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified commodity or instrument at a specified price or yield.
  - b **Futures** – Contracts that represent agreements for delayed delivery of financial instruments in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified instrument at a specified price or yield. Such contracts are standardized and are traded on organized exchanges.

- c **Options and Warrants** – Contracts that convey either a right or an obligation to buy or sell a financial instrument at a specified price by a specified future date. Options are generally traded on organized exchanges, while warrants are issued directly by companies.
  - d **Swaps** – Contracts in which two parties agree to exchange payment streams based on a specified notional amount for a specified period. Forward starting swaps should be reported as swaps.
  - e **Other Derivatives** – Other derivatives contracts not classified in the above categories, e.g. credit derivatives.
- 9 **Market Value** of Financial Derivative Contracts: For **Forward, Futures** and **Swap** contracts, the market value is generally obtained either from (a) the difference between the agreed-upon contract price and the (expected) prevailing market price on the day of settlement times the principal amount (appropriately discounted), or (b) the present value of expected future cash receipts less the present value of any associated future cash payments. Market values for **Options and Warrants** can be obtained from either (a) the prevailing market prices if traded in the financial market, or (b) using standard pricing models such as the Black-Scholes Model where no comparable market price exists.
- 10 **Net transactions** for the various financial derivative contract types should be recorded according to the following:
- a **Forwards** – Report cash received or paid upon maturity or settlement of forward agreements. Do not report the amount received or paid upon settlement of a forward with a security or other non-cash asset.
  - b **Futures** – Report the cumulative periodic payment or receipt from an exchange as a result of the change in value of the futures contracts, including the final cash settlement of futures contracts. Do not report the value of futures that proceed to final delivery of the underlying asset.
  - c **Options and Warrants** – Report premiums paid and received for options and warrants. For exercised options and warrants where settlement is only in cash, report the net payment of cash upon exercise. Do not report the exercise of the option and warrant where securities, commodities, and assets other than cash are purchased or sold, as these should be treated as a transaction in that security or commodity instead of as derivatives.
  - d **Swaps** – Report the net amount of cash received or paid upon maturity or termination of a swap and any periodic net cash settlement payments under the terms of a swap, including premiums actually paid or received on swaps contracts. Do not report transactions if the ownership of a security, commodity or other non-cash item changes hands without premiums.

## Codes and Example for Sections B and C

Section B: Short-term Debt Securities Issued To / Received From Companies Located Overseas

Section C: Long-term Debt Securities Issued To / Received From Companies Located Overseas

Type of Transaction	Code
Debt Securities Issued To	DT
Debt Securities Received From	RD

Type of Company	Code
Direct Investors Located Overseas	H
Branches, Subsidiaries, Associates Located Overseas	S
Other Related Companies in the Same Group Located Overseas	R
Other Companies and Individuals Located Overseas	O

**Please note:** For transaction type 'RD', do not report values for companies of type 'S' and 'O'.

*Example 1:* Consider debt securities issued to a direct investor in the Netherlands.

Country Code <sup>1</sup> , Name of Country	N	L	Netherlands				
Type of Transaction, Type of Company	D	T	H				
Market Value as at 31.12.07 (\$'000)			4	0	0	0	
Net Transaction (\$'000)			-	1	5	0	0
Exchange Rate Change (\$'000)				3	0	0	
Other Changes (\$'000)							
Market Value as at 31.12.08 (\$'000)			2	8	0	0	
Interest income/expenses during 2008 (\$'000)							

<sup>1</sup>: Country code is a compulsory field; please refer to pages 10-12 for the list of codes.

## Codes and Example for Sections D and E

Section D: Short-term Loans Received From / Given To Companies Located Overseas

Section E: Long-term Loans Received From / Given To Companies Located Overseas

Type of Transaction	Code	Type of Company	Code
Loans Received From	LN	Direct Investors Located Overseas	H
Loans Given To	RL	Branches, Subsidiaries, Associates Located Overseas	S
		Banks Located Overseas	B
		Other Related Companies in the Same Group Located Overseas	R
		Other Companies and Individuals Located Overseas	O

**Please note:** For transaction type 'RL', do not report values for companies of type 'S', 'B' and 'O'.

*Example 2:* Consider loans received from a bank in Thailand.

Country Code <sup>1</sup> , Name of Country	T	H	Thailand				
Type of Transaction, Type of Company	L	N	B				
Gross amount outstanding as at 31.12.07 (\$'000)			1	0	0	0	
Increase in Loans (Drawings) (\$'000)			1	5	0	0	0
Decrease in Loans (Repayment) (\$'000)							
Exchange Rate Change (\$'000)							
Other Changes (\$'000)							
Gross amount outstanding as at 31.12.08 (\$'000)			1	6	0	0	0
Interest income/expenses during 2008 (\$'000)							

<sup>1</sup>: Country code is a compulsory field; please refer to pages 10-12 for the list of codes.

## Codes and Example for Section F

Section F: Financial Lease Received From / Given To Companies Located Overseas

Type of Transaction	Code	Type of Company	Code
Financial Lease Received From	FL	Direct Investors Located Overseas	H
Financial Lease Given To	RF	Branches, Subsidiaries, Associates Located Overseas	S
		Other Related Companies in the Same Group Located Overseas	R
		Other Companies and Individuals Located Overseas	O

**Please note:** For transaction type 'RF', do not report values for companies of type 'S' and 'O'.

*Example 3:* Consider a financial lease given to a related company in the same group in Hong Kong.

Country Code <sup>1</sup> , Name of Country	H	K	Hong Kong
Type of Transaction, Type of Company	R	F	R
Gross amount outstanding as at 31.12.07 (\$'000)	1	5	0 0 0 0
Increase in Loans (Drawings) (\$'000)			
Decrease in Loans (Repayment) (\$'000)		4	0 0 0 0
Exchange Rate Change (\$'000)			
Other Changes (\$'000)			
Gross amount outstanding as at 31.12.08 (\$'000)	1	1	0 0 0 0
Interest income/expenses during 2008 (\$'000)			

<sup>1</sup>: Country code is a compulsory field; please refer to pages 10-12 for the list of codes.

## Codes and Example for Sections G and H

Section G: Trade Credits Due To Overseas Creditors

Section H: Trade Credits Due From Overseas Debtors

Type of Transaction	Code
Trade Credits Due To Overseas Creditors	TR
Trade Credits Due From Overseas Debtors	DR

Type of Company	Code
Direct Investors Located Overseas	H
Branches, Subsidiaries, Associates Located Overseas	S
Other Related Companies in the Same Group Located Overseas	R
Other Companies and Individuals Located Overseas	O

*Example 4:* Consider trade credits due to a related company in the same group in Australia with interest incurred in 2008.

Country Code <sup>1</sup> , Name of Country	A	U	Australia			
Type of Transaction, Type of Company	T	R	R			
Gross amount outstanding as at 31.12.07 (\$'000)			3	1	2	0
Gross amount outstanding as at 31.12.08 (\$'000)			9	0	0	
Interest income/expenses during 2007 (\$'000)						
Interest income/expenses during 2008 (\$'000)			1	0	0	

<sup>1</sup>: Country code is a compulsory field; please refer to pages 10-12 for the list of codes.

**Please note (for sections G and H):**

For transactions on trade credits with other companies and individuals located overseas (O), country breakdown is not required. This means that if there are such transactions with several countries, they can all be combined and reported as one transaction. The country code to be used is OT and has been pre-printed on the questionnaire.

*Example 4.1:* Consider Trade Credits Due To Overseas Creditors involving Other Companies and Individuals Located Overseas.

Country Code <sup>1</sup>	O	T	
Type of Transaction, Type of Company	T	R	O

## Codes and Example for Section I

### Section I: Other Debt Liabilities To Companies Located Overseas

Type of Transaction	Code
Arrears To	AR
Other Amount Payable To	AP

Type of Company	Code
Direct Investors Located Overseas	H
Branches, Subsidiaries, Associates Located Overseas	S
Other Related Companies in the Same Group Located Overseas	R
Other Companies and Individuals Located Overseas	O

*Example 5:* Consider a short term other amount payable to a branch in Germany.

#### SHORT TERM

Country Code <sup>1</sup> , Name of Country	D	E	Germany					
Type of Transaction, Type of Company	A	P					S	
Gross amount outstanding as at 31.12.07 (\$'000)					2	2	4	0
Gross amount outstanding as at 31.12.08 (\$'000)						7	0	0

<sup>1</sup>: Country code is a compulsory field; please refer to pages 10-12 for the list of codes.

## Codes and Example for Section J

### Section J: Financial Derivative Contracts with Foreign Counter – Parties

Type of Transaction	Code	Type of transaction	Code
Forwards - Assets	RW	Forwards - Liabilities	FW
Futures - Assets	RT	Futures - Liabilities	FT
Options and Warrants - Assets	RO	Options and Warrants - Liabilities	OW
Swaps - Assets	RS	Swaps - Liabilities	SW
Other Derivatives - Assets	RV	Other Derivatives - Liabilities	OT

*Example 6:* Consider a swap contract with an entity in United Kingdom that is listed as a liability.

Country Code<sup>1</sup>, Name of Country

G	B	United Kingdom
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Type of Transaction

S	W
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Market Value as at 31.12.07 (\$'000)

				7	5	0	0
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Net Transaction (\$'000)

			-	1	8	0	0
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Exchange Rate Change (\$'000)

					9	0	0
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Other Changes (\$'000)

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Market Value as at 31.12.08 (\$'000)

				6	6	0	0
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<sup>1</sup>: Country code is a compulsory field; please refer to pages 10-12 for the list of codes

## COUNTRY CODE

COUNTRY	CODE
AFGHANISTAN	AF
ALAND ISLANDS	AX
ALBANIA	AL
ALGERIA	DZ
AMERICAN SAMOA	AS
ANDORRA	AD
ANGOLA	AO
ANGUILLA	AI
ANTARCTICA	AQ
ANTIGUA AND BARBUDA	AG
ARGENTINA	AR
ARMENIA	AM
ARUBA	AW
AUSTRALIA	AU
AUSTRIA	AT
AZERBAIJAN	AZ
BAHAMAS	BS
BAHRAIN	BH
BANGLADESH	BD
BARBADOS	BB
BELARUS	BY
BELGIUM	BE
BELIZE	BZ
BENIN	BJ
BERMUDA	BM
BHUTAN	BT
BOLIVIA	BO
BOSNIA AND HERZEGOVINA	BA
BOTSWANA	BW
BOUVET ISLAND	BV
BRAZIL	BR
BRITISH INDIAN OCEAN TERRITORY	IO
BRUNEI DARUSSALAM	BN
BULGARIA	BG
BURKINA FASO	BF
BURUNDI	BI
CAMBODIA	KH
CAMEROON	CM
CANADA	CA
CAPE VERDE	CV
CAYMAN ISLANDS	KY
CENTRAL AFRICAN REPUBLIC	CF
CHAD	TD

COUNTRY	CODE
CHILE	CL
CHINA	CN
CHRISTMAS ISLAND	CX
COCOS (KEELING) ISLANDS	CC
COLOMBIA	CO
COMOROS	KM
CONGO	CG
CONGO, THE DEMOCRATIC REPUBLIC OF THE	CD
COOK ISLANDS	CK
COSTA RICA	CR
COTE D'IVOIRE	CI
CROATIA	HR
CUBA	CU
CYPRUS	CY
CZECH REPUBLIC	CZ
DENMARK	DK
DJIBOUTI	DJ
DOMINICA	DM
DOMINICAN REPUBLIC	DO
ECUADOR	EC
EGYPT	EG
EL SALVADOR	SV
EQUATORIAL GUINEA	GQ
ERITREA	ER
ESTONIA	EE
ETHIOPIA	ET
FALKLAND ISLANDS (MALVINAS)	FK
FAROE ISLANDS	FO
FIJI	FJ
FINLAND	FI
FRANCE	FR
FRENCH GUIANA	GF
FRENCH POLYNESIA	PF
FRENCH SOUTHERN TERRITORIES	TF
GABON	GA
GAMBIA	GM
GEORGIA	GE
GERMANY	DE
GHANA	GH
GIBRALTAR	GI
GREECE	GR
GREENLAND	GL
GRENADA	GD

COUNTRY	CODE
GUADELOUPE	GP
GUAM	GU
GUATEMALA	GT
GUERNSEY	GG
GUINEA	GN
GUINEA-BISSAU	GW
GUYANA	GY
HAITI	HT
HEARD ISLAND AND MCDONALD ISLANDS	HM
HOLY SEE (VATICAN CITY STATE)	VA
HONDURAS	HN
HONG KONG	HK
HUNGARY	HU
ICELAND	IS
INDIA	IN
INDONESIA	ID
IRAN, ISLAMIC REPUBLIC OF	IR
IRAQ	IQ
IRELAND	IE
ISLE OF MAN	IM
ISRAEL	IL
ITALY	IT
JAMAICA	JM
JAPAN	JP
JERSEY	JE
JORDAN	JO
KAZAKHSTAN	KZ
KENYA	KE
KIRIBATI	KI
KOREA, DEMOCRATIC PEOPLE'S REPUBLIC OF	KP
KOREA, REPUBLIC OF	KR
KUWAIT	KW
KYRGYZSTAN	KG
LAO PEOPLE'S DEMOCRATIC REPUBLIC	LA
LATVIA	LV
LEBANON	LB
LESOTHO	LS
LIBERIA	LR
LIBYAN ARAB JAMAHIRIYA	LY
LIECHTENSTEIN	LI
LITHUANIA	LT
LUXEMBOURG	LU
MACAO	MO

COUNTRY	CODE
MACEDONIA, THE FORMER YUGOSLAV REPUBLIC OF	MK
MADAGASCAR	MG
MALAWI	MW
MALAYSIA	MY
MALDIVES	MV
MALI	ML
MALTA	MT
MARSHALL ISLANDS	MH
MARTINIQUE	MQ
MAURITANIA	MR
MAURITIUS	MU
MAYOTTE	YT
MEXICO	MX
MICRONESIA, FEDERATED STATES OF	FM
MOLDOVA, REPUBLIC OF	MD
MONACO	MC
MONGOLIA	MN
MONTENEGRO	ME
MONTSERRAT	MS
MOROCCO	MA
MOZAMBIQUE	MZ
MYANMAR	MM
NAMIBIA	NA
NAURU	NR
NEPAL	NP
NETHERLANDS	NL
NETHERLANDS ANTILLES	AN
NEW CALEDONIA	NC
NEW ZEALAND	NZ
NICARAGUA	NI
NIGER	NE
NIGERIA	NG
NIUE	NU
NORFOLK ISLAND	NF
NORTHERN MARIANA ISLANDS	MP
NORWAY	NO
OMAN	OM
OTHERS	OT
PAKISTAN	PK
PALAU	PW
PALESTINIAN TERRITORY, OCCUPIED	PS
PANAMA	PA
PAPUA NEW GUINEA	PG

