

SDDS Metadata For Balance of Payments of China

0. Prerequisites

0.1 Legal environment

0.1.1 Responsibility for collecting, processing, and disseminating statistics

The SAFE (SAFE) is responsible for compilation and dissemination of China's BOP according to the *Measures for the Collection of Statistics and the Declaration of the BOP (Measures)*. The *Measures* which was implemented on January 1, 1996 was the foundation for China's BOP Statistics. In November 2013, the premier of the State Council Mr. Li Keqiang signed the *decree of the State council and promulgated the revised version of the Measures*, which has been implemented on January 1, 2014. The *Measures* can be found at the official website of SAFE (<http://www.safe.gov.cn>).

According to the Article 5 of The *Measures*: “The SAFE is responsible for organizing and implementing the statistics and the declaration of the balance of payments and carrying out supervision and verification in compliance with the procedures as stipulated in the *Statistical Law of the People's Republic of China*; collecting, calculating, and disclosing information on the balance of payments and international investment position; formulating and revising the detailed rules of the *Measures*; and compiling and issuing the declaration forms and the statistical statement on the balance of payments. The relevant government departments shall assist with the statistics and the declaration of the balance of payments.”

The statistics of BOP include balance of payments and international investment position (IIP).

0.1.2 Data sharing and coordination among data producing agencies

According to the *Measures*, the SAFE is responsible for collection, compilation and dissemination of China's BOP. The disseminated data are in line with SNA data on standards, concepts and principles.

As to BOP statistical cooperation, the SAFE cooperates closely with National Bureau of Statistics (NBS), Customs General Administration (Customs), People's Bank of China (PBC), Ministry of Commerce (MOFCOM), the National Tourism Administration (NTA), and other government departments. Those government departments share source data regularly to facilitate BOP compilation, and communicate on statistical standard adjustments and other matters as well.

0.1.3 Confidentiality of individual reporters' data

According to the Article 16 of the *Measures*: “The SAFE or its branches/sub-branches shall keep strictly confidential the specific data that is declared and which is only to be used for the BOP statistics. Unless otherwise provided for by the law, the statisticians for the balance of payments shall not provide the specific declared data in any form to any institutions or individuals.”

0.1.4 Ensuring statistical reporting

The Article 5, 7 and 8 of the *Measures* not only authorize the SAFE in charge of the data collection, but also require the reporters to provide the required information to the SAFE. Failure to report the data or reporting false data will lead to penalty.

According to the Article 17 of the *Measures*: “Chinese and non-Chinese residents who fail to carry

	<p>out the collection of the statistics and the declaration of the BOP in accordance with the relevant regulations shall be penalized by the SAFE or its branches/sub-branches in accordance with Article 48 of the Regulations on Foreign Exchange Administration of the People's Republic of China.”</p>
0.2 Resources	<p>0.2.1 Staff, facilities, computing resources, and financing</p> <p>The staff of BOP Department of the SAFE is responsible for BOP data compilation. The staff of BOP Divisions of the SAFE branches and sub-branches is responsible for data collection and verification. The SAFE regularly organizes trainings, comprehensively or specified on certain topics, to update the knowledge and expertise of its staff.</p> <p>The SAFE collects and aggregates BOP statistics mainly via computer systems, which are supported by Technology Department.</p> <p>The BOP statistical work is funded by the administrative appropriation. The expense on new statistical projects, training etc. should be subject to approval prior to their implementation in the given budget year.</p> <p>0.2.2 Ensuring efficient use of resources</p> <p>The expense on the BOP statistics staff and systems is funded by the administrative appropriation. The new technology systems and the related work can be funded based on approval one year in advance and should be included as scheduled for next year. Meanwhile, to ensure effective use of the funds, the new systems and the work should be completed on time, report the progress, and accept the regular internal supervision.</p>
0.3 Relevance	<p>0.3.1 Monitoring user requirements</p> <p>The BOP Department of the SAFE holds press conference quarterly, informs the public of China's BOP statement and situation, and takes questions concerned from the media.</p>
0.4 Quality management	<p>0.4.1 Quality policy</p> <p>Data quality is the priority in terms of timeliness, accuracy and comprehensiveness. The SAFE has set up regulations and rules to guide verification on data quality by the branches.</p> <p>0.4.2 Quality monitoring</p> <p>The SAFE monitors data quality closely. When collecting and processing the data, the SAFE verifies the quality both by computer programs and manually. The SAFE also communicates with data supplies, the main data users and media on issues related to data quality.</p>
1. Integrity	
1.1 Professionalism	<p>1.1.1 Impartiality of statistics</p> <p>According to the <i>Measures</i>, the SAFE determines the data source, methodology and compilation practice of China's BOP statistics independently.</p> <p>1.1.2 Selection of sources, methodology, and modes of dissemination</p> <p>Beginning from 2015, China compiles BOP in accordance with the Sixth Edition of Balance of Payments and International Investment Position Manual (BPM6). Upon the BPM6's release in 2009,</p>

	<p>the SAFE started to prepare to adopt the new international standards, including adjusting data sources and designing new statistical systems. The major progress includes: in November 2013, the State Council signed the Decree of the State Council of the People's Republic of China No. 642 revised the Measures. Also, the SAFE upgraded the supporting BOP statistical systems, and improved the statistical framework. To name a few, the SAFE revised and released the Classification and Codes for Foreign-related Receipt and Payment Transactions (ITRS codes, 2014 version), which was implemented on May 1, 2014. The related IT system was upgraded accordingly. The SAFE also upgraded Report on External Financial Assets, Liabilities, and Transactions (FAL), which was implemented on September 1, 2014 and included domestic financial institutions as the reporters. Meanwhile, the SAFE is revising Trade Credits Sample Survey, carrying out transportation survey on a trial basis, and improving the estimate on travel expenditure.etc.</p> <p>Currently, the SAFE uses ITRS, FAL and enterprise surveys as major data sources. The statistics of other government departments and data published by international organizations are also used as supplementary data source.</p> <p>China's BOP data are released through the official website of the SAFE (http://www.safe.gov.cn). Meanwhile, complete BOP statements are disseminated in the SAFE's Annual Report, which was first published in 1997 both in Chinese and in English, and in BOP Annual Report, which was first published in 1999 both in Chinese and in English. Since 2005, complete BOP statements are disseminated in China's Balance of Payments Report, which was first published both in Chinese and in English.</p> <p>1.1.3 Commenting on erroneous interpretation and misuse of statistics</p> <p>When releasing the BOP data, the SAFE also release short notes on the main items. The SAFE reserves the right to comment on erroneous interpretation and misuse of the data. The corresponding articles will be posted on the official website of the SAFE. The SAFE releases its analysis on the BOP data in the semi-year /annual <i>China's BOP Report</i>.</p>
<p>1.2 Transparency</p>	<p>1.2.1 Disclosure of terms and conditions for statistical collection, processing, and dissemination</p> <p>The relevant laws, regulations and normative documents of BOP statistics can be obtained from the official website of the SAFE (http://www.safe.gov.cn). The compilation methodology, concepts and coverage of items, and advance release calendar are also accessible in the official website.</p> <p>1.2.2 Internal governmental access to statistics prior to release</p> <p>In principle, the SAFE releases the BOP statistics to the public (including other government agencies, businesses and public users) though the official website of SAFE. Before the release, the data are labeled as "internal". Other government departments, institutions and individuals cannot access to the data in advance.</p> <p>But, the leaders of the State Council, the Governor and Vice Governors of People's Bank of China have the right to access to the BOP statistics 3-5 days in advance before the release. The main purpose is to assist them to quick respond to the media and guide the users to understand the BOP situation properly during the press conference.</p>

	<p>1.2.3 Attribution of statistical products</p> <p>The BOP statistics are released to the public only through the official website of the SAFE, and hard copies come later. Other medias can reprint those data from the website of the SAFE, but they are not the official platforms to release the data.</p> <p>1.2.4 Advance notice of major changes in methodology, source data, and statistical techniques</p> <p>The major changes in the compilation methodology of BOP statistics and the data source shall be released in advance through the bulletin in official website of the SAFE. The SAFE has released articles about the BPM6 implementation and statistical adjustments in China. It also releases BOP statistics and the notes together to the public.</p>
<p>1.3 Ethical standards</p>	<p>1.3.1 Guidelines for staff behavior</p> <p>The employees of the BOP Department of the SAFE head office are civil servants. They shall perform duties in accordance with The Civil Servant Law of the People's Republic of China.</p> <p>The employees of the SAFE shall abide by The SAFE Working Rules.</p> <p>According to Article 16 of the <i>Measures</i>: “Unless otherwise provided for by the law, the statisticians for the BOP shall not provide the specific declared data in any form to any institutions and individuals.”</p>
<p>2. Methodology</p>	
<p>2.1 Concepts and definitions</p>	<p>2.1.1 Concepts and definitions</p> <p>The conceptual framework and classification of China’s BOP statement are in accordance with the BPM6.</p> <p>However, due to the limitations on data sources and statistical methods, there are several deviations from the international standards, as part of “2.2.1.2” for “exception”.</p>
<p>2.2 Scope</p>	<p>2.2.1 Scope</p> <p>2.2.1.1 Scope of the data</p> <p>In principle, the BOP statistics of China covers all transactions between residents and nonresidents of China Mainland during the reference period. Residents of Hong Kong and Macao Special Administrative Regions and Taiwan Province of China are treated as non-residents in China’s BOP statistics.</p> <p>2.2.1.2 Exceptions to coverage</p> <p>Due to the difficulty in collecting the data, some international transactions, such as employee stock options, the overseas investment in real estate etc., cannot be fully covered. Besides, the SAFE does</p>

	<p>not calculate the FISIM, which is included as the primary income.</p> <p>2.2.1.3 Unrecorded activity</p> <p>For transactions which violate the laws or regulations, such as the transfer of funds through underground banks and trading, there is no corresponding calculation in China's BOP statistics.</p>
2.3 <u>classification/sectorization</u>	<p>2.3.1 Classification / sectorization</p> <p>In principle, China's BOP data are classified and published according to the BPM6.</p>
2.4 Basis for recording	<p>2.4.1 Valuation</p> <p>Transactions are valued at market prices where they are available, and mostly at face value for debt and deposit instruments. Exports of goods are valued on an f.o.b. basis. Imports data from Customs are on a c.i.f. basis, and an adjustment factor is applied to obtain an f.o.b. valuation by SAFE on a regular basis.</p> <p>2.4.2 Recording basis</p> <p>Overall, the BOP transactions are recorded on an accrual basis, following the BPM6 principles. For instance, general merchandise on goods are recorded at the time the goods across the customs border. The transactions of external assets and liabilities are recorded when changing of ownership occurs.</p> <p>Meanwhile, due to data source limitations, parts of the transactions are recorded on a cash basis. For instance, as to some items under trade in services and secondary income, ITRS is used as the major data source, which collects data on a cash basis.</p> <p>2.4.3 Grossing/netting procedures</p> <p>According to the <i>BPM6</i>, the current account and capital account are recorded on a grossing basis with both credit and debit entries, and the financial account is recorded on a netting basis to reflect net acquisition of financial assets/ net incurrence of liabilities.</p> <p>However, the financial account does not follow the <i>BPM6</i> sign convention. Instead, it follows the <i>BPM5</i> sign convention, that is, net increase of financial assets/ net decrease of liabilities are demonstrated with negative signs, while net decrease of financial assets/net increase of liabilities in positive signs.</p>
3. Accuracy and reliability	
3.1 Source data	<p>3.1.1 Source data collection programs</p> <p>Overall, the data sources of China meet the requirements to compile the China's BOP. The data sources include: the ITRS, the FAL, and the surveys conducted by the SAFE; the statistics and administrative records of other government departments; the statistics published by international organizations.</p> <p>Data from relevant government departments are: the trade statistics compiled by the Customs General Administration (Customs), the outward foreign direct investment statistics of the non-financial sector</p>

by the MOFCOM, the inbound travel expenditure data through sample survey conducted by NTA, and the statistics of the PBC.

3.1.2 Source data definitions, scope, classifications, valuation, and time of recording

Exports and imports of goods:

Data on goods are mainly based on trade statistics of the Customs. Exports of goods are valued on an f.o.b. basis. Imports data from Customs are on a c.i.f. basis, so freight and insurance fee adjustment ratios are used to get f.o.b. valuation of imports. Prior to 2015, a 4 percent of freight fee ratio and 1 percent of freight insurance premium ratio were used. Starting from 2015, the SAFE updates the adjustment ratio on an annual basis. Meanwhile, the ITRS provides part of trade in goods data (such as merchanting) which are not covered by Customs statistics.

Since 2015, in accordance with the *BPM6* guidelines, merchanting has been recorded under "goods", not under "services", and "goods for processing" has been recorded under "services" instead of under "goods".

Transportation:

The SAFE use the ITRS as well as estimate on freight fee to get the statistics.

Travel:

As SAFE established cross-border bank card statistics in 2014 and began to survey the ratio of cash expenses to total expenses in international travel in 2016, for travel statistics in the compilation of China's Balance of Payments (BOP) for 2016, SAFE began to use credit and debit cards transactions, international remittances and cash expenses data, among which cards transactions and international remittances data are collected by SAFE, and cash expenses are estimated based on an annual survey of the ratio of cash expenses to total expenses by individual travelers. The same statistical method has been applied for retroactive adjustments of BOP for 2014 and 2015. Moreover, for transactions which reported as travel but indeed are investments, such as property investments and insurance for financial investment purpose, have been rearranged to the appropriate accounts based on the available information.

Other services:

Since 1996, the data are derived from the ITRS.

Primary Income:

The data source of foreign direct investment (FDI) profit is the FDI statistics conducted by SAFE and MOFCOM. Beginning in 2010, SAFE estimated the reinvested earnings and recorded it in BOP. Meanwhile SAFE revised the BOP historical data of 2005-2009. For the quarterly BOP data, the retained earnings was estimated based on the industrial profits of enterprises above designated size, and the revised retained earnings calculated based on the annual survey.

The primary income data of portfolio investment and other investment income come from the FAL, the external debt statistics of the SAFE, and the ITRS.

	<p>Other primary income comes from the ITRS.</p> <p>Secondary Income:</p> <p>Since 1996, data are mainly derived from the customs and ITRS.</p> <p>Beginning in 2011, the SAFE use the Ministry of Finance (MOF)'s foreign aid expenditure data in BOP as the supplement. Meanwhile the SAFE revised the BOP historical data of 2005-2010.</p> <p>Capital Account:</p> <p>The data come from the ITRS system.</p> <p>Direct Investment:</p> <p>As to the assets, the source data include the FAL of the SAFE and the MOFCOM. As to the liabilities, the source data include the ITRS, estimates and annual Foreign Direct Investment Survey undertaken by the SAFE.</p> <p>Portfolio Investment:</p> <p>Data on overseas IPO are obtained from the China Securities Regulatory Commission (CSRC). Data on overseas bonds issuance and investment of the Qualified Foreign Institutional Investors (QFII) into China are from the FAL of the SAFE. Data on securities investments to foreign countries and area (including the Qualified Domestic Institutional Investors (QDII)) are from the SAFE.</p> <p>Financial Derivatives:</p> <p>Before 2015, financial derivatives were included under portfolio investment. Beginning from 2015, it is shown separately, and the data are from the FAL.</p> <p>Other investment:</p> <p>Data on other investment liabilities are from the SAFE and the PBC. Data on other investment assets are from the SAFE, the PBC and other public accessible data.</p> <p>Reserve assets:</p> <p>Data on changes in reserve assets are from the People's Bank of China.</p> <p>3.1.3 Source data timeliness</p> <p>Most of the source data can meet time requirements to compile quarterly BOP data. For data with long time lag, estimates are used. For instance, dividends and reinvested earnings of nonfinancial sector direct investment (both assets and liabilities) are annual data with time lag of three quarters. Therefore, the SAFE uses estimates before obtaining the final data and uses the final data to revise the BOP statement of reference period.</p>
<p>3.2 Assessment of source data</p>	<p>3.2.1 Source data assessment</p> <p>Two-step evaluation is used to check the data coverage and quality. First, the reported data should pass the logical check embedded in the submission system. Failure to go through the check leads to data modification and verification by the reporters. Second, for those passing the logical check, the SAFE will check the data quality by taking into account relevant factors. The check can be manually</p>

	<p>or with the help of the computer programs. The SAFE will return questionable data to the reporters and discuss with the relevant government agencies about the data concepts, coverage and quality.</p>
3.3 Statistical techniques	<p>3.3.1 Source data statistical techniques</p> <p>Statistical techniques in data compilation to deal with data sources can refer to “3.1.2”.</p> <p>3.3.2 Other statistical procedures</p> <p>The SAFE does not make seasonal adjustment to BOP statistics.</p> <p>When releasing the BOP data, the SAFE also release short notes on the main items. The SAFE’s interpretation on the BOP data will be published in the semi-year/ annual China’s BOP Report.</p>
3.4 Data validation	<p>3.4.1 Validation of intermediate results</p> <p>As for the data submitted by the reporters, the SAFE will check the data quality with the help of computer programs. For those which could not be checked automatically by the programs, SAFE will guide the branches to check the quality according to certain rules and by all means on a regular basis.</p> <p>3.4.2 Assessment of intermediate data</p> <p>In line with the <i>BPM6</i>, the SAFE processes the original data to obtain the aggregate. The SAFE will also evaluate the data quality by comparing relevant data sets. For instance, The SAFE will check whether the rates of return on financial instruments are within reasonable range. It will also check the patterns of similar data sets and compare non-transaction and transaction flows of financial instruments.</p> <p>3.4.3 Assessment of discrepancies and other problems in statistical outputs</p> <p>The SAFE assesses “net errors and omissions” when compiling BOP. It also assesses the discrepancies among different data sets.</p>
3.5 Revision studies	<p>3.5.1 Revision studies and analyses</p> <p>When publish the annual BOP data, the SAFE will revise the previous year’s quarterly and annual BOP data. The statistics in <i>China’s BOP Report</i> also will be revised accordingly.</p>
4. Serviceability	
4.1 Periodicity and timeliness	<p>4.1.1 Periodicity</p> <p>Since 2010, the SAFE has complied and disseminated quarterly BOP (1-3, 4-6, 7-9, 10-12). There are three types of BOP data for each quarter: the brief (within one month after the end of the reference period), the preliminary (within three months after the end of the reference period) and the revised data (publish in the next year with next year’s Q4 BOP).</p> <p>4.1.2 Timeliness</p>

	<p>The time lag for the quarterly preliminary BOP is three month after the end of the reference quarter. The revised quarterly data will be published with next year's Q4 BOP.</p>
4.2 Consistency	<p>4.2.1 Internal consistency</p> <p>To a large degree, the SAFE compiles quarterly and annual BOP data in a consistent way.</p> <p>4.2.2 Temporal consistency</p> <p>Since 2015, China compiles BOP statistics in accordance with the BPM6.</p> <p>When adopting the new statistical standards, the SAFE also upgrades the data sources of BOP. For instance, it uses the FAL and adopts new estimate on travel expenditure. Besides, the SAFE improved its calculation on transactions on the direct investment assets. Due to the difficulty in collecting the related historical data, breaks occur in the time series BOP data.</p> <p>Another examples is, prior to 2015, the SAFE did not demonstrate financial derivatives separately. Beginning from 2015, financial derivatives have been shown separately in the BOP, which will cause the interruption of time series data as well.</p> <p>4.2.3 Intersectoral and cross-domain consistency</p> <p>In general, BOP & IIP statistics are fully integrated with the National Accounts, the monetary and financial statistics in concept and data framework.</p>
4.3 Revision	<p>4.3.1 Revision schedule</p> <p>Since 2010, the revision mechanism is introduced to BOP statistics. Quarterly BOP data is released by three steps. Detailed information can refer to "4.1.1".</p> <p>4.3.2 Identification of preliminary and/or revised data</p> <p>The SAFE release brief, preliminary and revised data for each quarter's BOP. The brief data with only major items are released within one month after the end of the reference period), the preliminary data are released within three months after the end of the reference period, and the revised data of the previous year is to be released with the fourth quarter BOP data.</p> <p>The advance release calendar for the next year is announced on the SAFE's website at the end of each year. The calendar includes the release time for the above three types of BOP data. Accordingly, when releasing the data, the title of the news will indicate which type of the BOP data is, for the users to identify and correctly use of these data.</p> <p>4.3.3 Dissemination of revision studies and analyses</p> <p>When releasing the BOP data, the SAFE also release short notes on the main items.</p> <p>The SAFE also provides explanations on the revisions on time series data.</p> <p>The SAFE releases its analysis on the BOP data in the semi-year China's BOP Report, which was first published in 2005 both in Chinese and in English.</p> <p>SAFE interprets the BOP data by the semi-year China's BOP Report .</p>

5. Accessibility	
5.1 Data	5.1.1 Statistical presentation
	<p>BOP data are disseminated both in millions of US dollars and in millions of RMB Yuan, showing the following items:</p> <ol style="list-style-type: none"> 1.Exports and imports of goods; credit and debit of services (further breakdown into 13 standard components); credit and debit of primary income (further breakdown into 3 standard components); credit and debit of secondary income; 2.Credit and debit of capital account; 3..Net acquisition of financial assets / net incurrence of liabilities in financial account, with breakdowns into direct investment (further breakdown into 2 standard components), portfolio investment (further breakdown into 10 standard components), financial derivatives (other than reserves) and employee stock option, and other investment (further breakdown into 22 standard components), and international reserves (further breakdown into 5 standard components). However, the financial account does not follow the BPM6 sign convention. Instead, it follows the BPM5 sign convention, that is, net increase of financial assets/ net decrease of liabilities are demonstrated with negative signs, while net decrease of financial assets/net increase of liabilities in positive signs.
	5.1.2 Dissemination media and format
	Hard copy - New release
	The data are released simultaneously to all users on the SAFE's official website.
	Hard copy - Weekly bulletin
	Currently, China does not compile weekly BOP data.
	Hard copy - Monthly Bulletin
	Since 2014, the SAFE released the monthly data of international trade in services in line with BOP. Beginning from 2015, the SAFE started to release the monthly data of international trade in goods and services. Those data are released on the SAFE's website. (http://www.safe.gov.cn).
	Hard copy - Quarterly bulletin
	SAFE disseminates quarterly BOP statements on the SAFE's website. (http://www.safe.gov.cn).
	Hard copy - Other
	Complete BOP statements are disseminated in the SAFE's Annual Report, which was first published in 1997 in both Chinese and English, and in BOP Annual Report, which was first published in 1999 both in Chinese and English. Complete BOP statements are also disseminated in China's BOP Report, which was first published in 2005 in both Chinese and English.
	Other media, such as the news media, newspapers or other websites would reprint BOP data from the website of the SAFE, but they are not the official platforms for releasing the BOP data.
	Electronic - On-line bulletin or data

	<p>The SAFE disseminates quarterly BOP. The electronic channel for releasing the BOP is the official website of the SAFE. (http://www.safe.gov.cn).</p> <p>Since 2014, the SAFE released the monthly data of international trade in services in line with BOP. Beginning from 2015, the SAFE started to release the monthly data of international trade in goods and services. Those data are released on the SAFE's website. (http://www.safe.gov.cn).</p> <p>Electronic - Other</p> <p>Media such as the news media, newspapers and other websites would reprint BOP data from the official website of the SAFE, but they are not the official platforms to disseminate the BOP data.</p> <p>5.1.3 Advance release calendar</p> <p>The advance release calendar for the next year is posted on the SAFE's website at the end of each year. The calendar includes the releasing time of the BOP, IIP, and the international trade in goods and services.</p> <p>5.1.4 Simultaneous release</p> <p>The data are released simultaneously to all users on SAFE's website.</p> <p>5.1.5 Dissemination on request</p> <p>As for the unpublished non-confidential data, in principle, the SAFE will not provide to the individual users on their demand. But, SAFE will share the relevant aggregate data among the data suppliers to respond to their needs.</p> <p>The SAFE is dedicated to increasing data transparency, according to the change of circumstances and conditions.</p>
<p>5.2 Metadata</p>	<p>5.2.1 Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques</p> <p>The documentation on China's BOP concepts, scope, classifications, basis of recording, data sources, and statistical techniques can be accessed in the China's metadata on the SAFE's website.</p> <p>5.2.2 Disseminated level of detail</p> <p>The SAFE applies the standard presentation illustrated in BPM6 for BOP/IIP.</p>