

| Statistics | Balance of Payments Statistics |
|---|---|
| The Data: Coverage, Periodicity and Timeliness | |
| Coverage characteristics | <p>Purpose of the study: To produce comparable, reliable and good quality Balance of Payments Statistics, in compliance with the international concepts and standards, for economic policy makers and other users.</p> <p>Data description: In general, the balance of payments is a statistical statement that systematically records all economic transactions between residents of an economy (General Government, Central Bank, banks, other sectors) and nonresidents for a specific time period.</p> <p>Statistical concepts and definitions:</p> <p>Economic transaction: Economic transactions consist of those involving goods, services and income, transactions of financial assets and liabilities and transfers between residents and nonresidents for the provision of real and financial resources without quid pro quo.</p> <p>Residence: Residence refers to an individual who regularly resides in an economic territory for more than one year or an institutional unit located in that territory, who engages in economic activities and transactions.</p> <p>Double-entry: The basic principle double-entry accounting system is adopted in the balance of payments statistics. Each transaction in the balance of payments is recorded by two equal and opposite entries, reflecting the inflow and outflow element of each exchange.</p> <p>Current Account: It covers the goods and services, primary and secondary income accounts in the balance of payments. In current account, when credits exceed the debits, in other words, when the difference is positive the result is called as current account surplus; when the debits exceed the credits, in other words, when the difference is negative the result is called as current account deficit.</p> <p>Primary Income: Primary income covers amounts payable and receivable in return for providing labor, financial or natural resources and it includes compensation of employees and receipts and payments on investment income, namely direct investment, portfolio investment and other investment.</p> <p>Secondary Income: Secondary income covers transfers which are defined as entries that correspond to the provision of real resources or financial assets, without a quid pro quo, by a resident institutional unit to a nonresident institutional unit (and vice versa).</p> <p>Capital Account: It covers gross acquisition or disposal of non-produced nonfinancial assets and capital transfers.</p> <p>Financial Account: Being an account in which the short term and long term international capital flows realized by Central Bank, General Government (Central Government, Local Administrations, Social Security Fund), banks and other sectors (other financial institutions and non-financial institutions, households and the nonprofit organizations) are recorded, it basically covers the changes in external financial assets and liabilities of a country and the corresponding records of these changes.</p> <p>Direct Investment: Direct investment is the category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy. Direct investment definition requires that direct investor should have an ownership of 10 percent or more of the ordinary shares or the voting power in the management of an enterprise.</p> |

| | <p>Portfolio Investment: The portfolio investment, which is briefly defined as investment on securities, generally includes equity securities and debt securities in the form of bills and bonds issued by public and private institutions as well as money market instruments.</p> <p>Other Investment: All the other financial transactions, not covered by direct investment, portfolio investment and reserve assets are included in this category.</p> <p>Reserve Assets: Reserve Assets include Monetary Gold, Special Drawing Rights (SDRs), Reserve Position in the IMF and Other Reserve Assets.</p> | | | | |
|--------------------|--|--------------------|-----------------|---------------|--------------------|
| | <p>Classification system: Based on the international standards set forth in the International Monetary Fund (IMF) Balance of Payments and International Investment Position Manual, 6th Edition, 2009.</p> | | | | |
| | <p>Statistical population: Public institutions and organizations such as Ministry of Treasury and Finance, Ministry of Trade, Turkish Statistical Institute (Turkstat), international organizations such as International Monetary Fund (IMF), The Organization for Economic Co-operation and Development (OECD), The Statistical Office of the European Union (Eurostat), academic data users and other users.</p> | | | | |
| | <p>Reference area: Türkiye.</p> | | | | |
| | <p>Geographical level: None.</p> | | | | |
| | <p>Sector coverage: General Government, Central Bank, banks, other sectors (other financial and nonfinancial corporations).</p> | | | | |
| | <p>Time coverage: Data are compiled by the Central Bank of Türkiye since 1975. Data are available for the years 1975-1992 on an annual basis and beginning with 1992 on a monthly basis.</p> | | | | |
| | <p>Coverage, n.e.s.: None.</p> | | | | |
| | <p>Exceptional circumstances on coverage: None.</p> | | | | |
| | <p>Statistical unit: Reporting division.</p> | | | | |
| | <p>Base period: None.</p> | | | | |
| | <p>Reference period: Two months previous.</p> | | | | |
| | <p>Unit of measure:</p> <table border="1"> <thead> <tr> <th>Variable/Indicator</th> <th>Unit of measure</th> </tr> </thead> <tbody> <tr> <td>All Variables</td> <td>Million US Dollars</td> </tr> </tbody> </table> | Variable/Indicator | Unit of measure | All Variables | Million US Dollars |
| Variable/Indicator | Unit of measure | | | | |
| All Variables | Million US Dollars | | | | |
| Periodicity | <p>Frequency of data collection: Monthly</p> | | | | |
| | <p>Frequency of dissemination: Monthly</p> | | | | |
| Timeliness | <p>Average production time for each release of data: 30 days</p> | | | | |
| | <p>Time lag - first results (days): 40-42 days</p> | | | | |

Time lag - final results (days): 2 years due to revision policy.

Access by the Public

Advance dissemination of release calendar

Data release calendar is announced to the public in advance. It is published on the website of the CBRT on the first business day of every year.

Link to advance release calendar: [Data Release Calendar](#)

Data release policy: Every month, the institutions and organizations which are the subscribers of Internet Publications Subscription System are informed about the release of the data after the dissemination.

Simultaneous release to all interested parties

Simultaneous release: Yes.

Pre-release data share with press or other specific users under special agreements: No.

Integrity

Dissemination of terms and conditions under which official statistics are produced, including those relating to the confidentiality of individually identifiable information

Responsibility for collecting, processing, and disseminating statistics: Responsibility belongs to the Balance of Payments Division of the Data Governance and Statistics Department at Central Bank of the Türkiye.

Data sharing and coordination among data producing agencies: Data are provided by Turkstat, Ministry of Treasury and Finance, Borsa İstanbul (BIST), Central Registry Agency, Ministry of Trade, Ministry of Foreign Affairs, Ministry of Labour and Social Services, Turkish Employment Agency (İŞKUR) and Social Security Institution (SGK) . Data are submitted to the IMF, the OECD and Eurostat after dissemination.

Confidentiality of individual reporters' data: In accordance with Article 43, Paragraph 5 of CBRT Law No. 1211, as amended on April 25, 2001 by the Law No. 4651, which states that “ The Bank may publish the statistical information that it deems necessary. However, the Bank shall not publish, disclose or submit the statistical information having a private and personal nature to an official authority or private body other than the Banking Regulation and Auditing Institution. This information shall not be used for purposes other than statistics and shall not be considered as evidence.”, the data shall be deemed as confidential and not to be disclosed to third parties.

Staff, facilities, computing resources, and financing: The number of people working for compilation of data is sixteen, for data processing and analyzing is fifteen, for dissemination and distribution is twelve and for coordination activities is three. They all graduated from university. Computing resources are sufficient. When any technical problem is encountered during the working process on the statistics, CBRT Informatics Technology Department provides technical support.

Monitoring user requirements: Once a year, “Statistics User Survey” is conducted on the website.

Quality policy: Disseminating the data in compliance with the international standards; and being one of the leading countries in terms of timeliness and consistency.

Quality monitoring: The Quality Logo awarded by the Turkstat in 2015 showcases that balance of payment statistics is produced in compliance with international standards. Besides, within the context of ROSC report (Report on Observance of Statistical Codes and Practices) disseminated after the last visit of IMF in 2009, during which the quality of balance of payments statistics were

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| | <p>also evaluated according to the IMF's standards, it was emphasized that the quality standards were largely met.</p> |
| | <p>Impartiality of statistics: Data obtained from related sources are reflected to the tables having checked and after necessary corrections are made. The statistics are unbiased.</p> |
| | <p>Data sources: The major sources of the balance of payments statistics are;</p> <ul style="list-style-type: none"> ▪ Monthly foreign exchange transaction reports of the CBRT and resident banks, ▪ Trial balances of resident banks, ▪ Foreign trade statistics compiled by the Turkstat, ▪ Credit and debit figures on freight and insurance regarding merchandise trade provided by the Turkstat, ▪ Credit and debit figures on International Trade in Services Statistics provided by the Turkstat, ▪ Short-term trade credits compiled by the Turkstat using direct reporting method, ▪ The surveys conducted by the Ministry of Culture and Tourism, the Turkstat, and the CBRT, ▪ Data provided through direct reporting of the related resident enterprises, ▪ Stocks data on nonresidents' portfolio investments provided from custodian banks, ▪ Stocks data provided by the Central Registry Agency on domestic bond issues of banks and other sectors and on equity transactions at the BIST, ▪ Administrative data obtained from the Social Security Institution (SGK), ▪ Annual inward direct investment survey, ▪ Administrative data. |
| | <p>Methodology: Although any sampling method is not used for the information obtained from data sources, estimates are used for the data obtained from quarterly surveys.</p> |
| | <p>Modes of dissemination: Along with the bulletin, the data are disseminated on the CBRT website in excel and pdf format. Also, at the CBRT website they are provided to the users as a time series through the Electronic Data Delivery System.</p> |
| | <p>Commenting on erroneous interpretation and misuse of statistics: After the dissemination of the data, regular follow-up is made to prevent the wrong use of the data by the press release bodies. There can be an announcement on the CBRT website for the wrong use and interpretation.</p> |
| | <p>Disclosure of terms and conditions for statistical collection, processing, and dissemination: Disseminating the data timely in accordance with the data release calendar announced previously.</p> |
| | <p>Seasonal adjustment: No seasonal adjustment is made.</p> |
| | <p>Legal acts and other agreements on collection, processing, and dissemination of statistics:</p> <ul style="list-style-type: none"> ▪ Article 43, Paragraph 5 of CBRT Law No. 1211, as amended on April 25, 2001 by the Law No. 4651 ▪ Decree No.32 on The Protection Of The Value Of Turkish Currency |
| <p>Identification of internal government access to data before release</p> | <p>None.</p> |

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| Identification of ministerial commentary on the occasion of statistical releases | Disseminated with a bulletin with no comments. |
| Provision of information about revision and advance notice of major changes in methodology | <p>Revision schedule: When disseminating the current month's data except for December;</p> <ul style="list-style-type: none"> ▪ Short-term external debt data and long-term private external debt data till the year 2002, ▪ For other items, current year's data as well as previous year's monthly data, <p>When disseminating the data of December, previous five years' data of all the items will be subject to revision retrospectively.</p> <p>Apart from these; whenever a large-scale revision is needed in any data that compose the Balance of Payments Statistics, previous years' data will be subject to revision by informing the public at large.</p> <p>Identification of preliminary and/or revised data: Current year's data as well as previous year's monthly data can be revised every month.</p> <p>Advance notice of major changes in methodology, source data, and statistical techniques: Revisions made in any table or methodology are announced on the CBRT website on the page for the related data under the Future Revisions title in advance.</p> |
| <h2 style="background-color: #d62728; color: white; padding: 5px;">Quality</h2> | |
| Dissemination of documentation on methodology and sources used in preparing statistics | Explanations on the methods and sources used in the preparation of statistics are included in this metadata document.. |
| Dissemination of component detail, reconciliations with related data, and statistical frameworks that support statistical cross-checks and provide assurance of reasonableness | <p>Internal consistency: Statistics in the same data set are consistent internally.</p> <p>Temporal consistency: Comparable time series start from 1992. Foreign trade statistics are disseminated according to special trade system before 2013, and according to the general trade system after 2013.</p> <p>Intersectoral and cross-domain consistency: Balance of Payment Statistics is consistent with other data sources or statistics.</p> |
| <h2 style="background-color: #d62728; color: white; padding: 5px;">Notes</h2> | |
| Last updated | 13/02/2025 |

“Balance of Payments Statistics”

Methodology

Data Governance and Statistics Department
Balance of Payments Division

Contents

| | |
|--|-----------|
| A. Balance Of Payments Statistics Definition And Principles | 3 |
| Background..... | 3 |
| i- Definition | 3 |
| ii- Principles | 3 |
| 1. Double-Entry..... | 3 |
| 2. Change Of Ownership | 5 |
| 3. Market Value | 5 |
| iii- Standard Components..... | 5 |
| 1. Current Account..... | 5 |
| a) Goods And Services | 6 |
| i) Goods..... | 6 |
| ii) Services | 7 |
| b) Primary Income | 8 |
| c) Secondary Income | 8 |
| 2. Capital Account | 8 |
| 3. Financial Account | 8 |
| a) Direct Investment | 9 |
| b) Portfolio Investment..... | 10 |
| c) Financial Derivatives..... | 10 |
| d) Other Investment..... | 10 |
| e) Reserve Assets | 10 |
| 4. Net Errors And Omissions | 11 |
| B. The Practice In Türkiye And Data Sources..... | 11 |
| 1. Current Account..... | 12 |
| a) Goods..... | 12 |
| b) Services | 13 |
| i) Manufacturing Services On Physical Inputs Owned By Others..... | 13 |
| ii) Maintenance And Repair Services. | 13 |
| iii) Transport..... | 13 |
| iv) Travel..... | 13 |
| v) Construction Services | 14 |
| vi) Insurance And Pension Services | 14 |
| vii) Financial Services | 14 |

| | |
|---|----|
| viii) Intellectual Property Rights Usage Fees | 14 |
| ix) Telecommunications, Computer and Information Services | 14 |
| x) Other Business Services | 15 |
| xi) Personal, Cultural and Recreational Services | 15 |
| xii) Government Goods and Services | 15 |
| c) Primary Income..... | 15 |
| i) Compensation Of Employees..... | 15 |
| ii) Investment Income | 15 |
| d) Secondary Income | 16 |
| i) General Government | 16 |
| ii) Other Sectors | 16 |
| 2. Capital Account..... | 16 |
| 3. Financial Account | 16 |
| a) Direct Investment | 16 |
| b) Portfolio Investment..... | 17 |
| c) Other Investment | 17 |
| d) Reserve Assets | 19 |
| 4. Net Errors And Omissions | 19 |
| C. Data Access | 20 |

A. Balance of Payments Statistics Definition and Principles

Background

Balance of payments and international investment position statistics are compiled in accordance with the international standards set forth in the “Balance of Payments and International Investment Position Manual, 6th Edition (BPM6)”, which is prepared by the International Monetary Fund (IMF) to provide guidance to member countries. These standards ensure that the mentioned statistics are compiled in a consistent, comparable and reliable way.

BPM6 does not serve as a guideline to data collection, dissemination processes and other compilation processes. For these purposes, IMF’s Balance of Payments Compilation Guide can be used. The aims of BPM6 are to provide and explain the necessary components of balance of payments and international investment position statistics, while providing an introduction to use of these data and set an international framework to enhance international comparability of the data. Also, it is targeted to demonstrate links between balance of payments and international investment position statistics to other macroeconomic statistics and promote consistency between different data sets (BPM6, para. 1.1-1.7, p. 1).

I- Definition

In general, the balance of payments is a statistical statement that systematically records all economic transactions between residents of an economy (General Government, Central Bank, banks, other sectors) and nonresidents for a specific time period.

Economic transactions consist of those involving;

- goods, services and income,
- transactions of financial assets and liabilities,
- transfers between residents and nonresidents for the provision of real and financial resources without quid pro quo.

There are two basic concepts in the balance of payments definition: “**economic territory**” and “**residence**”. The concept of “**economic territory**” corresponds to a geographic territory administered by a government while the concept of “**residence**” refers to an individual who regularly resides in an economic territory for more than one year or an institutional unit who engages in economic activities and transactions within an economic territory.

The balance of payments statistics measure all economic flows between residents and nonresidents for a specific time period, such as a month, a quarter or a year. The unit of account for compiling these statistics may be the domestic currency or other foreign currencies which are convertible in international markets. However, it is preferable that the unit of account be a stable currency.

II- Principles

1. Double-entry

The basic principle double-entry accounting system is applied in the balance of payments statistics. Each transaction in the balance of payments is recorded by two equal and opposite entries, reflecting the inflow and outflow element to each exchange. In other words, double-entry accounting system requires every transaction to be recorded with two entries as “**Credit**” and “**Debit**”.

In the balance of payments statistics;

A credit entry indicates;

- in the current account, exports of real resources (goods and services)

- in the financial account, an increase in liabilities or a decrease in assets

While a debit entry indicates;

- in the current account, imports of real resources (goods and services)
- in the financial account, a decrease in liabilities or an increase in assets

Specifically, in the balance of payments statistics;

Current Account Balance and Capital Account

- Both credit and debit items will be recorded with a positive (+) sign. Other than a few exceptions¹, only the account balances under which items are netted out may carry a negative (-) sign. Account balances will be calculated by subtracting “debit” from “credit” and may take a positive (+) or a negative (-) value.

Financial Account

- The sign convention of Balance of Payments Financial Account will be consistent with the International Investment Position, with a positive sign showing an increase in assets or liabilities and a negative sign showing a decrease in assets or liabilities.
- The account balances, under which asset and liability transactions are netted out, can be positive or negative.
- In BPM6 the balance on financial account is presented as net acquisitions of financial assets minus net incurrence of liabilities. Hence, a negative (positive) balance represents a net inflow (outflow).

Some examples of the double-entry transactions are given below:

- i. In return for exported goods, 100 units are deposited by a nonresident importer to the resident exporter’s account in a domestic bank. This transaction is recorded as follows:

| | Credit | Debit |
|--|---------------|--------------|
| Current Account: | | |
| Exports | 100 | |
| Financial Account: | | |
| Other Investment/Currency and Deposits/ Net Acquisition of Financial Assets/Banks | | 100 |

- ii. A syndicated loan in the amount of 100 units provided by nonresident banks to a resident bank is recorded as follows:

| | Credit | Debit |
|--|---------------|--------------|
| Financial Account: | | |
| Other Investment/Currency and Deposits/ Net Acquisition of Financial Assets/Banks | | 100 |
| Other Investment/Loans/ Net Incurrence of Liabilities/Banks | 100 | |

¹ Reinvested earnings under direct investment income, net exports of goods under merchanting etc. may take negative values.

Non-cash transactions are also recorded in the balance of payments. For example, a resident importer imports 100 units worth of goods, which will be repaid in a future date after the delivery is realized. The recording of this transaction is as follows:

During the delivery of the goods:

| | Credit | Debit |
|-------------------------|---------------|--------------|
| Current Account: | | |
| Imports | | 100 |

Financial Account:

| | | |
|----------------------------------|-----|--|
| Other Investment /Trade Credits/ | | |
| Net Incurrence of Liabilities | 100 | |

When the payment is realized:

| | Credit | Debit |
|---|---------------|--------------|
| Financial Account: | | |
| Other Investment/Currency and Deposits/ | | |
| Net Acquisition of Financial Assets | 100 | |
| Other Investment/Trade Credits/ | | |
| Net Incurrence of Liabilities | | 100 |

2. Change of Ownership

Within the framework of double-entry accounting principle, credit and debit entries of all economic transactions are recorded at the time of change of ownership. The exceptions to the change of ownership principle (for example, in relation to goods for processing and migrants’ transfers) have been eliminated from BPM6.

3. Market Value

Economic transactions are valued at market prices. Market price may be defined as the exchange price agreed upon by transactors and the current price at which an asset or service can be bought or sold.

III- Standard Components

The balance of payments statistics are classified under three major categories as set forth in the BPM6: **“Current Account”**, **“Capital Account”** and **“Financial Account”**. In summary, while the current account and the capital account cover real transactions reflecting flows of goods, services, and income, including transfers; the financial account accordingly shows how the sum of the current account and capital account balances is financed, namely net acquisition and disposal of financial assets and liabilities.

1. Current Account

The current account is subdivided into three main items:

- a) Goods and Services
- b) Primary Income
- c) Secondary Income (Unrequited Transfers)

a) Goods and Services

i) Goods

Goods item covers general merchandise, goods procured in ports by carriers, net exports of goods under merchanting, nonmonetary gold (commodity gold) and shuttle trade.

Trade statistics are compiled in accordance with the international standards set forth in the Manual of "International Merchandise Trade Statistics: Concepts and Definitions - IMTS 2010" prepared by the United Nations. According to the Manual, there are two approaches for measuring foreign trade flows: "special trade" system and "general trade" system.

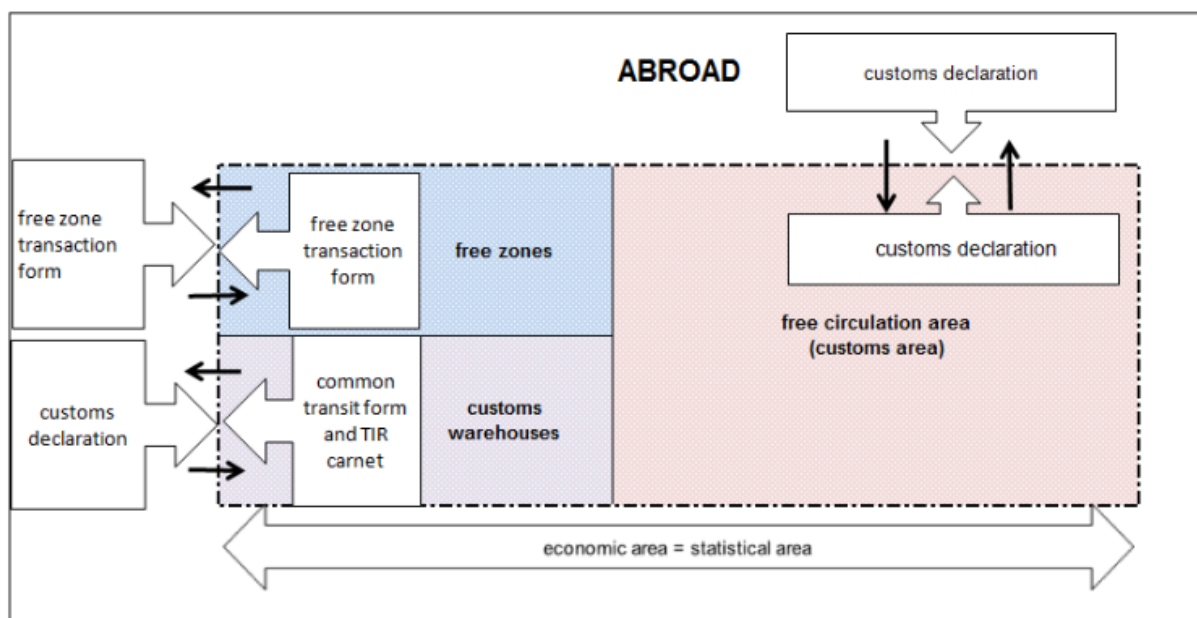
According to the general trade system, under which all goods entering into and leaving from free zones, customs warehouses and free circulation areas are included, goods are recorded when they leave the economic territory of a country. The economic territory of a country coincides with geographical and statistical territory.

Free trade zone activities are carried out according to special legislations in Türkiye. In transactions of free zones with the outside world (third countries), "free trade zone transaction form" is used while transactions between the customs territory of Türkiye and free trade zones are compiled with "customs declarations".

Similar to "customs declarations, "warehouse declaration" is used for recording goods entering to warehouses from abroad. The common transit system called "new computerized transit system" and "TIR Carnet" used for goods sent from warehouses abroad.

Since the Manual of International Merchandise Trade Statistics covers all the goods entering into or leaving from the economic territory of a country, it is recommended to use the general trading system, depending on the availability of the data if the data sources are appropriate. In addition, this system is compatible with the national accounts (SNA 2008) and balance of payments (BPM6).

Figure 1: General Trade System



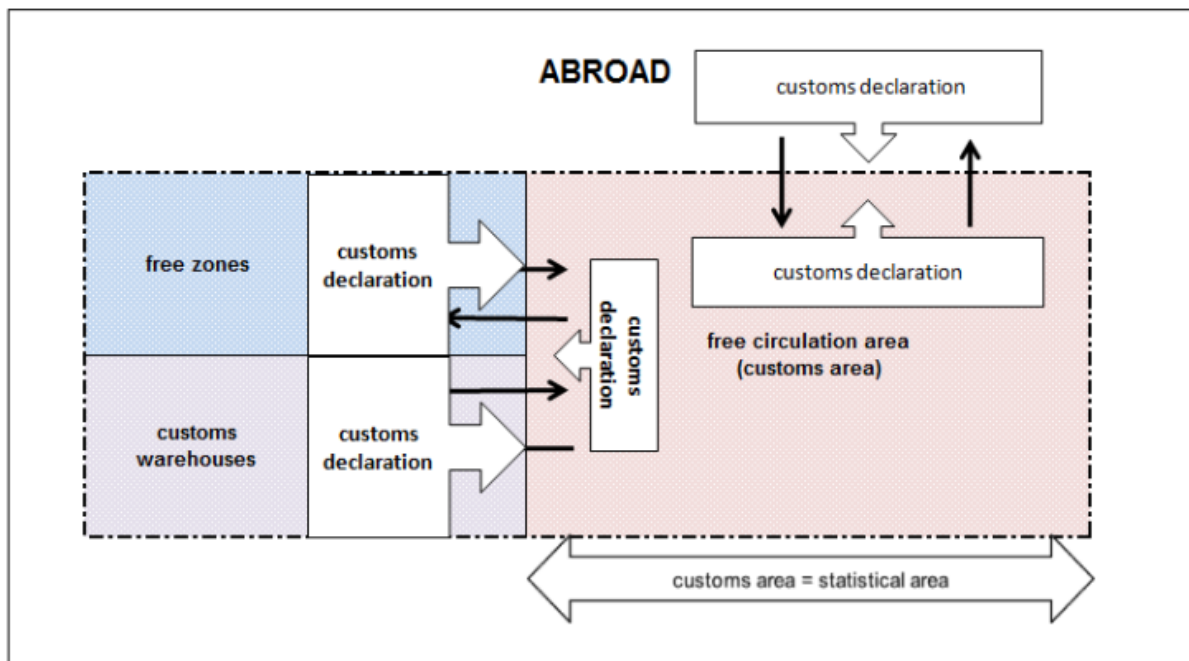
Source: Turkstat

On the other hand, under the special trade system, trade statistics cover only goods entering into/leaving from free circulation area (customs area), but not free trade zones and customs warehouses.

According to the special trade system, customs warehouses and free trade zones are not considered inside the country's statistical territory. Thus, goods entering into or leaving from customs warehouses and free trade zones of the country are taken into consideration, while trade between customs warehouses/free trade zones and outside world are excluded.

Only "customs declaration" is used in the production of statistics, through which all transactions of country's customs territory with foreign territories and warehouses/free zones are included.

Figure 2: Special Trade System



Source: Turkstat

Foreign trade statistics in compliance with general trade system are used for the compilation of national accounts and balance of payments statistics. Following the publication of foreign trade statistics based on the detailed general trade system by the Turkstat, the consistency with both national accounts and balance of payments has been accomplished (the Turkstat's related metadata on Foreign Trade Statistics According to General Trade System, p.1-3).

Merchanting defined as the purchase and subsequent resale of goods abroad without the goods entering or exiting country's borders is classified as a component of the item "Goods" under the new item of "Net Exports of Goods Under Merchanting" as in BPM6.

Whenever a customs register is used as a source of data on international trade in goods, there arises a need to make adjustments to include trade into the item "Goods" where there is a change of ownership not recorded in customs data, such as shuttle trade. As defined in BPM6, shuttle trade covers transactions involving the purchase of goods in an economy by travelers (nonresidents) who then transport these goods back to their economy of residence where they are to be sold; goods purchased by travelers in their home country for resale abroad; and goods purchased by travelers abroad in one economy and sold abroad in a second economy. It is sometimes also called informal crossborder trade (BPM6, para.10.19, p.153).

ii) Services

"Services" item covers "Manufacturing Services on Physical Inputs Owned by Others", "Maintenance and Repair Services", "Transport", "Travel", "Construction", "Insurance and Pension Services", "Financial Services", "Charges for the Use of Intellectual Property", "Telecommunications, Computer and Information Services", "Other Business Services", "Personal, Cultural, and Recreational Services" and "Government Goods and

Services". BPM6 reclassifies "Manufacturing Services on Physical Inputs Owned by Others" (goods for processing). This recommendation changes the treatment of goods that are sent abroad for further processing and subsequently returned without any change in ownership. These goods are excluded from gross merchandise trade and the difference between the two gross flows, namely the processing fee is recorded as "Manufacturing Services on Physical Inputs Owned by Others" under "Services".

b) Primary Income

Primary Income item covers amounts payable and receivable in return for providing labor, financial or natural resources. It includes compensation of employees and receipts and payments on investment income, namely direct investment, portfolio investment and other investment. Direct investment income includes income on equity and investment fund shares (dividends and reinvested earnings) and interest on intercompany transactions as regards other investment. Portfolio investment income refers to income on equity securities (dividends) and income on debt securities (interest). Finally, other investment income refers to interest receipts and payments on all other resident claims on and liabilities to nonresidents, respectively.

c) Secondary Income

Secondary item covers transfers, which are defined as entries that correspond to the provision of real resources or financial assets, without a quid pro quo, by a resident institutional unit to a nonresident institutional unit (and vice versa).

This item is divided into two sub-items, according to the related sector;

- General Government (such as grants)
- Other Sectors (personal transfers and other transfers)

The concept of "Personal Transfers" in BPM6 includes all current transfers in cash or in kind between resident and non-resident households, which also include "Workers' Remittances".

2. Capital Account

This item is divided into two main categories:

- Gross acquisition or disposal of non-produced nonfinancial assets (intangible assets like land and tangible assets like franchises, trademarks and leases and other transferable contracts)
- Capital transfers (such as debt forgiveness and other capital transfers)

Under BPM6, there is no longer a requirement to record migrants' transfer. The manual clarifies that the change in the residence does not involve a transaction between two entities but a change in status.

3. Financial Account

Transactions in the external financial assets and liabilities of an economy constitutes another significant category of the balance of payments statistics. The financial flows, which are an integral part of the international economic transactions, basically cover all transactions associated with the change of ownership in external financial assets and liabilities of an economy.

The "Financial Account" is classified as follows according to the type of the financial flows;

- Direct Investment
- Portfolio Investment
- Financial Derivatives
- Other Investment
- Reserve Assets

The above items under the financial account are classified as follows **according to the asset/liability principle**, which uses the nomenclature “Net Acquisition of Financial Assets” and “Net Incurrence of Liabilities” instead of “debits” and “credits”, respectively;

- **Direct Investment**, according to instrument,
- **Portfolio Investment**, according to instrument, sector and maturity,
- **Financial Derivatives**, according to sector,
- **Other Investment**, according to instrument, sector and maturity.

Sectors are classified as;

- Central Bank,
- General Government (Central Government, Local Government, Social Security Funds),
- Deposit taking corporations except the Central Bank (banks),
- Other Sectors (Other financial corporations and Nonfinancial corporations, households and NPISHs)

and **Maturity** is described as;

- short-term referring to a maturity of less than or equal to 1 year
- long-term referring to a maturity of more than 1 year

a) Direct Investment

Direct investment is the category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy (BPM6 para.6.8, p.100). Direct investment definition requires that direct investor should have an ownership of 10 percent or more of the ordinary shares or the voting power in the management of an enterprise.

Being recorded on an asset/liability basis, investment by the resident direct investor in the direct investment enterprise abroad will be recorded as an increase in assets in the direct investor's economy. On the other hand, reverse investment, namely, investment by the direct investment enterprise abroad in the resident direct investor where there is no voting power acquired in the direct investor or where less than 10 percent of the direct investor's voting power obtained, will be recorded as an increase in liabilities in the direct investor's economy. For example, the asset side of FDI account includes the transactions of:

- (a) direct investor's investment in direct investment enterprise abroad,
- (b) direct investment enterprise's investment in direct investor abroad (**reverse investment**),
- (c) claims on **fellow enterprises**² abroad.

All debt transactions between affiliated financial corporations (deposit-taking, investment funds and other financial intermediaries except insurance corporations and pension funds) are excluded from FDI transactions, and reclassified to portfolio or other investment.

The major components of the direct investment item are **Equity and Investment Fund Shares** and **Debt Instruments**. The former consists of:

² “Fellow enterprises” are related enterprises (those in a direct investment relationship with each other because they are under the control or influence of the same immediate or indirect investor), but neither holds 10 percent or more voting power in the other).

- **Equity Capital** refers to the investment of a direct investor for the establishment of a new enterprise outside the economy in which the investor is located or the acquisition of the share of ownership in an existing enterprise,
- **Reinvested Earnings** refers to direct investor's share of earnings not distributed as dividends and added to the equity capital;

while the latter refers to investment associated with the borrowing and lending of funds between direct investors and their subsidiaries, branches and associates.

b) Portfolio Investment

The portfolio investment, which is briefly defined as investment on securities, generally includes equity securities and debt securities in the form of bills and bonds issued by public and private institutions as well as money market instruments.

There are significant differences between direct investment and portfolio investment, the most important being the issue of management and control. In the case of direct investment, investors expect to have an effective voice in the management and control of the enterprise. However, portfolio investors provide funds for the resident enterprise from international capital markets without having an effective voice in management. Also in addition to the investment capital, direct investors may provide production technology and management skills to the direct investment enterprise. On the other hand, the portfolio investor provides only capital to the enterprise.

The portfolio investment sub-items, classified under "Net acquisition of financial assets" and "Net incurrence of liabilities", are equity securities and investment fund shares and debt securities.

c) Financial Derivatives

Financial derivatives are financial instruments that are linked to an underlying asset that may be purchased or sold in their own right. Derivatives are conducted by binding contracts in which the terms of future transactions are determined at present. There are two main types of financial derivative contracts: forward-type and options-type.

d) Other Investment

All the other financial transactions, not covered by direct investment, portfolio investment, financial derivatives and reserve assets are included in this category. Similar to the other financial account items, it is classified on an asset/liability basis according to the type and institutional sector as follows:

- Currency and deposits,
- Loans,
- Insurance, pension, and standardized guarantee schemes,
- Trade credits and advances (credits extended for exports or imports),
- Other accounts receivable/payable,
- Special Drawing Rights.

e) Reserve Assets

Reserve Assets include;

- Monetary Gold,
- Special Drawing Rights (SDRs),
- Reserve Position in the IMF,

- Other reserve assets,

Monetary Gold: Monetary gold refers to the gold owned by the monetary authority of the country.

Special Drawing Rights (SDRs): SDRs are international reserve assets created by the IMF to supplement other reserve assets that have been allocated to IMF members in proportion to their respective quotas.

Reserve Position in the IMF: The members' reserve positions in the IMF are the sum of members' reserve tranche purchases that are readily repayable to them. The purchases from the Fund are recorded as an increase in foreign exchange holdings and a decrease in the reserve position.

Other Reserve Assets: Other claims is a residual category including the items that are not classified above. For instance, reserve assets of banks that are subject to the control of the monetary authority are classified under this category.

4. Net Errors and Omissions

The balance of payments is constructed as an accounting system, in which each transaction is recorded twice with two opposite entries (credit and debit entries). That is, the "Current Account" plus the "Capital Account" should always be equal "Financial Account", since each transaction is recorded as credit and debit entries with equal values. In practice, however, this theoretical consequence occurs rarely due to imperfections in source data and compilation. The collection of data from different sources leads to differences in valuation, measurement and time of recording; as a result, this imbalance, a usual feature of balance of payments data, is reflected in "Net Errors and Omissions" item. This item is derived residually from the financial account minus the current and capital accounts.

B. The Practice in Türkiye and Data Sources

The balance of payments statistics of Türkiye are based on the international standards and principles recommended by the IMF to all member countries. Türkiye's balance of payments statistics had been compiled by the Ministry of Finance (recently the Ministry of Treasury and Finance) until 1975 and have been compiled by the Central Bank of Türkiye (CBRT) since then. The statistics, which are available only for the main items from 1975 to 1983, are published annually for the period between 1984 and 1991 and monthly since 1992 by the Balance of Payments Division of the Data Governance and Statistics Department of the CBRT.

The major sources of the balance of payments statistics are;

- Monthly foreign exchange transaction reports of the CBRT and resident banks,
- Trial balances of resident banks,
- Foreign trade statistics compiled by the Turkstat,
- Credit and debit figures on freight and insurance regarding merchandise trade provided by the Turkstat,
- Credit and debit figures regarding international trade in services provided by the Turkstat,
- Short-term trade credits compiled by the Turkstat using direct reporting method,
- The surveys conducted by the Ministry of Culture and Tourism, Turkstat, and the CBRT,
- Data provided through direct reporting of the related resident enterprises,
- Stocks data on nonresidents' portfolio investments provided from custodian banks,
- Stocks data provided by the Central Registry Agency on domestic bond issues of banks and other sectors and on equity transactions at the Borsa İstanbul (BIST),

- Administrative data obtained from the Social Security Institution (SGK),
- Annual inward direct investment survey,
- Administrative data.

The foreign exchange transactions of both the CBRT and the resident banks are reported monthly in electronic forms on the basis of approximately 600 transaction codes specified in terms of transaction types. These sources are mainly used in the compilation of the Financial Account as well as the Primary Income and the Secondary Income.

For the most part of the Goods and Services under the Current Account, the main data source is the Turkstat. The exports and imports data compiled by the Turkstat are the basis of the foreign trade figures. In addition to that, asset and liabilities side of short-term trade credits are estimated by using the data compiled by the Turkstat through direct reporting method from related companies and reflected on the balance of payments statistics starting from January 2006 publication. Freight and insurance statistics regarding merchandise trade are also provided by the Turkstat based on monthly studies. The shuttle trade and travel revenue and expenditure figures are based on the related surveys conducted by the Turkstat.

The detailed presentation items of Türkiye's balance of payments statistics and the related compilation methods are explained below. The importance of specific items leads to differentiation in the standard components of countries while disseminating the relevant data in their statistics, for example shuttle trade in the case of Türkiye and oil in the case of oil exporting countries.

1. Current Account

a) Goods

This item covers the movement of exported and imported goods between residents and nonresidents. Data on exports are published on f.o.b. (goods excluding insurance and freight) and import data are on c.i.f (insurance and goods including freight) basis, by also including nonmonetary gold trade by the Turkstat.³

Data on nonmonetary gold in export and import figures are deducted through "Adjustment: Coverage" item, and the freight and insurance data in import c.i.f. figure through the "Adjustment: Classification" item. Thus, data on gold in export and import values are transferred to the "Nonmonetary Gold" item to be shown separately, and the data on imports valued at c.i.f. basis are converted into f.o.b. basis value to be reflected only cost of the goods. In terms of timing, the recording of the goods during the clearance through customs is consistent with the change of ownership principle of the balance of payments statistics.

"Goods procured in ports by carriers" covering exports and imports of fuels and provisions procured at ports by carriers will not be presented as a separate item, exports of which are already included in the Turkstat's exports f.o.b. figures, whereas imports of which are included under general imports through the "Adjustment: Coverage" item.

Data on exports and imports published by the Turkstat include foreign trade data on manufacturing services on physical inputs owned by others. However, as these transactions do not involve change-in-ownership in accordance with BPM6, only the processing fee is recorded under "Manufacturing Services on Physical Inputs Owned by Others" of "Services" item. Hence, the related exports and imports figures are deducted from general exports and imports figures through the "Adjustment: Coverage" item.

"Net Exports of Goods" under "Merchanting" item is also recorded under "Goods" item.

Besides, data on imports in the form of financial leasing are recorded under "Other Investment / Loans / "Net Incurrence of Liabilities"/ Other Sectors / Long-Term / Drawings" of "Financial Account".

³ Turkstat has started to publish "Foreign Trade Statistics" in detailed presentation starting from 2013 data according to the General Trade System.

The goods purchased by the foreign visitors mainly from the Commonwealth of Independent States whose participating countries are former Soviet Republics, East European, Middle East and North African countries to be resold in foreign countries are not covered in the foreign trade statistics. This kind of exports, named "Shuttle Trade", has become an important source of external trade and the value of these exports is calculated by the Turkstat by means of a quarterly "Shuttle Trade Survey" conducted at the road, air, and sea custom gates.

This item includes the service revenues (goods traded) obtained in return for contract manufacturing, assembly, packaging, labeling, income and expense data related to the goods traded by the Turkstat. The data is obtained from the information of the enterprises engaged in manufacturing service trade according to the internal and external processing regimes in the customs declarations used for foreign trade statistics.

b) Services

According to the previous method, services statistics were compiled by the CBRT from the aggregated data through the domestic banks' international transactions. With the new study carried out by the Turkstat (called International Trade in Services Statistics (ITSS) Survey), data sources have been enriched by using direct reporting of companies/enterprises and administrative records of Revenue Administration. As a result, micro-level data have been produced including type of services and detailed country breakdown. Currently, annual data of ITSS as announced by the Turkstat, have become the main data source for the services item of the balance of payments statistics. For the monthly balance of payments statistics, the data compiled by the Turkstat will be used by the appropriate statistical method from the administrative records of the Revenue Administration until ITSS results are published by the Turkstat.

The classification system used for ITSS is the Extended Payments Balance Services Classification (EBOPS), according to which international services are displayed under twelve headings⁴.

i) Manufacturing Services on Physical Inputs Owned by Others

This item includes revenues from processing of goods related to contract manufacturing, assembly, packaging and labeling. The data are obtained from customs declarations for foreign trade statistics compiled from enterprises engaging in service trade in manufacturing according to inward and outward processing regimes.

ii) Maintenance and Repair Services

This item covers receipts and expenditures regarding maintenance and repair work on ships, aircraft and other transport equipment.

iii) Transport

Transport is composed of "Passenger" item showing international passenger transportation, "Freight" item containing transportation data related to international trade of goods, "Other" item referring other supporting and auxiliary transport services as well as postal and courier services.

Freight service can be provided to or acquired from abroad either by resident or nonresident carriers. However, in the balance of payments statistics, freight services provided to nonresidents by resident transport operators regarding exports are recorded as credit, whereas freight services acquired from nonresident operators by residents regarding imports are recorded as debit. Import data on freight and insurance are estimated by the Turkstat according to a model using data on country of origin in customs declarations, value of goods, type of goods transported and country of the transport vehicle (flag of vehicle). Total import value of freight and insurance are calculated by combining estimated and declared values of freight and insurance.

⁴ The titles ("Intellectual Property Rights Usage Fees", "Telecommunications, Computer and Information Services", "Personal, Cultural and Entertainment Services") were under "Other Services" item prior to January 2020 publication.

iv) Travel

Within the scope of the joint work of the Turkstat, Ministry of Culture and Tourism and the CBRT, the "Departing Visitors Survey" (ÇYZA) conducted by Turkstat constitutes the main data source of tourism revenues. In addition, the credit card data of the Interbank Card Center (BKM), the results of the health tourism research, and the fees paid by the international students, compiled from the Council of Higher Education (YÖK), are other data sources. Starting from 2020, shopping, food and beverage and resting expenses of international transfer passengers in duty-free areas in our country are also included in travel revenues.

Travel revenues are based on Departing Visitors Survey conducted by the Turkstat in cooperation with the Ministry of Culture and Tourism and the CBRT. In the Survey, it is targeted to determine the domestic expenditures of foreign visitors departing from Türkiye and travel related expenditures of citizen visitors residing abroad and considered as nonresidents in line with the balance of payments methodology.

ÇYZA is conducted at the border gates, on a residency basis, four times a year so as to cover quarterly periods. The survey results estimate the average expenditures of foreign visitors on a residency basis with the breakdown of overnight-stays and the excursions. On package tours, only the expenditures in Türkiye are taken into consideration. These figures on average expenditures are expanded with the number of foreign visitors provided by the Directorate General for Security for the related periods. Likewise, the average expenditures of citizen visitors residing abroad are expanded by the number of citizen visitors based on another survey.

The travel expenditures are compiled from "Arriving Citizens Survey" conducted by the Turkstat. In order to estimate per capita expenditure figures for Turkish travelers abroad, these sample surveys are also conducted on a quarterly basis for resident visitors arriving in Türkiye.

"Travel" has differentiated from coverage of the tourism statistics published by Turkstat due to change made by the World Tourism Organization in the tourism statistics methodology⁵.

v) Construction

It consists of receipts and payments related to construction services of resident construction companies operating abroad and of nonresident companies operating in domestic country.

vi) Insurance and Pension Services

The data related to insurance and pension services other than freight insurance with nonresidents are collected directly from the resident insurance and reinsurance companies. Receipts on freight insurance consists of service charges by resident insurance companies to no-residents. Import data on freight insurance are calculated by an estimating model by using freight and insurance values in customs declarations according to country of origin, value of goods transported, type of goods transported and country of vehicle (flag of vehicle).

vii) Financial Services

Financial services conducted between residents and nonresidents cover the financial intermediary and auxiliary services, excepting those of insurance enterprises and pension funds.

viii) Intellectual Property Rights Usage Fees

⁵ Please see the announcements under the heading "[Reflecting the Revision in Tourism Statistics in Balance of Payments Statistics](#)" dated 12 March 2013 and "[Reflecting the Revisions in Tourism Statistics and Compensation of Employees Under Primary Income to the Balance of Payments Statistics](#)" dated 11 November 2022 under Methodological Changes section regarding the revision in the tourism statistics and its effect on the balance of payments statistics.

It consists of costs and expenses incurred for trademarks, dealerships, computer software/audio and visual products reproduction, distribution licenses, patents and other intellectual property rights that are result of research and development studies, without transfer of ownership.

ix) Telecommunications, Computer and Information Services

It covers payments on telecommunications services, computer software services, news agency services and information (IT) services.

x) Other Business Services

This item covers commissions and other fees acquired from or paid to nonresidents due to technical, trade-related and other business services activities (services related to agriculture and mining, accounting, bookkeeping, advertising, business, human resources, legal advice, research and development, real estate management, architecture etc.). Operational leasing services without operator and crew are also included in this item.

xi) Personal, Cultural and Recreational Services

It includes audio-visual services, artistic related services, distance education services, medical services in the form of telemedicine or telediagnosis (outside the scope of tourism), culture, entertainment, recreation and sports services, social services and other personal services and membership fees.

xii) Government Goods and Services

Revenues are composed of goods and services that residents provide to foreign diplomatic, consular missions and international organizations residing in Türkiye and as well as visa revenues.

Expenditures consist of payments on goods and services for diplomatic and consular missions of Türkiye and visa expenditures.

c) Primary Income

i) Compensation of Employees

Wages earned by Turkish employees/workers working abroad and wages earned by the Turkish staff working in foreign diplomatic and consular missions in Türkiye are recorded under Credit item, while wages earned by non-residents working in Türkiye are recorded under Debit item.

For the credit item, the number of workers sent abroad from the records of the General Directorate of Turkish Employment Agency (İŞKUR) and the number of Turkish personnel working in foreign embassies, consulates and international organizations from the Ministry of Foreign Affairs are used. For the debit item, the number of non-resident employees registered in the Social Security Institution (SGK) system and wage data are used.

ii) Investment Income

Direct Investment: The profits accruing to a direct investor from the ownership of a direct investment abroad (distributed profits and reinvested earnings) as well as interest income on loans extended by the resident direct investment company (parent, affiliate or fellow company) to the company abroad are recorded as "Credit", whereas the profits acquired from the direct investment in the reporting economy (distributed profits and reinvested earnings) as well as interest expenditures on loans extended by the nonresident direct investment company (parent, affiliate or fellow company) are recorded as "Debit". The figures on distributed profits, reinvested earnings/debit and interest income and expenditures are compiled from banks' reports, while the figure on reinvested earnings/credit is calculated from the "Inward Direct Investment Survey", which is conducted annually.

Portfolio Investment: Portfolio investment income consists of income from equity securities and debt securities like bonds and notes, excluding the transactions realized in the form of direct investment.

Included in this item are the securities related interest receipts of the CBRT, banks and other sectors and interest payments of the Ministry of Treasury and Finance, banks and other sectors associated with their bond issues in the international capital markets. These figures are obtained from the records of the CBRT's and the banks' reports.

Other Investment: The other investment income comprises interest revenues or expenditures related to deposits, loans and trade credits. The data are based on the detailed records of the CBRT and the banks. Interest income/expenses obtained/paid as a result of repo (reverse repo), collateral or lending transactions made by domestic banks with non-residents through securities are recorded under the operating sector (banks) regardless of the issuer of the security. These data are obtained from bank reports.

d) Secondary Income

Secondary Income comprises "General Government" and "Other Sectors" items.

i) General Government

This item includes the grants between the countries, the revenues from the transactions of the foreign and Turkish embassies and consulates, contributions paid to international organizations, and the payments of Turkish citizens residing abroad in return for the military service. These data are based on the reports of the CBRT and the banks. General Government's aid and donations in kind are also included.

ii) Other Sectors

Personal Transfers include current transfers in cash and "Workers' Remittances" covering the foreign exchange remittances of Turkish citizens residing abroad. Workers' remittances are sent through the domestic banks and converted to domestic currency. However, the remittances into their foreign exchange accounts in the domestic banks are recorded in the "Other Investment/Currency and Deposits/Net Incurrence of Liabilities/Banks" item under the "Financial Account". The data are obtained from the banks' reports.

Other Transfers: Data regarding net value of the earned premiums and received claims vis-à-vis the paid premiums and incurred claims regarding nonlife insurance are recorded in this item. The nonprofit organizations' aid and donations in kind are also included.

2. Capital Account

For acquisition or disposal of non-produced and non-financial assets, the data source is the Turkish sports clubs which report revenues gained and expenses incurred from nonresident sports clubs for the transfer of a player.

3. Financial Account

a) Direct Investment

Direct investment is the category of international investment that reflects the objective of a resident entity in one economy obtaining a lasting interest in a direct investment enterprise located in another economy, by controlling the management of the enterprise. Direct investment occurs when the investor owns 10 percent or more of the ordinary shares in the enterprise.

Net Acquisition of Financial Assets

Equity capital: Residents' direct investment transactions abroad by means of establishing a new enterprise or sharing the ownership in existing ones, opening a new branch and the repatriation of the capital are recorded under this item in addition to the real estate purchases⁶ abroad. Data are obtained from the

⁶ Data on residents' real estate purchases abroad are published starting from January 2017 data under "Direct investment/Net acquisition of financial assets/Equity capital/Outflow" item of Financial Account.

banks' foreign exchange records on a transaction basis comprising the country, institutional sector and company information.

Other capital: The loans extended by:

- parent companies in Türkiye to their nonresident direct investment enterprises,
- branches, affiliates and subsidiaries in Türkiye to their nonresident parent companies,
- direct investment enterprises in Türkiye to fellow enterprises abroad,

and the related repayments are included in other capital. The data source is banks' reports.

Net Incurrence of Liabilities

Equity capital: This item comprises nonresidents' direct investment transactions in Türkiye by means of establishing a new enterprise, sharing the ownership in existing ones and opening a new branch, as well as reinvested earnings. These data are compiled from the banks' foreign exchange reports, annual "Inward Direct Investment Survey" and monthly complementary transactions provided by the Ministry of Trade. The "Daily Bulletins" of Borsa İstanbul are also used.

Other capital: The loans extended by:

- nonresident parent companies to their direct investment enterprises in Türkiye,
- nonresident branches, affiliates and subsidiaries to their parent companies in Türkiye,
- fellow enterprises abroad to direct investment enterprises in Türkiye

and the related repayments are included in debt instruments. The data source is banks' reports providing details on credit disbursements on a transaction credit basis.

Real estate (Net): This item covers the value of the real estate acquisitions and sales of nonresidents in Türkiye. Aggregated data provided from the General Directorate of Land Registry and Cadastre on real estates traded by foreigners and citizens residing abroad are used.

b) Portfolio Investment

Portfolio investment is composed of investment on equity and debt securities not covered by direct investment and reserve assets.

Net Acquisition of Financial Assets

This item covers residents' security transactions in international markets. The data source is the banks' reports comprising the sectoral breakdown.

Net Incurrence of Liabilities

Nonresidents' equity transactions in Borsa İstanbul (BİST) and security transactions related with residents' bond issues in domestic and international capital markets are recorded under this item.

Data on domestic bond issues of banks and other sectors and equity transactions in BİST are derived from stocks provided by the Central Registry Agency (MKK). Data on government domestic debt securities are obtained from custodian banks on a security-by-security basis. Data source for bond issues in international capital markets is FX transaction reports of the CBRT and the domestic banks until September 2020. However, after October 2020, data calculated within the scope of Securities Statistics is used. Net changes are calculated for both equities and debt securities by removing exchange rate and price effects from stock value changes based on security-by-security basis.

To comply with the Securities Statistics Handbook prepared by the Bank for International Settlements (BIS), the European Central Bank (ECB) and the International Monetary Fund (IMF), the aforementioned data are compiled on the basis of “economic ownership”.

c) Other Investment

Other investment comprises all financial transactions not covered in direct investment, portfolio investment and reserve assets.

Currency and Deposits:

Net Acquisition of Financial Assets reflects the change in the foreign exchange and Turkish Lira holdings of the commercial banks deposited within their foreign correspondent banks and foreign branches. The change in foreign exchange holdings reflects all resident to nonresident and resident to resident foreign currency transactions. Furthermore, the change in nonbank residents’ deposit holdings abroad are also recorded under this item. Data sources for foreign exchange and Turkish Lira holdings of banks are banks’ reports and trial balances of banks, respectively; while the data source for the change in the resident nonbank sector’s deposit holdings abroad is the BIS statistics, reflected under the “Other Investment/Currency and Deposits/ Net Acquisition of Financial Assets/Other Sectors” item.

Net Incurrence of Liabilities comprises deposit accounts of nonresidents held within the CBRT and the banks. Deposit accounts held within the CBRT records the change in the FX Deposit Accounts with Credit Letters and Super FX Accounts of the Turkish citizens residing abroad, transactions arising from swap agreements with the other central banks and deposit accounts of nonresident banks held within the CBRT. Deposits held within banks records the changes in the FX and Turkish Lira deposit accounts of nonresident persons and banks. Data are compiled from CBRT’s reports and banks’ trial balances.

Loans:

Net Acquisition of Financial Assets comprise loans extended by the CBRT, General Government and banks to nonresidents, the placements of resident banks within foreign non-correspondent banks, as well as funds extended abroad by banks through security-related reverse repo transactions. Data sources are the reports of the CBRT and the banks.

Net Incurrence of Liabilities comprise loans extended by nonresidents to residents (including the disbursements from the International Monetary Fund) on a sector and maturity basis. Data are compiled from the CBRT’s and banks’ reports. External transactions between foreign creditors and domestic banks through security-related repos, collaterals or lending transactions are also recorded under this item.

Details on long and short-term external loans (where intercompany loans and long-term trade credits can separately be identified) and bonds of the private and public financial and nonfinancial corporations, which comprise information on borrower and creditor, currency denomination, drawings, principal/interest payments and repayment schedule are compiled via the intermediary resident banks’ transaction basis reporting forms submitted to the CBRT.⁷

Furthermore, drawings and repayments data on long-term external loans of the General Government obtained monthly from the Treasury on a transaction basis have been used in the balance of payments statistics since January 2008 along with the CBRT’s report.

⁷Gross external debt statistics (EDS) of Türkiye are compiled by separate public institutions; the Ministry of Treasury and Finance and the CBRT (Data Governance and Statistics Department / Balance of Payments Division). The former is responsible for the long-term public sector loans and guaranteed loans, while the latter is responsible for the long-term private sector external debt statistics (EDS), along with the short-term EDS of all sectors.

Trade Credits:

Net Acquisition of Financial Assets consists of credits extended by resident exporters to nonresident importers and the related repayments for these exports at the maturity. For the pre-2006 period, data on credits extended are based on the Turkstat's type of payments figures for exports, while the associated repayment figures are estimated by the moving average method, where the maturities are based on the results of a survey conducted with the exporting companies.

Net Incurrence of Liabilities consists of credits extended by nonresident exporters to resident importers and the related payments for these imports at the maturity. For the pre-2006 period, data on disbursements are based on the Turkstat figures for imports in the type of cash against goods and banks' reports for the remaining types of payments, while the associated repayment figures are estimations by the moving average method, where the maturities are based on the results of a survey conducted with the importing companies and banks' reports, respectively.

With the direct reporting study, of which the framework was created by the CBRT and field application of the study carried out by Turkstat in 2021, information on the amount of receivables and payables, foreign currency composition, average repayments and information on advances began to be compiled from companies at micro level. Short-term trade credit receivables and payables stocks are obtained using the data provided by direct reporting method from trade-related companies. Flow data adjusted for exchange rate changes for the assets and short-term liabilities of trade credit and advances have been estimated using the aforementioned stock data and reflected on the balance of payments statistics starting from January 2006.

Other Assets and Liabilities:

Net Acquisition of Financial Assets record capital subscriptions and participation share payments by the general government and central bank made to the international organizations, while Net Incurrence of Liabilities consists of payments to and receipts from non-residents regarding life insurance services.

Special Drawing Right (SDR):

New allocations of SDRs to member countries in IMF are recorded as increases in gross reserve assets and, at the same time, in long-term debt liabilities of the general government as Net Incurrences of Liabilities. Therefore, in compliance with the Manual, the mentioned allocations are recorded under this item and "Reserve Assets/Official Reserves/Currency and Deposits".

d) Reserve Assets

Reserve Position in the Fund: This item reflects the change in the reserve position in the IMF. The latest quota change has been conducted in 2011. Data are compiled from the records of the CBRT.

Official Reserves: This item consists of the change in the foreign exchange holdings of the CBRT held in the correspondent banks and purchases and sales of tradable securities for the purpose of portfolio management. The change in reserves reflects all resident to nonresident and resident to resident foreign currency transactions. Data source is the CBRT's reports.

4. Net Errors and Omissions

The term net errors and omissions should not be interpreted as meaning errors on the part of compilers; it is far more common that this discrepancy is caused by other factors, such as incomplete data sources and poor quality reporting (BPM6, para. 2.25, p. 11).

Balance of payments statistics of Türkiye for the reference month are disseminated with a six week time lag, which may be considered rather short according to the international dissemination practices. However, in an effort to provide users with more up-to-date information, some provisional data are employed in place of the data which are unavailable on the date of publication. The balance of payments statistics and

accordingly the net errors and omissions item are revised upon the finalization of the provisional data as well as introduction of data compiled from a new source.

Here below are three examples regarding net errors and omissions:

a) The physical movement of goods is recorded on the basis of customs documents, while records regarding the payments are provided from banks' reports. The value of these records may differ causing unequal entries to the related items. Assuming that the exported goods are invoiced as 100 units in custom documents, and 70 units of this total amount are deposited to the exporter's account in a resident bank, while the remaining 30 units are kept in a deposit account abroad; the remaining 30 units is recorded under Net Errors and Omissions item since it will not be reflected in resident banks' records. However, the change in resident nonbank sector's deposit accounts abroad (including resident banks' branches abroad) is obtained from the BIS International Locational Banking Statistics and reflected under the "Other Investment/Currency and Deposits/Net Acquisition of Financial Assets/Other Sectors" item beginning with 2008 data.

b) Moreover, the BIS publishes International Locational Banking Statistics on a quarterly basis with a time lag of about four months. Data pertaining to resident banks' branches abroad started to be used since 2011 as an indicator in the balance of payments statistics until the BIS publication. Hence, both the "Other Investment/Currency and Deposits/Net Acquisition of Financial Assets/Other Sectors" and the "Net Errors and Omissions" items are revised upon the finalization of the provisional data.

c) If the 100 units of travel revenues or expenditures derived from survey results do not match with a corresponding 100 units increase or decrease in foreign currency holdings of the banks, the difference is reflected in net errors and omissions item.

C. Data Access

Balance of payments statistics can be reached from the CBRT's web site "<http://www.tcmb.gov.tr>" either by following the link "Statistics / Balance of Payments and Related Statistics / Balance of Payments Statistics" or through Electronic Data Dissemination System by following the link "Statistics / Statistical Data (EVDS)", which is the medium of dissemination of data in a time series format.

The related statistics are disseminated monthly in compliance with the advance release calendar specified in accordance with the Official Statistics Program prepared by the Turkstat based on the Turkish Statistical Law and the IMF's "Special Data Dissemination Standards". Advance Release Calendar, which can be reached by the following link "Statistics / Data Release Calendar", is also available at the Turkstat's web site.