

**Methodology Used
for Compiling Foreign
Exchange Market and
Foreign Exchange
Balance Statistics**
April 2021



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics

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Management Office

About inclusive language in the Spanish version of this report

The Central Bank of Argentina is committed to encouraging the use of a non-discriminatory language that promotes the acceptance of all gender identities. It should be noted that all those who have contributed to this report acknowledge that language influences ideas, feelings, ways of thinking, as well as principles and core values.

Therefore, efforts have been made to avoid sexist and binary language in this report.

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Introduction

This document sets out the main definitions and methodology used for the collection and processing of foreign exchange market and foreign exchange balance statistics published by the BCRA.

The foreign exchange balance includes institutions' foreign currency purchases from and sales to their clients in the forex market; transfers made by institutions with an impact on their stock of foreign currency deposited with the BCRA; and transactions carried out with BCRA's international reserves—as recorded in its statement of equity—either on account of the BCRA or on behalf of the National Treasury. It is compiled following the recommendations from the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6) of 2009, which in turn are followed by the National Institute of Statistics and Censuses (INDEC) to handle data related to international accounts: Balance of Payments (BOP), International Investment Position and External Debt Statistics. Therefore, the Foreign Exchange Balance is presented in an analytical format based on data on the Balance of Payments.

Transactions in the foreign exchange balance are being recorded at the actual time of collection or payment using the cash basis accounting method; as opposed to the BOP that applies the accrual basis accounting method.¹

¹ For further information on the methodology used by INDEC to estimate the Balance of Payments, the International Investment Position and the External Debt, please visit this [link](#).

B. Conceptual Framework and Main Definitions

B.1. Exchange Transaction Reporting System (RIOCI)

The BCRA collects information on both foreign exchange market transactions and transfers of foreign assets and liabilities together with other foreign currency assets and liabilities of licensed financial and foreign exchange institutions in the context of the Exchange Transaction Reporting System (Régimen Informativo de Operaciones de Cambio, RIOCI), which is completed by those institutions.² This reporting system is regulated and managed by the BCRA and has three *parts*:

- **Part A: Foreign Exchange Transactions.** Daily. It includes:
 - a. Purchases and sales of banknotes and foreign currency of the day carried out with clients as well as self-to-self transactions.³
 - b. Purchases and sales of banknotes and foreign currency of the day carried out with other local financial and foreign exchange institutions and the BCRA.
 - c. Self-to-self international transfers and arbitrage of banknotes and foreign currency sent to and from foreign correspondents.

- **Part B: General Exchange Position.** Daily. It includes:
 - a. The balance of the previous day and that by the end of the day for the General Exchange Position and the factors explaining the changes occurring during the day.⁴
 - b. Transactions and maturities of the day for forward transactions in foreign currency, at the US dollar equivalent, made and settled in Argentina and cleared in local currency.
 - c. Transactions and maturities of the day for forward transactions in foreign currency, at the US dollar equivalent, made and settled abroad.

- **Part C: Composition of the General Exchange Position.** Monthly. It includes:
 - a. Composition as of the last day of the month reported for the General Exchange Position's assets, and correspondent account debit balances arising from foreign exchange transactions.
 - b. Purchases and sales of gold, foreign currency, foreign currency banknotes, and government and private securities issued by non-residents, already made but pending settlement as of the last day of the month reported.

² For further information about the RIOCI, please visit the consolidated text available on BCRA's website [here \(in Spanish\)](#).

³ See Section [C.4.6. Self-to-Self International Transfers](#).

⁴ For further information on the General Exchange Position definition, see Section [C.4.7. Buildup of Foreign Assets by the Financial Sector](#).

Specifically, Part "A" includes the following fields for foreign exchange market and foreign exchange balance statistics for each of the transactions recorded:

- **Transaction date.** It means the date on which the foreign exchange ticket is made and a foreign exchange rate is agreed for the transaction. The transaction date is not necessarily the date on which the transaction is settled. Spot foreign exchange transactions should be settled by both parties within 2 working days of the transaction date.
- **Participant's identification number.** It may be the Client's Taxpayer Identification number (CUIT); Employee Identification number (CUIL); Identity Code (CDI); personal ID number, either DNI, LD or LE; code provided by the National Securities Commission (CNV) to mutual investment funds; passport or any other document that authorizes entry to the country.
- **Type of transaction.** It may be the purchase, sale, or cancellation of a purchase or sale with clients, other financial and foreign exchange institutions of Argentina and self-to-self international transfers and arbitrage with foreign correspondents.
- **Sold or purchased instrument code.** It stands for the transactions made by clients in an institution, such as purchase and sale of currency or traveler's checks, transfers, and account debits or credits in local or foreign currency.
- **Heading Code.** It identifies the reason originating the transaction in the forex market, allowing each particular transaction to be assigned to a specific account of the foreign exchange balance (see Section [B.5. Important Regulatory Provisions that Have an Impact on Foreign Exchange Statistics](#)). RIOC's heading codes are grouped into 6 accounts based on the BOP categories (to see the list of heading codes, please visit the following [link](#)):
 1. Goods (they start with the letter B).
 2. Services (they start with the letter S).
 3. Primary and secondary income (they start with the letter I).
 4. Capital (they start with the letter C).
 5. Financial: transactions involving foreign assets and other assets in foreign currency (they start with the letter A).
 6. Financial: transactions involving foreign liabilities and other liabilities in foreign currency (they start with the letter P).
- **Foreign currency denomination.**
- **Amount traded in foreign currency and its equivalent in Argentine pesos.**

The BCRA validates and processes the information from RIOC's Part A⁵, and adds the following information to each one of the transactions:

- **Equivalent in US dollars.** It is calculated based on the exchange rate valuations for each currency of the date in question published by the BCRA.
- In the case of cancellations of purchase or sale transactions in the RIOC, the traded amounts are recorded with a negative sign, thus being subtracted from the statistics.
- **Economic and Institutional Sector** (See Section [B.4. Institutional Sectors](#)).

B.1.1. Type of Transactions in the Foreign Exchange Market

B.1.1.1. Foreign Exchange Purchases and Sales with Settlement in Local Currency

These are transactions in which local currency is delivered or received in exchange for any of the instruments traded in the forex market.

B.1.1.2. Self-to-Self International Transfers

These are transactions in which two instruments traded in the forex market and denominated in the same foreign currency are exchanged with the same counterparty.

B.1.1.3. Arbitrage

These are transactions in which instruments traded in the forex market and denominated in different foreign currencies are exchanged with the same counterparty.

B.1.2. Instruments Traded in the Foreign Exchange Market

B.1.2.1. Foreign Currency Coins and Banknotes

All coins and banknotes issued by a foreign state.

B.1.2.2. Foreign Currency

These are payment instruments denominated in a currency issued by a foreign state and generally accepted in cross-border transactions: international bank transfer, payment order, money transfer, traveler's check, check drawn on foreign accounts, etc.

Foreign currency coins and banknotes, coined gold and good delivery gold bars are excluded from this definition.

B.1.2.3. Coined Gold

It encompasses all gold coins with monetary value, including those issued by the Argentine Republic.

B.1.2.4. Good Delivery Gold Bars

These include bars with different weights, labelled with a purity of not less than 995 thousandths of fine gold content, and which are accepted in traditional gold markets for having the stamp of internationally approved refineries, smelting and assayer firms.

⁵ For further information on RIOC's validation process, please visit the following [link \(in Spanish\)](#).

B.2. Transactions Carried Out Directly with BCRA's International Reserves

They involve transactions carried out and managed by the BCRA on its own account or on behalf of the National Treasury, along with transfers recorded in financial institutions' accounts in foreign currency that have a direct impact on the balance of its international reserves—either increasing or decreasing them.

Transactions covered in this section apply to:

- Foreign currency purchases or sales in the forex market.
- Inflows and outflows due to loans, interest, contributions, and repo transactions with international, bilateral and other organizations.
- Inflows or payments of debt securities.
- Outflows due to monetary issuance, fee payments, commissions, administrative expenses and other expenses.
- Interest earned from transactions with reserve assets.
- Transfers in the accounts in foreign currency of financial institutions.

B.3. Definition of Residence in Foreign Exchange Statistics

B.3.1. Natural persons

Natural persons shall be deemed to be residents of the country where they carry out their main economic or business activity. Therefore, natural persons are assumed to be residents of a country, if they remain or have the intention to remain there for at least one year.

B.3.2. Legal persons

Legal persons (including *de facto* corporations or other companies that fail to meet the requirements of the Companies Law) shall be deemed to be residents of their country of incorporation. Branches functioning in the economic territory of legal persons belonging to another economic territory shall be deemed to be residents of the first country if they are registered in that country for carrying out activities on a regular basis.

B.3.3. Undertakings and Other Vehicles

The place of residence of undertakings and other vehicles (e.g., trusts, mutual investment funds, undivided estates, joint ventures, business collaborative associations, cooperative consortia or other plurilateral associative agreements) shall be determined by the place of residence of the trustee or person exercising their legal representation.

B.4. Sector-Based Foreign Exchange Statistics

The BCRA processes and analyzes the transactions recorded in Part "A" of the RIOCI and classifies them by economic sector on the basis of the identification number entered and the main activity reported to the AFIP. The economic sectors in the foreign exchange market and foreign exchange balance statistics are as follows:

- Agriculture and Other Primary Activities
- Water
- Food, Beverages and Tobacco
- Commerce
- Communications
- Construction
- Electricity (Generation, Transport, Distribution)
- Financial and Foreign Exchange Institutions
- Entertainment
- Gas (Extraction, Transport, Distribution)
- Gastronomy
- Automobile Industry
- Paper, Publishing and Printing Industry
- Chemical, Rubber and Plastic Industries
- Textile and Leather Industries
- Information Technology
- Investor, Holding
- Machinery and Equipment
- Common Metals and their Manufacture
- Mining
- Oilseeds and Grains
- Other Manufacturing Industries
- Other Non-Financial Private Sectors
- Oil
- Non-Metallic Mineral Products (Cement, Ceramics and Others)
- Public Sector
- Insurance
- Transport
- Tourism and Accommodation Services

In addition, the BCRA uses a second categorization based on the institutional sectors of the economy:

- **Central Bank of Argentina (BCRA)**
- **General Government:** It is made up of institutional units that—in addition to fulfilling their political responsibilities and playing a role in economic regulation—produce non-market goods and services for individual or collective consumption, and redistribute income and wealth. The General Government includes the institutional units of the central administration as well as non-profit organizations that produce non-market goods and services, controlled and financed by the General Government and provincial and municipal governments, and non-profit organizations under their control.

- **Local Governments:** They include the central administration of the provinces, the Autonomous City of Buenos Aires and the municipalities.
- **Financial Institutions or Financial Sector:** It includes all financial and foreign exchange institutions licensed by the BCRA to trade in the forex market. They are authorized to make collection and payment transactions in foreign currency on their own behalf, while acting as clients of other financial and foreign exchange institutions in Argentina (including the BCRA) and of foreign correspondents, as well as those transactions made while acting as intermediaries of their clients. In particular, transactions in foreign currency related to payments and collections carried out by financial institutions while acting as clients are recorded with the identification number of the financial institution described in Part A of the RIOC (such as inflows and reimbursements from financial debt, among others).
- **Non-Financial Private Sector:**
 - **Real Sector:** It is made up of institutional units that are mainly related to the production of non-financial market goods and services. In foreign exchange statistics, this sector is, in turn, divided into 24 subsectors in order to distinguish companies (and human persons belonging to a specific subsector according to their main activity reported to the AFIP) and identify their main activity. These subsectors are:
 - Agriculture and Other Primary Activities
 - Water
 - Food, Beverages and Tobacco
 - Commerce
 - Communications
 - Construction
 - Electricity (Generation, Transport, Distribution)
 - Entertainment
 - Gas (Extraction, Transport, Distribution)
 - Gastronomy
 - Automobile Industry
 - Paper, Publishing and Printing Industry
 - Chemical, Rubber and Plastic Industries
 - Textile and Leather Industries
 - Information Technology
 - Machinery and Equipment
 - Common Metals and their Manufacture
 - Mining
 - Oilseeds and Grains
 - Other Manufacturing Industries
 - Oil

- Non-Metallic Mineral Products (Cement, Ceramics and Others)
- Transport
- Tourism and Accommodation Services
- **Natural Persons:** They are institutional units characterized by being part of the labor force and being end users. They include resident natural persons falling within the “Other Non-Financial Private Sectors” heading. Natural persons whose main activity reported to the AFIP falls within other economic sectors are not included in this category.
- **Institutional Investors and Others:** This category includes companies and natural persons whose main activity is to provide insurance or financial services without being financial institutions, non-resident natural and legal persons as well as other companies not included in the above definitions (such as investment funds, pension funds, hedge funds and insurance companies). It includes the “Insurance”, and “Investor, Holding” sectors as well as the rest of the legal persons grouped within the “Other Non-Financial Private Sectors” category.

Finally, foreign exchange statistics are prepared on the basis of data on the **Financial Institutions’ Clients** sector, which includes the transactions made through the forex market by the Non-Financial Private Sector, the General Government and the institution’s own transactions mentioned above.

B.5. Important Regulatory Provisions that Have an Impact on Foreign Exchange Statistics

B.5.1. Determining the RIOC’s Heading Code

The comparison of the historical series’ evolution of the foreign exchange balance is based on the different changes made to the reporting requirements of each transaction carried out through the forex market—recorded whether physically or digitally—and, in particular, on the heading reported and later submitted by the financial institutions to the BCRA through the RIOC.

In this regard, between February 11, 2002 and August 08, 2016, the foreign exchange ticket and, more specifically, the heading code included in it were deemed to be an affidavit, while intermediary financial institutions had to ensure that the transactions carried out in the forex market were genuine, being entitled to request all supporting documentation, if necessary.

From August 09, 2016 to June 30, 2017, according to the provisions of Communication “A” 6037 as supplemented, *“...the above-mentioned affidavit that includes the purpose of the foreign exchange transaction in each foreign exchange ticket is sufficient for residents and non-residents to have access to the foreign exchange market, except in the cases where specific regulatory requirements are set out in this regulation”*. Thereafter, financial institutions were no longer required to request supporting documentation to their clients trading in the forex market.

Moreover, Communication "A" 6039 reviewed the heading codes used to record client's foreign exchange purchase and sale transactions. As a result, the list of codes was reduced from 315 headings to around 70 new codes as from September 1, 2016.⁶

Since July 01, 2017, Communication "A" 6244 became the new regulatory guide for the forex market. It established that the information explaining the reasons (heading) of the foreign exchange transaction was no longer deemed to be an affidavit, and it was only requested for statistical purposes (see Section C.5. Heading Not Informed by the Client).

Subsequently, as from September 02, 2019, Communication "A" 6770 established that *"...financial and foreign exchange institutions are required to issue a foreign exchange ticket for every transaction, either purchase or sale, as the case may be. The ticket shall take the form of an affidavit and shall be signed by the ordering party, who swears that the data informed, including the type of transaction, is true and that the amount purchased or sold complies with the restrictions and requirements set forth in the regulation. The participating institutions shall verify whether transactions are reasonable and comply with the restrictions imposed."* With this regulation, the foreign exchange ticket and the heading code of each transaction became an affidavit of the client once again, financial institutions having to ensure that the transaction is genuine and request any supporting documentation, if necessary.

B.5.2. Other Important Regulatory Changes

Since the obligation to enter the proceeds from the export of goods into the country and to exchange them in the forex market was removed in November 2017⁷, and prior to September 2019's regulatory changes⁸, financial institution's clients carrying out transactions abroad opted for not entering all their collections on exports of goods into the local market and keeping a part of such amount in accounts held abroad to pay their foreign liabilities, including imports of goods (thereby reducing transaction costs). In addition, in some cases, resident companies making foreign trade transactions with companies of their own economic group abroad were able to offset the monetary balance of such transactions. Therefore, only the net balance could be traded in the forex market over a given time.

On the other hand, once it was possible to transfer, once again, funds to own accounts held abroad, and up to September 2019, importers started to make their payments under the headings included in "Goods" and to fund their accounts abroad for future payments of imports (this led to less administrative burden when compared to reporting if they were paying imports). These two factors affected the gross flows for "Goods" until the changes introduced in September 2019, which reinstated the obligation to exchange the proceeds from the export of goods and services, and to render foreign exchange tickets as affidavits, as well as the limits on the purchase of foreign assets made by residents.

Likewise, prior to September 2019, a part of the funds transferred by financial institutions' clients to accounts abroad was used to pay their foreign liabilities through such accounts, whether commercial or financial, such as payments for imports of goods and services, primary income, debt securities or loans. Based on these regulatory changes, purchases by legal

⁶ See [Illustrative Guide of Heading Codes \(in Spanish\)](#).

⁷ See Executive Order No. 893/2017

⁸ See Executive Order No. 609/2019 and Communication "A" 6770

persons to make transfers to their own accounts abroad now require the prior authorization of the BCRA.

Moreover, these regulatory changes have a direct impact on the figures shown in the "Services" account, mainly due to the exporters of services' obligation to enter the proceeds from their collections into the country, and to exchange them in the forex market; and institutions' obligation to record those sales and keep the client's affidavit with a description of the type of transaction made. Previously, a large part of this type of inflow was reported as repatriation of funds from clients' accounts held abroad (included in the Foreign Exchange Financial Account) and clients could even choose not to include a description of the type of transaction made (see Section [C.5. Heading Not Informed by the Client](#)).

B.5.3. Local Currency Systems (SML) with Brazil and Uruguay

The BCRA has implemented the "Local Currency System" (Sistema de Monedas Locales, SML)⁹ through agreements signed with the Central Banks of the Federative Republic of Brazil and the Eastern Republic of Uruguay. This system allows clients from each of these countries to send and receive transfers in their local currencies without having to resort to a third currency for conversion purposes.

Transactions currently channeled through the SML:

1. Advances and collections of Argentine exports of goods and associated services (recorded in Argentine pesos) to the above-mentioned countries.
2. Payments for Argentine imports of goods and associated services from the above-mentioned countries when the transaction is made in the legal tender of the counterparty country.
3. Pensions and other social security payments made by social security institutions from the above-mentioned countries which have signed a bilateral agreement with Argentina.

Since October 2019, financial institutions have been recording in the RIOC all transactions carried out through the SML, identifying them with currency codes ML1 (SML transactions with Brazil) and ML2 (SML transactions with Uruguay).^{10 11}

⁹ For more information, please see the following [link \(in Spanish\)](#).

¹⁰ See Communication "A" 6811.

¹¹ It is worth noting that, as a result of different BCRA provisions in force at different times, between September 2008 (see Communications "A" 4847 and 4849) and June 2017, the institutions only had to record in the RIOC payments made abroad through the SML. Later on, between July 2017 (see Communication "A" 6261) and October 2019, there was no need to record the transactions through this system.

C. Foreign Exchange Balance

The foreign exchange balance (FXB) includes foreign currency purchases and sales carried out by institutions with their clients in the forex market; transfers made by institutions with an impact on their stock of foreign currency deposited with the BCRA; and transactions carried out with BCRA's international reserves recorded in its statement of equity, on account of collection or payment transactions with other residents and counterparties in the rest of the world. The transactions are being recorded at the actual time of collection or payment. Hence, the cash basis accounting method applies to the foreign exchange balance.

Transactions are grouped into the following accounts:

- **Foreign Exchange Current Account:** It shows foreign currency inflows and outflows from foreign trade transactions of goods and services; primary income (including interest, profits and dividends, and other income) collected or paid; and secondary income (including personal transfers and other current transfers).
- **Foreign Exchange Capital Account:** It records foreign currency inflows and outflows from non-produced non-financial assets flows and capital transfers.
- **Foreign Exchange Financial Account:** It presents foreign exchange transactions and other transactions carried out with foreign assets of the financial system originating from foreign direct investment flows, portfolio investments, financial debt, freely available foreign assets, self-to-self international transfers, and the purchase and sale of securities.
- **Changes in BCRA's International Reserves:** They include the changes in BCRA's reserve assets, which consist of gold ingots and foreign assets readily available and controlled by the monetary authority.

In the foreign exchange balance, each transaction has two equal and opposite entries, a credit record and a debit record, which evidence the inflows and outflows for each transaction (double-entry bookkeeping). Given that the sum of all transactions equals zero, the balance of the foreign exchange financial account plus the changes in BCRA's international reserves show how the current account and foreign exchange capital account balances (and vice versa) are financed.

C.1. Differences and Similarities between the Balance of Payments and the Foreign Exchange Balance

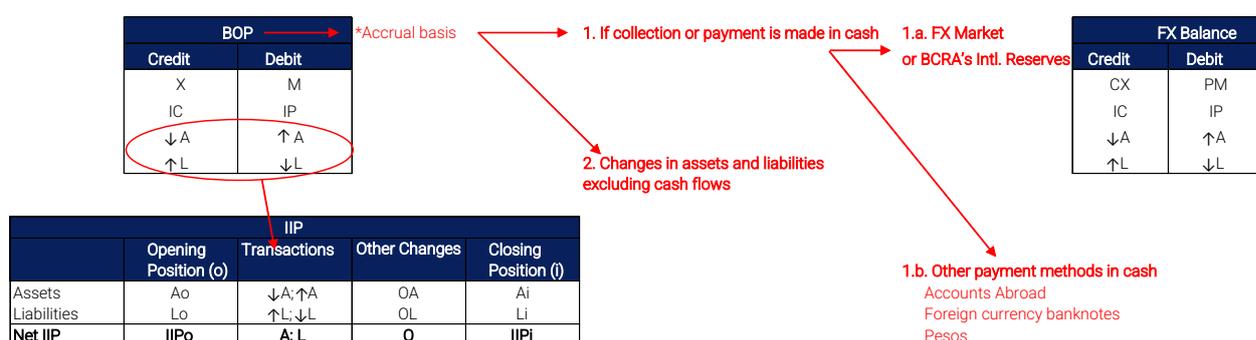
In Argentina, the National Institute of Statistics and Censuses (INDEC) is in charge of collecting, preparing and analyzing international accounts, which include: Balance of Payments, International Investment Position and External Debt Statistics. These statistics are compiled following the recommendations from the Sixth Edition of the IMF's "Balance of Payments and International Investment Position Manual" (BPM6) of 2009, and IMF's "External Debt Statistics: Guide for Compilers and Users" (EDS Guide) of 2013.

The Balance of Payments (BOP) is a statistical statement that summarizes transactions between residents and non-residents during a given period. As opposed to the foreign exchange balance, the balance of payments records each transaction under the accrual basis accounting method, irrespective of the time of collection or payment, and its transactions are grouped into three accounts:

- **Current Account:** It shows flows of goods, services, primary income, and secondary income between residents and non-residents.
- **Capital Account:** It shows flows of non-produced non-financial assets and capital transfers between residents and non-residents.
- **Financial Account:** It shows net acquisition and disposal of financial assets and liabilities with the rest of the world, including transactions between resident institutional sectors that imply the exchange of transferable financial foreign assets or liabilities. It includes the changes in reserve assets (BCRA's International Reserves).

As with the foreign exchange balance, the BOP uses the double-entry bookkeeping system. Thus, the net provision of resources to or from the rest of the world, as measured by the current and capital account balances, must—by definition—be matched by a change in local economy's net claims on the rest of the world.

The statistics compiling these results within the international accounts is the International Investment Position (IIP), a statement that shows the value of residents' financial assets and liabilities at a point in time in an economy vis-à-vis the rest of the world. The figures at the end of the period in the IIP are both financial transactions included in the BOP and other flows recorded in the current and previous periods.



CX: Collections on Exports; PM: Payments for Imports; IC: Inflows Collected; IP: Inflows Paid

The following are some common examples of transactions whose recording gives rise to differences between the balance of payments and the foreign exchange balance. The basis for the example is a single transaction for 100 US dollars in the period. In both cases, data is

disaggregated into credits and debits; with a special focus on BCRA's international reserves account—which closes the foreign exchange balance—to determine if the recording of such transactions has a bearing on the reserves account.

Thus, the balance of payments and the foreign exchange balance are divided into two lines [current account (CA) and financial account (FA), and BCRA's international reserves (IR) within the latter], with no transactions recorded in the capital account during the period.

For the international investment position, only changes arising from transactions are considered, starting from a net active position at the beginning of 1,000 (assets: 3,000; and liabilities: 2,000).

1. Advances from exports, entered and settled through the FX Market, and purchased by the BCRA

		BOP				IIP				FX Balance				
		Credit		Debit		Lo		Transaction	Li	Credit		Debit		
CA	X	0				3,000	100		3,100	CX	100			
FA	Com C&A	100		IR	100	2,000	100		2,100	Debt	0	IR	100	
						Net IIP		1,000	0	1,000				

2. Exports that account for the payment of debt arising from advances in case no. 1

		BOP				IIP				FX Balance				
		Credit		Debit		Lo		Transaction	Li	Credit		Debit		
CA	X	100				3,000	0		3,000	CX	0			
FA	Com C&A			IR	0	2,000	-100		1,900	Debt	0	IR	0	
						Net IIP		1,000	100	1,100				

3. Unpaid imports (debt increase)

		BOP				IIP				FX Balance				
		Credit		Debit		Lo		Transaction	Li	Credit		Debit		
CA	Com C&A	100		M	100	3,000	0		3,000	FAFS	0	PM	0	
FA				IR	0	2,000	100		2,100	IR	0	FANFPS	0	
						Net IIP		1,000	-100	900				

4. Payment to suppliers for imports with debts falling due in previous periods and involving purchases of foreign exchange from the BCRA

		BOP				IIP				FX Balance				
		Credit		Debit		Lo		Transaction	Li	Credit		Debit		
CA				M	0	3,000	-100		2,900			PM	100	
FA	IR	100		Com C&A	100	2,000	-100		1,900	IR	100	Debt	0	
						Net IIP		1,000	0	1,000				

5. Purchases of banknotes made by residents to institutions for traveling abroad

		BOP				IIP				FX Balance				
		Credit		Debit		Lo		Transaction	Li	Credit		Debit		
CA	FAFS	100		T	100	3,000	-100		2,900	FAFS	100	T	0	
FA				C&D	0	2,000			2,000			FANFPS	100	
						Net IIP		1,000	-100	900				

6. Interest earned and collected, but not entered

		BOP				IIP				FX Balance				
		Credit		Debit		Lo		Transaction	Li	Credit		Debit		
CA	Interest	100				3,000	100		3,100	Interest	0			
FA				FANFPS	100	2,000	0		2,000			FANFPS	0	
						Net IIP		1,000	100	1,100				

7. Reinvestment of profits of local FDI company

		BOP				IIP				FX Balance				
		Credit		Debit		Lo		Transaction	Li	Credit		Debit		
CA	FDI	100		Return on FDI	100	3,000			3,000	FDI	0	P&D	0	
FA				IR	0	2,000	100		2,100			IR	0	
						Net IIP		1,000	-100	900				

8. Payment of profits distributed in previous periods (debt decrease), with purchases made to the BCRA

		BOP				IIP				FX Balance				
		Credit		Debit		Lo		Transaction	Li	Credit		Debit		
CA				Return on FDI	0	3,000	-100		2,900			P&D	100	
FA	IR	100		FDI debt	100	2,000	-100		1,900	IR	100	FDI debt	0	
						Net IIP		1,000	0	1,000				

9. Purchases of banknotes made by residents to the BCRA for saving purposes

		BOP				IIP				FX Balance				
		Credit		Debit		Lo		Transaction	Li	Credit		Debit		
CA						3,000	0		3,000					
FA	IR	100		FANFPS	100	2,000			2,000	IR	100	FANFPS	100	
						Net IIP		1,000	0	1,000				

10. Online banking purchases of banknotes made by individuals to be kept in their bank accounts

		BOP				IIP				FX Balance				
		Credit		Debit		Lo		Transaction	Li	Credit		Debit		
CA	FAFS	0				3,000			3,000	Other (Deposits)	100			
FA				FANFPS	0	2,000			2,000			FANFPS	100	
						Net IIP		1,000	0	1,000				

X: Exports; CX: Collections on Exports; Com C&A: Commercial Credits and Advances; IR: BCRA's International Reserves; M: Imports; PM: Payments for Imports
T: Travel; C&D: Currency and Deposits; FANFPS: Foreign Assets from the Non-Financial Private Sector; FAFS: Foreign Assets from the Financial Sector (BCRA excluded); FDI: Foreign Direct Investment

Summing up, the differences in the Balance of Payments and in the Foreign Exchange Balance for a given period are explained by the accounting method used (cash basis vs accrual basis accounting), and by the fact that the same transaction may not have been recorded in the

matching account of the other statistical statement, but in another account. Moreover, there may be some transactions recorded in the Balance of Payments that have no impact on the local financial system and, therefore, are not recorded in the Foreign Exchange Balance. In other words, the foreign exchange balance might be said to be the part of the balance of payments that has an impact on the financial system assets of residents.

C.2. Foreign Exchange Current Account

Definition: The foreign exchange current account shows foreign currency inflows and outflows from foreign trade transactions of goods and services, primary income (including interest, profits and dividends, and other income) collected or paid, and secondary income (including personal transfers and other current transfers).

C.2.1. Goods

Definition: Goods are physical, produced items over which ownership rights can be established and whose economic ownership can be passed from one institutional unit to another by engaging in transactions. Transfers in this account are inflows or outflows of merchandise recorded at FOB (free on board) values at the port of loading or place of shipment. FOB value includes the cost of transaction plus freight, insurance and other expenses to move the merchandise to the agreed place of shipment.

C.2.1.1. Inflows from Goods

Definition: Foreign currency inflows from the collection on exports of goods settled by the exporter in the forex market.

Methodology: Sales of foreign exchange reported using the codes included in the Goods account.

C.2.1.1.a. Collections on Exports of Goods

Definition: Foreign currency inflows from the collection on exports of goods settled by the exporter in the forex market after Customs clearance of exports. They also include repayments arising from collections on exports of any kind (due to quality flaws, discounts, etc.).

C.2.1.1.b. Advances Collected from Exports of Goods

Definition: They include inflows collected on exports of goods entered before Customs clearance, when such financing has been granted by the foreign importer as total or partial payment of the purchase order or supply provided by the exporter. They also include outflows related to the reimbursement or repayment of these funds when they are not associated to a shipment.

C.2.1.1.c. Foreign Financing of Exports of Goods

Definition: Financing granted to the exporter by a non-resident other than the foreign importer to finance processes related to input purchases, production and export of goods, settled in the forex market before Customs clearance. Also included are outflows related to reimbursements

or repayments when they are not associated to a shipment, except for commercial debts that turn into financial ones.

C.2.1.1.d. Local Financing of Exports of Goods

Definition: Foreign currency financing granted to the exporter by a local financial institution to finance processes related to input purchases, production and export of goods. Also included are transactions related to the early payment or repayment of these funds when they are not made with funds held abroad.

C.2.1.1.e. Other Inflows from Goods

Definition: Other inflows from goods include foreign currency sales in the forex market for exports of goods not included in the above definitions, mainly associated with repayments related to amounts paid for imports of goods, and purchases and sales of goods that do not enter Argentina and that are sold to third countries. In other words, it is defined as the purchase of goods by a resident from a non-resident combined with the subsequent resale of the same goods to another non-resident, without the goods being present in the Argentine territory. The purchase and sale occurs for those transactions involving goods where physical possession of the goods by the owner is unnecessary for the process to occur.

C.2.1.2. Outflows for Goods

Definition: Foreign currency outflows associated with imports of goods. Payments for imports of goods include all items of the agreed purchase transaction detailed in the invoice issued by the foreign supplier. Also included are repayments related to collections on exports of goods.

Methodology: Purchases of foreign exchange reported using the codes included in the Goods account.

C.2.1.2.a. Advance Payments for Imports of Goods

Definition: Advance payments for imports of goods include the payments made in advance of the delivery date of goods under the purchase conditions agreed upon with the foreign supplier. Also included are the transactions associated with the repayments of such amounts paid.

C.2.1.2.b. Sight Payments for Imports of Goods

Definition: Payments for imports of goods made against delivery of shipment documentation. Also included are the transactions associated with the repayments of such amounts paid.

C.2.1.2.c. Deferred Payments for Imports of Goods and other Payments for Imports

Definition: Deferred payments for imports of goods and other payments for imports include payments abroad after the date of delivery of goods by the foreign supplier, payment of commercial debt from the financing of imports of goods, payment by financial institutions of commercial guarantees from imports of goods and other payments associated with the import of goods. Also included are the transactions associated with the repayments of such amounts paid.

C.2.2. Services

Definition: Transactions made through the forex market for services. Services are the result of a production activity that changes the conditions of the consuming units, or facilitates the exchange of products or financial assets. Services are not generally separate items over which ownership rights can be established and cannot generally be separated from their production. However, some knowledge-capturing products, such as computer software and other intellectual property products, may be traded separately from their production, like goods. The value of some service items includes the values of some goods, in the cases of travel, construction, and government goods and services n.i.e. Some services, particularly manufacturing services and repairs, included in the foreign exchange balance within the Business, Professional and Technical Services category, as well as freight transport, also relate to goods.

Methodology: Foreign exchange transactions reported using the codes included in the Services account. Moreover, direct transactions with international reserves used for the payment of services rendered by non-residents to the National Government and the BCRA are included.

C.2.2.1. Freight

Definition: Inflows and outflows through the forex market for freight services, which cover the transport of objects other than people. The treatment of freight services is a consequence of adopting FOB as the uniform valuation principle for goods.

C.2.2.2. Travel and Other Expenses Paid with Cards

Definition: Travel and other expenses paid with cards cover inflows and outflows for goods and services for own use or to give away acquired from a local economy by non-residents during their visits, or goods and services for own use or to give away acquired from other economies by residents during visits to these other economies. This definition includes expenses related to business or personal travel (e.g., to study, for medical treatment or holidays). Moreover, this record includes remote purchases of goods or services from non-resident suppliers paid with local debit or credit cards. In turn, inflows also include non-resident remote purchases from Argentine suppliers paid with cards by non-residents.

Methodology: Foreign exchange transactions recorded under the heading code S06. It is worth noting that transactions recorded in RIOCI under the identification number of local financial institutions or card issuing companies on account of transfers of foreign currency sent to/received from collecting accounts of card issuing companies abroad are recorded under the heading "Natural Persons", since they purchased the goods or services provided by a non-resident supplier.

C.2.2. 2.a. Travel and Other Expenses Paid with Cards: Financial Institutions and Other for Payments Using Cards

Definition: They include international payments made and received for the purchase of goods and services provided by non-residents through local credit or debit cards. In this sense,

outflows include purchases made either during travels abroad or those made on a remote basis from foreign suppliers; and in turn, inflows also include non-resident remote purchases made with cards from Argentine suppliers.

C.2.2.2.b. Travel and Other Expenses Paid with Cards: Tour Operators and other Transfers

Definition: They include international payments made and received by resident tour operators for the purchase of goods and services while performing their business activities.

C.2.2.2.c. Travel and Other Expenses Paid with Cards: Non-Residents – Banknotes

Definition: They include the purchases and sales of foreign currency banknotes made by non-residents.

C.2.2.3. Passenger Transport

Definition: Passenger transport includes inflows and outflows through the forex market for the transport of natural persons. The category covers all services provided in the international transport of non-residents by resident carriers, and that of residents by non-resident carriers.

C.2.2.4. Business, Professional and Technical

Definition: This category includes inflows and outflows through the forex market for legal and accounting services, management consulting services, management and public relations services; advertising services, market research, public opinion surveys and other expenses related to advertising campaigns, architectural, engineering and other technical services; services related to basic research, applied research and experimental development of new products and processes; maintenance and repair work performed by residents on goods that are owned by non-residents (and vice versa). Repairs and maintenance on ships, aircraft, and other transport equipment are included in this item (except for those performed in ports and airports that are classified as other transport services); distribution services related to water, steam, gas, and other petroleum products; placement of personnel, security, and investigative services; translation and interpretation; photographic services; publishing; building cleaning; and real estate services.

C.2.2.5. Charges for the Use of Intellectual Property

Definition: Charges for the use of intellectual property include inflows and outflows through the forex market for charges for the use of proprietary rights (such as patents, trademarks, copyrights, industrial processes and designs including trade secrets, franchises), as well as charges for licenses to reproduce or distribute intellectual property embodied in produced originals or prototypes (such as copyrights on books and manuscripts, computer software, cinematographic works, and sound recordings) and related rights (such as for live performances and television, cable, or satellite broadcast).

C.2.2.6. Insurance and Insured Events

Definition: Insurance and insured events include the transactions made through the forex market for premiums for providing life insurance and annuities, non-life insurance,

reinsurance, freight insurance, pensions, standardized guarantees, pension schemes, standardized guarantee schemes, and other services that are closely related to insurance and pension fund operations (agents' commissions, insurance brokering and agency services, insurance and pension consultancy services, evaluation and loss adjustment services, actuarial services, salvage administration services, and regulatory and monitoring services on indemnities and recovery services). Also included are inflows and outflows for claims paid attributable to insured events.

C.2.2.7. Communications

Definition: Communications includes inflows and outflows through the forex market for the pick-up, transport, and delivery of letters, newspapers, periodicals, brochures, other printed matter, parcels, and packages, including post office counter and mailbox rental services. Also encompassed are the broadcast or transmission of sound, images, data, or other information by telephone, telex, telegram, radio and television cable transmission, radio and television satellite, electronic mail, facsimile, and so forth, including business network services, teleconferencing, and support services. These services do not include the value of the information transported. Also included are mobile telecommunications services, Internet backbone services, and online access services, including provision of access to the Internet. Excluded are installation services for telephone network equipment (included in construction) and database services (included in information services).

C.2.2.8. Information and IT

Definition: Information and IT include the transactions made through the forex market for hardware- and software-related services and data-processing services, as well as news agency services, such as the provision of news, photographs, and feature articles to the media. Services included are database services—database conception, data storage, and the dissemination of data and databases through any means whatsoever. Also included are direct non-bulk subscriptions to newspapers and periodicals, whether by mail, electronic transmission, or other means; other online content provision services; and library and archive services.

C.2.2.9. Other Services

Definition: Other services include inflows and outflows through the forex market for financial services, other transport services, trade-related services, construction services, operating leasing, audiovisual and related services, other personal, cultural and recreational services, government services, and charges and duties on imports for DDP or DDU transactions.

C.2.3. Primary Income

Definition: Primary income represents inflows and outflows through the forex market and transactions made with BCRA's international reserves in terms of the return that accrues to institutional units for their contribution to the production process or for the provision of financial assets and renting natural resources to other institutional units.

Methodology: Foreign exchange transactions under heading codes I01, I02, I03, I04, I05 and I06. It also includes transactions made with international reserves in terms of interest and other earnings.

C.2.3.1. Interest

Definition: Interest represents inflows and outflows through the forex market and transactions made with BCRA's international reserves in terms of interest. Interest is a kind of investment income received by the owners of certain financial assets for putting them at the disposal of another institutional unit.

C.2.3.1.a. Interest Income

Definition: Interest income comprises forex market earnings from foreign and local interest, and economic earnings from reserve fund investments.

Foreign interest comprises income received by owners of certain financial assets (such as deposits, debt securities, loans, and other receivables) for putting them at the disposal of another institutional unit. In turn, local interest represents interest paid to local financial institutions for domestic credit in foreign currency.

Methodology: Foreign exchange sales under heading codes I01 and I02. In addition, inflows from international reserves deposits and collections of interest from sovereign bonds held by the BCRA or the National Government with no effect on the increase of international reserves.

C.2.3.1.b. Interest Outflows

C.2.3.1. b.1. Interest Payments to the International Monetary Fund

Definition: Interest payments to the International Monetary Fund involve net payments (principal and interest) made by the BCRA to the IMF for debts incurred by the National Government.

Methodology: Payments of interest made with BCRA's international reserves on behalf of the National Government to the IMF.

C.2.3.1.b.2. Interest Payments to Other International Organizations and Other Bilateral Organizations

Definition: Interest payments to other international organizations and other bilateral organizations represent the payments made to different bilateral, multilateral and international lending agencies, excluding the IMF.

Methodology: Payments of interest made with BCRA's international reserves on behalf of the National Government to international and other bilateral agencies.

C.2.3.1.b.3. Other Interest Payments

Definition: Other interest payments include foreign currency purchases through the forex market for local and foreign interest payments—excluding those made to the IMF, among other international and bilateral agencies—, and other payments on behalf of the National Government.

Methodology: Foreign exchange purchases under heading codes I01 and I02, and payments of other interest and debt securities made with BCRA's international reserves on behalf of the National Government—excluding those made to the IMF, among other international and bilateral agencies.

C.2.3.1.b.4. Other Payments Carried Out by the National Government

Definition: Other payments carried out by the National Government include interest payments in foreign currency of the National Government's debt securities made with BCRA's international reserves.

Methodology: Interest payments in foreign currency of debt securities issued by the National Government.

C.2.3.2. Profits and Dividends, and Other Income

C.2.3. 2.a. Profits and Dividends

Definition: Profits and dividends include inflows and outflows through the forex market for earnings derived from equity participation, both as a direct investment or portfolio investment.

Methodology: Foreign exchange transactions under heading code I03.

C.2.3.2.b. Other Income

Definition: Other income includes employees' wages, property rentals, and other income.

Methodology: Foreign exchange transactions under heading codes I04, I05 and I06.

C.2.4. Secondary Income

Definition: Secondary income represents current transfers between residents and non-residents through the forex market. Current transfers consist of all transfers that are not capital transfers. Current transfers influence the consumption of goods, services, financial assets, or assets not produced by any institutional units, without receiving something of economic value in exchange.

Methodology: Foreign exchange transactions under heading codes I07 and I08.

C.3. Foreign Exchange Capital Account

Definition: The foreign exchange capital account includes purchases and sales of foreign currency through the forex market for the acquisition and disposal of non-produced, non-financial assets between residents and non-residents, as well as equity transfers between them. Non-produced non-financial assets represent natural resources (land, mineral rights, forestry rights, water, fishing rights, air space, and electromagnetic spectrum); contracts, leases, and licenses (contracts, leases, and licenses that are recognized as economic assets); and marketing assets (brand names, mastheads, trademarks, logos, and domain names).

Methodology: Foreign exchange transactions under heading codes C01 and C02.

C.4. Foreign Exchange Financial Account

Definition: The foreign exchange financial account represents transactions in foreign financial assets and liabilities, and in other financial assets and liabilities in foreign currency.

C.4.1. Non-Residents' Direct Investments

Definition: Non-residents' direct investments in the economy include all transfers of capital contributions and investment repatriations between non-resident direct investors and their direct investment companies through the forex market. In addition, they include inflows and outflows for the purchase or sale of real estate in Argentina carried out by non-residents.

Methodology: Foreign exchange transactions under heading codes P02 and P03.

C.4.2. Non-Residents' Portfolio Investments

Definition: Non-residents' portfolio investments include non-residents' deposits in local financial institutions and non-residents' investments in the equity interest of local enterprises—except for direct investment, either directly or indirectly—or government securities and repatriations.

Methodology: Foreign exchange transactions under heading codes P10 and P11.

C.4.3. Financial Loans, Debt Securities and Credit Lines

Definition: Financial loans, debt securities and credit lines include the granting and settlement of financing from non-residents to residents by means of loans, corporate debt securities, credit lines and other debt instruments, as well as local banks' financing in foreign currency to residents, except for the pre-financing of exports of goods. In addition, they include international organizations' loans to residents.

Methodology: Foreign exchange transactions under heading codes P01, P04, P06, P07, P08, P09, P12 and P13. Also, they include financial debt flows arising from instruments other than BCRA debt securities on behalf of the National Government out of international reserves.

C.4.3.1. Loans from Other International Organizations and Other Bilateral Organizations

Definition: Loans from other international organizations and other bilateral organizations include financial loans granted to residents by international organizations—except for the IMF—or by official credit agencies.

C.4.3.2. Other Foreign Loans and Debt Securities

Definition: Other foreign loans and debt securities include financial loans granted to residents (except for the National Government); the issuance and settlement of corporate debt securities issued by residents; transfers for financing through debt securities granted to residents by non-residents with direct investment; and principal payments on foreign financial debt for imports of goods.

C.4.3.3. Credit Lines

Definition: Credit lines include the use and settlement of commercial or financial credit lines granted to local financial institutions by foreign financial institutions.

C.4.3.4. Local Financing

Definition: Local financing records the granting of financing to residents by local banks in foreign currency and its settlement, except for pre-financing of exports of goods.

C.4.4. Transactions with the International Monetary Fund

Definition: Transactions with the International Monetary Fund include flows for financing—granting and settlement—channeled to the National Government by the IMF, and the allocation or transfers of Special Drawing Rights (SDRs).

Methodology: Payments made with BCRA's international reserves on behalf of the National Government for transactions with the IMF.

C.4.5. Buildup of Foreign Assets by the Non-Financial Private Sector

Definition: Buildup of foreign assets by the non-financial private sector includes sales or purchases—carried out by non-financial private sector residents—of financial assets, including foreign direct investment and the loans to non-residents.

Methodology: Foreign exchange transactions under heading codes A01, A02, A03, A04, A06, A07, A08, A09, A16, A17, A18 and A20 by the non-financial private sector.

C.4.5.1. Buildup of Foreign Assets by the Non-Financial Private Sector: Banknotes

Definition: It includes residents' purchases and sales of foreign currency banknotes and travelers' checks, both cash withdrawal/collection transactions and immediate deposits/debits of funds in local accounts in foreign currency (for instance, purchases or sales through institutions' online banking).

Methodology: Foreign exchange transactions under heading codes A09, A16, A18 and A20 by the non-financial private sector.

C.4.5.2. Buildup of Foreign Assets by the Non-Financial Private Sector: Foreign Currency

Definition: It includes flows for subscription and settlement of corporate debt securities issued by non-residents; granting and settlement of loans to non-residents; inflows and outflows for the sale or purchase of real estate abroad carried out by residents; residents' direct investment transfers abroad; financing through debt instruments granted to residents by non-residents with direct investment; and deposit investments in accounts abroad and their repatriation.

Methodology: Foreign exchange transactions under heading codes A01, A02, A03, A04, A06, A07, A08 and A17 by the non-financial private sector.

C.4.6. Self-to-Self International Transfers

Definition: Self-to-self international transfers are transactions in which two instruments traded in the forex market and denominated in the same foreign currency are exchanged with the same counterparty entailing no movements in local currency.

As set forth, although self-to-self international transfers are not precisely forex transactions; they are recorded for forex statistics. They involve a transfer of foreign currency from abroad to a local account opened in foreign currency and/or a debit of funds deposited locally for their transfer abroad. Inflows are recorded under the transfer heading (positive sign). In addition,

there is a second record where the same amount is entered under a negative sign for the crediting of funds. Contrariwise, a payment abroad from a local account in foreign currency is recorded under the payment heading with a negative sign, and the debit from the account, under a positive sign.

Methodology: RIOC records under heading code A10.

C.4.7. Buildup of Foreign Assets by the Financial Sector

Definition: Buildup of foreign assets by the financial sector includes the change in the General Exchange Position of financial institutions and authorized foreign exchange houses. They include liquid foreign assets net of correspondent debit balances arising from foreign exchange transactions. They also include purchases and sales carried out in the forex market pending settlement.

Institutions' liquid foreign assets are: foreign currency coins and banknotes; coined gold or "good delivery" gold bars; correspondent credit balances (including transfers for the benefit of third parties with no agreed settlement); other sight deposits in foreign financial institutions; investments in foreign government securities; and certificates of time deposits, among others. The following are not included in the general exchange position: foreign direct investments; third-party custodian's foreign assets; spot purchases and sales of foreign currency or foreign instruments; financial institutions' foreign currency deposits with the BCRA; and other foreign currency local assets.

Methodology: They are computed according to the information described in Part B of the RIOC, which includes flows and daily stocks of financial institutions' general exchange position and authorized foreign exchange houses.

C.4.8. Buildup of Foreign Assets by the Public Sector

Definition: Buildup of foreign assets by the public sector includes payments for the sale or purchase of foreign assets in the public sector.

Methodology: Foreign exchange transactions under heading codes A01, A02, A03, A04, A06, A07, A08, A09, A16, A17, A18 and A20 by the public sector.

C.4.9. Purchase and Sale of Securities

Definition: Purchase and sale of securities includes financial institutions' primary subscription of securities in foreign currency issued by the National Government and by the private sector. Also, it includes financial institutions' foreign exchange transactions for the purchase (sale) of securities issued by residents—involving either a transfer abroad or a deposit in foreign currency local accounts. In addition, it includes transactions made by the BCRA or the National Government involving international reserves.

Methodology: Foreign exchange transactions under heading codes A11 and A12. It is worth mentioning that the purchase and sale of securities in the secondary market is recorded under the "Other Non-Financial Private Sectors" category. These transactions are carried out by other non-financial private sector residents and by non-residents as well. Even so, they are recorded in the RIOC on behalf of financial institutions. In addition, it includes transactions made by the BCRA or the National Government directly involving international reserves.

C.4.10. Other National Public Sector Transactions

Definition: Other national public sector transactions represent the return on the placement of National Government's securities and the payment of their principal, and capital contributions to international and other bilateral agencies to which the National Government is a member.

Methodology: Transactions made with BCRA's international reserves on behalf of the National Government for the National Government's securities and the payment of their principal, and capital contributions to international agencies.

C.4.11 Other Net Transfers

Definition: Other net transfers are made up of transfers with a potential impact on the level of BCRA's international reserves—although they are not foreign exchange transactions or direct inflows/outflows of the BCRA or the National Government. The main transfers include financial institutions' holdings of foreign currency with the BCRA.

In no sense do the relative figures on this account involve a higher or lower level of accuracy in the figures of the other accounts for the term under analysis. This is so because of the characteristic feature of the sources of information used for compiling the foreign exchange balance (Exchange Transaction Reporting System and transactions involving BCRA's international reserves from BCRA's financial statements), which are not subject to estimation errors (see Section [B. Conceptual Framework and Main Definitions](#)).

C.5. Heading Not Informed by the Client

Definition: Heading not informed by the client includes transactions that proceeded from BCRA provisions in force between July 01, 2017 and September 01, 2019 (see Section [B.5. Important Regulatory Provisions that Have an Impact on Foreign Exchange Statistics](#)).

On July 01, 2017, Communication "A" 6244 became the new regulatory guide for the forex market. It established that the information explaining the reasons (heading) of the foreign exchange transaction was no longer deemed to be an affidavit, and it was only requested for statistical purposes.

Subsequently, as from September 02, 2019, Communication "A" 6770 established that *"...financial and foreign exchange institutions are required to issue a foreign exchange ticket for every transaction, either purchase or sale, as the case may be. The ticket shall take the form of an affidavit and shall be signed by the ordering party, who swears that the data informed, including the type of transaction, is true and that the amount purchased or sold complies with the restrictions and requirements set forth in the regulation. The participating institutions shall verify whether transactions are reasonable and comply with the restrictions imposed."*

It is worth noting that this situation restricts the series' historic comparison by heading during the term aforementioned.

Methodology: Foreign exchange transactions under heading code N01 between July 01, 2017, and September 01, 2019.

C.6. Changes in BCRA's International Reserves

Definition: Changes in BCRA's international reserves include the changes in BCRA's reserve assets, which consist of gold ingots and foreign assets readily available and controlled by the monetary authority to meet balance of payments financing needs; to intervene in the forex market in order to affect the exchange rate; and to attain other related goals (such as keeping people's trust in Argentine currency and in the economy, and provide a basis for foreign financing).

C.6.1. Adjustments in the Exchange Rate and Book Valuations of BCRA's International Reserves

Definition: They record the changes in the valuation of assets that comprise BCRA's international reserves against the benchmark currency (US dollar).

C.6.2. Accounting Changes in BCRA's International Reserves

Definition: Accounting changes in BCRA's international reserves include the changes in BCRA's reserve assets considering the adjustments in the exchange rate and book valuation. Reserve assets consist of gold ingots and foreign assets readily available and controlled by the monetary authority to meet balance of payments financing needs, to intervene in the forex market in order to affect the exchange rate, and to attain other related goals (such as keeping people's trust in Argentine currency and in the economy, and provide a basis for foreign financing).

C.7. Memorandum Item: Balance Payments in Foreign Currency to Pay Card Bills for Expenses Incurred Abroad

Definition: It includes balance payments for expenses in foreign currency on credit cards issued by local institutions. It is worth noting that these transactions do not imply a net demand in the whole system—the ensemble of institutions and the BCRA.

Methodology: Foreign exchange purchases under heading code P12 recorded on behalf of financial institutions and natural persons not exceeding 10,000 US dollars.

D. Further supporting documents and bibliography

- Balance of Payments (BOP), International Investment Position (IIP) and External Debt (ED). INDEC N° 23 Methodology (in Spanish)
- Report on the Evolution of the Foreign Exchange Market and the Foreign Exchange Balance, and Summary of the Exchange Regulations in Force in Argentina and Charts by Date and Measure Adopted.
- Balance of Payments and International Investment Position Manual–Sixth Edition-International Monetary Fund
- Foreign Trade and Exchange Regulations
- Balance of Payments and Foreign Exchange Balance Similarities and Differences (in spanish)
- Consolidated Text on BCRA's Foreign Trade and Exchange Regulations (in Spanish)
- Consolidated Text on Exchange Transaction Reporting System (in Spanish)