

DIRECT INVESTMENT TECHNICAL EXPERT GROUP (DITEG)

OUTCOME PAPER (DITEG) # 10

August 6, 2004

(1) Topic: **Criteria for identifying branches**

(2) Issues – see DITEG Issues Papers #10

(3) Recommendations:

(i) The group agreed that all the criteria listed in the issues paper are to be considered indicative, and that none was felt to be essential (in many instances, it was felt that many on the list may not be present but the unit may still be recognized as a branch). The group felt that an absence of an income statement and a statement of assets and liabilities would make the collection of data for a branch very difficult.

(ii) The group recognized the need for clarification of criteria in the new manual.

(iii) The group agreed that physical presence is not required for financial institutions.

(4) Rejected Alternatives:

None

(5) Questions for the Committee and the WIIS:

(i) Do the Committee and the WIIS agree that all the criteria listed in issues paper #10 should be regarded as being indicative to determine whether a branch represents a separate institutional unit, or should an income statement and a statement of assets and liabilities be considered necessary? See 3(i) above.

(ii) Do the Committee and the WIIS agree that physical presence is not necessary for a branch operating in the financial sector? See 3(iii) above.