

Methodological note on the publication of securities issues statistics

Statistics Department

Acronyms and abbreviations used

Acronyms / Initials	Description
ESG	Environmental, Social and Governance Information
ECB	European Central Bank
NCBs	National central banks
CSDB	Centralised Securities Database
CSEC	Aggregated securities issues statistics from the CSDB

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1 Introduction

This note presents the methodology for preparing the tables of debt securities and listed share issues and describes the information included in them.

The information is prepared drawing on the aggregate securities statistics from the Eurosystem's Centralised Securities Database (CSDB). The tables contain a selection of the information available in that database. The full information is available on the statistical data portal of the European Central Bank (ECB).

2 Applicable regulations

Guideline of the European Central Bank of 26 September 2012 on the data quality management framework for the Centralised Securities Database

As indicated in the ECB Guideline of 26 September 2012 on the data quality framework for the CSDB, the Banco de España is the competent authority for the quality management of the data related to issuers resident in Spain.

3 Conceptual framework

Securities issues statistics are primary statistics on the securities issued by an economy's resident units and the outstanding amounts at each reference date. These statistics are produced in accordance with the applicable internationally-accepted methodology and standards, specifically the Handbook on Securities Statistics and the European System of Accounts (ESA 2010).

a. Financial instruments

Securities issues statistics cover issuances of debt securities and listed shares. These are marketable instruments, which means that they are issued for trading, either on organised or over-the-counter (OTC) markets. However, they do not necessarily have to be listed in order to be considered securities.

Debt securities are marketable financial instruments representing the debt incurred by the issuer that will have to be paid at a future point in time (principal of the debt), together with the accrued interest, to the holder of the instrument. These securities are characterised by having issue and maturity dates, an issue price and a redemption price and other features related to the coupon payable (coupon rate, interest rate, payment frequency and coupon payment date).

Debt securities can be classified according to various criteria. Some of the most common classifications are:

- i. Depending on the currency of denomination, i.e. whether the issue was in euro or a foreign currency (dollars, pound sterling, yen, etc.).
- ii. In aggregate statistics, the amount of the transaction or outstanding amount of non-euro-denominated issues is converted into the publication currency (i.e. the euro)
- iii. Depending on the issue's original maturity, which can be short-term (less or equal to one year) or long-term (more than one year), determined by the number of days between the issue date and the last contractually scheduled maturity date.
- iv. Depending on the issue's residual maturity, which takes into account the time between the reference date and the last contractually scheduled maturity date.
- v. Depending on the type of coupon payable, which may be zero, fixed-rate or variable-rate. Variable-rate coupons may change over the life of the instrument as a result of changes in inflation, exchange rates or the price of an underlying asset. The issues are considered fixed-rate or variable-rate depending on the type of coupon.

To help combat the negative effects of climate change, in recent years issuers have started issuing green, social and sustainable bonds. To this end, they have sustainable finance frameworks in place to ensure that the funds obtained from such issues are effectively used to improve their environmental impact or address social concerns, among others.

Sustainable finance can be classified according to three dimensions:

1. Classification of the instrument:
 - Green: aimed at financing green projects.
 - Social: aimed at financing projects with social objectives (access to housing, etc.)
 - Sustainable: aimed at financing a combination of green and sustainable projects.
 - Sustainable-related: issuers commit to allocating the funds to improve their future sustainability position within a predefined time frame.
2. Certification level: indicates who is responsible for verifying that the instrument effectively complies with its classification and standard
 - The issuer itself
 - A third party
 - A certifier
3. Standard used by the issuer: among the most prominent are the standards published by the International Capital Market Association (ICMA) and the European Green Bond Standard.

Equity securities, also known as shares, represent the equal parts into which a company's share capital is divided. Therefore, a share represents its holder's ownership in the company. This ownership gives the shareholder rights, including the right to receive information from the company, vote on decisions taken at general meetings and, of course, receive dividends. Additionally, if the company is wound up, the shareholder is entitled to a portion of its residual value, after all debts have been settled.

b. Economic territory and residence of issuers

The securities issues shown in these statistics are issues by institutional units resident in Spain, irrespective of whether they were made on a domestic or foreign market.

Institutional units (issuers) are economic entities or agents capable of owning goods and assets, incurring liabilities and engaging in economic activities and transactions with other units in their own right. There are two main types of institutional units: persons or groups of persons (households) and legal entities. In addition, not all institutional units are able to issue debt or equity securities.

The residence of each institutional unit is the economic territory with which it has the strongest connection, known as its centre of predominant economic interest.

c. Institutional sectors

Units are classified into mutually exclusive institutional sectors on the basis, inter alia, of their objectives and economic activities. The main institutional sectors of the domestic economy are non-financial corporations, financial corporations, general government, households and non-profit institutions serving households (NPISHs). Some of these sectors can be broken down into subsectors.

As not all institutional units are able to make issues, not all institutional sectors are able to issue shares or debt securities. This is the case, for instance, of households and NPISHs.

d. Flows and positions

Securities issues statistics present information on positions and flows of the institutional sectors and of the total economy.

- i. Positions: outstanding amounts (levels) issued at a specific point in time (month-end)

Flows present information on transactions and revaluations. Information on transactions includes gross issues, redemptions and net issues.

- ii. Gross issues: Includes new issues and placements of debt securities and listed shares made during the reference period (for instance, one month). In the case of placements of debt securities at market value, any accrued interest is included.
- iii. Redemptions: Includes maturities in the reference period. In the case of debt securities, instruments that have reached their original maturity date and early redemptions (in part or in full). In the case of listed shares, those that have been formally redeemed.
- iv. Net issues: Gross issues net of redemptions over a given period.

For flows other than transactions, these statistics publish revaluations aggregated by sector for all issues, irrespective of maturity, currency of issue or type of remuneration. Revaluations are the changes in the amounts in the series due to fluctuations in the listed prices of the issues that make up the aggregates and changes in exchange rates for issues denominated in foreign currency.

e. Valuation methods

Several generally accepted valuation criteria may be used for valuation of securities issues. The methodological manuals for flows and positions (Handbook on Securities Statistics, System of National Accounts (2008 SNA)) recommend using market value, but here, so as not to break with the historical data, face value is also used for statistics on positions.

- Face value: The amount of principal to be repaid. Unlike nominal value, it does not include interest accrued but not yet paid on coupon-bearing instruments.
- Market value: The value at which financial instruments are acquired or disposed of between willing and independent parties at a given point in time. In other words, the market price of a specific instrument at a given point in time based, among other factors, on its maturity, rate of return, expectations and issuer risk.

- Nominal value: The sum of funds originally advanced, plus any subsequent advances, plus any accrued interest, less any repayments of principal. It is not the same as face value.

4 Main characteristics of the aggregate securities issues statistics

The ECBs's aggregate securities issues statistics – the CSEC dataset – are based on information from the CSDB, which has data on securities issues and issuers provided by the Eurosystem national central banks, other internal ECB sources and commercial data providers.

The approach used to construct the aggregate series ensures that the data are compiled using criteria harmonised at European level and in line with the framework and standards for securities issues statistics set out in the Handbook on Securities Statistics. Another feature of these new aggregate securities statistics is that they are compiled using a bottom-up approach, with aggregation from the micro-data to the aggregate level. This makes it possible to identify the granular data used in each aggregate.

All issues included in these statistics must have an International Security Identification Number (ISIN).

Publication is monthly. Some series date back beyond December 2020.

5 Data sources

The Banco de España uses a combination of public and restricted access data sources to calculate the securities issues statistics. This notably includes public data provided by issuers in prospectuses or on their websites, information provided by stock markets and confidential information reported directly to the Banco de España by issuers.

6 Revision policy

The revision policy allows revisions to the data to be included for up to 36 months previous to the data reference date, in each release round.

7 Indicative release calendar

The securities issues statistics will be released monthly, on approximately the 13th business day of each month.

8 Useful links

Handbook on Securities Statistics: <https://www.imf.org/en/Data/Statistics/working-group-on-securities-databases/handbook-on-securities-statistics>

ECB Data Portal: <https://data.ecb.europa.eu/>

CSEC factsheet:

https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/securities/shared/pdf/CSEC_Factsheet.en.pdf

ICMA Principles: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

European green bond standard: <https://eur-lex.europa.eu/EN/legal-content/summary/european-green-bond-standard.html>