

Form MQ

Specialist Mortgage Institutions –

Balance sheet

General

The data from this form assist in the conduct of monetary policy. The Bank of England publishes the secured lending data in a monthly press release on lending to individuals; and these and the quarterly data contribute to the UK national and financial accounts statistics compiled and published by the Office for National Statistics.

~~The reports should be returned to the Bank's Monetary and Financial Statistics Division within ten working days of the quarter end to which the report refers.~~

Form MQ – Balance sheet information should be completed quarterly.

This form covers all the spot liabilities and assets of the reporting group or entity. ~~The return should be compiled using UK GAAP (UK Generally Accepted Accounting Principles).~~ The sum of total sterling, euro and other currency assets must equal the sum of total sterling, euro and other currency liabilities. Except where otherwise stated, liabilities and assets should be shown gross and not netted off. ~~Outstanding liabilities and holdings of assets should be reported at the value standing in the reporting institutions books, but if possible investments and real assets should be at market value whilst loans and deposits should be at nominal value. Listed securities should be valued at closing middle-market prices, unlisted securities at estimated current values and bills at maturity value. Non-residents securities should be valued in accordance with generally accepted practices, usually at last or closing prices. In valuing newly issued securities on which further instalments are payable, include only the amounts of the instalments already paid. Exclude amounts due in respect of future installments (or future subscriptions) as these will be in later returns.~~ Foreign currency current balances, should be translated into sterling at the middle-market spot rate pertaining in the London market at 4pm London time on the last working day of the London market in the period covered by the report or where appropriate, at the rates of exchange fixed under the terms of any relevant currency hedging transaction. That value should be entered in the column headed 'euro' or 'other currencies' as appropriate. Thus all entries in the form represent sterling amounts.

Updated o/a
Stats Notice
2012/02

Data on this form are to be provided on a best endeavours basis. Where reporting according to the form definitions will be difficult, we are willing to discuss alternative methods of reporting.

MQ form details

For the purposes of this return the United Kingdom (UK) comprises Great Britain and Northern Ireland, but not the Channel Islands and the Isle of Man – transactions with them should be treated as transactions with non-residents.

Item no	Liabilities
	Borrowing from
1	<p>Banks in the UK</p> <p>Embraces UK offices of banks authorised to carry out deposit taking in the UK. These include:</p> <p>[i] Firms with a Part IV permission under the Financial Services and Markets Act 2000 to accept deposits but excluding (a) credit unions (b) firms whose permission to accept deposits is only for the purpose of carrying on insurance business (c) friendly societies and (d) building societies.</p> <p>[ii] EEA credit institutions with permission under Schedule 3 of the Financial Services and Markets Act 2000 to accept deposits through a UK branch.</p> <p>This item includes deposits from banks as well as syndicated and other bank borrowing.</p> <p>A list of individual firms within this category can be found on the Financial Services Authority website at www.fsa.gov.uk/pages/library/other_publications/banks/index.shtml</p>
2	<p>Building societies in the UK</p> <p>This item includes deposits from, as well as syndicated and other borrowing from building societies located in the UK. Branches of building societies located outside the UK should be excluded.</p> <p>A list of Building Societies can be found on the Building Societies Association website at www.bsa.org.uk.</p>
3	<p>Other financial corporations in the UK</p> <p>Include financial corporations other than Monetary Financial Institutions i.e. insurance corporations, pension funds, investment and unit trusts, leasing companies, credit unions, securities dealers, financial auxiliaries, institutions not in the UK banks' sector whose main function is to extend credit abroad, bank holding companies, finance houses and consumer credit companies which are not in the UK banks' sector, mortgage finance vehicles, etc. Also include all unlimited liability financial partnerships. All should be resident in the UK mainland and engaged principally in financial activities.</p>
4	<p>Private nNon-financial corporations in the UK</p> <p>Comprise non-financial corporations other than Public Corporations. Include all limited, unlimited, chartered, statutory and other corporate bodies incorporated in the mainland of Great Britain and Northern Ireland which are not classified as financial corporations, public corporations, or within central government or local government.</p>

5 UK public sector

Comprise central government, public corporations and local government.

Central Government - Comprises UK government departments, including Northern Ireland government departments, bodies not administered as part of government departments but subject to ministerial or departmental control, and accounts controlled by UK government departments and agencies located overseas.

Local Government - Comprises London borough councils, county and district councils in Northern Ireland, parish, town and new Unitary authorities in England and Wales, and district, island and regional councils in Scotland, together with those attached statutory departments, (e.g. gas departments in Northern Ireland, water service departments in Scotland). Also those bodies formed on 1 April 1986 to take over the assets and functions of the former metropolitan councils and the Greater London Council (e.g. residuary bodies, joint police authorities, joint police and fire boards).

Public Corporations - Public corporations are corporate bodies. Ownership by government may be total, as in the case of those corporations established by Act of Parliament, or through majority share-holdings. Public control is over broad aspects of policy; public corporations are free to manage their day to day operations independently.

6 Other UK residents

Includes: individuals and individual trusts, unincorporated businesses other than unlimited liability partnerships (which should be reported in 3 and 4 above) and non-profit institutions serving households (housing associations, including other types of Registered Social Landlords etc).

7 Non-residents

Comprises all individuals and businesses not treated as resident in the UK, including non-resident offices of reporting group.

8 Commercial paper

Report all issues of commercial paper.

9 Bonds, notes, other instruments

This item comprises the principle value (i.e. outstanding amounts) of the principle amount due on all debt securities with more than one year to maturity. Also included are preference shares, loan stocks, unsubordinated capital market instruments, etc. Debentures, subordinated loan capital and commercial paper should, however, be excluded.

Other liabilities

10 Capital and other funds

Includes subordinated loan capital, shares (excluding preference shares), subscribed capital, debentures, reserves, provisions (including those for bad and doubtful debts) and internal accounts ~~i.e. accounts relating to operating expenses (such as salaries, wages and other remunerations, rent, rates, stationery, water charges, heating and lighting, insurance, hire of equipment and maintenance).~~

11 Liabilities not elsewhere included

Includes other liabilities not reported elsewhere ie items in suspense.

12 (=26) Total liabilities (equals Total assets)

This is the total of all entries under items 1 to 11. The total of sterling, euro and other currencies combined must equal the total of item 26.

ASSETS

13-19 Loans and advances

Updated o/a
Stats Notice
2012/01

Updated o/a
Stats Notice
2012/05

Updated o/a
Stats Notice
2012/09

Enter all balances with, and funds lent to, banks in the UK, building societies in the UK, other financial corporations, non-financial corporations, UK public sector, other UK residents and non-residents. Item 18a covers lending to individuals fully secured by a first equitable or legal charge on residential properties and/or land irrespective of the purpose of the loan (including secured bridging finance). MQ£18A should be the same as that in item MM£18A on Form MM at the end quarter month. All other secured lending ~~mortgages~~ (reported in item MM£18B) where the reporting groups holds a second or subsequent charge on the property are entered in item 18b (and specifically identified in 18ba). Unsecured loans (including credit card loans) to individuals (reported in item MM£20) are also entered in item 18b and specifically identified in item 18bb. The amount listed in MQ18B should equal the sum of MQ18BA and MQ18BB. Lending to housing associations and other types of Registered Social Landlords, secured on residential property should be reported under item 18c.

Do not deduct provisions for bad and doubtful debts. Instead, show all loans and advances gross and include any resulting provisions in item 10.

20 Certificates of deposit

Enter holdings of certificates of deposit of any maturity.

21 Commercial paper

Enter holdings of commercial paper.

22 Bonds, notes and other capital instruments

This item comprises holdings of debt securities. Also included are preference shares, loan stocks, un-subordinated capital market instruments etc. ~~Commercial paper and Certificates of Deposit should, however, be excluded.~~

22a Of which: issued by non-residents

Include all holdings of securities issued by non-residents.

Sovereign securities

23 UK government

This includes all stocks (including bonds and notes) issued by HM government, regardless of whether they have been stripped (i.e. they have detachable coupons) or not. All issues whether denominated in sterling or in foreign currency, including euro's should be included.

24 Non-resident governments

This includes all stocks issued by non-resident governments.

25 Other assets

Include land, premises, equipment, vehicles (including assets leased, hired or rented), commodities and other goods beneficially owned, and other assets owned or recorded as such by the reporting institution.

26 (=12) Total assets (equals Total liabilities)

This is the total of all entries under items 13 to 25. The total of sterling, euro and other currencies combined must equal the total of the sterling, euro and other currency columns for item 12.

Accurate and timely reporting

The Bank attaches great importance to timely and accurate reporting. All institutions should ensure that they have adequate staffing, internal controls and other arrangements in place so that they can provide accurate information in accordance with these requirements and reporting timetables.

The Bank of England Act 1998 makes it an offence to fail without reasonable excuse to comply with the information requirements imposed under the Act, or to knowingly or recklessly provide information that is false or misleading in a material way. It is therefore important that those involved in completing returns should seek advice from the Bank if they have any difficulties and, if they are unable to resolve those difficulties, add any necessary qualifications to the returns. Where there are such problems, institutions should not delay submitting the returns. It is also essential that institutions should not feel deterred from correcting, qualifying or adding to information already provided.

Information powers of the Bank; offences; restrictions on onwards disclosure of information

(a) The Bank of England Act 1998

The Bank of England Act 1998 gives the Bank powers to obtain information, in Section 17 (for the Bank's monetary policy function) the Bank of England (Information Powers) Order 1998, which came into force on 1 June 1998, specifies the types of financial affairs about which the Bank may require information under Section 17 of the Act¹.

Sections 38 and 39 of the Act define the offences of failing to supply the information "without reasonable excuse", and of knowingly or recklessly supplying information which is "false or misleading in a material particular", and the penalties. Given the good reporting record of most institutions, we do not envisage that it will be necessary to invoke these sections of the Act; and we would intend to issue written warnings to poor reporters, before taking any legal action.

Schedule 7 of the Act¹ restricts the onwards disclosure of information relating to the business or affairs of any person obtained by the Bank under these powers, unless (a) the information has been made available to the public from other sources or (b) is summarised or collected in a form so that no information on a particular person can be ascertained from it or (c) the Bank has gained the consent of the supplier of the information and, if different, the person to whom the information relates. The Bank may nonetheless disclose the restricted information to enable or assist it to discharge its functions as a monetary authority or as a supervisor of payment systems. The Bank may also disclose the information for certain other purposes specified in Schedule 7; for example it may disclose information to other authorities listed in paragraph 3 of Schedule 7 (e.g. the Financial Services Authority and the Office for National Statistics) to enable or assist those authorities to discharge certain specified functions.

(b) The Data Protection Act 1998

The personal details of the contact person(s) at your institution are held in accordance with the Data Protection Act 1998. We may share your information with other parts of the Bank and the Financial Services Authority. Individuals are entitled to see a copy of the information held about them in our records and to request the Bank to correct any inaccuracies.

¹ Section 17 and Schedules 2 and 7 of the 1998 Act and the Information Powers Order were subject to certain consequential amendments with effect from 1 December 2001 to reflect the coming into force of the principal provisions of the Financial Services and Markets Act 2000 on that date.