Country Portfolios on a Nationality Basis: Extended Estimates, Issuance-Based

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This README file provides documentation for the file "Extended_Country_Portfolios_Nationality" (available in .xlsx and .dta formats), which contains an extended version of our estimated restatements of the U.S. Treasury International Capital (TIC) data and the IMF Coordinated Portfolio Investment Survey (CPIS) data on a nationality basis. We perform the restatement using the issuance distribution matrices introduced in Coppola, Maggiori, Neiman and Schreger (2020), constructed using data on global securities outstanding from Dealogic, Factset, and Refinitiv. We refer readers to the paper for the full details on the data and methodology underlying our estimates. We request that users of these data acknowledge their source and recommend inclusion of the following sentence:

> "These data are based on the work in Coppola, Maggiori, Neiman and Schreger (2020) and were obtained from: www.globalcapitalallocation.com".

We offer two versions of the nationality-based statistics: "Tax Haven Only" reallocates only securities that, under residency, are issued by affiliates resident in tax havens, while "Full Nationality" applies our reallocation methodology to securities issued by affiliates from all countries. In this release we provide restated country portfolios for all countries in CPIS, other than the nine developed investor economies for which we instead separately release estimates based on country-specific holdings-based reallocation matrices.[1] These holdings-based estimates are available under the heading "Nationality-Basis External Portfolios (Restated TIC-CPIS): Baseline Estimates, Holdings-Based" at globalcapitalallocation.com/data. As discussed in Coppola et al. (2020), the holdings-based estimates are preferable when available. This release contains data for the years 2007 to 2017.

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[1] These nine developed investor economies are the United States, the European Monetary Union (EMU), Great Britain, Canada, Switzerland, Sweden, Denmark, Norway, and Australia.

We report position in two asset classes: equities (including fund shares) and bonds. This is because the CPIS data do not distinguish fund shares from common equity, and generally do not break down bonds into further subcategories.[2]

1 File Structure

Each of the two files has the following fields:

1. Year – Positions are measured at the end of December of this year
2. Investor_Name – Domicile country of the investors
3. Investor – 3-letter ISO code for the domicile country corresponding to Investor_Name
4. Asset_Class – Asset class of the investments
5. Asset_Class_Code – A code corresponding to the "Asset_Class" field. The codes are the following: (i) "EF" for all equities (inclusive of fund shares); (ii) "B" for all bonds
6. Issuer_Name – Country (residency or nationality) of issuer of bond or stock
7. Issuer – 3-letter ISO code for country (residency or nationality) of issuer of bond or stock corresponding to Issuer_Name
8. Position_Residency – The value of the holdings of "Investor" in securities issued by "Issuer" in "Asset_Class" (in millions of U.S. dollars), on a residency basis[3]
9. Position_Nationality_TH_Only – The estimated value of the holdings of "Investor" in securities issued by "Issuer" in "Asset_Class" (in millions of U.S. dollars), on a nationality basis using the "Tax Haven Only" treatment
10. Position_Nationality_Full – The estimated value of the holdings of "Investor" in securities issued by "Issuer" in "Asset_Class" (in millions of U.S. dollars), on a nationality basis using the "Full Nationality" treatment

[2]Unlike in our baseline, holdings-based estimates, we do not make any adjustments for data that is missing in CPIS. Therefore we effectively treat censored or missing data as zeros.

[3]Domestic holdings under "Position_Residency" are always zero because these are not reported in CPIS. In contrast, domestic holdings can be non-zero under nationality since these would include any investment classified as foreign on a residency basis that is instead classified as domestic under nationality, what we refer to as "spurious foreign investment." This means that the domestic holdings under nationality should not be interpreted as the level of the domestic positions, but rather only as the increment with respect to the (unobserved) residency-based domestic position. Furthermore, the "Full Nationality" estimates also do not attempt to reallocate any positions that are domestic under residency but foreign under nationality.

11. Estimated_Common_Equity – CPIS pools together common equities and fund shares. We therefore estimate the common equity position as detailed in Coppola et al. (2020). We only apply our reallocation matrices to these estimated common equity positions. This field reports our estimated common equity positions. It is only populated for tax haven countries and when "Asset_Class_Code" is equal to EF.[4]

References

Coppola, Antonio, Matteo Maggiori, Brent Neiman, and Jesse Schreger, "Redrawing the Map of Global Capital Flows: The Role of Cross-Border Financing and Tax Havens," *Working Paper*, 2020.

[4]For the "full nationality" adjustments, we assume that all equity investments in countries that are not tax havens are in common equities.