

Assessment framework for supervision of compliance with requirements of Single Customer View Policy Rule

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DeNederlandscheBank

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Summary

DNB adopted the Single Customer View Policy Rule in July 2017. The assessment framework specifies DNB’s supervision of compliance with the requirements of this policy rule.

The Single Customer View Policy Rule sets out the requirements for record-keeping and the procedures and controls that banks need to have in place to create complete, accurate and timely SCV files. This comprises the correct functioning of the SCV system, the delivery time of the SCV files and ensuring the required data quality. Failure by a bank to comply with the Single Customer View Policy Rule constitutes a violation of Section 26a of the Prudential Rules (Financial Supervision Act) Decree. The assessment framework details the criteria and standards required to monitor and assess compliance with the policy rule.

A transitional period to implement the Policy Rule was in place until 1 January 2019. Since that date banks are obliged to supply data compliant with the Single Customer View Policy Rule. Many banks however proved to need more time and for that reason, DNB established a growth path for the period 2020 – 2023 to clarify the level of compliance with the requirements that banks need to achieve. DNB has the ability to intervene if banks fail to make sufficient progress.

Intervention is based on the existing *AFM and DNB Enforcement Policy*.

The degree of banks’ compliance with SCV legislation will be assessed on the basis of the following indicators.

Timeliness of the SCV file	<ul style="list-style-type: none"> ■ The number of working days between the reference date (date of ‘activation DGS’) and the time at which the SCV file is submitted by the bank (on the condition the file is accepted by DNB) ■ Average number of delivery attempts before file acceptance
Quality of the SCV file	<ul style="list-style-type: none"> ■ Percentage of SCVs in a SCV file that comply with automated checks ■ Percentage of validation errors in SCV file ■ Findings from manual and randomised checks ■ Statement by the bank in case of peaks and deviations in data values and markings ■ Statement by bank that SCV files are complete and requirements are structurally secured in the SCV system
Timely delivery of audit reports	<ul style="list-style-type: none"> ■ Delivery of audit reports by internal and external accountants within five months of the end of the reporting year (reporting year for audits runs from 1 April to 31 March)
Quality of the SCV system	<ul style="list-style-type: none"> ■ Assessment and findings in internal audit department report ■ Opinion by external auditor in ISAE 3402 report ■ Bank takes measures to ensure findings are resolved

The following table summarises the standards during the growth path (2020 – 2023). The aim is to ensure an SCV file which from 1 January 2024 is complete and

timely with as close as possible to 100% correct SCVs. The growth path is instrumental to achieving this.





	2020	2021	2022	2023
Timeliness and quality of the SCV file	<ul style="list-style-type: none"> Ability to deliver SCV file without blocking errors and within 3 working days = status accepted (where reference date is announced 1 month in advance) At least 60% of the SCVs comply with the automated checks and at least 20% fewer errors in SCV file Findings from manual and randomised checks are addressed and resolved Statement of completeness SCV file and securing of SCV requirements in SCV system 	<ul style="list-style-type: none"> Ability to deliver SCV file without blocking errors and within 3 business days = status accepted (where the week of the reference date is announced 1 month in advance and the reference date itself 2 – 3 days in advance) At least 80% of the SCVs comply with the automated checks and at least 20% fewer errors in SCV file Findings from manual and randomised checks are addressed and resolved Statement of completeness SCV file and securing of SCV requirements in SCV system 	<ul style="list-style-type: none"> Ability to deliver SCV file without blocking errors and within 3 business days = status accepted (where reference date is announced a few days in advance) At least 90% of the SCVs comply with the automated checks and at least 20% fewer errors in SCV file Findings from manual and randomised checks are addressed and resolved Statement of completeness SCV file and securing of SCV requirements in SCV system 	<ul style="list-style-type: none"> Ability to deliver SCV file without blocking errors and within 3 business days = status accepted (where reference date is announced a few days in advance) At least 95% of the SCVs comply with the automated checks and at least 20% fewer errors in SCV file Findings from manual and randomised checks are addressed and resolved Statement of completeness SCV file and securing of SCV requirements in SCV system
Timeliness and findings of audits	<ul style="list-style-type: none"> Timely delivery of audit reports by IAD and external auditor (no later than on reporting deadline in DLR) Findings in IAD report and ISAE 3402 type 1 report per 31 March 2019 have been resolved by 31 March 2020 Bank takes measures that ensure findings are resolved within the set timeframe 	<ul style="list-style-type: none"> Timely delivery of audit reports by IAD and external auditor (no later than on reporting deadline in DLR) Findings in IAD report and ISAE 3402 type 2 report (reporting year 1 April 2019 – 31 March 2020) have been resolved by 31 March 2021 Bank takes measures that ensure findings are resolved within the set timeframe 	<ul style="list-style-type: none"> Timely delivery of audit reports by IAD and external auditor (no later than on reporting deadline in DLR) Positive opinion IAD and unqualified opinion ISAE 3402 type 2 over reporting year 1 April 2021 – 31 March 2022 Bank takes measures that ensure findings are resolved within the set timeframe 	<ul style="list-style-type: none"> Timely delivery of audit reports by IAD and external auditor (no later than on reporting deadline in DLR) Positive opinion IAD and unqualified opinion ISAE 3402 type 2 over reporting year 1 April 2022 – 31 March 2023 Bank takes measures that ensure findings are resolved within the set timeframe
DNB informed on time about relevant developments	<ul style="list-style-type: none"> DNB informed and notified on time based on Article 13 of the SCV policy rule Bank proactively informs DNB about changes to the DGS crisis organisation, relevant contacts and relevant road map(s) 	<ul style="list-style-type: none"> DNB informed and notified on time based on Article 13 of the SCV policy rule Bank proactively informs DNB about changes to the DGS crisis organisation, relevant contacts and relevant road map(s) 	<ul style="list-style-type: none"> DNB informed and notified on time based on Article 13 of the SCV policy rule Bank proactively informs DNB about changes to the DGS crisis organisation, relevant contacts and relevant road map(s) 	<ul style="list-style-type: none"> DNB informed and notified on time based on Article 13 of the SCV policy rule Bank proactively informs DNB about changes to the DGS crisis organisation, relevant contacts and relevant road map(s)



1 Introduction

DNB established the Single Customer View Policy Rule¹ in July 2017. A transitional period to implement the Policy Rule was in place until 1 January 2019. Since that date banks are required to supply data compliant with the Single Customer View Policy Rule. In that respect, Article 15 of the Policy Rule addresses DNB's role in reviewing the quality of the SCV files and control of a bank's SCV system. This publication describes the assessment framework used by DNB to that end.

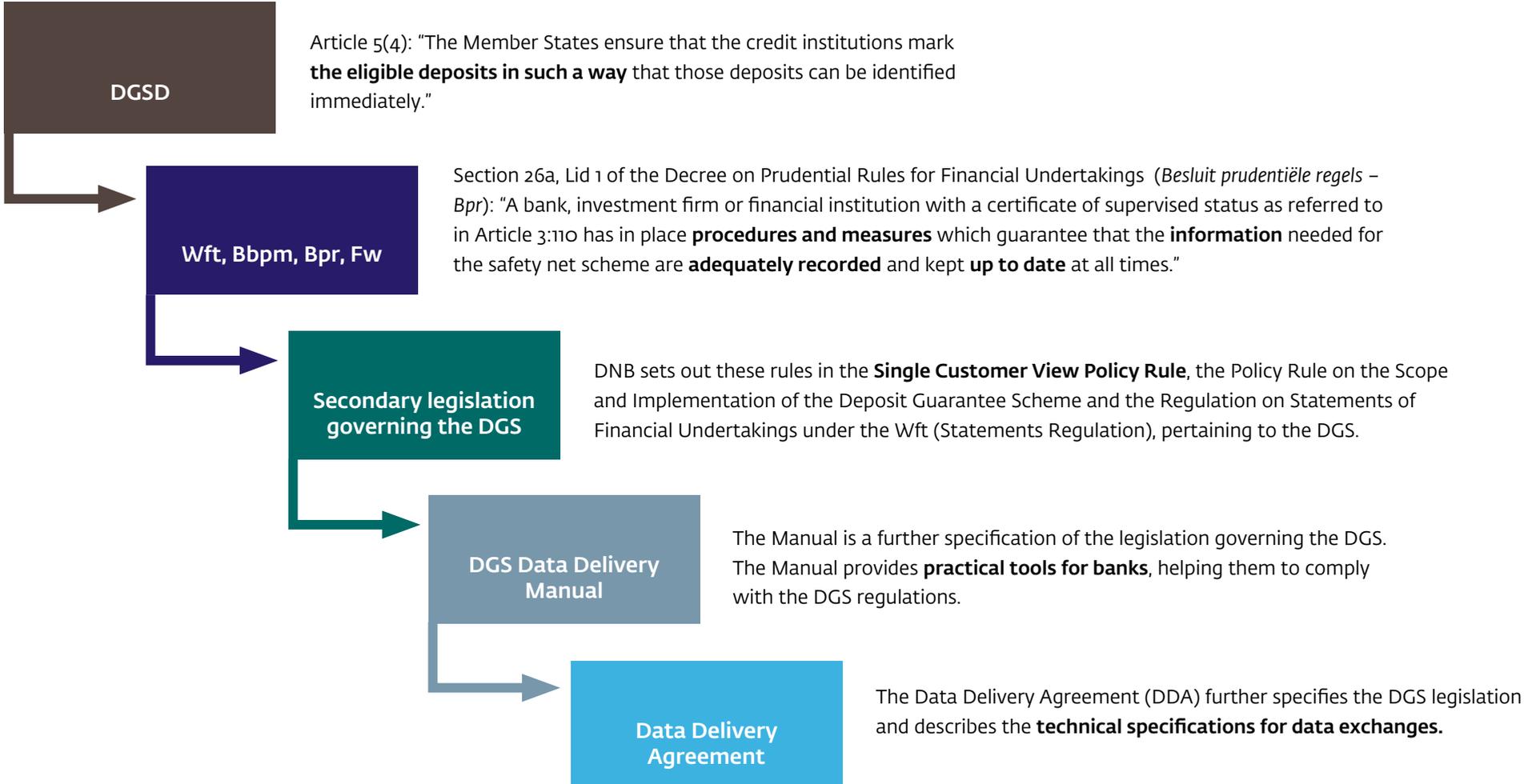
Section 3:17 (2) opening lines and (d) of the Financial Supervision Act (*Wet op het financieel toezicht – Wft*) stipulates that rules may be laid down in or pursuant to a general administrative order with regard to the sound and ethical business operations of banks in the light of the deposit guarantee scheme. Under Article 26a of the Decree on Prudential Rules for Financial Undertakings (*Besluit prudentiële regels – Bpr*), a bank must be capable of providing DNB with the information it requires to administer the DGS, i.e. the SCV file, at DNB's request

in a manner and within a time period specified by DNB. To do so, a bank must have procedures and controls in place to ensure that this information is continuously updated and adequately documented (referred to as the "SCV system"). DNB explains these requirements in greater detail in the Single Customer View Policy Rule. Failure by a bank to comply with the Single Customer View Policy Rule constitutes a violation of Section 26a of the Bpr. The assessment framework further details the criteria and standards required to monitor and assess compliance with the policy rule.

In order to achieve compliance with financial legislation, DNB has legal powers and enforcement instruments which include being able to take formal and informal measures. How DNB applies these enforcement instruments is set out in the *AFM and DNB Enforcement Policy*. This existing policy is also the underlying document to enforce Article 26a of the Bpr. Appendix 2 provides an overview of the measures which DNB may take to enforce SCV legislation.

¹ Policy Rule containing rules on the preparation of single customer view files by banks for the benefit of the deposit guarantee scheme and resolution.

Figure 1 Legal framework SCV legislation



2 Assessment method and criteria

The assessment framework specifies DNB's supervision of compliance with the requirements in the Single Customer View Policy Rule. The assessment framework sets out in specific terms DNB's supervisory role in reviewing the quality of the SCV file and control of a bank's SCV system.

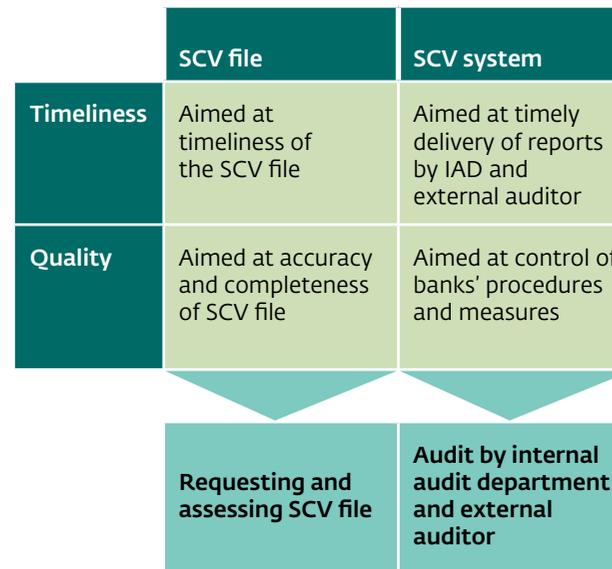
2.1 Supervisory approach

Supervision by DNB focuses on the timeliness and quality of the SCV files and DGS-related reports submitted by a bank, and on the management of the procedures and controls a bank has put in place to ensure promptness and quality. The supervisory approach is based on two pillars (see figure 2).

The first pillar involves requesting and assessing a bank's SCV file at least once a year. To assess a bank's control of the SCV system, DNB uses the periodic reviews by the bank's internal audit department² (IAD) and the external auditor (second pillar). The SCV system comprises all processes, procedures and controls by the bank to compile and deliver the SCV file including the bank's relevant core processes. The statement about the SCV system determines to what extent DNB is able to rely on the outcomes

of the first pillar. On-site observations at a bank are important to determine whether the SCV file is complete, whether the data and markings included are in line with the bank's records and whether record-keeping itself is of sufficient quality.

Figure 2 Supervisory approach compliance with SCV policy rule



The requirements in the Single Customer View Policy Rule, together with the Manual and the DDA are considered the system of standards with which DNB forms its opinion.

The findings are regularly fed back to the bank including in an annual letter to its Governing Board. DNB's feedback consists of its findings and includes its expectation that the bank resolves the findings and takes measures.

The basic principle for supervision is the degree to which DNB is able to promptly establish and pay out the correct DGS compensation.

That means that DNB must be able to pay out a deposit holder promptly and correctly and that DNB prevents the disbursement of any compensation to the wrong person or for the wrong amount. That places high demands on the SCV of the deposit holder and the data and markings included in it. The starting point is that a bank's records contain full and accurate details of deposits and depositors. The bank's procedures and measures must be implemented in such a way as to guarantee the accuracy and completeness of both the data required for the compilation of single customer

² Although the Single Customer View Policy Rule refers to 'internal accountant department', this can also be read as 'internal audit department' given the type of audit requested.



views and the data in the single customer views themselves.

As soon as the SCV file has been submitted by the bank and has been accepted by DNB, DNB will determine whether the deposit holder qualifies for compensation and will subsequently determine and pay out that compensation. DNB is able to do this if the SCV meets the following conditions:

1. the **identity** of the beneficiary has been determined indisputably.
2. there is **no doubt** about the **eligibility** for DGS
3. the **amount** of the compensation can be determined
4. there are natural persons who are able and authorised to **apply for** the compensation (depositor or their representative(s))
5. **address details** are available making individual notification of the deposit holder possible

The first three conditions are important for establishing the compensation. The fourth supports the prompt pay-out through DNB's payment system. The fifth condition enables DNB to meet the requirement to inform deposit holders individually about effectuating the DGS. This is illustrated in Figure 3.

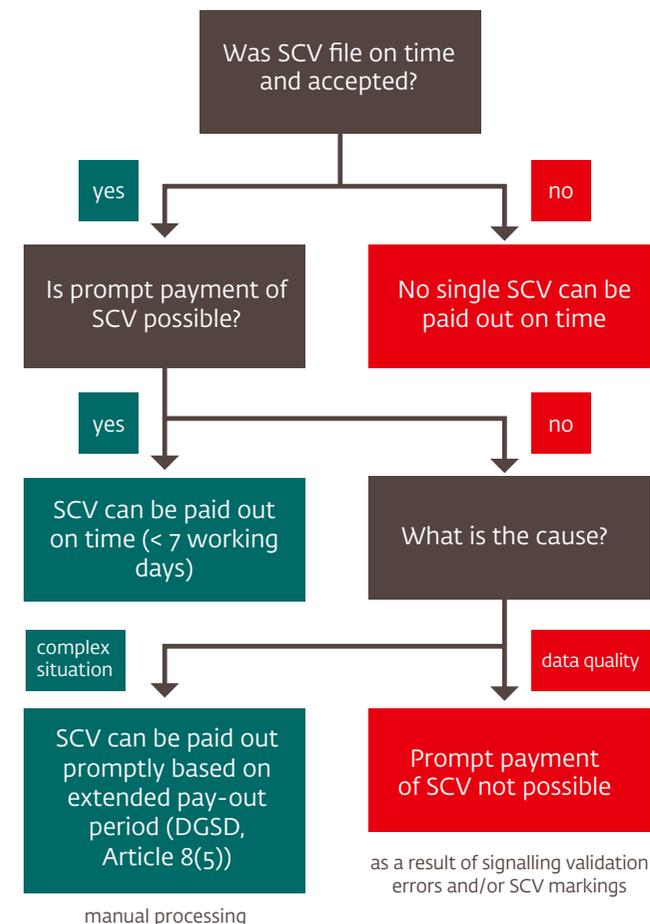
Whether an SCV meets these conditions is a criterion for the accuracy of the SCV.

2.2 Assessment criteria and subsequent indicators

In addition to **timeliness** of the SCV file, the **accuracy** of an SCV and the **completeness** of the SCV file are important criteria in assessing the quality of the SCV file. Other criteria include the **plausibility** of the data and markings in the SCV file and the **robustness** of the SCV system.

- **Timeliness** of the SCV file is a basic condition for prompt pay-out. A bank must be able to deliver on time an SCV file that can be processed by DNB (with no blocking errors). Without an SCV file, DNB is unable to pay out to a deposit holder before the payout deadline of the payment term.
- **Accuracy** means the extent to which the deposit holder's SCV, and the data and markings included in it, enable DNB to determine and pay out accurate DGS compensation on time. To begin with, accuracy implies the lack of validation errors that hinder processing and pay out. Furthermore, the markings applied by a bank itself for 'reliability' or 'doubtfulness' are an indicator for the quality of the underlying source system(s) and processes within the SCV system. Based on the validation rules and markings, the accuracy of an SCV can be established through automated checks. These automated checks, however, do not yet show the full picture.

Figure 3 Diagram of prompt and correct payment



Additional manual and random checks may lead to additional findings concerning the accuracy of an SCV.

Validation rules³ provide an insight into the lack of essential (i.e. compulsory) data, the failure to correctly apply data definitions and markings and incorrect linking within the SCV file (internal consistency and data plausibility).

The banks' records must be of such quality that reliability or doubtfulness markings should be unnecessary. That does not detract from the fact that when applicable, banks must apply these markings correctly as this prevents DNB making incorrect pay-outs to persons. Although these markings also result in an inaccurate SCV, DNB when forming its opinion takes into account the extent to which banks correctly apply those markings. DNB expects banks to take measures to resolve the underlying quality issues.

- **Completeness** means that the SCV of all deposit holders, including the related deposits, data and markings are incorporated in the SCV file as set out in the Single Customer View Policy Rule in conjunction with the Manual and the DDA.

- **Plausibility** of the data and markings in the SCV file can be assessed by detecting outliers in the reported data. This is done by establishing whether values deviate from the usual pattern or that certain values are exceptionally high or low compared to similar institutions.

Another criterion for plausibility of the data is how it corresponds with other reports by the bank (for example the DGS quarterly reports) or the findings from the IAD audits and the bank's external auditor.

- **Robustness** is the degree to which the requirements of the Single Customer View Policy Rule have been secured in the SCV system on a structural basis so that an SCV file can be submitted in a timely, accurate and complete fashion at any given time. For that reason, DNB also assesses the continuity of the timeliness and quality of the submissions. If a bank is able to deliver an SCV file that does not lead to a technical blocking error, the expectation is that a next delivery will also meet the technical requirements.

The above criteria have been converted into the following indicators.

Timeliness of the SCV file	<ul style="list-style-type: none"> ■ The number of working days between the reference date (date of 'activation DGS') and the time at which the bank delivers the SCV file (on the condition the file is accepted by DNB) ■ Average number of delivery attempts before a supplied file is accepted.
Quality of the SCV file	<ul style="list-style-type: none"> ■ Percentage of SCVs in a SCV file that comply with automated checks ■ Percentage of validation errors in SCV file ■ Findings from manual and randomised checks ■ Statement by the bank in case of outliers and deviations in data values and markings ■ Statement by bank that SCV files are complete and structurally secured in the SCV system
Timely delivery of audit reports	<ul style="list-style-type: none"> ■ Submission of audit reports from internal and external auditors within 5 months of the end of the reporting year (reporting year for audits runs from 1 April to 31 March)
Quality of the SCV system	<ul style="list-style-type: none"> ■ Assessment and findings in internal audit department report ■ Opinion by external auditor in ISAE 3402 report ■ Bank takes measures to ensure findings are resolved

³ The validation rules are specified in the Data Delivery Agreement. Validation results are communicated through the Digital Reporting Portal after each delivered SCV file.



The indicators are explained in more detail in the next sections. Please refer to the growth path in chapter 3 for the standards. How the score reflects adherence to the standard is the starting point for the analysis of any underlying causes, DNB's opinion-forming and the measures to be taken. This requires a tailored approach.

In addition to the indicators referred to above, an essential requisite is that banks inform DNB promptly about any major changes to the SCV system⁴. If DNB has knowledge of material changes to the SCV system in due time, it can take that into account when supervising compliance with the SCV requirements. Examples of material changes to the SCV system include integration with another bank after a merger, acquisition or the transfer of a deposit portfolio, or the introduction of a new IT system used for the purposes of the SCV system.

2.3 Notes concerning the assessment of the timeliness of an SCV file

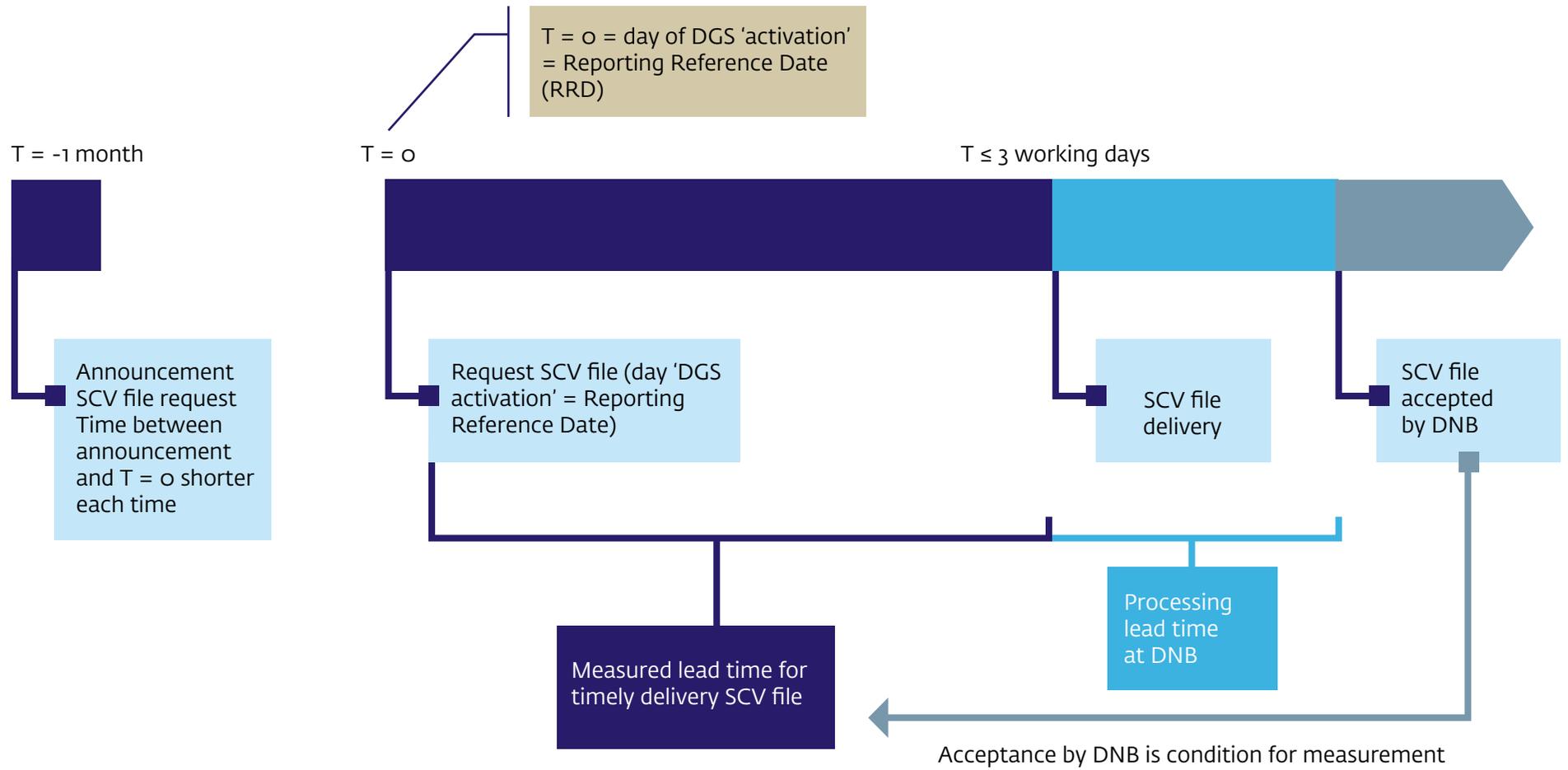
To be able to pay out compensation within seven working days, DNB needs to receive the SCV files from a bank within three working days of the DGS being activated. Files are submitted through Logius, the government portal for the exchange of data. In order for DNB to assess whether the bank is able to deliver files within three working days, DNB makes such a request at least once a year. DNB sets the date that qualifies as the reference date for the SCV file. That day (T=0) represents the day on which the DGS is activated (= Reporting Reference Date). DNB will announce its request in advance, whereby the time between the announcement and T=0 will gradually get shorter. The time between T=0 and the date of delivery is the measured lead time. That date of delivery is indicated in the Digital Reporting Portal (*Digitaal Loket Rapportage – DLR*)⁵. One condition for a valid lead time measurement is acceptance by DNB. The lead time for processing by DNB does not count towards establishing whether the SCV file was delivered within three working days. Figure 4 shows a diagram of the assessment of timely delivery.

⁴ See Article 13 of the Single Customer View Policy Rule.

⁵ The return message from Logius is insufficient proof of delivery.



Figure 4 Diagram of the assessment of timely delivery of SCV file



2.4 Notes concerning the assessment of the quality of an SCV file

The SCV files are assessed based on the indicators i) percentage of SCVs that comply with automated checks, ii) percentage of validation errors on identifying properties, iii) findings from manual and random checks and iv) file completeness.

Percentage of SCVs that comply with automated checks

Starting point for the assessment is the percentage of SCVs without validation errors or reliability and doubtfulness markings in so far as these can be established through automated checks. In order to establish this percentage, the section of the total number of SCVs that contains one or more validation errors and/or reliability or doubtfulness markings applied by the bank is determined and classified as follows:

- number of 'unreliable' SCVs (identity)
- number of SCVs where there is doubt about the eligibility for DGS
- number of SCVs where the amount of the compensation cannot be determined (fully)
- number of SCVs where no one is able to request compensation
- number of SCVs where it is not possible to notify the individual deposit holder

This is shown graphically in Figure 5. *Appendix 3* specifies this classification in greater detail.

In addition to these automated checks, manual and random checks may reveal additional findings regarding the accuracy of the SCVs (see the notes below on the findings from manual and random checks).

Percentage of validation errors on identifying properties

Validation errors on identifying properties are specified with a maximum of 1,000 records per specific validation. This is done by means of the validation report sent to the bank via DLR.

DNB has developed a dashboard to assess the quality of the SCV files. Based on that dashboard, banks receive an overview of the results of the assessment of the delivered SCV files.

Findings from manual and randomised checks

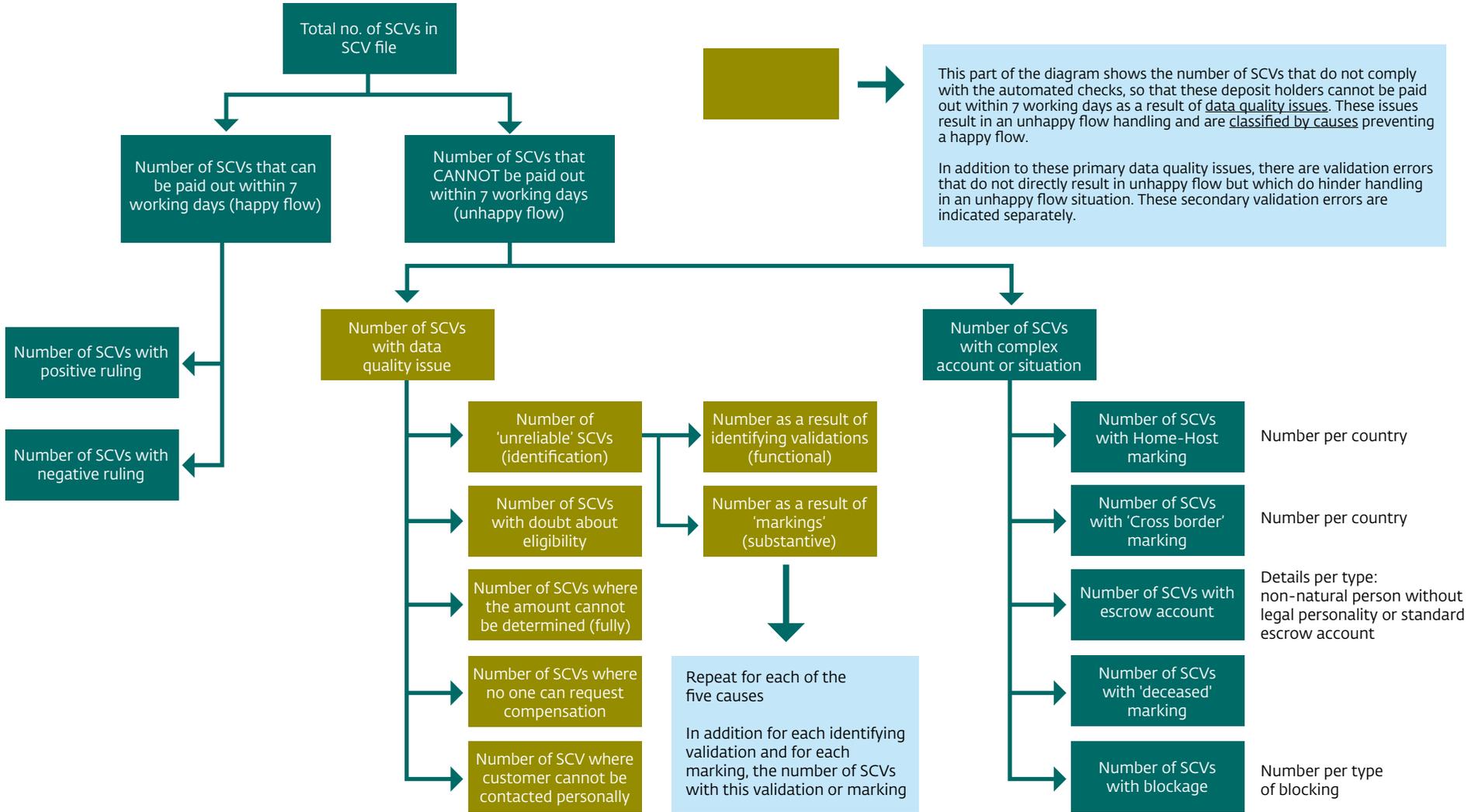
Manual and random checks are supplemental to the aforementioned checks based on validation rules and markings. These manual checks provide an insight into the accuracy and plausibility of the data in the SCV file. We aim to further automate these checks. Possible findings include, for example, incorrect address details (i.e. wrong postcode/town combination), the use of dummy data (which is unusable for payouts),

the incorrect application of markings for escrow accounts or the lack of product types where these are required given the bank's business model.

Completeness of the SCV file

To guarantee short payout deadlines for all deposit holders, it is important that the SCV files are complete. DNB requests banks to issue a statement with each delivery relating to the completeness of the file in accordance with the specification of the scope of data to be submitted (see section 2.2 of the DGS Data Delivery Manual).

Figure 5 Diagram of insight into SCV file quality



2.5 Assessment of the SCV system by the internal audit department and the external auditor

Based on the Single Customer View Policy Rule⁶, a bank must instruct the external auditor once a year to form an opinion on compliance with the requirements in the SCV Policy Rule during the year under review. These instructions are based on the auditing standard ISAE 3402, with the policy rule being the system of standards for assessment (hereinafter referred to as: the SCV audit). The audit is process-oriented in which checks are performed to see whether the control of the bank's business processes relevant to the SCV system are focused on avoiding errors ("zero tolerance of errors").

Each year, banks publish an ISAE 3402 report with the external auditor's assurance report.

The internal audit department (IAD) also assesses compliance with the requirements of the Single Customer View Policy Rule in its control programme.⁷ There is an important distinction between the role of the IAD and that of the external auditor. The IAD must ensure that control of the SCV system is in accordance with the requirements within the organisation (as part of the 'three lines of defence'). The external audit

serves as a check, independent of the bank, to see whether that bank operates in accordance with the requirements. When forming his opinion, the external auditor will also check the IAD's work. The more the three lines of defence, which includes the IAD, ensure the operational excellence of the SCV system, the less the external auditor has to do.

Agreements have been made with banks and accountant firms that the year under review for audits by the IAD and external auditors runs from 1 April to 31 March, to avoid coinciding with the busy year end. Based on the policy rule, banks must share the audit reports with DNB within five months of the end of the year under review, i.e. no later than 31 August.

Each bank, regardless of its size, must have sound arrangements in place concerning the above. The requirements referred to are proportionate, in the sense that a smaller bank, because it is less complex, has fewer activities to perform to show the operational excellence of its SCV system.

To further clarify the depth and scope of the SCV audit, DNB, in consultation with banks and accounting firms, has drawn up an overview of the minimum control objectives and controls (hereinafter: control

framework) to form part of the SCV audit. Control objectives and controls were established for all sub-processes within the banks' SCV system. Figure 6 shows a general overview of this audit framework. *Appendix 4* contains a full representation of the framework.

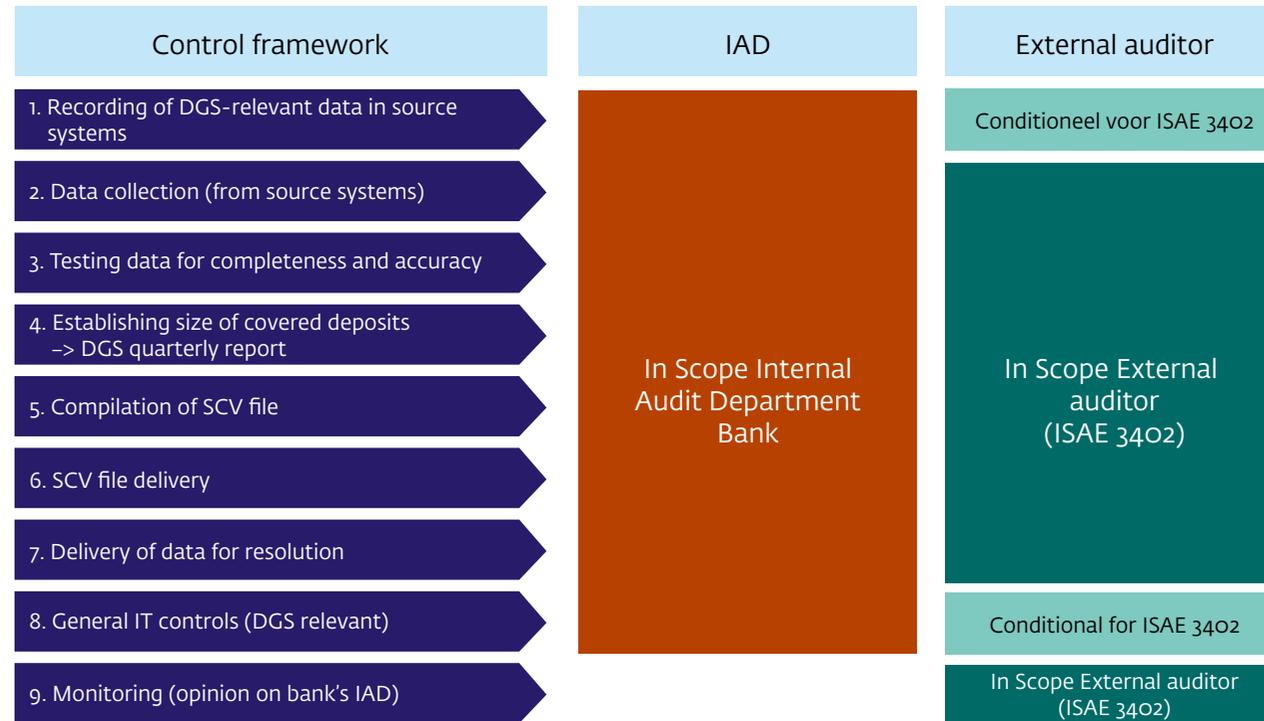
Internal controls

Within the provisions of the Single Customer View Policy Rule each bank must determine for itself which internal controls should be described and implemented, depending on the specific processes and systems used. To this end, the bank will conduct a risk analysis, taking into account the size and complexity of the customer portfolio. On this basis the bank will ascertain the nature, scope and depth of the internal controls required in order to achieve the control objectives. The external auditor will also conduct a risk analysis on the basis of his work and form an opinion on the extent to which the controls described are adequate.

⁶ See Article 12 of the Single Customer View Policy Rule.

⁷ See Article 11 of the Single Customer View Policy Rule.

Figure 6 Control framework and scope of audits by IAD and external auditor



Scope ISAE 3402 audit

The control framework includes internal controls which are not directly related to process steps in the creation of the SCV file but which may be relevant to it. Specifically, these are the regular customer acceptance and registration procedures, standard data quality checks, reconciliation and period-end checks of nostro

accounts and after-date movements in customer master data, including the related generic IT internal controls. On the basis of its risk analysis, the bank may conclude that these controls do not require checks by the external auditor if the following conditions are met:

1. The IAD conducts an annual audit of these processes and reports to DNB (Section 11 Single Customer View Policy Rule).
2. These reports and the procedures relating to the other internal controls in the ISAE 3402 report give the external auditor no cause to doubt the internal control relating to these processes.

On the basis of their own activities, the external auditor will also conduct a risk analysis for the control objectives and internal controls and form an opinion on the adequacy of those internal controls in their assurance report. The control framework includes an control objective and internal control relating to the IAD report to DNB to enable the external auditor to report on this in the ISAE 3402 report.

The above implies that these controls must nevertheless still be conducted and compliance with this requirement will be monitored in the report of the internal audit department. The external auditor must at least acquaint himself with the internal audit department's procedures, findings and reports and will cover the main points of these in the ISAE 3402 report. If the external auditor concludes that the absence of one or more of these internal controls renders them inadequate for the control objectives, they must make this known by qualifying the opinion in their assurance report.





The following points require specific attention:

- On the basis of its risk analysis the bank may conclude that these internal controls from the audit framework are not necessary in order to achieve the control objectives. A bank may also add internal controls. Irrespective of any deviations, a clear alignment with the published audit framework should preferably be made in the ISAE 3402 report. This helps DNB to assess the findings.
- If banks deviate from the audit framework with control objectives and controls, they will be required to explain the deviations and include an assessment of the external auditor on the basis of the bank's own risk analysis.
- Included in the ISAE 3402 report, the bank will issue a management response including measures and a corresponding schedule to resolve any findings. The management response can be included in an additional chapter or in a cover letter to the report.



3 Standardisation 2020 – 2023: a growth path

Banks were given until 1 January 2019 to implement the requirements set out in the Single Customer View Policy Rule. Many banks however proved to need more time. Appendix 5 shows the progress made by banks by the end of 2019. The assessment framework provides for a growth path that aims to bring SCV bank submissions to the required level by 1 January 2024.

This growth path gives banks room to implement improvements, with the annual increase of standards ensuring that banks meet all requirements by 1 January 2024.

The growth path for timeliness and quality of the SCV file

	2020	2021	2022	2023
Timeliness and quality of the SCV file	<ul style="list-style-type: none"> Ability to deliver SCV file without blocking errors and within 3 working days = status accepted (where RRD⁸ is announced 1 month in advance) 	<ul style="list-style-type: none"> Ability to deliver SCV file without blocking errors and within 3 working days = status accepted (where the week of the RRD is announced 1 month in advance and the RRD itself 2 – 3 days in advance) 	<ul style="list-style-type: none"> Ability to deliver SCV file without blocking errors and within 3 working days = status accepted (where RRD is announced a couple of days in advance) 	<ul style="list-style-type: none"> Ability to deliver SCV file without blocking errors and within 3 working days = status accepted (where RRD is announced a couple of days in advance)
	<ul style="list-style-type: none"> At least 60% of the SCVs comply with the automated checks⁹ and at least 20% fewer errors in SCV file 	<ul style="list-style-type: none"> At least 80% of the SCVs comply with the automated checks and at least 20% fewer errors in SCV file 	<ul style="list-style-type: none"> At least 90% of the SCVs comply with the automated checks and at least 20% fewer errors in SCV file 	<ul style="list-style-type: none"> At least 95% of the SCVs comply with the automated checks and at least 20% fewer errors in SCV file
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⁸ RRD = Reporting Reference Date in DLR. In a real DGS situation, that date would be the date on which DNB decides to apply the DGS.

⁹ This relates to the accuracy based on automated checks of validation rules and markings.

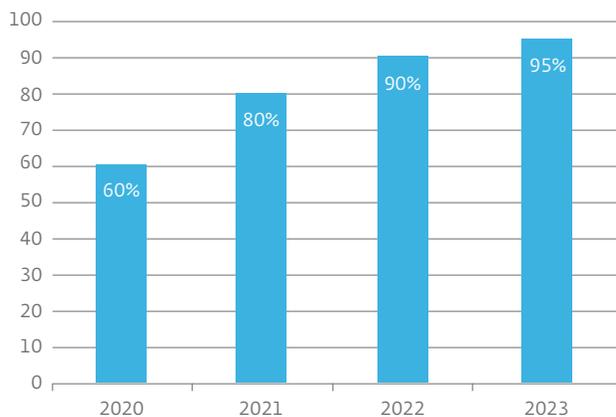


To ensure timely delivery of an SCV file, the bank is expected to be able to deliver an SCV file without blocking errors at any given moment. The growth path shows how DNB will establish this. In addition, DNB will keep track of the number of times required by the bank to deliver a file that is accepted. This offers an understanding of the robustness and reliability of the SCV system of the bank.

The aim is to get as close as possible to 100% SCV accuracy as possible by 1 January 2024. The growth path is instrumental to achieving this.

Figure 7 Minimum percentage of SCVs that comply with automated checks

In percentages



The growth path for timeliness and findings of the audits

	2020	2021	2022	2023
Timeliness and findings of audits	<ul style="list-style-type: none"> Timely delivery of audit reports by IAD and – external auditor (no later than on reporting deadline in DLR) 	<ul style="list-style-type: none"> Timely delivery of audit reports by IAD and – external auditor (no later than on reporting deadline in DLR) 	<ul style="list-style-type: none"> Timely delivery of audit reports by IAD and – external auditor (no later than on reporting deadline in DLR) 	<ul style="list-style-type: none"> Timely delivery of audit reports by IAD and – external auditor (no later than on reporting deadline in DLR)
	<ul style="list-style-type: none"> Findings in IAD report and ISAE 3402 type 1 report per 31 March 2019 have been resolved by 31 March 2020 	<ul style="list-style-type: none"> Findings in IAD report and ISAE 3402 type 2 report (reporting year 1 April 2019 – 31 March 2020) have been resolved by 31 March 2021 	<ul style="list-style-type: none"> Positive opinion IAD and unqualified opinion ISAE 3402 type 2 over reporting year 1 April 2021 – 31 March 2022 	<ul style="list-style-type: none"> Positive opinion IAD and unqualified opinion ISAE 3402 type 2 over reporting year 1 April 2022 – 31 March 2023
	<ul style="list-style-type: none"> Bank takes measures that ensure findings are resolved within the set timeframe 	<ul style="list-style-type: none"> Bank takes measures that ensure findings are resolved within the set timeframe 	<ul style="list-style-type: none"> Bank takes measures that ensure findings are resolved within the set timeframe 	<ul style="list-style-type: none"> Bank takes measures that ensure findings are resolved within the set timeframe

Below is a schematic overview of the growth path for the assessment by the IAD and external auditor (based on ISAE 3402). It was agreed within the Dutch banking association NVB that the reporting year would run from 1 April to 31 March. That means that the audit reports must be available every year by 31 August over the reporting year that ended on 31 March of that year. At that time DNB determines whether the SCV system complies with the annual growth path requirements. From the reporting year that ends on 31 March 2022, a positive opinion by the IAD and an unqualified opinion

by the external auditor is expected. That means that the internal control of the SCV system is at the required level on time to achieve the required data quality by 1 January 2024.

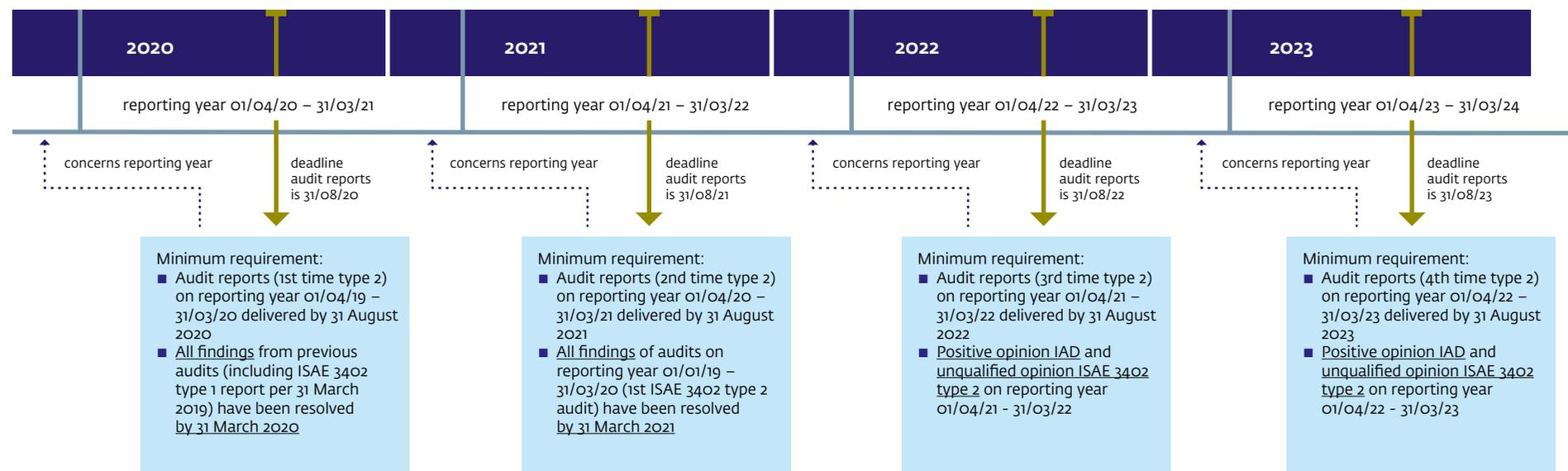
Banks must inform DNB on time and proactively about relevant developments

Besides the requirements referred to above to improve the quality of the banks' SCV files and SCV systems, banks must also inform DNB on time about relevant

developments and major changes. Specifically this means that banks must:

- inform and notify DNB promptly based on Article 13 of the Single Customer View Policy Rule
- proactively inform DNB about changes to the DGS crisis organisation, relevant contacts and relevant road map(s)

Figure 8 Schematic overview of growth path for the assessment of the IAD and external auditor

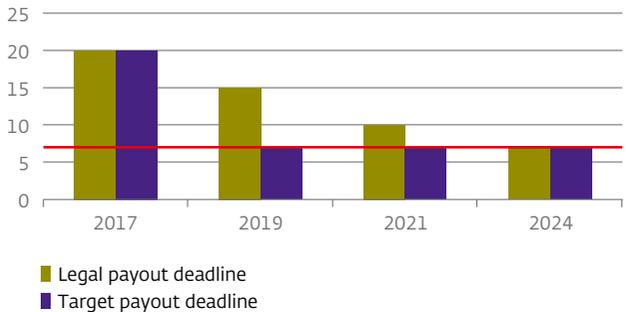


Appendix 1 – Background to Single Customer View Policy Rule

The Single Customer View (SCV) is the standard for timely DGS pay-out

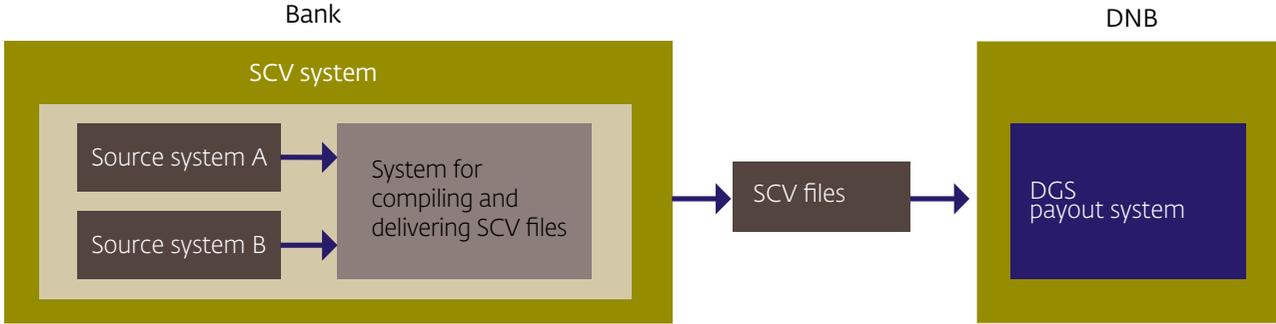
Proper compliance with the Single Customer View Policy Rule ensures timely pay-outs by the DGS and supports orderly resolution when a bank fails. The Single Customer View (SCV) is a standardised list of all balances held by each depositor. The information is presented according to a data model prescribed by DNB and allows deposits covered under the DGS to be paid out in a timely fashion.

Figure 1 Maximum payout deadline in number of working days



¹⁰ See Article 29.16 of the Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees under the Financial Supervision Act, read in conjunction with Article 130 of the Prudential Rules (Financial Supervision Act) Decree and the Regulation on Statements of Financial Undertakings (Statements Regulation).
¹¹ See Article 4(3) of the Single Customer View Policy Rule.

Figure 2 Payout system based on SCV files submitted by banks



The Single Customer View Policy Rule stipulates that banks must have procedures and measures in place which enable them to compile an accurate and complete SCV file on time. The procedures and controls a bank uses to ensure compliance with its obligations is referred to as the SCV system. DNB will then use the SCV to determine the amount payable to each depositor (see Figure 2).

The policy rule also describes how DNB supervises the application of this policy rule.

Furthermore, banks are obliged to report each quarter at aggregated level the deposits held and covered for the purpose of calculating the contribution for the Deposit Guarantee Fund¹⁰. The policy rule prescribes how banks must calculate the total of deposits held and covered¹¹. Thus the policy rule contributes to a reliable DGS quarterly report for the fund's levy calculation.





To be able to pay out compensation within seven working days, DNB needs to receive the SCV files from a bank within three working days of DNB's decision to apply the DGS. DNB may also request a bank in other situations to deliver the SCV file within three working days, for example when conducting a stress test on the DGS system.

SCV requirements detailed in the Manual and Data Delivery Agreement

The DGS Data Delivery Manual is a further specification of the Single Customer View Policy Rule. The manual provides practical tools for banks, helping them to comply with the policy rule. The technical specifications for data exchanges are described in the Data Delivery Agreement (DDA) which includes a Logical Data Model.

Figure 3 Timeline pay-out within seven working days

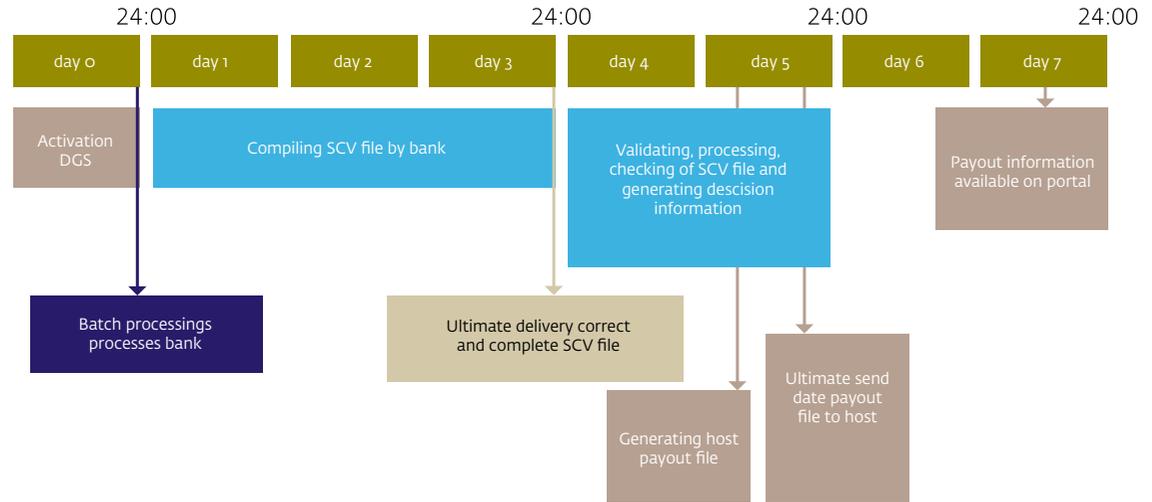
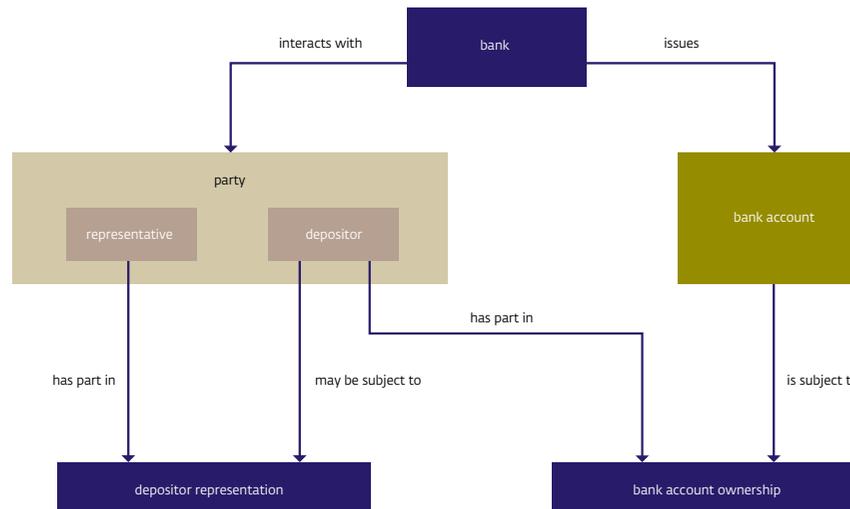


Figure 4 Conceptual data model SCV file



Appendix 2 – Overview enforcement of SCV regulations

The *AFM and DNB Enforcement Policy* is the basis for enforcing the requirements in the Single Customer View Policy Rule. Its application is aligned with SCV regulations.

Influencing non-compliant behaviour

Before turning to enforcement, compliance is encouraged in a variety of ways. DNB will inform banks both collectively and individually about the SCV regulations and any amendments and clarify these where necessary. The current SCV regulations are published on DNB's website¹². The technical specifications of the data delivery, including the Data Delivery Agreement and the Data Model can be found there as well. DNB also informs banks about the assessment and enforcement framework for SCV regulations to clarify how DNB assesses the SCV requirements and which measuring tool it uses to do so.

DNB encourages banks to improve the quality of the SCV files and systems by i) feeding back its findings from supervision to the banks (both relating to the SCV file and the SCV system) and ii) asking banks which measures they take to resolve the findings and make improvements.

Possible measures if banks fail to adequately address and resolve the findings

In principle, banks should address and resolve DNB's findings themselves. If a bank fails to adequately address and resolve DNB's findings, DNB may decide to enforce and take formal or non-formal measures. DNB has several instruments at its disposal to enforce compliance with the Financial Supervision Act and underlying legislation.

Non-formal enforcement measures, including compliance briefings and written warnings, have no basis in law. Formal enforcement measures have a legal basis and are referred to as "administrative sanctions". Administrative sanctions may serve a remedial purpose (orders subject to penalty) or a punitive purpose (administrative fines). DNB may impose either a remedial measure or a punitive measure, depending on the circumstances of the case.

The following measures from the general enforcement policy can be used in practice in the event of a violation of Section 26a of the Bpr or Section 3:17 of the Financial Supervision Act.

Non-formal measures	<ul style="list-style-type: none">■ Compliance briefing■ Issuing a written warning
Formal measures	<ul style="list-style-type: none">■ Instruction■ Order subject to penalty■ Administrative fine■ Disclosure

A brief explanation of the non-formal and formal measures in light of a violation of Section 26a of the Bpr is given below. When applying these enforcement instruments, DNB takes into account the severity and culpability of the violation and other circumstances of the case. Any enforcement action by DNB is in accordance with the general principles of good governance, including the principles of proportionality, subsidiarity, equality and due care. Measures are taken on a case-by-case basis.

¹² See <https://www.dnb.nl/resolutie/depositogarantiestelsel/individueel-klantbeeld/index.jsp>.



Compliance briefing and written warning

Not every violation of Article 26a of the Prudential Rules (Financial Supervision Act) Decree will result in formal measures being taken. DNB may opt to hold a compliance briefing with the bank in question or to send a written warning. In many cases, this briefing or letter will have the desired effect, i.e. compliant behaviour, so that the use of formal measures is no longer necessary. That does not mean that in cases in which a violation is ascertained, a compliance briefing will first be held or a written warning sent. Whether that proves necessary depends on the specific circumstances of the case and consideration of relevant factors. In the event of a violation of Article 26a of the Prudential Rules (Financial Supervision Act) Decree, DNB could consider directly giving an instruction, imposing an order subject to penalty or imposing an administrative fine.

Instruction

DNB may issue an instruction to banks failing to comply with the provisions by or pursuant to the Financial Supervision Act (Section 1:75 of the Financial Supervision Act). An instruction is an order to pursue a specific line of conduct within a certain timeframe aimed at terminating or redressing a violation. By issuing an instruction to a party, DNB intends to force that party to comply with specific rules.

Order subject to penalty

An order subject to penalty is a remedial sanction ordering a legal entity or a natural person to do or not do something. The order may serve to remedy or end a violation, to prevent repeated violations, or to remove or mitigate the consequences of a violation. This is laid down in Section 1:79 of the Wft. The decision to impose an order subject to penalty specifies the deadline by which the violation or its consequences must be remedied, also referred to as the "compliance deadline". Failure to carry out the order or to carry it out by the specified deadline creates an obligation to pay a sum of money, also referred to as 'an order subject to penalty'. A penalty may be imposed as a lump sum, as a sum payable for each time unit that the order has not been carried out, or as a sum payable for each instance of non-compliance with the order. The decision also specifies the maximum penalty forfeited.

Imposing an order subject to penalty qualifies as a remedial sanction. Remedial sanctions may be imposed even if the threat of a violation is evident. Thus DNB may impose an order subject to penalty even before a violation has been committed.

Administrative fine

An administrative fine is an unconditional obligation to pay a sum of money. It is a punitive sanction, imposed with the intention of punishing offenders. Administrative fines may be imposed only for established instances of non-compliance. The authority of DNB to impose an administrative fine is set out in Section 1:80 of the Financial Supervision Act.

The amount of the administrative fine depends on the legal base amount corresponding to the type of violation and circumstances of the case, such as the severity and culpability of the violation. Violation of Article 26a of the Prudential Rules (Financial Supervision Act) Decree is classed as fine category 1 in the Bpr. In principle the fine in category 1 amounts to EUR 10,000.

Disclosure

In principle, DNB is required by law to disclose all administrative sanctions it imposes. Sanction decisions are disclosed once they are irrevocable, i.e. when all legal remedies have been exhausted. If an objection or appeal has been lodged, DNB discloses the outcome along with the decision itself. Orders subject to penalty are disclosed upon forfeiture of a penalty.

Appendix 3 – Detailed specification of automated checks of SCV file

The table below gives an overview of the validation results and markings resulting in an SCV that fails to comply with the automated checks, classed as follows:

- the **identity** of the beneficiary has not been determined indisputably
- **doubts** about **eligibility** for DGS
- the **amount** of the compensation cannot be determined
- **a request for compensation** is not possible because there is no natural person who is able and authorised to do this (the deposit holder or their representative(s)).
- **notifying** deposit holders individually is not possible

Category	Validation results ¹³	Markings
Identity not established	<ul style="list-style-type: none"> ■ omc0001, omc0002, omc0008, omc0014, omc0015 ■ smc0001, smc0012 (D), smc0014 (D) ■ dmco000 (D) (NP.date of birth, NP.birthname or NP.official first names, NNP.registered country, NNP.registered name, NNP.registered place) ■ dmco003 (D), dmco004 (D) (NNP.registered country) ■ tmco003 (D) 	<ul style="list-style-type: none"> ■ Reliability SCV = 'not guaranteed' ■ Legal personality of an NNP = 'unknown'
Doubt about eligibility	<ul style="list-style-type: none"> ■ omc0011 ■ tmco005 ■ etco004 	<ul style="list-style-type: none"> ■ Doubt whether the depositor is eligible for DGS.
Amount cannot be determined	<ul style="list-style-type: none"> ■ etco001 to etco003 ■ dmco005, dmco006 ■ smc0010 ■ dmco000 (BA.ascription, BA.balance, BA.bank account number, BA.count of depositors, BA.currency, BA.interest, BA.product label) 	<ul style="list-style-type: none"> ■ Escrow account type is marked as unknown
Request for compensation not possible	<ul style="list-style-type: none"> ■ omc0005 (V), omc0006, omc0007, omc0012 ■ smc0011, smc0012 (V), smc0014 (V) ■ dmco000(NP.date of birth), dmco003 (V) ■ tmco003 (V) 	<ul style="list-style-type: none"> ■ Authority as representative is unknown
Notification not possible	<ul style="list-style-type: none"> ■ smc0006 (D) ■ dmco000 (D) (UA.address line 1, SA.postal code, SA.place, SA.street, SA.house number, NNP.registered country, NNP.registered place), dmco004 (AD.country) 	<ul style="list-style-type: none"> ■ Insufficient address details to notify deposit holders

Key to attributes for dmco000:
 NP = Natural person
 NNP = Non-natural person
 BA = Bank account
 SA = structured address
 UA = unstructured address
 AD = Address

Where a validation rule affects multiple entities, the information in brackets shows whether this rule relates to the depositor (D) or the representative (R).

The table above does not contain all validation rules. The validation report contains a list of all validation rules and results.

¹³ The validation codes are defined in the Data Delivery Agreement.

Appendix 4 – Overview of control objectives and controls

This overview describes the main control objectives and controls that are at least part of the engagement to the external auditor and are therefore expected in the external auditor's ISAE 3402 report. Within the scope of the Policy Rule, each bank must determine for itself which controls are included and described, depending on the specific processes and systems used. To this end, the bank carries out a risk analysis, taking into account the size and complexity of the client portfolio. Based on this, the bank determines the nature, scope and depth of the controls required to achieve the control objectives.

The overview contains control objectives that cannot be directly related to process steps for the creation of the IKB file, but may have relevance to them. Specifically, this concerns regular customer acceptance and registration procedures, regular data quality checks, connection and expiration checks of nostro accounts and settlement of changes to client master data; including the related IT general controls (or generic IT internal controls).

The bank may conclude on the basis of its risk analysis that these controls are not necessary to be part of the engagement to the external auditor, provided that the following conditions are met:

1. The internal audit department conducts an annual audit of these processes and reports on this in a report shared with DNB (Article 11, SCV Policy Rule);
2. These reports and the work on the other controls in scope of the ISAE 3402 report don't provide an indication to the external auditor that the internal control over these processes might be insufficiently effective.

This control approach applies to the controls referred to in this document as "Regular" in column "Type of control". The control approach for process steps that can be directly related to the creation and submission of the IKB file, the calculation and reporting of eligible and covered amounts at an aggregated level (including deposit basis) and the provision of data for bank settlement purposes, is indicated by "Specific".

The external auditor also performs a risk analysis with regard to the control objectives in scope and gives his opinion on the adequacy of the controls in his assurance report.

Furthermore, a specific control is added to the control framework with regard to the work and reporting of the internal auditor to give the external auditor the opportunity to report on this in the ISAE 3402 report.

Controledoelstellingen Control objectives and controls that are at least part of the ISAE 3402 audit based on Article 12 of the IKB policy rule

#	Process	Control objective	Control and Audit approach	Link DNB article	Type of control
1.1	Recording in source systems of DGS relevant data.	1. Guaranteeing data quality at time of recording data in relation to the (identification of) deposit holder in the source system so that they are accurate and complete.	Customer acceptance and customer registration processes have been implemented for all customers of the bank, regardless of whether they are relevant to the DGS. The processes and controls ensure Accurate and complete recording of the markings and data prescribed in the IKB policy rule in the bank's primary administration (product and customer systems) in combination with the application of the definitions and markings relevant to the DGS for both deposits and depositors through the bank's customer acceptance process and Know-Your-Customer process. The requirements with regard to the fields in the prescribed data model of the current data delivery agreement (GLO) should be taken into account.	5.1, 6.2, 6.3, 6.4	Regular
1.2			Centrally organised data cleaning processes and controls ensure data quality monitoring and the recording of an issue/risk log with data quality findings of the data prescribed in the IKB policy rule and the requirements in the applicable data delivery agreement (GLO).	5.1, 6.2, 6.3, 6.4	Regular
1.3		2. Guarantee of data quality with regard to the deposit balance to ensure that it is accurate and complete.	The monitoring and (daily) reconciliation of suspense accounts, including DGS-relevant suspense accounts, is part of the regular processes within the bank on both the operational side (day-to-day payments) and the financial administrative side. This is for more than just DGS customers and DGS products during "peacetime".	3.1	Regular
2.1	Data collection	3. Guaranteeing that the data set used to compile the SCV is fully consistent with the data in source systems.	Periodic check (at least once a quarter) to reconcile the details of collected data (including with regard to deposits, depositors or their identifying characteristics) with the data in the source data sets and thereby assess the accuracy and completeness of the interface jobs.	5.1, 6.1, 6.2, 6.3, 6.4	Specifiek
3.1	Checking of data for completeness and accuracy	4. Ensuring accuracy and completeness of a data set for the production of the SCV file.	Periodic (at least quarterly) check of duplicates in depositors file based on golden triangle.	5.1, 6.2, 6.3, 6.4	Specific
3.2			Periodic (at least quarterly) checks for accurate and complete registration of blockings as required by Section 6 of the IKB Policy Rule. Where applicable and relevant, these checks should involve external sources, such as public sanction lists.	6.1	Specific
3.3			Periodic (at least quarterly) check using other available external sources (such as tax administration feedback from BSN number disclosures).	diverse	Specific
3.4		5. Ensuring that the DNBprescribed data model is completed in accordance with the requirements of the valid Data Delivery Agreement.	Periodic (at least quarterly) check that all fields in the prescribed data model have been completed in accordance with the requirements of the valid Data Delivery Agreement (including the applicable validation rules), with the following data being included for natural persons: 1. Initials, or first names as registered in official identification document (applicable as of 1 January 2020), birth name, date of birth; 2. Address including country; 3. The national identification number or the tax identification number and issuing country, if natural persons have these; 4. Vital status.	2.2e	Specific

Controledoelstellingen Control objectives and controls that are at least part of the ISAE 3402 audit based on Article 12 of the IKB policy rule

#	Process	Control objective	Control and Audit approach	Link DNB article	Type of control
3-5			<p>Periodic (at least quarterly) check that all fields in the prescribed data model have been completed in accordance with the requirements of the valid Data Delivery Agreement (including the applicable validation rules), with the following data being included for all non-natural persons:</p> <ol style="list-style-type: none"> 1. Registered name; 2. Registered place of business including country; 3. Address including country; 4. If registered in the Netherlands, the CoC number or the RSIN; 5. If registered abroad, the tax identification number or the CoC number and the issuing country; 6. Indication of whether it is a non-natural person with legal personality or without legal personality. 	2.2f	Specific
3-6			<p>Periodic (at least quarterly) check that all fields in the prescribed data model have been completed in accordance with the requirements of the valid Data Delivery Agreement (including the applicable validation rules), with the following data being included for all representatives:</p> <ol style="list-style-type: none"> a. A unique identifying key for each representative; b. Initials, birth name; c. Date of birth, if known; d. Address including country; e. National identification number or tax identification number and issuing country, if representatives have these; f. The type of authority conferred on the representative for each representation. 	2.3	Specific
3-7			<p>Periodic (at least quarterly) check that all fields in the prescribed data model have been completed in accordance with the requirements of the valid Data Delivery Agreement (including the applicable validation rules), with the following data being included for deposits:</p> <ol style="list-style-type: none"> a. A unique identifying key for each deposit; b. Markings as referred to in Section 6(1)(a); c. The account number known to the depositor; d. The name documented for the deposit; e. A product name or description of the deposit as known to the depositor; f. A categorisation of the type of deposit as referred to in Section 5(2); g. Markings as referred to in Section 5(3); h. Markings as referred to in Section 6(1)(b) to (g); i. Markings as referred to in Section 6(4); j. The currency in which the deposit is held; k. The balance of the deposit; l. The amount of interest accrued but not yet credited on the deposit; m. The country in which the deposit is held; n. The number of depositors of the deposit and, if there are more than one, the percentage of the claim of each depositor if it is not proportional. o. If this is the case, the fact that the deposit is held from another Member State without branches being established in that Member State, as well as the Member State concerned and the language chosen by the depositor at the opening of the account (applicable from 1 January 2020). 	2.4a, c, d, e, f, g, h, l, j, k, l m, n	Specific

Controledoelstellingen Control objectives and controls that are at least part of the ISAE 3402 audit based on Article 12 of the IKB policy rule

#	Process	Control objective	Control and Audit approach	Link DNB article	Type of control
3.8			<p>Periodic (at least quarterly) check that all fields in the prescribed data model have been completed in accordance with the requirements of the valid Data Delivery Agreement (including the applicable validation rules), with the following data being included for deposits:</p> <ul style="list-style-type: none"> a. Eligible deposits and depositors; b. Deposits arising from transactions where there has been a criminal conviction for money laundering, as referred to in Section 29.01(2) of the Bbpm; c. Deposits that are the subject of a legal dispute, as referred to in Article 8(5)(a) of the Deposit Guarantee Schemes Directive; d. Deposits that are subject to restrictive measures imposed by national governments or international bodies, as referred to in Article 8(5)(b) of the Deposit Guarantee Schemes Directive; e. Deposits over which a pledge has been created for a third party; f. Deposits that have been attached; g. Deposits that are blocked pursuant to the laws of the country where the deposit is held, to the extent that the blocking is relevant to a DGS pay-out; h. Bank savings deposits for a private residential property, as referred to in Section 29.01(2)(e) of the Bbpm. 	6.1	Specific
4.1	Determination of eligible and covered deposit balances and entering the depositbase in the DNB quarterly report on DGS.	6. The aggregate eligible as well as covered amount in euros of each depositor is calculated accurately and completely.	Check of the accuracy and completeness of the calculation of the aggregate eligible amount as well as the covered amount in euros of each depositor, taking into account accrued interest. The bank, when calculating the eligible amount, takes into account the principles specified in Section 4.2 and the accompanying notes of the SCV Policy Rule. When calculating the covered amount (to determine the deposit base), the principles in Article 4.3 and the accompanying explanation of the IKB policy rule are taken into account.	4.1 4.2, 4.3	Specifiek
4.2		7. Reported amount in the quarterly DGS report is correct.	Check of the inclusion of the correct numbers of accounts and amounts in the quarterly DNB report, including the correct inclusion of the aggregated, covered amounts in column 9 (for the purpose of the deposit base).		Specific
4.3		8. Relevant movements are included in a timely manner and in the correct period.	Process checks that suspense accounts for incoming payments are at zero and in-flight transactions have been credited before file creation. Possible check of running of end-of-day processes.	3.1, 3.2	Regular

Controledoelstellingen Control objectives and controls that are at least part of the ISAE 3402 audit based on Article 12 of the IKB policy rule

#	Process	Control objective	Control and Audit approach	Link DNB article	Type of control
5.1	Compilation of SCV file	9. The SCV file is compiled correctly and fully.	Check of whether query/functionality for generation of SCV file meets requirements of valid Data Delivery Agreement as published on DNB website.	2.1. to 2.4, 6.1 to 6.4	Specific
5.2			Process checks that working inventory of movements relating to depositor data has been eliminated (e.g. representatives/blocked accounts).	2.1. to 2.4, 6.1 to 6.4	Regular
5.3			Check of SCV file after generation to ascertain that all 23 csv files have been generated and completed. Possible check of error messages in log file (e.g. by use of checklist).	2.1. to 2.4, 6.1 to 6.4	Specific
5.4		10. The deposit amounts in the SCV file have been included correctly and fully.	Check of SCV file (e.g. based on sampling of each type of depositor) to ascertain the accurateness and completeness of the SCV file before it is sent to DNB.	2.1. to 2.4, 6.1 to 6.4	Specific
5.5			Analysis of outstanding data quality issues and determination/processing of impact on SCV file. (IAD reports, complaints, DNB letters, incidents).	2.1. to 2.4, 6.1 to 6.4	Specific
5.6			Items which have been marked as unreliable in the SCV files are followed up (for example by corrections in source systems) and the follow-up is monitored.	2.1. to 2.4, 6.1 to 6.4	Specific
5.7			Checking of consistency with other reports including quarterly DGS report and FINREP (e.g. same source and one-time determination as baseline).	10.3	Specific
6.1	Delivery of SCV file	11. The SCV file can be delivered on time.	At least once a year, at the request of DNB, the bank runs the process for delivering the SCV file (in accordance with requirements in the SCV Policy Rule and the Data Delivery Agreement) within the specified delivery period (whole process chain from request through to DNB acceptance of delivery).	9.1, 9.2, 9.3, 9.4, 9.6	Specific
6.2			Monitoring the progress of execution of the SCV file creation process.		Specific
6.3			Establishing that during the execution of the annual delivery process Logius has issued a confirmation of receipt and DNB has accepted the delivery.	9.1, 9.2, 9.3, 9.4, 9.6	Specific
7.1	Delivery of data for resolution of banks.	12. The delivery of data for the production of the resolution plan is authorised and periodically tested.	In its role as the resolution authority, DNB is responsible for drawing up the resolution plan. As the resolution authority DNB will inform the bank whether there are any impediments to the resolution of the bank. In that regard the requirements in Section 8 therefore depend on the formal request from DNB. The requirements in Section 7 apply to all banks. Section 7(1) concerns in practice the delivery of the Liability Data Report prescribed by the SRB that banks must supply for the drawing up of resolution plans. The marking in accordance with Section 7(2)(a) is part of the SCV file and therefore falls within the scope of the SCV file (including the bank processes to determine this marking). The data in Section 7(2)(b) fall outside the scope of the SCV file for DGS purposes (concerns deposits held through branches in third countries), but banks must be able to supply it for resolution purposes.	7.1 to 7.3 and 8	Specific, partly dependent on DNB instruction

Controledoelstellingen Control objectives and controls that are at least part of the ISAE 3402 audit based on Article 12 of the IKB policy rule

#	Process	Control objective	Control and Audit approach	Link DNB article	Type of control
8.1	General IT controls (specifically for IT environment for generation of SCV file)	13. Access to systems and data is limited to authorised users.	To ensure controlled operations the bank has subjected its systems to IT general controls. As part of the "three lines of defence" model within a bank, the internal audit department assesses compliance with these controls by the first and second line and issues a specific DGS report of findings each year as part of its audit programme. It makes this report available to the external auditor. The external auditor will test/assess this report of findings as part of its DGS audit. Within this control framework it will be demonstrated that controls are adequately designed, implemented and effective and sufficiently specific. The internal auditor will assess this control plan.		Regular
8.2			Access to the IT environment through which a data set is filled and the SCV file is generated and sent to DNB is limited to authorised users (source systems are not part of it).		Specific
8.3		14. Controlled change management for systems and data.	Changes in the IT environment through which a data set is filled and the SCV file is generated and sent to DNB have been tested and authorised before being taken into production (source systems are not part of it).		Specific
8.4			The important interface (batch) jobs coordinated with functional management have operated according to the desired process in the IT environment through which a data set is filled from the source systems and the SCV file is generated and sent to DNB.		Specific
8.5		15. Check of outsourced services relating to SCV reporting.	Effective monitoring to ensure that external service providers are performing their services in accordance with the agreements entered into with them that are relevant to the SCV reporting and that the controls outsourced to them for the SCV reporting are operating effectively. Note: the bank must provide evidence of contractual agreements with service providers guaranteeing that the services for the DGS will continue to the extent necessary in the event of bankruptcy.		Specific
9.1	Monitoring	16. Judgment on compliance with SCV Policy Rule by the bank's Internal Audit Department	Based on the requirements in Article 11 of the SCV Policy Rule, the bank's Internal Audit Department issues an annual report regarding bank's compliance with SCV Policy Rules. The annual report of the internal auditor is shared with DNB. The regular controls are part of this report.	11	Specific

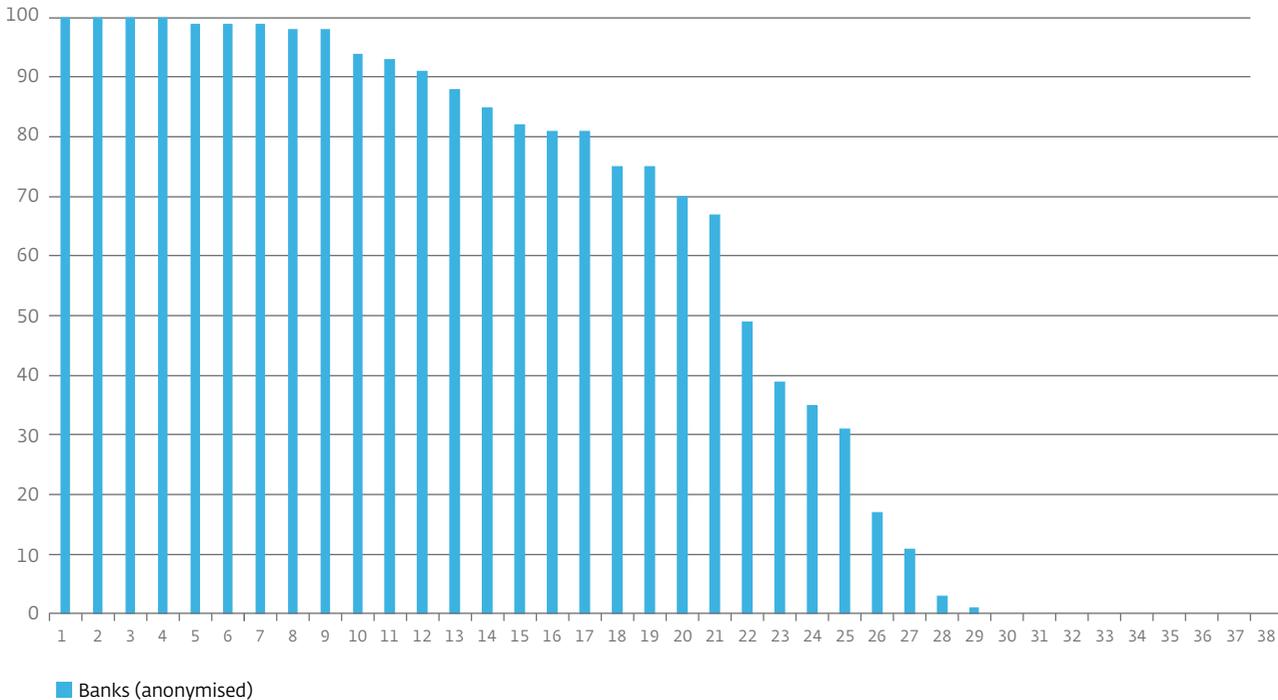


Appendix 5 – Overview of current findings

In the Single Customer View Policy Rule, DNB expressed its expectation that from 1 January 2019 banks will deliver their data compliant with that policy rule. An 18 month transitional period applies. The implementation proved more complex than foreseen in 2017, in particular for banks with a variety of products, trade names and branches throughout Europe. Many banks therefore proved to need more time.

As of early 2019, thirteen banks were able to successfully deliver an SCV file that could be processed technically by DNB, i.e. without any blocking validation results. Towards the end of 2019, 38 of the 44 banks were able to deliver a technically compliant file. The figure below shows an anonymised overview for these banks of the percentage of SCVs that meet the quality requirements, in so far as this can be established based on the automated checks of the SCV file. The measurement concerns the last SCV file accepted in 2019.

Figure 1 Percentage of SCVs that comply with automated checks
Percentage of SCVs that comply with quality requirements





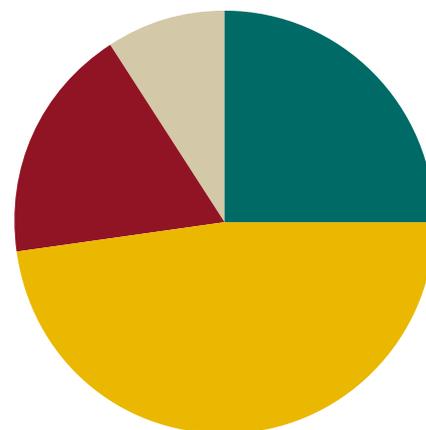
In 2019, 40 banks had to deliver audit reports including the external auditor's assurance report (audit based on ISAE 3402 type 1 per 31 March 2019) Of these, 11 banks had an unqualified opinion, 21 banks had a qualified opinion and 8 banks had an adverse opinion (see figure 2). [Add title to figure: Figure 2 External auditors' opinion in ISAE 3402 reports per 31 March 2019] Four banks were not (yet) required to deliver their audit report. This concerned new banks or banks not yet holding deposits.

For several banks the findings express doubts about the extent to which DNB can trust the above percentage of SCVs that comply with the quality requirements. Banks indicated that they have taken measures to remedy the findings. The following report on the reporting year 1 April 2019 – 31 March 2020 will establish whether these measures were sufficient.

In the autumn of 2019, the audit process was evaluated with accountancy firms and a representation from the banks. Based on that evaluation, a number of changes were implemented for the following reporting years. The main change is a shift of the reporting year to the period 1 April – 31 March. That means that the next audit reports, which include the type 2 ISAE 3402 report, must be submitted by the banks no later than 31 August 2020 (five months after 31 March 2020).

The audit framework has been tightened in certain areas (see chapter 2).

Figure 2 Overview of ISAE 3402 audit reports 2019



- Unqualified opinion
- Qualified opinion
- Adverse opinion
- Dispensation (under conditions)

