

# Data quality in prudential reporting: points for attention for class 3 investment firms and fund managers

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DeNederlandscheBank

EUROSYSTEM

# Introduction

- Joris Ottow (senior supervisor)
- Jacques Visser (account supervisor)
- Robin Bakker (account supervisor)
- Jasper Hinne (reporting specialist)
- Birger IJsenbrand (trainee)

# DNB's data quality action plan

- DNB wants to contribute to increasing the quality of data in prudential reports

## How?

- Publication of good practices document: Guidance on prudential reporting for investment firms and investment fund managers ([consultation now closed](#))
- Integration of additional automatic validation in our systems
- Transfer of information to increase knowledge at investment firms and investment fund managers (*Beleggingsondernemingen en beleggingsinstellingen – BoBis*) on prudential reporting

# Contents

## Which reports do you need to submit?

### General financial reporting (FINREP)

- T01.01 – Assets
- T01.09 – Details of other assets and liabilities
- T01.02 – Liabilities
- T01.03 – Equity
- T02.00 – Profit and loss account

### Prudential requirements (IFREP / FINREP)

- I 01.01 / T90.00 - Own funds composition
- T71.00 - Capital requirements for investment fund managers
- I 02.03 - Capital requirements for investment firms
- I 09.01 - Liquidity requirement for investment firms
- I 03.01 / T70.00 - Fixed overheads requirement (FOR) calculation

## Reference

# Which reports do you need to submit?

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# Reporting (1)

- All BoBis must report individually (i.e. solo, without consolidation), unless they have been exempted from this requirement [see page 10]

TOC		T00.01 - Nature of Report (FINREP)	
		Nature of report	
		0010	
Accounting framework	0010	IFRS	
Reporting Level	0020	Individual	

- Reports must be prepared on the same basis as the financial statements (i.e. GAAP or IFRS). This means items must not be netted.
- The year-end report submitted (predominantly Q4) must not differ materially from the final financial statements. Since the financial statements are often prepared after the final reporting deadline, a resubmission of the year-end report is required in case of material discrepancies. Please note that you may not report the profit for the current financial year as verified in this resubmission.

# Reporting (2)

## **FINREP (quarterly or six-monthly): Investment firms and investment fund managers.**

- Balance sheet
- Profit and loss account
- Managed assets
- Own funds and capital requirement (managers)

## **IFREP (annually): class 3 investment firms and investment fund managers with MiFid top-up.**

- Own funds
- Managed assets
- Capital requirements (including ratios)
- Liquidity requirement

## **Format**

- XBRL (standard)
- Excel (alternative)

# Reporting (3)

## Consolidated reporting

TOC		T00.01 - Nature of Report (FINREP)	
		Nature of report	
		0010	
Accounting framework	0010	IFRS	
Reporting Level	0020	Consolidated	

- Investment firm level:
  - Consolidated reporting if there is a >50% interest in a financial holding
  - In that case, consolidation only applies to all financial holdings (including those of <50%)
  - Exemption from solo reporting is possible in this case (see [IFR/IFD - Solo exemptions \(dnb.nl\)](https://dnb.nl/en/ifr/ifd-solo-exemptions))
  - If you are not exempted, you are required to report both consolidated and solo
- Investment holding company level:
  - Consolidation only applies to financial holdings >50%



# General financial reporting

## FINREP - every six months or quarter

[You can find the user documentation here](#)

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# T01.01 - Balance sheet statement – Assets: Points for attention

- **Line 0020: *Cash*:** This only involves cash money

<a href="#">TOC</a>		T01.01 - Balance Sheet Statement [Statement of Financial Position]: Assets			
					Carrying amount
					0010
Cash, cash balances at central banks and other demand deposits			0010		500,00
	Cash on hand		0020		20,00
	Cash balances at central banks		0030		0,00
	Other demand deposits		0040		480,00
	Of which: Cash balances at banks		0050		480,00

# T01.01 - Balance sheet statement – Assets: Points for attention

- **Lines 0040/0050: Other demand deposits:**

- This involves current account balances and/or other demand deposits held with banks, not central banks
- This means you should not use line 0030

<u>TOC</u>		T01.01 - Balance Sheet Statement [Statement of Financial Position]: Assets			
				Carrying amount	
				0010	
Cash, cash balances at central banks and other demand deposits		0010		500,00	
	Cash on hand	0020		20,00	
	Cash balances at central banks	0030		0,00	
	Other demand deposits	0040		480,00	
	Of which: Cash balances at banks	0050		480,00	

# T01.01 - Balance sheet statement – Assets: Points for attention

- **Lines 0060-0100: *Financial assets held for trading* [IFRS only]**
  - In principle, nothing should be entered here, because this requires an A3 licence (*trading for own account*)

<u>TOC</u>		T01.01 - Balance Sheet Statement [Statement of Financial Position]: Assets	
Financial assets held for trading		0060	0,00
	Derivatives	0070	0,00
	Equity instruments	0080	0,00
	Debt securities	0090	0,00
	Loans and advances	0100	0,00

# T01.01 - Balance sheet statement – Assets: Points for attention

- **Lines 0110-0170: *Trading financial assets* [GAAP only]**
  - In principle, nothing should be entered here, because this requires an A3 licence (*trading for own account*)

<a href="#">TOC</a>		T01.01 - Balance Sheet Statement [Statement of Financial Position]: Assets	
Trading financial assets		0110	0,00
	Derivatives	0120	0,00
	Equity instruments	0130	0,00
	Debt securities	0140	0,00
	Loans and advances	0150	0,00
	Non-related parties	0160	0,00
	Related parties	0170	0,00

# T01.01 - Balance sheet statement – Assets: Points for attention

## ▪ Line 0730: Other assets

- Do not use this as a residual item. Only enter data here if your institution holds physical commodities such as gold
- Explanatory details can be added in T01.09: *Details of other assets and liabilities*

<u>TOC</u>		T01.01 - Balance Sheet Statement [Statement of Financial Position]: Assets		
	Other intangible assets	0690		
Tax assets		0700	100,00	
	Current tax assets	0710	50,00	
	Deferred tax assets	0720	50,00	
Other assets		0730	20,00	
Non-current assets and disposal groups classified as held for sale		0740	0,00	
(-) Haircuts for trading assets at fair value		0750	0,00	
TOTAL ASSETS		0760	700,00	

# T01.09 - Details of other assets and liabilities

## ▪ Details of other assets and liabilities

- Each line must contain a unique asset/liability (you can add lines yourself)

You must provide a clear and unique description of the asset/liability; simply describing it as *other* is not sufficient

- Please note: *total of other assets* must be equal to T01.01, line 0730 and *total of other liabilities* to T01.02, line 0490.

TOC		T01.09 - Details other assets and liabilities		
		Carrying amount		
Other assets or liabilities	Description other assets or liabilities	0010		
Assets	Gold bars	20,00		

# T01.02 - Balance sheet statement – Liabilities: Points for attention

- **Lines 0010-0060: *Financial liabilities held for trading* [IFRS only].**
  - In principle, nothing should be entered here, because this requires an A3 licence (trading for own account)

TOC		T01.02 - Balance Sheet Statement [Statement of Financial Position]: Liabilities			
				Carrying amount	
				0010	
Financial liabilities held for trading		0010		0,00	
	Derivatives	0020		0,00	
	Short positions	0030		0,00	
	Deposits	0040		0,00	
	Debt securities issued	0050		0,00	
	Other financial liabilities	0060		0,00	



# T01.02 - Balance sheet statement – Liabilities: Points for attention

- **Lines 0070-0140: *Trading financial liabilities* [GAAP only].**
  - In principle, nothing should be entered here, because this requires an A3 licence (trading for own account)

TOC		T01.02 - Balance Sheet Statement [Statement of Financial Position]: Liabilities	
Trading financial liabilities		0070	0,00
	Derivatives	0080	0,00
	Short positions	0090	0,00
	Deposits	0100	0,00
	Debt securities issued	0110	0,00
	Other financial liabilities	0120	0,00
	Non-related parties	0130	0,00
	Related parties	0140	0,00

# T01.02 - Balance sheet statement – Liabilities: Points for attention

- **Lines 280: *Of which: subordinated financial liabilities qualifying as T2 capital***

The following specific requirements apply to subordinated financial liabilities:

- The minimum term to maturity at loan origination is 5 years
- Interim repayment is only possible with prior permission from DNB
- The part of the subordinated loan that the company may include in own funds is capped at one-third of the available Tier 1 capital
- The percentage of the subordinated loan that the company may include in the calculation of own funds depends on the remaining term to maturity of the subordinated loan. 80% may be included for a remaining maturity of 4 years, 60% for 3 years, 40% for 2 years and 20% for 1 year.
- See the [Capital Requirements Regulation](#) (CRR) for a more detailed explanation, in particular Articles 62, 63 and 92.

## Calculation example T01.02 lines 0280-0290, Subordinated liabilities

### Calculation example:

#### **Subordinated loans amount to €200,000 with a remaining term to maturity of 4 years**

- a maximum of 80% of the loan may be included: €160,000

Tier 1 capital (after deductions) amounts to €360,000

- up to 1/3 of Tier 1 capital may be included: €120,000

€120,000 is less than €160,000, therefore only €120,000 of the subordinated loan of €200,000 may be included in the calculation of own funds

→ On line 0280 you should report **€120.000**

→ On line 0290 you should report **€80.000**

# T01.03 Balance sheet statement - Equity: Points for attention (1)

## Capital and share premium.

- **General: based on the most financial statements (in this case 2022), supplemented by:**
  - Intermediate capital contributions are included in **lines 0040 and 0080**, provided there is proof of deposit, and for share premium payments a shareholders' resolution must also be provided (this must be submitted together with the report)
  - **Lines 0050 and 0090: *Not eligible as CET1 Capital*** must be filled if part of the capital cannot be included. In any case, this concerns preference shares (and share premium). This [link](#) will take you to an explanation on preference
  - **Lines 0100-0330** almost never apply to IF Class 3 investment firms and investment fund managers. However, if you do have such capital instruments, please contact us to discuss this

# T01.03 Balance sheet statement - Equity: Points for attention (2)

<a href="#">TOC</a>		T01.03 - Balance Sheet Statement [Statement of Financial Position]: Equity		
				Carrying amount
				0010
Capital		0010		100,00
	Paid up capital	0020		50,00
	Of which: Preference shares	0030		0,00
	Eligible as CET1 Capital	0040		50,00
	Not-eligible as CET1 Capital	0050		0,00
	Unpaid capital which has been called up	0060		0,00
Share premium		0070		60,00
	Eligible as CET1 Capital	0080		50,00
	Not-eligible as CET1 Capital	0090		10,00

# T01.03 Balance sheet statement - Equity: Points for attention (3)

- **Line 0340: Retained earnings**

- This must be equal to the figures in the most recent audited financial statements
- *Please note:* interim verification (current profit) does not result in changes in retained earnings, but must be entered in line 0530
- *Please note:* this must be equal to T90.00 line 0070 or I01.01 line 0070

<a href="#">TOC</a>	T01.03 - Balance Sheet Statement [Statement of Financial Position]: Equity		
Retained earnings		0340	500,00

# T01.03 Balance sheet statement - Equity: Points for attention (4)

- **Lines 0520-0540: Profit or loss attributable to owners of the parent company**
  - Current result (0520) for this year and last year (if last year's financial statements have not yet been prepared) is split into eligible and non-eligible result. Eligible means that the result can be included in own funds
  - Profit is only eligible (0530) after verification (auditor's report). The inclusion of interim verified profit on this line requires approval from DNB, see next slide.
  - Current loss is always eligible (0530)
  - Unverified profit is not eligible (0540)

TOC		T01.03 - Balance Sheet Statement [Statement of Financial Position]: Equity	
Profit or loss attributable to owners of the parent		0520	25,00
	Part of interim or year-end profit eligible	0530	25,00
	Part of interim or year-end profit not eligible	0540	0,00

# T01.03 Balance sheet statement - Equity: Points for attention (5)

- Line **0530: Part of interim or year-end eligible profit**
- Requesting consent via [My DNB](https://mijn.dnb.nl) (mijn.dnb.nl)



## Direct naar



**Digitaal loket omwisselverzoeken**  
Uw omwisselverzoeken indienen en inzien.

1



**Toezicht aanvragen**  
Aanvragen en meldingen inzien en indienen.



**Kwalitatieve uitvragen**  
DNB vraagt informatie op voor het detecteren van risico's.



## Direct naar

2



**Start aanvraag/melding**

## Over deze dienst

Met deze webdienst wordt u in de gelegenheid gesteld om algemene gegevens over uw instelling in te zien en te beheren. Tevens kan u in deze dienst specifieke documentatie aanleveren en vragen stellen.

## Start aanvraag/melding

Kies "Start" voor het openen van een formulier dat u direct wilt indienen of eerst wilt opslaan. Kies voor "Inzien" als u het betreffende formulier alleen wilt inzien. Eventueel ingevulde gegevens en geüploade bestanden worden dan niet opgeslagen. Als u de Engelstalige versie van een formulier wilt starten of inzien, klikt u op "English" (rechts bovenin).

Beleggingsondernemingen

Aanvraag/melding	Omschrijving	
Aanvraag aanvangstoetsing verklaring van geen bezwaar	Aanvraag aanvangstoetsing verklaring van geen bezwaar	Inzien
Aanvraagformulier VVGB 3:95 Wft	Aanvraag voor een verklaring van geen bezwaar - artikel 3:95 Wft	Inzien
Kennisgeving wijziging groepsmaatschappijen	Kennisgevingsformulier vvgb's voor groepsmaatschappijen	Inzien
Melding vermeende illegale financiële dienstverlener	Melding vermeende illegale financiële dienstverlener	Inzien
Ontheffing of instemming voor beleggingsondernemingen	Aanvraag voor een ontheffing of instemming voor beleggingsondernemingen	Inzien
Overige vergunningaanvragen, registratieverzoeken en kennisgevingen Markttoegang	Overige vergunningaanvragen , registratieverzoeken en kennisgevingen Markttoegang	Inzien
Formulier overige aanvragen en meldingen	Formulier voor het indienen voor overige aanvragen en meldingen	Inzien

3



# T01.03 Balance sheet statement - Equity: Points for attention (6)

- **Line 0530: *Part of interim or year-end eligible profit***
- The reason for the request for consent concerns including intermediate results.

Stappen

✓ Inleiding

Verklaring

Gegevens onderneming

Reden ontheffings- of instemmingsverzoek

Reden ontheffings- of instemmingsverzoek

Wilt u een ontheffing of instemming aanvragen? \*

Instemming

Voor welk wettelijk vereiste vraagt u de instemming aan? \* ⓘ

Meetellen tussentijdse resultaten

# T01.03 Balance sheet statement - Equity: Points for attention (7)

- **Line 0550: (-) Interim dividends**

- Here you must enter the interim dividends, which must not be offset against retained earnings (line 0340) or interim verified profit (line 0530)

- **Line 0560: Minority interests**

- Here you must enter the interests held by third parties in the company's holdings (only in case of consolidated reporting)

<a href="#">TOC</a>		T01.03 - Balance Sheet Statement [Statement of Financial Position]: Equity	
(-) Interim dividends		0550	-20,00
Minority interests		0560	0,00
[Non-controlling interests]	Accumulated Other Comprehensive Income	0570	0,00
	Other items	0580	0,00
TOTAL EQUITY		0590	2.000,00
TOTAL EQUITY AND TOTAL LIABILITIES		0600	7.000,00

# T02.00 - Statement of profit or loss: Points for attention (1)

- **Reporting is *cumulative* for the current financial year**
- **Reports must be prepared on the same basis as the financial statements (i.e. GAAP or IFRS)**
- **Fill in the 'trading' lines only if you have an A3 licence**

# T02.00 - Statement of profit or loss: Points for attention (2)

- **Line 0680: *attributable to minority interests [non-controlling]*.**
  - This refers to profit for the shareholders of the non-controlling interest (consolidated reporting only)

<u>TOC</u>	T02.00 - Statement of profit or loss	
PROFIT OR (-) LOSS FOR THE YEAR	0670	500,00
Attributable to minority interest [non-controlling interests]	0680	0,00
Attributable to owners of the parent	0690	25,00

# T02.00 - Statement of profit or loss: Points for attention (3)

- **Line 0690: attributable to owners of the parent company**

- This line must be the same as the result in T01.03, line 0520. Unless the financial statements of the previous financial year have not yet been adopted, then T01.03 also includes the result of the previous financial year
- T02.00 refers to the current financial year only

<u>TOC</u>	T02.00 - Statement of profit or loss	
PROFIT OR (-) LOSS FOR THE YEAR	0670	500,00
Attributable to minority interest [non-controlling interests]	0680	0,00
Attributable to owners of the parent	0690	25,00

<u>TOC</u>	T01.03 - Balance Sheet Statement [Statement of Financial Position]: Equity		
Profit or loss attributable to owners of the parent		0520	25,00
	Part of interim or year-end profit eligible	0530	25,00
	Part of interim or year-end profit not eligible	0540	0,00

# Prudential requirements

IFREP - every year (investment firms)

FINREP T90 - every six months (investment  
fund managers)

[You can find the user documentation  
here](#)

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# Calculation of own funds

- **Calculation of own funds under the IFR (CRR)**
- **Own funds consists of the sum of:**
  - **CET1 capital** (e.g. paid-up share capital, share premium, reserves, verified profit)
  - **AT1 capital**  
(additional Tier 1 capital subject to very strict conditions)
  - Tier 2 capital (e.g. approved subordinated loans)

# T90.00 / I 01.01 - Composition of own funds (1)

## Common equity Tier 1 capital

- **Line 0040: *Fully paid-up capital instruments***
  - Preference shares and shares financed by the institution are not included in this
  - This line must be equal to T01.03, line 0040
  - DNB capital survey: points for attention and explanation of preference (see [link](#))

<a href="#">TOC</a>	I 01.01 Own Funds composition (Class 3 IF)			
				Amount
				0010
Own funds			0010	2.000,00
Tier 1 Capital			0020	2.000,00
Common Equity Tier 1 Capital			0030	2.000,00
Fully paid up capital instruments			0040	800,00
Share premium			0050	200,00



# T90.00 / I 01.01 - Composition of own funds (2)

## Common equity Tier 1 capital

- **Line 0050: *Fully paid-up capital instruments***
  - Share premium linked to preference shares is not included in this
  - *Please note:* this must be the equal to T01.03, line 0080
  - DNB capital survey: points for attention and explanation of preference (see [link](#))

TOC		I 01.01 Own Funds composition (Class 3 IF)			
					Amount
					0010
Own funds				0010	2.000,00
Tier 1 Capital				0020	2.000,00
Common Equity Tier 1 Capital				0030	2.000,00
Fully paid up capital instruments				0040	800,00
Share premium				0050	200,00

# T90.00 / I 01.01 - Composition of own funds (4)

- **Line 0080: *Profit eligible***

- This refers to the externally audited profit or loss in the current financial year (T01.03 line 0530).
- The interim dividends (T01.03 line 0550) must be deducted from this

# T90.00 / I 01.01 - Composition of own funds (5)

<a href="#">TOC</a>		I 01.01 Own Funds composition (Class 3 IF)			
					Amount
					0010
Own funds				0010	2.000,00
Tier 1 Capital				0020	2.000,00
Common Equity Tier 1 Capital				0030	2.000,00
Fully paid up capital instruments				0040	800,00
Share premium				0050	200,00
Retained earnings				0060	550,00
Previous years retained earnings				0070	50,00
Profit eligible				0080	500,00
Accumulated other comprehensive income				0090	50,00
Other reserves				0100	400,00

# T90.00 / I 01.01 - Composition of own funds (6)

- **Line 0100: *Other reserves***

- *Please note:* this must be taken from T01.03 line 0450 excluding legal reserves.
- Do not use this line as a residual item
- Revaluation reserves are part of own funds only to the extent that they can be used immediately and unreservedly to cover risks and losses
- Profit from previous years is not part of other reserves, but must be reported under “Previous years retained earnings” (I 01.01 / T90.00, line 0070)

# T90.00 / I 01.01 - Composition of own funds (7)

TOC	I 01.01 Own Funds composition (Class 3 IF)			
	Tier 1 Capital		0020	2.000,00
	Common Equity Tier 1 Capital		0030	2.000,00
		Fully paid up capital instruments	0040	800,00
		Share premium	0050	200,00
		Retained earnings	0060	550,00
			0070	50,00
			0080	500,00
		Accumulated other comprehensive income	0090	50,00
		Other reserves	0100	400,00

# T90.00 / I 01.01 - Composition of own funds (8)

- **Line 0110: *Minority interest given recognition in CET1 capital***
  - Here you must report the amount held by shareholders with a minority interest
  - Only in case of consolidated reporting (CON)
  - Copy the amount reported in T01.03 line 0560

<a href="#">TOC</a>	T90.00 - Samenstelling van toetsingsvermogen				
Toetsingsvermogen				0010	
	Tier 1 kapitaal			0020	2.000,00
	Tier 1 kernkapitaal			0030	2.000,00
	Volledig volgestorte kapitaalinstrumenten			0040	800,00
	Agio			0050	200,00
	Ingehouden winsten			0060	550,00
	Ingehouden winst voorgaande jaren			0070	50,00
	Winst dat in aanmerking komt			0080	500,00
	Gecumuleerde overige gerealiseerde en niet-gerealiseerde resultaten			0090	50,00
	Overige reserves			0100	400,00
	Minderheidsbelang opgenomen in CET1-kapitaal			0110	0,00
	Aftrekposten op tier 1 kernkapitaal door prudentiele filters			0120	0,00
	Overige fondsen			0130	0,00

# T90.00 / I 01.01 - Composition of own funds (9)

- **Own funds deductible items**

- When calculating minimum own funds, it is important to assess the balance sheet items on the asset side that qualify as deduction items.
- These items must be deducted from own funds.
- We have noted that companies often fail to deduct (all of these) items,
- particularly the items mentioned in slides 42-54 (non-exhaustive)

# T90.00 / I 01.01 - Composition of own funds (10)

## Common equity Tier 1 capital deductions (CET1 capital)

- **Line 0190: (-) *Losses for the current financial year***
  - Copy the amount from T01.03, line 0530, if a current loss has been reported



# T90.00 / I 01.01 - Composition of own funds (11)

TOC		I 01.01 Own Funds composition (Class 3 IF)			
			Accumulated other comprehensive income	0090	50,00
			Other reserves	0100	400,00
			Minority interest given recognition in CET1 capital	0110	0,00
			Adjustments to CET1 due to prudential filters	0120	0,00
			Other funds	0130	0,00
			(-)Total deductions from Common Equity	0140	0,00
			Tier 1		
			(-) Losses for the current financial year	0190	0,00
			(-) Goodwill	0200	0,00
			(-) Other intangible assets	0210	0,00
			(-) Deferred tax assets that rely on future profitability and do not arise from temporary	0220	0,00
			(-) Qualifying holding outside the financial	0230	0,00
			(-) Total qualifying holdings in undertaking	0240	0,00
			(-) Other deductions	0285	0,00

# T90.00 / I 01.01 - Composition of own funds (12)

## CET1 capital deductions

- **Line 0200: (-) *Goodwill* and line 0210: (-) *Other intangible assets*.**
  - Intangible fixed assets (including goodwill) must be deducted from own funds.
  - For line 0200, copy from T01.01 line 0680
  - For line 0210, copy from T01.01 line 0690
  - These assets are regarded as "soft" assets that offer hardly any buffer against losses in times of stress.

# T90.00 / I 01.01 - Composition of own funds (13)

<u>TOC</u>		I 01.01 Own Funds composition (Class 3 IF)			
			Accumulated other comprehensive income	0090	50,00
			Other reserves	0100	400,00
			Minority interest given recognition in CET1 capital	0110	0,00
			Adjustments to CET1 due to prudential filters	0120	0,00
			Other funds	0130	0,00
			(-) Total deductions from Common Equity	0140	0,00
			Tier 1		
			(-) Losses for the current financial year	0190	0,00
			(-) Goodwill	0200	0,00
			(-) Other intangible assets	0210	0,00
			(-) Deferred tax assets that rely on future profitability and do not arise from temporary	0220	0,00
			(-) Qualifying holding outside the financial	0230	0,00
			(-) Total qualifying holdings in undertaking	0240	0,00
			(-) Other deductions	0285	0,00

# T90.00 / I 01.01 - Composition of own funds (14)

## Common equity Tier 1 capital deductions (CET1 capital)

- **Line 0220: (-) *Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities***
  - Deferred tax assets (DTA) can be formed if an enterprise incurs tax losses in a certain year.
  - The enterprise is allowed to offset this loss against profits in a later year, and only pay taxes on the net profits.
  - Part of these tax losses are regarded as tax liabilities, for which a DTA can be included in the annual accounts.
  - This claim can only be capitalised if the enterprise is profitable again in later years. Since there is no certainty of profit, it is a deduction
  - For line 0220, copy the amount from T01.01 line 0720

# T90.00 / I 01.01 - Composition of own funds (15)

<u>TOC</u>		I 01.01 Own Funds composition (Class 3 IF)			
			Accumulated other comprehensive income	0090	50,00
			Other reserves	0100	400,00
			Minority interest given recognition in CET1 capital	0110	0,00
			Adjustments to CET1 due to prudential filters	0120	0,00
			Other funds	0130	0,00
			(-) Total deductions from Common Equity	0140	0,00
			Tier 1		
			(-) Losses for the current financial year	0190	0,00
			(-) Goodwill	0200	0,00
			(-) Other intangible assets	0210	0,00
			(-) Deferred tax assets that rely on future profitability and do not arise from temporary	0220	0,00
			(-) Qualifying holding outside the financial	0230	0,00
			(-) Total qualifying holdings in undertaking	0240	0,00
			(-) Other deductions	0285	0,00

# T90.00 / I 01.01 - Composition of own funds (16)

## Common equity Tier 1 capital deductions

- **Line 0230: (-) *Qualifying holding outside the financial sector exceeding 15% of own funds***
  - *Please note:* a distinction is made between holdings in entities in the financial sector and in the non-financial sector.
  - In this item, the value of individual non-financial holdings is reported for the part that exceeds 15% of own funds (after other deductions have been deducted)
  - No deduction if this is already made under line 0240, see slides 50 to 52
  - These are the non-financial holdings from T01.01 line 0630
- For the difference between financial and non-financial holdings, see page 2 of the [Step-by-step guide for investment holding company qualification](#)

# T90.00 / I 01.01 - Composition of own funds (17)

<u>TOC</u>		I 01.01 Own Funds composition (Class 3 IF)			
			Accumulated other comprehensive income	0090	50,00
			Other reserves	0100	400,00
			Minority interest given recognition in CET1 capital	0110	0,00
			Adjustments to CET1 due to prudential filters	0120	0,00
			Other funds	0130	0,00
			(-)Total deductions from Common Equity	0140	0,00
		Tier 1	(-) Losses for the current financial year	0190	0,00
			(-) Goodwill	0200	0,00
			(-) Other intangible assets	0210	0,00
			(-) Deferred tax assets that rely on future profitability and do not arise from temporary	0220	0,00
			(-) Qualifying holding outside the financial	0230	0,00
			(-) Total qualifying holdings in undertaking	0240	0,00
			(-) Other deductions	0285	0,00

# T90.00 / I 01.01 - Composition of own funds (18)

## Common equity Tier 1 capital deductions

- **Line 0240: (-) *Total qualifying holdings outside the financial sector exceeding 60% of own funds.***
  - *Please note:* a distinction is made between holdings in entities in the financial sector and in the non-financial sector.
  - In this item, the total value of holdings in the non-financial sector is reported for the part that exceeds 60% of own funds (after other deductions have been deducted)
  - These are the non-financial holdings from T01.01 line 0630



# T90.00 / I 01.01 - Composition of own funds (19)

<u>TOC</u>		I 01.01 Own Funds composition (Class 3 IF)			
			Accumulated other comprehensive income	0090	50,00
			Other reserves	0100	400,00
			Minority interest given recognition in CET1 capital	0110	0,00
			Adjustments to CET1 due to prudential filters	0120	0,00
			Other funds	0130	0,00
			(-)Total deductions from Common Equity	0140	0,00
		Tier 1	(-) Losses for the current financial year	0190	0,00
			(-) Goodwill	0200	0,00
			(-) Other intangible assets	0210	0,00
			(-) Deferred tax assets that rely on future profitability and do not arise from temporary	0220	0,00
			(-) Qualifying holding outside the financial	0230	0,00
			(-) Total qualifying holdings in undertaking	0240	0,00
			(-) Other deductions	0285	0,00

# T90.00 / I 01.01 - Composition of own funds (20)

## Common equity Tier 1 capital deductions

- **Line 0240: (-) Total qualifying holdings outside the financial sector exceeding 60% of own funds.**

### Calculation example:

Own funds (after other deductions) = € 90

The company has 7 holdings with a value per holding of €10.

**Limit for individual deduction is 15%** = 15% of €90 = €13.5

The value of the individual holdings is €10 per holding, which is less than €13.5, and therefore no deduction for the individual holdings is reported in line 230

**Limit for total deduction is 60%** = 60% of €90 = €54

The total value of all holdings amounts to €70, which is more than €54, and therefore the difference of €16 must be reported in line 240

# T90.00 / I 01.01 - Composition of own funds (21)

## Common equity Tier 1 capital deductions

- **Line 0285: (-) Other deductions**

- This is where to report any items not deducted elsewhere, such as the full deduction of the financial holding, i.e. the financial holdings from T01.01 line 0620
- Deduction of the financial holding does not apply at the individual level:
  - in case of consolidated reporting, AND
  - application of Article 9(5) of the IFR
- The latter must be notified to DNB

# T90.00 / I 01.01 - Composition of own funds (22)

<u>TOC</u>		I 01.01 Own Funds composition (Class 3 IF)			
			Accumulated other comprehensive income	0090	50,00
			Other reserves	0100	400,00
			Minority interest given recognition in CET1 capital	0110	0,00
			Adjustments to CET1 due to prudential filters	0120	0,00
			Other funds	0130	0,00
			(-)Total deductions from Common Equity Tier 1	0140	0,00
			(-) Losses for the current financial year	0190	0,00
			(-) Goodwill	0200	0,00
			(-) Other intangible assets	0210	0,00
			(-) Deferred tax assets that rely on future profitability and do not arise from temporary	0220	0,00
			(-) Qualifying holding outside the financial	0230	0,00
			(-) Total qualifying holdings in undertaking	0240	0,00
			(-) Other deductions	0285	0,00

# T 71.00 - Capital requirements: fund management

**For (managers of) UCITS and AIFs, the highest of either of the following applies**

## **1. Minimum solvency:**

- AIF managers:  $\text{€}125,000 + 0.02\% \text{ of AuM} > \text{€}250 \text{ million}$  (with a maximum requirement of  $\text{€}10 \text{ million}$ ) +  $0.01\% \text{ of AuM}$  (or approved professional indemnity insurance (BAV))
- UCITS managers:  $\text{€}125,000 + 0.02\% \text{ of AuM} > \text{€}250 \text{ million}$  (with a maximum requirement of  $\text{€}10 \text{ million}$ )
- $\text{€}300.000$ : AIF investment company or a company for collective investment in transferable securities without a separate manager

## **2. Fixed overheads requirement**

- 25% of the previous year's fixed overheads, see sheets 62 and 76 for a more detailed explanation
- + at AIFMs  $0.01\% \text{ of assets under management}$  (or approved BAV)

# I 02.03 - Capital requirements for investment firms

## **The highest of either**

### **1. Minimum own funds**

- €75,000: investment advisers and asset managers (provided there are no customer funds or customer financial instruments)
- €150,000: other categories
- Ongoing transitional arrangements continue to apply until 27 June 2026 at the latest

### **2. Fixed overheads requirement**

- 25% of the previous year's fixed overheads, see sheets 62 and 76 for a more detailed explanation

## I 02.03 - Own Funds requirements: points for attention (1)

- **Line 0090: *Transitional own funds requirements***

- Some investment firms already licensed as an investment firm before the Investment Firm Regulation (IFR) came into force were entitled to apply a transitional arrangement.
- The transitional arrangement will continue to apply until 27 June 2026 at the latest.
- Investment firms cannot apply this retroactively,
- Therefore, you should fill this in only if you are entitled to it and have applied it since its introduction.
- For companies that had a minimum capital requirement of €50,000 in 2021, the requirement is:

Since Q2 2022: €55,000

From Q2 2023: €60,000

From Q2 2024: €65,000

From Q2 2025: €70,000

From Q2 2026: €75,000

# I 02.03 - Own Funds requirements: points for attention (2)

TOC		I 02.03 Own Funds requirements (Class 3 IF)			
Transitional own funds requirements		0049	(Abstract)	(Abstract)	(Abstract)
	Transitional requirement based on CRR own funds requirements	0050	0,00		Artikel 57(3)(a) IFR
	Transitional requirement based on fixed overhead requirements	0060	0,00		Artikel 57(3)(b) IFR
	Transitional requirement for investment firms previously subject only to an initial capital requirement	0070	0,00		Artikel 57(4)(a) IFR
	Transitional requirement based on initial capital requirement at authorisation	0080	0,00		Artikel 57(4)(b) IFR
	Transitional requirement for investment firms that are not authorised to provide certain services	0090	0,00		Artikel 57(4)(c) IFR



# Liquidity requirements: points for attention (1)

- **AIFMD managers:** full capital requirement must be held in liquid assets  
Article 9(8)(b) of the AIFMD

# I 09.01 - Liquidity requirements: points for attention (2)

- **Investment firms: 1/3 of fixed overheads requirement = one month's costs**
  - Must be held in highly liquid assets:
    - Demand deposits with a bank
    - Certain trade debtors up to a maximum of 1/6 of the liquidity requirement
    - There are more liquidity assets, see Article 43 of the IFR, but these are rare or non-existent at investment firms
- **General: see our fact sheet on the IFR/IFD liquidity requirements of October 2020 ([IFR/IFD - liquidity requirements \(dnb.nl\)](#))**
  - This contains answers to questions on exemptions for BoBi's, as referred to in Article 6(3) of the IFR
  - We plan to publish additional clarification on the liquidity requirements

# I 09.01 - Liquidity requirements: points for attention (3)

- **Line 0010: Liquidity requirement**

- *Please note:* In this field, you must report the **liquidity requirement** (1/3 of the fixed overheads requirement)

- **Line 0030: Total liquid assets**

- *Please note:* Report the **available liquid assets** in this field

<u>TOC</u>		I 09.01 Liquidity requirements (Class 3 IF)		
		Amount		
		0010		
Liquidity Requirement	0010			
Client guarantees	0020			
Total liquid assets	0030			

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (1)

- **Line 0020: Annual fixed overheads of the previous year after distribution of profits**

- *Please note:* This is the sum of lines 0030 and 0050 (negative amount)

TOC		I 03.01 Fixed Overheads requirement calculation (Class 3 IF)		
				Amount
				0010
Fixed overhead requirement		0010		100,00
Annual fixed overheads of the previous year after distribution of profits		0020		400,00
Total expenses of the previous year after distribution of profits		0030		400,00
Of which: Fixed expenses incurred on behalf of the investment firms by third parties		0040		400,00
(-)Total deductions		0050		0,00

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (2)

- **Line 0030: *Total expenses of the previous year after distribution of profits***
  - Total costs from the most recently adopted financial statements

TOC		I 03.01 Fixed Overheads requirement calculation (Class 3 IF)		
				Amount
				0010
Fixed overhead requirement		0010		100,00
Annual fixed overheads of the previous year after distribution of profits		0020		400,00
Total expenses of the previous year after distribution of profits		0030		400,00
Of which: Fixed expenses incurred on behalf of the investment firms by third parties		0040		400,00
(-)Total deductions		0050		0,00

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (3)

- **Line 0040: *Of which: Fixed expenses incurred on behalf of the investment firms by third parties***
  - Fixed expenses incurred on behalf of the investment firm by third parties

TOC		I 03.01 Fixed Overheads requirement calculation (Class 3 IF)		
				Amount
				0010
Fixed overhead requirement		0010		100,00
Annual fixed overheads of the previous year after distribution of profits		0020		400,00
Total expenses of the previous year after distribution of profits		0030		400,00
Of which: Fixed expenses incurred on behalf of the investment firms by third parties		0040		400,00
(-)Total deductions		0050		0,00

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (4)

- **Line 0050: (-) Total deductions**
  - *Please note:* This is the sum of lines 0060 to 0190

TOC				
I 03.01 Fixed Overheads requirement calculation (Class 3 IF)				
	(-)Total deductions	0050	0,00	
	(-)Staff bonuses and other remuneration	0060	0,00	
	(-)Employees', directors' and partners' shares in net profits	0070	0,00	
	(-)Other discretionary payments of profits and variable remuneration	0080	0,00	
	(-)Shared commission and fees payable	0090	0,00	
	(-)Fees, brokerage and other charges paid to CCPs that are charged to customers	0100	0,00	
	(-)Fees to tied agents	0110	0,00	

	(-)Non-recurring expenses from non-ordinary activities	0130	0,00	
	(-)Expenditures from taxes	0140	0,00	
	(-)Losses from trading on own account in financial instruments	0150	0,00	
	(-)Contract based profit and loss transfer agreements	0160	0,00	
	(-)Expenditure on raw materials	0170	0,00	
	(-)Payments into a fund for general banking risk	0180	0,00	
	(-)Expenses related to items that have already been deducted from own funds	0190	0,00	

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (5)

- **Line 0060: (-)Staff bonuses and other remuneration**

- *Please note:* this concerns the staff bonuses and other remuneration to the extent that they depend on the net profits in the respective year. More specifically:

1. *Staff bonuses (excluding those of the management board) already paid and recognised in P&L*

**OR**

2. *Payment of staff bonuses that have no impact on the firm's capital in the year of payment.*

**AND**

- *With respect to the current year and future years, the firm is not obliged to award or allocate further bonuses or other payments in the form of remuneration unless it makes a net profit in that year.*
- *Bonuses not related to net profit must not be reported in line 0060*



# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (6)

- **Line 0060: (-)Staff bonuses and other remuneration**

- We will explain this in more detail in our newsletter and on the Open Book on Supervision pages.

<a href="#">TOC</a>		I 03.01 Fixed Overheads requirement calculation (Class 3 IF)		
	(-)Total deductions	0050	0,00	
	(-)Staff bonuses and other remuneration	0060	0,00	
	(-)Employees', directors' and partners' shares in net profits	0070	0,00	
	(-)Other discretionary payments of profits and variable remuneration	0080	0,00	
	(-)Shared commission and fees payable	0090	0,00	

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (7)

## ▪ Line 0070: (-)Employees', directors' and partners' shares in net profits

- *Please note:* this concerns the net profit holdings of employees, directors and partners (e.g. management remuneration dependent on net profit)
- A director/majority shareholder must, under certain conditions, take into account the regular wage limit set by the Tax and Customs Administration

TOC		I 03.01 Fixed Overheads requirement calculation (Class 3 IF)		
	(-)Total deductions	0050	0,00	
	(-)Staff bonuses and other remuneration	0060	0,00	
	(-)Employees', directors' and partners' shares in net profits	0070	0,00	
	(-)Other discretionary payments of profits and variable remuneration	0080	0,00	

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (8)

- **Line 0080: (-)Other discretionary payments of profits and variable remuneration.**
  - Other appropriations of profits and other variable remuneration, to the extent that they are fully discretionary

<a href="#">TOC</a>		I 03.01 Fixed Overheads requirement calculation (Class 3 IF)		
	(-)Total deductions	0050	0,00	
	(-)Staff bonuses and other remuneration	0060	0,00	
	(-)Employees', directors' and partners' shares in net profits	0070	0,00	
	(-)Other discretionary payments of profits and variable remuneration	0080	0,00	

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (9)

- **Line 0090: (-)Shared commission and fees payable**

- Refers to costs directly related to turnover, e.g. purchase value of turnover

<u>TOC</u>		I 03.01 Fixed Overheads requirement calculation (Class 3 IF)		
	(-)Total deductions	0050	0,00	
	(-)Staff bonuses and other remuneration	0060	0,00	
	(-)Employees', directors' and partners' shares in net profits	0070	0,00	
	(-)Other discretionary payments of profits and variable remuneration	0080	0,00	
	(-)Shared commission and fees payable	0090	0,00	

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (10)

- **Line 0110: (-)Fees to tied agents**

- *Please note:* costs of tied agents (100% of the amount, this was previously 65%)

TOC	I 03.01 Fixed Overheads requirement calculation (Class 3 IF)		
		(-)Fees to tied agents	0110 0,00
		(-)Non-recurring expenses from non-ordinary activities	0130 0,00
		(-)Expenditures from taxes	0140 0,00
		(-)Losses from trading on own account in financial instruments	0150 0,00
		(-)Contract based profit and loss transfer agreements	0160 0,00

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (11)

- **Line 0130: (-)Non-recurring expenses from non-ordinary activities**

- Refers to one-off costs from non-ordinary activities, e.g. costs due to fire

<u>TOC</u>		I 03.01 Fixed Overheads requirement calculation (Class 3 IF)			
		(-)Fees to tied agents	0110	0,00	
		(-)Non-recurring expenses from non-ordinary activities	0130	0,00	
		(-)Expenditures from taxes	0140	0,00	
		(-)Losses from trading on own account in financial instruments	0150	0,00	
		(-)Contract based profit and loss transfer agreements	0160	0,00	

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (12)

- **Line 0190: (-)Expenses related to items that have already been deducted from own funds**
  - Costs of items already deducted from own funds, e.g. amortisation of goodwill

<u>TOC</u>		I 03.01 Fixed Overheads requirement calculation (Class 3 IF)			
		(-)Expenditure on raw materials	0170	0,00	
		(-)Payments into a fund for general banking risk	0180	0,00	
		(-)Expenses related to items that have already been deducted from own funds	0190	0,00	
Projected fixed overheads of the current year			0200	110,00	
Variation of fixed overheads (%)			0210	10,00%	

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (13)

- **Line 0200: *Projected fixed overheads of the current year***

- Projected costs for the next year

<u>TOC</u>		I 03.01 Fixed Overheads requirement calculation (Class 3 IF)			
		(-)Expenditure on raw materials	0170	0,00	
		(-)Payments into a fund for general banking risk	0180	0,00	
		(-)Expenses related to items that have already been deducted from own funds	0190	0,00	
Projected fixed overheads of the current year			0200	110,00	
Variation of fixed overheads (%)			0210	10,00%	



# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (14)

## ▪ Line 0210: *Variation of fixed overheads (%)*

- Formula:  $\text{row 0210} = \left| \frac{\text{row 0200} - \text{row 0020}}{\text{row 0020}} \right|$ , explanation: [Calculation of fixed overheads requirement \(FOR\)](#)

<u>TOC</u>		I 03.01 Fixed Overheads requirement calculation (Class 3 IF)		
		(-)Expenditure on raw materials	0170	0,00
		(-)Payments into a fund for general banking risk	0180	0,00
		(-)Expenses related to items that have already been deducted from own funds	0190	0,00
Projected fixed overheads of the current year			0200	110,00
Variation of fixed overheads (%)			0210	10,00%

# I 03.01 / T70.00 - Fixed overheads requirement: points for attention (15)

## General comment on the FOR

- The FOR is based on the cost of the financial statements
- Once new financial statements are adopted, usually in June, the firm must comply with the new requirement, even though this will not be reported until Q4

# To conclude: general points for attention

- **If you enter a main post, you must also enter the breakdowns.**
  - For example, in I 01.01 under *"Own funds"* you must also enter *"Tier 1 capital"* and *"Common Equity Tier 1 Capital"*
- **Dealing with negative numbers**
  - Please note that values for FINREP and COREP items preceded by a minus sign must be entered preceded by a minus sign! Only if the post is fully enclosed in brackets (e.g. *(expenses)*), no minus sign needs to be added. These items are automatically deducted.

# Questions?

**Important:** BoBis must meet equity, solvency and liquidity requirements on an ongoing basis, not just on the reporting date. Do you notice an impending deficit? Report this to us as soon as possible and take measures to resolve the deficit without delay.

## Where can you ask questions about the reports?

- You can reach us at the following email address: [beleggingsonderneming.rap@dnb.nl](mailto:beleggingsonderneming.rap@dnb.nl)

## Where should you report a deficit?

- You should report any impending deficits without delay to your account supervisor or via [natin-bobi@dnb.nl](mailto:natin-bobi@dnb.nl)

# Reference

DeNederlandscheBank

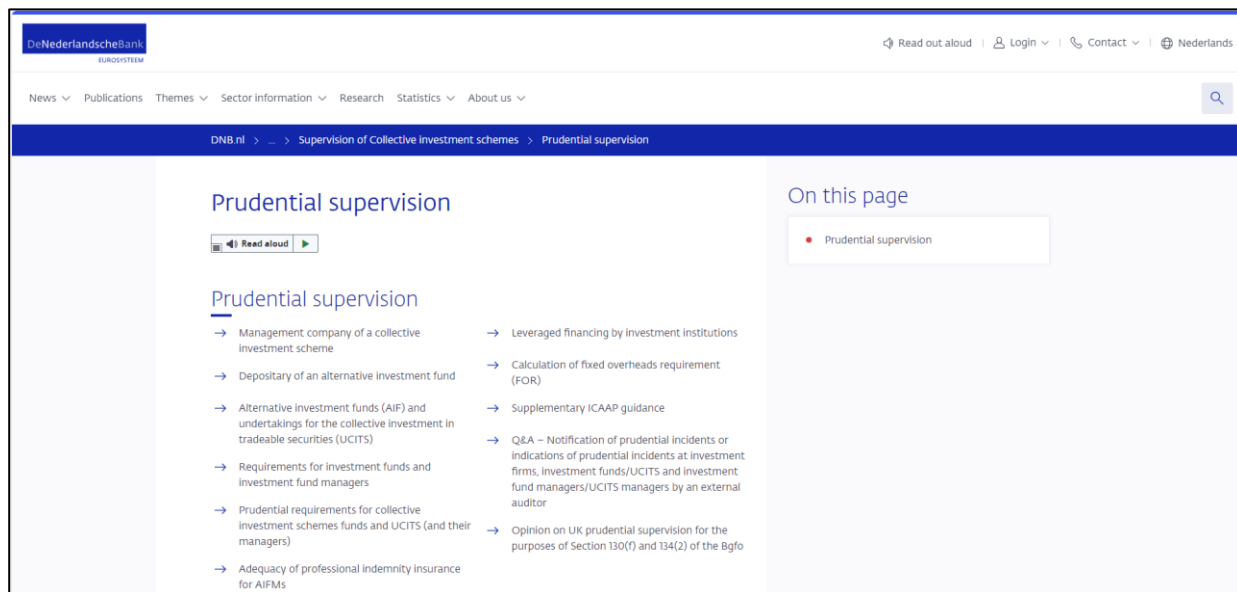
EUROSYSTEEM

# Useful links and documentation (1)

- **Flowchart applicable reporting profile finrep ([link](#)).**
- **Overview of reporting frequency (in Dutch) ([link](#)).**
- **DNB News Service ([link](#))**
- **Information on completing the reports ([link](#))**

# Useful links and documentation (2)

- On the [Open Book Supervision](#) webpages you will find all the information you need for institutions subject to our supervision, such as information about licence applications and supervisory reports



# Useful links and documentation (3)

- In April 2023, we published [a document](#) with prudential points for attention in applications and in ongoing supervision:





## Useful links and documentation (4)

- The [Factsheet IFR/IFD](#) (in Dutch) provides a concise summary of the IFR/IFD regulations.



# Useful links and documentation (5)

- [Guidance on prudential reporting for investment firms and investment fund managers](#)



# Relevant sections of the law (non-exhaustive)

- Article 7 IFR: Prudential consolidation
- Article 9 IFR: Composition of own funds
- Article 10 IFR: Qualifying holdings outside the financial sector
- Article 11 IFR: Own funds requirements
- Article 13 IFR: Fixed overheads requirement
- Article 14 IFR: Permanent minimum capital requirement
- Article 28(1) CRR, in particular items h, j and m for (cumulative) preference shares
- Article 36(1)(a) CRR: Ongoing losses
- Article 36(1)(b) CRR: Intangible assets (including goodwill)
- Articles 36(1)(c) and 38 CRR: Deferred tax assets
- Article 45(a) CRR and Article 9 IFR: Financial holdings
- Article 28(1)(b) CRR: Own funds financing
- Article 9(8) AIFMD and Section 63b(2) of the Decree on Prudential Lines for Financial Undertakings (*Besluit prudentiële regels Wft – Bpr*): Liquidity of AIFMD managers.

# Disclaimer

**This presentation is a DNB guidance document for the sector to improve the data quality of prudential reporting. Please note that this document does not reflect a normative interpretation or policy statements.**

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