

Regulation on private investment transactions DNB (2023)

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1. Introduction

Employees are allowed to conduct private investment transactions. This is subject to conditions and restrictions, however, because they may have access to confidential and price-sensitive information ("inside information") that is not publicly available. trading in financial instruments, such as equities, bonds and money market instruments, using inside information is prohibited by law.¹

Insider trading or the semblance of insider trading distorts the fair and efficient operation of the financial markets and damages the integrity and reputation of DNB and its employees. The Regulation on private investment transactions ("Regulation") sets out the conditions and restrictions imposed on private investments with a view to avoiding insider trading and the semblance of insider trading.

Notes: Possessing inside information means being aware of price-sensitive information that has not (yet) been made public and which, when made public, could potentially result in a significant price change. This information may be related to, for instance, institutions subject to DNB's supervision (e.g. management changes), their customers (e.g. share issues or acquisitions), DNB's business relations (e.g. in tendering procedures) and information obtained from fellow supervisory authorities, the ECB or other central banks (e.g. information about interest rate trends and transactions involving DNB's own trading portfolio).

2. Scope of application

The Regulation applies to all employees as defined in Annex I. In addition to the general rules that apply to all employees (Section 3), there are additional investment rules that apply to employees who have been designated as an insider (Section 4). Insiders are more likely to have access to inside information as part of their work.

The provisions of this Regulation apply from the start of your employment or work for DNB as an employee or (whichever is earlier) from the moment undisclosed information is shared with you. After termination of your employment or work, the Regulation continues to apply to you for two months.

The provisions of this Regulation also apply to any investments you make as part of your ancillary activities. For example, you may be a member of an investment club or the treasurer of an association, or you may have control over a legal entity's investment policy.

If you have any questions concerning private investments or this Regulation, please contact the compliance officer by telephone at 3838 or by email at compliance.officer@dnb.nl.

¹ See Article 14 of the Market Abuse Regulation (EU) 596/2014 (MAR). Article 8 of the MAR uses the term "insider dealing", which occurs when a person possesses inside information and uses that information by acquiring or disposing of, for their own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates.

3. Investment rules that apply to all employees

Employees may conduct investments in a private capacity as long they do so on the basis of publicly available information and comply with the provisions of this Regulation. As a DNB employee, you are not allowed to invest in institutions subject to DNB's supervision due to your information position and access to inside information. Additional investment rules and restrictions apply if you have been designated as an insider (see Section 4 of this Regulation).

3.1 Insider trading

Investing on the basis of inside information is prohibited by law.

As a DNB employee, you must therefore handle confidential information with due care. This means you may never use a privileged information position arising from your position or work to gain or try to gain an unfair personal advantage. You may not directly or indirectly induce anyone else to invest on the basis of inside information. Likewise, you may not circumvent the provisions of this Regulation in any other way.

3.2 Prohibitions

- a. Employees may not invest in financial instruments (such as shares and bonds) issued by financial institutions that are in any way subject to supervision by DNB and the ECB (in case DNB carries out supervision on behalf of the ECB). By imposing this prohibition, DNB aims to prevent the risk of insider trading or the semblance thereof.
- b. Within 24 hours of the execution of a private investment transaction, you may not order, execute or cause the execution of a reverse buy or sell order, except limit orders such as a stop-loss order.

Notes: Financial institutions subject to supervision by DNB and the ECB include, for example, banks, insurers and payment institutions that provide financial services and undertake activities in or from the Netherlands and which are subject to some form of supervision by DNB. This also includes Dutch significant institutions under the ECB's SSM supervision, such as the large Dutch banks. It also includes institutions that are subject to DNB (integrity) supervision through registration, such as crypto service providers. trading in cryptos is allowed, however, as long as the issuing party is not subject to supervision by DNB.

These institutions are listed in the public registers on DNB's website([Public register \(dnb.nl\)](https://www.dnb.nl/en/public-register/)²; [List of institutions under oversight \(dnb.nl\)](https://www.dnb.nl/media/ik2l0rdp/lijt-instellingen-onder-oversicht.pdf)³).

Indirect investments, for example through a group of which the DNB-supervised institution is part, is also prohibited. As an example, this may be a US listed insurance group which includes a Dutch N.V. of the same name that is subject to supervision by DNB. Employees may not purchase such US shares when this is apparent from the DNB register.

<https://www.dnb.nl/en/public-register/>

³ <https://www.dnb.nl/media/ik2l0rdp/lijt-instellingen-onder-oversicht.pdf>

3.3 Exceptions to the prohibitions

- a. As an employee, you may invest in investment funds and tracker funds if you cannot influence the fund manager's investment policy.
- b. Investments under discretionary portfolio management and investments for the purpose of building up capital for retirement, a mortgage or similar provisions are allowed, if:
 - you cannot influence the investment policy pursued and/or the investment choices made by the manager or administrator; and
 - this condition is explicitly stated in the management agreement or is evident from the terms of the agreement
- c. Employees may receive stock dividends (dividends in the form of shares) from existing investment positions that are not allowed under this Regulation, such as investments in supervised institutions. When given the choice between cash or stock dividends, employees must choose cash instead of new shares.

Notes:

Investment fund or tracker fund under this Regulation means units in an investment fund or UCITS and derivative financial instruments in tracker funds, such as options on the AEX index.

Investment funds include exchange-traded funds (ETFs or index trackers), which means these are also allowed. Exchange-traded notes (ETNs) are structured investment products issued by financial institutions as debt securities. Investments in ETNs issued by institutions subject to supervision by DNB are therefore prohibited.

As an employee, you may not have any influence on the portfolio manager's pursued or desired investment policy when entering into a discretionary portfolio management agreement or during its term. However, you may make arrangements about the desired asset allocation, determining the total percentages of equities, bonds, etc. in the investment portfolio. You may not issue instructions or directions on specific investments (such as the purchase of a specific share) that are not allowed under this Regulation.

Employees may have an investment position in a supervised institution before they start working at DNB. If stock dividends (dividends in the form of additional shares) are paid during their employment with DNB, then this is allowed if they are not given the choice to receive cash dividends. When given a choice, they must choose cash dividends.

3.4 Reporting duty

- a) As an employee, you must immediately report violations and omissions of this Regulation to the compliance officer.
- b) When you start your employment or work for DNB, you must send the compliance officer an overview of your investment portfolio(s); the same applies if you start investing.
- c) You must also inform the compliance officer in advance when you enter into a discretionary portfolio management agreement and whenever changes to the agreement are made.
- d) You must inform the compliance officer in advance or otherwise as soon as possible if you acquire any financial instruments that are not allowed under this Regulation.
- e) The provisions of this article cover investment portfolios registered in your own name or in the name of any underage children, a joint investment account with your partner or anyone else, an investment-linked mortgage loan, a top-up pension scheme with an investment component, a unit-linked insurance policy and funds under discretionary portfolio management.

3.5 What to do with existing investments that are not allowed

- a) As an employee, if you acquire investments that are not allowed under this Regulation, for example because of an inheritance or gift, you must always seek prior approval for a sale transaction from the compliance officer. You may not make any new purchase transactions in these investments.
- b) If you hold investments in institutions subject to supervision by DNB, you must sell them within 12 months after you start working for DNB and seek prior approval from the compliance officer. This 12-month period also applies if you acquire investments in institutions subject to supervision by DNB during your employment, for example in case of an inheritance.
- c) The obligation to sell your investments referred to under b above does not apply if you enter into a discretionary portfolio management agreement and have no say in the portfolio manager's investment policy.
- d) If you cannot reasonably sell the investments referred to under b above within the prescribed 12-month period, you may, within this period, ask the compliance officer for permission to hold them for a longer period. If the compliance officer grants such permission, you must hold these investments until two months after the end of your employment (freeze period).
- e) No 12-month period applies to situations in which you have investments that are not (or no longer) allowed under this Regulation other than those referred under b above. However, in all cases, you must seek permission from the compliance officer before you sell them. The compliance officer may decide not to approve the sale of investments as referred to in this article if, at that time, inside information is or may be present within DNB.
- f) If a (potential) conflict of interest⁴ arises because you hold specific investments that are related to your work, you must immediately contact the compliance officer.

⁴ Also see the Regulation on the independence of DNB employees

Notes: Before starting at DNB, you may have investments in financial institutions subject to supervision by DNB that are not allowed under this Regulation, such as shares in a Dutch bank or insurer. You must sell these investments before starting at DNB or within 12 months of starting at DNB and with the prior approval of the compliance officer. In exceptional cases you may not be reasonably able to sell the investments within 12 months. The compliance officer may then permit you to hold the investments longer.

The 12-month period does not apply to any other investments that you may not hold or make. Before you conduct a sale transaction of investments that are not allowed, you must always seek prior approval from the compliance officer. You may not make any new purchases in these investments.

4. Additional investment rules for insiders

In addition to the general rules of conduct and investment rules set out in Section 3, the following investment rules apply specifically to employees who have been designated as an insider.

If you are an insider, you permanently or occasionally possess inside information about financial institutions, non-financial institutions and/or specific financial instruments, such as money market instruments on account of your position or work at DNB.

4.1 Investments allowed for insiders

As an insider you may only invest in investment funds and (index) tracker funds if:

- you cannot influence the fund manager's investment policy; and
- the fund's investment policy does not predominantly (i.e. for more than 50% of the total value of the investment portfolio) target:
 - financial institutions, regardless of whether and where (inside or outside the EU) they are supervised. You must check this before investing in the fund; or
 - investments in foreign currencies, gold bullion, interest rate derivatives or euro area government bonds if you possess relevant inside information or if you permanently are or can be aware, because of your duties, of the ECB's monetary policy transactions, foreign exchange operations or external reserve management activities.

Notes: The investment rules that apply to insiders are substantially more stringent than those applicable to regular employees (non-insiders). For example, regular employees are in principle allowed to invest in all listed companies, with the exception of financial institutions subject to supervision by DNB or the ECB (in case DNB carries out supervision on behalf of the ECB). By contrast, insiders may only invest in investment funds or tracker funds (including ETFs and what are known as trackers) or under a discretionary portfolio management agreement. The rationale behind this is that insiders (may) also have access to inside information about non-financial institutions, such as customers of financial institutions, or about specific investment products, such as money market instruments.

You can check whether a fund meets these criteria by looking at its actual investments and the description of its investment policy posted on the website or set out in the fund manager's prospectus. As an insider, you must check this before you start investing in the relevant fund. You do not need to repeat this check if, for example, you invest a fixed amount in the fund every month.

4.2 Closed period of one week

Insiders involved in (the preparations for) ECB monetary policy meetings may not buy or sell any financial instruments during one week prior to these meetings⁵.

Notes: During the closed period, insiders are completely prohibited from giving any investment order. However, standing investment orders, such as monthly fixed deposits in an investment fund, or limit orders given outside this week, may be executed.

4.3 Best efforts obligation concerning related third parties

As an insider, you must make every effort to prevent related third parties from investing in financial instruments that you yourself are prohibited from investing in under this Regulation.

Notes: The purpose of this best efforts obligation is to avoid, and avoid the semblance of, any trading by or through third parties in financial instruments that insiders themselves are prohibited from trading in. The duty of confidentiality does not provide sufficient protection in this regard. In practice, this best efforts obligation means that you as an insider:

- must inform related third parties about the provisions of and any amendments to this Regulation;*
- must ask related third parties to observe and comply with the provisions of this Regulation;*
- must notify the compliance officer if any related third party is unwilling or unable to comply with the provisions of this Regulation.*

⁵ <https://www.ecb.europa.eu/press/calendars/mgqgc/html/index.en.html>

5. Powers and duties of the compliance officer

5.1 General

- a) The compliance officer determines whether an employee is designated as an insider.
- b) The compliance officer may deviate from the provisions of this Regulation for well-substantiated reasons.

5.2 Monitoring compliance; sanctions

- a) The compliance officer may check your compliance with this Regulation and request information from you. You are obliged to provide it.
- b) In principle, if you act contrary to this Regulation, this is regarded as a serious breach of the trust that DNB, in its capacity as employer, must be able to place in you. It may therefore result in an appropriate sanction in accordance with DNB's relevant internal policies⁶.

5.3 Records and privacy

- a) The compliance officer records all information obtained under this Regulation in an employee's compliance file.
- b) The compliance officer treats the information obtained confidentially and ensures that the personal data is processed in accordance with the requirements of the General Data Protection Regulation (GDPR) and DNB's privacy policy.

6. Transitional provisions

6.1 Arrangements made under the previous regulation

If an employee has made specific arrangements with the compliance officer on the basis of the Private Investment Transactions Regulation 2016, they will remain in force after this Regulation comes into force, unless the compliance officer informs you otherwise.

6.2 Transitional arrangements

If necessary, the compliance officer will provide for reasonable transitional measures in cases involving conflict between this Regulation and the Private Investment Transactions Regulation 2016 and any arrangements made based on it.

⁶ Currently: DNB's sanctions procedure applicable to violations of the internal rules (*Sanctieprocedure bij overtreding regelgeving DNB.*)

7. Final provisions

7.1 Decision-making in disputes

- a) Any disputes about the interpretation and implementation of this Regulation will be decided by the Executive Board or, if a member of the Executive or Supervisory Board is involved, the Chair of the Supervisory Board. If the Chair of the Supervisory Board is involved, the Vice-Chair of the Supervisory Board decides.
- b) Employees may raise objections to decisions of the Executive Board about the Regulation with the Chair of the Supervisory Board by submitting a substantiated notice of objection to the Company Secretary within four weeks of the date of the decision.

7.2 Exception clause

In all cases not covered by this Regulation, the head of the Compliance, Integrity & Administrative Sanctions (CIBS) Department decides, where necessary after consulting with the Executive Board Member responsible for CIBS. A reasoned objection to this decision may be submitted to the Executive Board through the company secretary within four weeks.

7.3 Effective date

This Regulation replaces the Regulation Private Investment Transactions Regulation 2016 and enters into force on 1 January 2023.

Annex I - Terms and definitions

In this Regulation, the following definitions apply:

Investing:

Conducting private investment transactions or ordering them to be conducted.

Investment fund:

An investment fund, investment company or undertaking for collective investment in transferable securities (UCITS) within the meaning of Section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht – Wft*).

Compliance officer:

The employee in the Compliance, Integrity & Administrative Sanctions (CIBS) Department charged with monitoring compliance with this Regulation.

Financial instrument:

A financial instrument within the meaning of Section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht – Wft*). Examples include securities, money market instruments and units in an investment fund or UCITS. For the purpose of this Regulation, foreign currencies and gold bullion also qualify as financial instruments.

Financial institution:

A financial undertaking within the meaning of Section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht – Wft*), other institutions designated by the ECB as [financial institution](#)⁷, crypto service providers and governments issuing sovereign bonds, regardless of whether and where they are supervised. Examples include a (central) bank, insurer, pension administrator, payment institution, investment undertaking, exchange institution and governments issuing sovereign bonds.

Related third party:

The employee's spouse or partner with whom the employee is cohabiting, underage (foster) children, and adult (foster) children living at home.

Tracker fund:

An investment fund that tracks an equity or bond index.

Insider:

A person who is deemed to permanently or occasionally possess or have access to inside information about financial institutions, non-financial institutions, such as customers of supervised institutions, and/or specific financial instruments, such as money market instruments on account of their position or work at DNB and who the compliance officer has designated as an insider.

⁷

https://www.ecb.europa.eu/stats/financial_corporations/list_of_financial_institutions/html/index.en.html#mfi

Employee:

A person working for or on behalf of DNB, including staff of external service providers/suppliers for whom it follows from the agreement between DNB and the service provider/supplier that this Regulation applies, and other persons (such as members of the Supervisory Board) designated by the compliance officer as employees within the meaning of this Regulation.

Institution subject to supervision:

a financial institution carrying out financial activities in or from the Netherlands and supervised by DNB (whether or not in conjunction with the ECB or other authorities), as well as crypto service providers registered in the Netherlands.

These institutions are listed in the following DNB and/or ECB registers:

[Public register \(dnb.nl\)](https://www.dnb.nl/en/public-register)

[List of institutions under oversight\(dnb.nl\)](https://www.dnb.nl/en/list-of-institutions-under-oversight)

[Lists of financial institutions \(europa.eu\)](https://ec.europa.eu/efsa/financial-institutions)

Private investment transaction:

The purchase or sale of a financial instrument, including as a gift, or any other form of acquiring or disposing of a financial instrument and the cancellation or modification of an order relating to financial instruments, (partly) for the employee's own account or (partly) for the benefit of a (related) third party, other than in the exercise of the employee's duties or position.

Discretionary portfolio management:

Conducting or arranging private investment transactions in financial instruments on the basis of a specific written management agreement with a third party.

Inside information:

information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers⁸ or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments, and other cases of inside information listed in Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR).

Business relationship:

A person or company with which DNB has a business relationship, excluding employees, financial institutions subject to supervision by DNB, the ECB, other central banks and government agencies. Examples include suppliers, employment agencies and business service providers.

⁸ Issuers of financial instruments

Annex II - Summary of principal investment rules by employee type

Employee type	Investment restrictions
All employees	<ul style="list-style-type: none"> • As an employee, you may not use confidential DNB information or inside information for private investment transactions. Similarly, you may not make any recommendations based on inside information or circumvent the provisions of this Regulation (3.1). • You may invest in a private capacity, except in institutions subject to supervision by DNB and the ECB (in case DNB carries out supervision on behalf of the ECB) (3.2). These also include institutions that are only subject to DNB's integrity supervision. Investment transactions in investment funds and (index) tracker funds are excluded from this prohibition (3.3). • You may not engage in intraday trading, i.e. conduct a reverse transaction within 24 hours, except limit orders such as a stop-loss order (3.2). • You may have your investments managed under a discretionary portfolio management agreement if you have no say in the portfolio manager's investment policy (3.3).
Insiders	<ul style="list-style-type: none"> • As an insider, you may only invest in investment funds and tracker funds if: <ul style="list-style-type: none"> ➢ you cannot influence the fund manager's investment policy; and ➢ the fund's investment policy does not predominantly (>50%) target <ul style="list-style-type: none"> - investments in financial institutions; or - investments in foreign currencies, gold bullion, interest rate derivatives or euro area government bonds if you, because of your duties, possess inside information or you permanently are or can be aware, because of your duties, of the ECB's monetary policy transactions, foreign exchange operations or external reserve management activities. • Insiders involved in (the preparations for) ECB monetary policy meetings may not buy or sell any financial instruments during one week prior to these meetings. Standing investment orders, such as monthly deposits into an investment fund, or the execution of a limit order given outside this period are, however, allowed (4.2). • As an insider, you have a best efforts obligation concerning related third parties to ensure that they also comply with the provisions of this Regulation (4.3).