By post and by email

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Date
28 November 2024

Our reference
TM100221-871222524-20

Email address
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Re:
Guidance on calculation of fixed overheads requirement

Dear members of the board,

De Nederlandsche Bank (DNB) has found that investment firms and investment fund managers[1] regularly calculate and report the fixed overheads requirement (FOR) to DNB incorrectly.

This is a point for concern, as it could result in the capital requirement being reported incorrectly, in which case your firm may not hold sufficient capital. In addition, you may not have a proper understanding of the actual prudential situation, which means problems are not identified, prevented and resolved in time. Finally, in most cases, the liquidity requirement is calculated on the basis of the FOR. This calculation – and therefore the minimum amount of liquid assets to be held – may therefore also be incorrect.

In light of the above we will focus on this issue in the coming period, which is why we are sending you this letter. This letter explains how the FOR is calculated and outlines what we expect of you and your firm. Appendix 1 to this letter contains a guidance document that you can use to correctly calculate and report the FOR. Appendix 2 contains useful links that you can consult in this regard.

You are receiving this letter because your firm is subject to our prudential supervision and the above requirements apply to you, whether or not the FOR is the leading own funds requirement for your firm.

1. Explanation of FOR calculation

Investment firms and investment fund managers must calculate the FOR to determine their solvency requirement as referred to in Section 3:57 of the Financial Supervision Act (*Wet op het financieel toezicht – Wft*). Several elements are relevant for the correct calculation and reporting of the FOR. In particular, these elements involve determining the fixed overheads of your firm and any deductions. This is subject to specific laws and regulations. The prudential supervisory reporting on this point also reflects this.

We find that supervised institutions make many errors, both in the calculation of their fixed overheads and in the determination and amount of any deductions. For this reason we have included a guidance document in which all of these elements are explained.

[1] This includes parent investment firms, investment holding companies, mixed financial holding companies and UCITS managers.

DeNederlandscheBank
EUROSYSTEEM

Date
28 November 2024

Our reference
TM100221-871222524-20

2. What do we expect from you?

We expect your firm to continuously monitor its compliance with the prudential requirements applicable to it. This means you must have knowledge of the relevant laws and regulations and, based on these, correctly calculate and report the FOR to DNB.

We therefore urge you to analyse your calculation and reporting of the FOR and make adjustments where necessary.

We have the following recommendations for you:
- As indicated, Annex 1 provides a (non-exhaustive) explanation of the elements relevant for calculating the FOR. You can use this document in your analysis.
- Appendix 2 contains links to relevant websites you can consult for the purpose of your analysis.
- The templates and manuals for supervisory reports to DNB can be found on the DNB website[2].
- You can report an adjusted FOR in your next supervisory report (on year-end 2024). If there is a potential or actual prudential deficit, you must proactively report this to us.[3]

3. Closing comment

As indicated above, we will focus on this issue in the coming period. In 2025, we will examine the calculation and reporting of the FOR by supervised institutions. We may request information from you about this. In doing so, we will at least consider the extent to which the guidance provided in Annex 1 has been included in the year-end 2024 reporting.

We have compiled this letter and attachments with due care. Should this information contain any factual inaccuracies, however, we will always assume the correct legal application of the laws and regulations.

If you have any questions about the contents of this letter, please contact your account supervisor or at natin-bobi@dnb.nl.

Kind regards,
De Nederlandsche Bank N.V.

Joris Ottow
Interim Head of Department

Sandra Klaver
Senior Supervisor

[2] https://www.dnb.nl/en/login/dlr/supervisory-reports/investment-firms-and-fund-managers/
[3] You must report potential or actual deficits to DNB under Section 3:57(4) of the *Wft*.

DeNederlandscheBank
EUROSYSTEEM

Date
28 November 2024

Our reference
TM100221-871222524-20

Annex 1: Guidance on calculating the FOR

1. Introduction

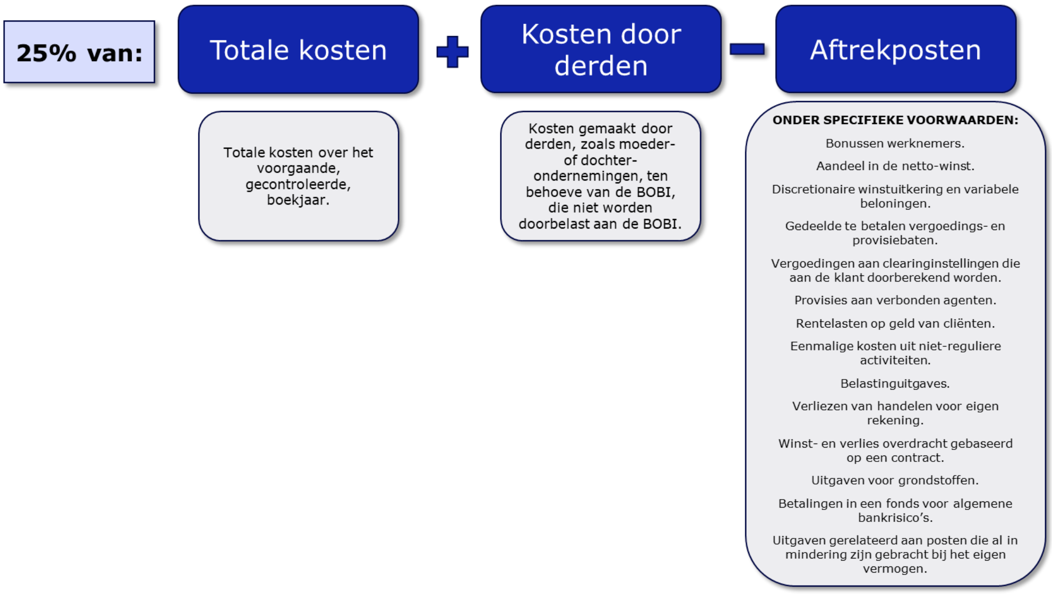
You can use this guidance document when calculating and reporting your firm's FOR. It explains how the FOR is calculated and in which cases it may need to be adjusted.

All relevant definitions and deductions are explained in more detail, with reference to the relevant reporting line. The explanation includes a description of the definition or deduction, the statutory basis, the reporting explanation, the statutory provision and any additional clarification.

Where this guidance document refers to firms or investment firms, this can also be interpreted as parent investment firm, investment holding company, mixed financial holding company, investment fund manager or UCITS manager under certain circumstances.

2. How is the FOR calculated?

Below is a graphic representation of the FOR calculation. Deductions can only be applied under specific conditions, so it may be the case that no deductions apply to your firm. If your firm intends to report a deduction, you must be aware of these specific conditions in the relevant laws and regulations.



3. When should the FOR be adjusted?

Your firm must have knowledge of the prudential requirements applicable to it, including the FOR, and monitor compliance with these requirements on an ongoing basis. You should pay particular attention to the FOR:

- Once your financial statements have been approved (usually Q2), as the FOR should be calculated based on the total costs for the previous year identified in those financial statements.
- When there is a material change in the activities of your investment firm (for example, if this change leads to a change of more than 30% of the projected costs in the current year). In that case, we may adjust the FOR for your firm. This is why the reporting form relating to the FOR contains a question about the projected fixed overheads for the current financial year,

DeNederlandscheBank
EUROSYSTEEM

Date
28 November 2024

Our reference
TM100221-871222524-20

in addition to the fixed overheads as specified in the annual financial statements.

4. Explanation of definitions and deductions

Line 0010: Fixed overheads requirement
Description 25% of (total costs + expenses by third parties on behalf of the firm - deductions).
Statutory basis: Article 13 of the IFR, Article 3 of Delegated Regulation (EU) 2022/1455.
Reporting note: Line 0010 is 25% of line 0020.
Statutory provision: o Article 13(1) of the IFR: for the application of Article 11(1)(a), the FOR must be at least one quarter of the fixed overheads of the preceding year. Investment firms use figures resulting from the applicable financial reporting framework. o Article 3 of Delegated Regulation (EU) 2022/1455: A material change referred to in Article 13(2) of Regulation (EU) 2019/2033 shall be considered to have occurred where either of the following conditions are met: (a) a change, either in the form of an increase or in the form of a decrease, in the business activity of the firm results in a change of 30 % or greater in the firm's projected fixed overheads of the current year; (b) a change, either in the form of an increase or in the form of a decrease, in the business activity of the firm results in changes in the firm's own funds requirements based on projected fixed overheads of the current year equal to or greater than €2,000,000.
Adjustment of the FOR due to a substantial change in activities In case of a material change in the activities of an investment firm, DNB may adjust the FOR, as sipulated in Article 13(2) of the IFR. A material change in activities is determined according to the following conditions, as set out in Article 3 of Delegated Regulation (EU) 2022/1455: a. A change (increase or decrease) in the investment firm's business activities results in a change of 30% or greater in the firm's projected fixed overheads in the current year. b. A change (increase or decrease) in the investment firm's business activities results in changes in the firm's own funds requirements based on projected fixed overheads equal to or greater than €2 million in the current year. For this reason, the reporting form relating to the FOR contains a question about the projected fixed overheads for the current financial year, in addition to the fixed overheads as specified in the annual financial statements.
Additional clarification: N/A

Line 0020: Fixed overheads of the previous year
Description Total cost after deductions.
Statutory basis: Article 13(4) of the IFR
Reporting note: The calculation is as follows: line 0030 minus line 0050.
Statutory provision: o Article 13(4) IFR:4. EBA, in consultation with ESMA, shall develop draft regulatory technical standards to supplement the calculation of the requirement referred to in paragraph 1 which includes at least the following items for deduction: (a) staff bonuses and other remuneration, to the extent that they depend on the net profit of the investment firm in

DeNederlandscheBank
EUROSYSTEEM

Date
28 November 2024

Our reference
TM100221-871222524-20

the respective year; (b) employees', directors' and partners' shares in profits; (c) other appropriations of profits and other variable remuneration, to the extent that they are fully discretionary; (d) shared commission and fees payable which are directly related to commission and fees receivable, which are included within total revenue, and where the payment of the commission and fees payable is contingent on the actual receipt of the commission and fees receivable; (e) fees to tied agents; (f) non-recurring expenses from non-ordinary activities. EBA shall also specify for the purposes of this Article the notion of a material change. EBA shall submit those draft regulatory technical standards to the Commission by 26 December 2020. Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.
Additional clarification: N/A

Line 0030: Total expenses of the previous year
Description Total costs after profit distribution in accordance with NL-GAAP / IFRS, including: 1) corporate tax, 2) costs incurred on behalf of the firm by third parties (both charged and not charged) in accordance with line 0040 and 3) all costs related to financial turnover. For holding companies, if the total costs of the companies within the group included in the (prudential) consolidation are not available, total costs are calculated as the sum of the costs of the parent company and those of the other entities to be consolidated, at the individual level.
Statutory basis: Article 13(4) of the IFR; Articles 1(1), (2) and (6 - last paragraph) of Delegated Regulation (EU) 2022/1455, and Dutch Civil Code, Title 2 Part 9.
Reporting note: N/A
Statutory provision: o Article 13(4) of the IFR: see line 0020. o Article 1(1) of Delegated Regulation (EU) 2022/1455: For the purposes of Article 13(1) of Regulation (EU) 2019/2033, the 'figures resulting from the applicable accounting framework' shall refer to figures of an investment firm's most recent audited annual financial statements after distribution of profits or annual financial statements where investment firms are not obliged to have audited financial statements. o Article 1(2) of Delegated Regulation (EU) 2022/1455: Where the investment firm's most recent audited financial statements do not reflect a 12-month period, the investment firm shall divide the amounts included in those statements by the number of months that are reflected in those financial statements and shall subsequently multiply the result by 12, so as to produce an equivalent annual amount. o Article 1(6 - last paragraph) of Delegated Regulation (EU) 2022/1455: In addition to the items listed in the first subparagraph, market makers, as defined in Article 4(1), point (7), of Directive 2014/65/EU of the European Parliament and of the Council (4), may also deduct the following amount (A): A = B – 4 × C, where: B = trading fees paid by the market maker for transactions for which the market maker provides market-making activities (yearly amount), where those fees have not directly been passed on and charged to customers; C = trading fees that would be incurred to sell a portfolio of securities equivalent to the largest end-of-day inventory of securities, held by the market maker for market-making purposes, over the preceding year. This deduction option applies only to market makers with a licence for proprietary trading.
Additional clarification:

DeNederlandscheBank
EUROSYSTEEM

Date
28 November 2024

Our reference
TM100221-871222524-20

The following costs related to financial turnover are included in total costs for the previous year: • Purchase value of turnover; • Outsourced work and other external costs Too often, we see these costs are being left out of the equation. Under certain conditions, these costs may be deducted by including them in line 0090.

Line 0040: Fixed expenses incurred by third parties on behalf of the investment firm
Description Costs incurred by third parties, such as a parent company, minority shareholders, sister or subsidiary companies, which are not charged to the licence holder. These costs include accommodation, IT, staff and so on.
Statutory basis: Article 13(4) of the IFR; Article 1(5) of Delegated Regulation (EU) 2022/1455.
Reporting note: N/A
Statutory provision: ○ Article 13(4) of the IFR: see line 0020. ○ Article 1(5) of Delegated Regulation (EU) 2022/1455: Where third parties, including tied agents, incurred fixed expenses, on behalf of the investment firms, that are not already included within the total expenses in the annual financial statements referred to in paragraph 1, those fixed expenses shall be added to the total expenses of the investment firm. Where a breakdown of the third party's expenses is available, an investment firm shall add to the figure representing the total expenses only the share of those fixed expenses applicable to the investment firm. Where such a breakdown is not available, an investment firm shall add to the figure representing the total expenses only its share of the third party's expenses as it results from the business plan of the investment firm.
Additional clarification: The following costs incurred by third parties but not charged to the investment firm, must be included: • Management services by personal holding companies; and • Accommodation costs, staff, IT paid by the parent holding company. • This also applies when all staff performing work for the investment firm are employed by another firm. If this is the case, <u>all</u> costs incurred on behalf of staff performing work for the investment firm must be included in the investment firm's FOR.
Line 0050: Total deductions
Description All deductions added up.
Statutory basis: Article 13(4) of the IFR
Reporting note: Total of all deductions specified in lines 0060 to 0190.
Statutory provision: ○ Article 13(4) of the IFR: see line 0020.
Additional note: N/A

Line 0060: Staff bonuses and other remuneration
Description Discretionary bonuses and other staff benefits. This deduction can only be used if the decision whether or not to pay bonuses lies entirely with the firm and cannot be enforced by staff. This deduction only applies to staff; bonuses and benefits for board and management members are covered by other deductions.

DeNederlandscheBank
EUROSYSTEEM

Date
28 November 2024

Our reference
TM100221-871222524-20

As only bonuses are included that are part of the audited financial statements, these are bonuses that have already been paid or for which a provision has been made. Bonus payments that are paid directly from profit reserves/equity and therefore have a direct impact on capital therefore do not qualify as a deduction for the FOR. Importantly, bonus and benefit payments must not affect the current capital position.
Statutory basis: Article 13(4)(a) of the IFR; Article 1(4) of Delegated Regulation (EU) 2022/1455.
Reporting note: N/A
Statutory provision: o Article 13(4)(a) of the IFR: staff bonuses and other remuneration, to the extent that they depend on the net profit of the investment firm in the respective year o Article 1(4) of Delegated Regulation (EU) 2022/1455: For the purposes of Article 13(4), first subparagraph, point (a), of Regulation (EU) 2019/2033, staff bonuses and other remuneration shall be considered to depend on the net profit of the investment firm in the respective year where both of the following conditions are met: (a) the staff bonuses or other remuneration to be deducted have already been paid to employees in the year preceding the year of payment, or the payment of the staff bonuses or other remuneration to employees will have no impact on the firm's capital position in the year of payment; (b) 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.
Additional note: • A bonus to which an employee is entitled at all times cannot be included here. • Tantième and other bonuses for employees dependent on profits and that the board may waive can be included here.

Line 0070: Employees', directors' and partners' shares in net profits
Description Shares in profits for employees, directors and partners based on net profit, as determined under NL-GAAP or IFRS. For directors and partners, this deduction consists of profit shares minus the regular wage as prescribed by the Tax and Customs Administration. If a management contract states a higher fixed amount than the regular wage, this deduction consists of the profit shares minus this higher amount. For employees, the deduction of the regular wage or the amount stated in the management contract does not apply.
Statutory basis: Articles 13(4)(b) of the IFR and Article 1(3) of Commission Delegated Regulation (EU) 2022/1455.
Reporting note: N/A
Statutory provision: o Article 13(4)(b) of the IFR: employees', directors' and partners' shares in profits. o Article 1(3) of Delegated Regulation (EU) 2022/1455: For the purposes of Article 13(4), first subparagraph, point (b), of Regulation (EU) 2019/2033, employees', directors' and partners' shares in profits shall be calculated on the basis of the net profits.
Additional clarification: • If a director/partner receives a fixed monthly management fee, then this amount is not deductible, regardless of whether the board has the discretion to reduce the amount.

DeNederlandscheBank
EUROSYSTEEM

Date
28 November 2024

Our reference
TM100221-871222524-20

- If a director/partner receives a fixed percentage of the profits as a fixed remuneration, then this amount, taking into account the regular wage, is deductible.
- Profit distributions based on fund profits are not deductible. Only distributions related to the firm's profits can be deducted.

Line 0080: Other discretionary payments of profits and variable remuneration

Description
Other discretionary payments of profits and variable remuneration. This refers to payments that should be entirely discretionary, i.e. they should not be the same every month or every year. These profit distributions are unlikely to be used in the Netherlands. If an institution wishes to apply this deduction, it must substantiate this. Profit distributions to partners or shareholders are entered in line 0070.

Statutory basis:
Article 13(4)(c) of the IFR.

Reporting note:
N/A

Statutory provision:
- Article 13(4)(c) of the IFR: other appropriations of profits and other variable remuneration, to the extent that they are fully discretionary.

Additional clarification:
N/A

Line 0090: Shared commission and fees payable

Description
Fees and commissions paid by the firm for services to third parties for its customers, provided that such fees are contingent on the actual receipt of the commissions and fees payable from the customers to the firm. Importantly, the payment obligation for the licence holder contractually arises only upon receipt of payment by the customer, i.e. the firm's customer pays this fee before the firm pays it to its service provider.

Statutory basis:
Article 13(4)(d) of the IFR

Reporting note:
N/A

Statutory provision:
- Article 13(4)(d) of the IFR: shared commission and fees payable which are directly related to commission and fees receivable, which are included within total revenue, and where the payment of the commission and fees payable is contingent on the actual receipt of the commission and fees receivable.

Additional clarification:
- These costs, such as management fees, are not deductible if the investment firm bills a firm for services provided to its asset management customers only to settle them with the customers later.

Line 0100: Fees, brokerage and other charges paid to CCPs that are charged to customers

Description
Charges for execution, registration or clearing of transactions to central counterparties, exchanges, other trading venues and intermediary brokers. Only costs that are directly charged to the firm's customers can be deducted. Costs such as membership fees and costs reimbursed by the firm to meet loss-making financial obligations to central counterparties, exchanges and other platforms cannot be deducted.

Costs incurred by market makers for the execution, registration or clearing of their transactions may also fall under this exception. For this, the last paragraph of Article 1(6) of Delegated Regulation (EU) 2022/1455 should be applied. This paragraph only applies to transactions carried out on own account.
Statutory basis: Article 13(4) of the IFR; Article 1(6)(a) + last paragraph of Delegated Regulation (EU) 2022/1455.
Reporting note: N/A
Statutory provision: ○ Article 13(4) of the IFR: see line 0020. ○ Article 1(6)(a) of Delegated Regulation (EU) 2022/1455: fees, brokerage and other charges paid to central counterparties, exchanges and other trading venues and intermediate brokers for the purposes of executing, registering or clearing transactions, only where they are directly passed on and charged to customers. Those shall not include fees and other charges necessary to maintain membership or otherwise meet loss-sharing financial obligations to central counterparties, exchanges and other trading venues. ○ Article 1(6) last paragraph of Delegated Regulation (EU) 2022/1455: In addition to the items listed in the first subparagraph, market makers, as defined in Article 4(1), point (7), of Directive 2014/65/EU of the European Parliament and of the Council (4), may also deduct the following amount (A): A = B - 4×C, where: B = trading fees paid by the market maker for transactions for which the market maker provides market-making activities (yearly amount), where those fees have not directly been passed on and charged to customers; C = trading fees that would be incurred to sell a portfolio of securities equivalent to the largest end-of-day inventory of securities, held by the market maker for market-making purposes, over the preceding year.
Additional clarification: N/A

Line 0110: Fees to tied agents
Description Fees to tied agents as defined under MiFID II. Tied agents act under full and unconditional responsibility of one particular investment firm and are registered with the AFM. These costs are 100% deductible.
Statutory basis: Article 13(4)(e) of the IFR, Article 4(29) of MiFID II.
Reporting note: N/A
Statutory provision: ○ Article 13(4)(e) of the IFR: fees to tied agents. ○ Article 4(29) of MiFID II: 'tied agent' means a natural or legal person who, under the full and unconditional responsibility of only one investment firm on whose behalf it acts, promotes investment and/or ancillary services to clients or prospective clients, receives and transmits instructions or orders from the client in respect of investment services or financial instruments, places financial instruments or provides advice to clients or prospective clients in respect of those financial instruments or services.
Additional clarification: N/A

Line 0120: Interest paid to customers on client money where this is at the firm's discretion
Description

DeNederlandscheBank
EUROSYSTEEM

Date
28 November 2024

Our reference
TM100221-871222524-20

Interest paid to customers on customer funds without an obligation to do so. Interest reimbursements for negative interest rates are included in this line if there is no contractual obligation to reimburse them.
Statutory basis: Article 13(4) of the IFR; Article 1(6)(b) of Delegated Regulation (EU) 2022/1455.
Reporting note: N/A
Statutory provision: o Article 13(4) of the IFR: see line 0020. o Article 1(6)(b) of Delegated Regulation (EU) 2022/1455: interest paid to customers on client money, where there is no obligation of any kind to pay such interest.
Additional clarification: N/A

Line 0130: Non-recurring expenses from non-ordinary activities
Description One-off expenses not related to regular operations. Costs related to currencies (foreign exchange) or specific provisions (non-performing loans) cannot be classified under this item, as these cannot be seen as 'not related to regular activities'. This item does not include costs related to an extension of operations, licensing or an application for licensing. It also excludes marketing costs, costs for staff activities and fund formation or restructuring costs.
Statutory basis: Article 13(4)(f) of the IFR
Reporting note: N/A
Statutory provision: o Article 13(4)(f) of the IFR: non-recurring expenses from non-ordinary activities.
Additional clarification: • Costs incurred in the context of developing new funds are considered regular activities, as they are part of the business of an investment fund manager. • Expenses for a 25-year anniversary are deductible, because they are one-off and not related to the firm's operations. • Costs incurred for a reorganisation/structural change of the firm are not deductible, as these are not considered one-off costs. Firms adjust their organisation to new circumstances with some regularity.

Line 0140: Expenditures from taxes
Description Deduction of corporate tax payable.
Statutory basis: Article 13(4) of the IFR; Article 1(6)(c) of Delegated Regulation (EU) 2022/1455.
Reporting note: Only corporate tax payable can be deducted. All other taxes are excluded.
Statutory provision: o Article 13(4) of the IFR: see line 0020. o Article 1(6)(c) of Delegated Regulation (EU) 2022/1455: expenditures from taxes where they fall due in relation to the annual profits of the investment firm.
Additional clarification: N/A

Rule 0150: Losses from trading on own account in financial instruments

DeNederlandscheBank
EUROSYSTEEM

Date
28 November 2024

Our reference
TM100221-871222524-20

Description Losses from proprietary trading in financial instruments by institutions licensed for trading for their own account.
Statutory basis: Article 13(4) of the IFR; Article 1(6)(d) of Delegated Regulation (EU) 2022/1455.
Reporting note: N/A
Statutory provision: o Article 13(4) of the IFR: line 0020. o Article 1(6)(d) of Delegated Regulation (EU) 2022/1455: Losses from trading on own account in financial instruments.
Additional clarification: N/A

Line 0160: Contract-based profit and loss transfer agreements
Description Payments related to contractual agreements for profit and loss transfer. Payments related to contract-based profit and loss transfer agreements according to which the investment firm is obliged to transfer, following the preparation of its annual financial statements, its annual result to the parent company, provided these costs are also included in the total cost (line 0030).
Statutory basis: Article 13(4) of the IFR; Article 1(6)(e) of Delegated Regulation (EU) 2022/1455.
Reporting note: In particular, these are contracts that include transfer pricing arrangements for a fair allocation of profits to a group company.
Statutory provision: o Article 13(4) of the IFR: see line 0020. o Article 1(6)(e) of Delegated Regulation (EU) 2022/1455: Payments related to contract-based profit and loss transfer agreements according to which the investment firm is obliged to transfer, following the preparation of its annual financial statements, its annual result to the parent company.
Additional clarification: N/A

Line 0170: Expenditure on raw materials
Description Costs for physical products such as oil, grain, or cocoa, that serve as collateral for financial products and are related to the financial products in which the firm trades. For traders in commodities and emission rights (class 2), commodity expenses related to an investment firm dealing in derivatives of that commodity can be deducted.
Statutory basis: Article 13(4) of the IFR; Article 2 of Delegated Regulation (EU) 2022/1455.
Reporting note: N/A
Statutory provision: o Article 13(4) of the IFR: see line 0020. o Article 2 of Delegated Regulation (EU) 2022/1455: Commodity and emission allowance dealers may deduct expenditure on raw materials in connection with an investment firm trading in derivatives of the underlying commodity.
Additional clarification: N/A

Line 0180: Payments into a fund for general banking risk
Description

Payments into a fund for general banking risk. Not applicable in the Netherlands for investment firms or investment fund managers. Concerns the application of Dutch Civil Code Title 2, Section 424.
Statutory basis: Article 13(4) of the IFR; Article 1(6)(f) of Delegated Regulation (EU) 2022/1455.
Reporting note: This does not include bank charges.
Statutory provision: o Article 13(4) of the IFR: see line 0020. o Article 1(6)(f) of Delegated Regulation (EU) 2022/1455: payments into a fund for general banking risk in accordance with Article 26(1), point (f), of Regulation (EU) No 575/2013 of the European Parliament and of the Council.
Additional clarification: N/A

Line 0190: Expenses related to items that have already been deducted from own funds
Description Depreciations related to balance sheet items already deducted from own funds, such as software and/or goodwill, for instance.
Statutory basis: Article 13(4) of the IFR; Article 1(6)(g) of Delegated Regulation (EU) 2022/1455.
Reporting note: If a firm writes off goodwill on its balance sheet, it is allowed to include this as a deduction here.
Statutory provision: o Article 13(4) of the IFR: see line 0020. o Article 1(6)(g) of Delegated Regulation (EU) 2022/1455: expenses related to items that have already been deducted from own funds in accordance with Article 36(1) of Regulation (EU) No 575/2013.
Additional clarification: N/A

Line 0200: Projected fixed overheads of the current year
Description Estimation of fixed costs for the current financial year, taking into account the actual costs incurred during the year as much as possible. In the first quarter of the financial year, Class 2 firms must include the actual costs of that period, including the budgeted costs for the remaining quarters. In the second quarter of the financial year, they must include the actual costs of the first half of the financial year including the budgeted costs for the remaining quarter, and so on for the following quarters. Class 2 firms must update their estimate during the year. Class 3 firms must record the actual costs incurred in the financial year in the Q4 IFREP report.
Statutory basis: Article 13(4) of the IFR; Article 3 of Delegated Regulation (EU) 2022/1455.
Reporting note: N/A
Statutory provision: o Article 13(4) of the IFR: see line 0020. o Article 3 of Delegated Regulation (EU) 2022/1455: A material change referred to in Article 13(2) of Regulation (EU) 2019/2033 shall be considered to have occurred where either of the following conditions are met: (a) a change, either in the form of an increase or in the form of a decrease, in the business activity of the firm results in a change of 30% or greater in the firm's projected fixed overheads of the current year; (b)

a change, either in the form of an increase or in the form of a decrease, in the business activity of the firm results in changes in the firm's own funds requirements based on projected fixed overheads of the current year equal to or greater than €2,000,000.
Additional clarification: N/A

Line 0210: Variation of fixed overheads (%)
Description This is the increase or decrease in fixed overheads for the current year compared to the previous year, in percentage terms. The costs must match the costs from the profit and loss accounts excluding deductions [(total costs current year) - (total costs previous year) / (total costs previous year)].
Statutory basis: Article 13(4) of the IFR; Article 3 of Delegated Regulation (EU) 2022/1455.
Reporting note: (Line 0200 - Line 0030) / Line 0030.
Statutory provision: ○ Article 13(4) of the IFR: see line 0020. ○ Article 3 of Delegated Regulation (EU) 2022/1455: A material change referred to in Article 13(2) of Regulation (EU) 2019/2033 shall be considered to have occurred where either of the following conditions are met: (a) a change, either in the form of an increase or in the form of a decrease, in the business activity of the firm results in a change of 30 % or greater in the firm's projected fixed overheads of the current year; (b) a change, either in the form of an increase or in the form of a decrease, in the business activity of the firm results in changes in the firm's own funds requirements based on projected fixed overheads of the current year equal to or greater than €2,000,000.
Additional clarification: N/A

DeNederlandscheBank
EUROSYSTEEM

Date
28 November 2024

Our reference
TM100221-871222524-20

Annex 2: Links to relevant websites

1. Important laws and regulations (non-exhaustive)

Financial Supervision Act[4] (*Wet op het financieel toezicht – Wft*)
- Section 3:57(3) (solvency capital requirement)
- Section 3:57(4) (duty to report capital deficits)

Decree on Prudential Rules for Financial Undertakings[5] (*Besluit prudentiële regels Wft – Bpr*)
- Section 63(3) (legal grounds of fixed overheads requirement for fund managers)

Regulation (EU) 2019/2033[6] (Investment Firm Regulation, IFR):
- Article 7(1) (legal grounds of fixed overheads requirement for investment holding companies)
- Article 13 IFR (fixed overheads requirement)

Delegated Regulation (EU) 2022/1455[7] (regulatory technical standards for fixed cost requirement)
- Article 1 (calculation of fixed overheads requirement)
- Article 2 (calculation of fixed overheads requirement for commodity and emissions traders)
- Article 3 (concept of material change)

2. DNB website

My DNB[8]
Open Book on Supervision[9]
- Calculation of fixed overheads requirement[10]
- Information on supervisory reports[11]

3. Contact DNB

For general questions on DNB's supervision of investment firms and investment funds managers:
natin-bobi@dnb.nl

For specific (technical) questions about supervisory reports:
beleggingsonderneming.rap@dnb.nl

To register for the DNB News Service (Supervision of Asset Managers):
https://www.dnb.nl/en/dnb-news-service/

You can also contact your account supervisor (see My DNB).

[4] https://wetten.overheid.nl/BWBR0020368
[5] https://wetten.overheid.nl/BWBR0020420
[6] https://eur-lex.europa.eu/eli/reg/2019/2033/en
[7] https://eur-lex.europa.eu/eli/reg_del/2022/1455/nl
[8] https://mijn.dnb.nl/home
[9] https://www.dnb.nl/en/sector-information/open-book-supervision/
[10] https://www.dnb.nl/en/sector-information/open-book-supervision/open-book-supervision-sectors/collective-investment-schemes/prudential-supervision/calculation-of-fixed-overheads-requirement-for/
[11] https://www.dnb.nl/en/login/dlr/supervisory-reports/investment-firms-and-fund-managers/