

Policy Rules for the Deposit Guarantee Scheme

Consultation Paper March 2017

DeNederlandscheBank

EUROSYSTEM

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Summary

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In its capacity as the responsible authority for the Dutch Deposit Guarantee Scheme (DGS), DNB is currently working with Dutch banks to realize a faster payout by the DGS. The objective is to be able to reimburse depositors within seven working days by 2019. Furthermore, since 2016, banks are required to pay a quarterly contribution to the Deposit Guarantee Fund as part of the new ex-ante arrangement for the DGS.

To meet the statutory payout deadline, DNB proposes the introduction of two policy rules and an amendment to the Regulation on Statements of Financial Institutions under the Financial Supervision Act 2011 (Regeling staten financiële ondernemingen Wft 2011), hereinafter referred to as 'the Statements Regulation'.

The proposals first of all provide for a standard format for a Single Customer View (SCV) to be used by banks to produce a list of each depositor's aggregate deposits. This will serve as a basis for the submission of data under the DGS, which in turn allows payouts to be made within seven working days. The proposals also clarify under what circumstances deposits held on behalf of beneficiaries (escrow accounts) are eligible for coverage by the DGS. Finally, DNB is proposing an amendment to the Statements Regulation in order to embed the reporting requirements governing the levies payable into the Deposit Guarantee Fund.

This consultation paper provides a comprehensive overview of the proposals referred to above and describes how interested parties can submit their views on the consultation.

1 Introduction

Directive 2014/49/EU on deposit guarantee schemes¹ (a recast of the old DGS Directive) was transposed into Dutch law late 2015. Its transposition has led to changes in the way in which DNB is required to administer the DGS. Prominent changes include the shorter payout deadline, temporary additional coverage of up to EUR 500,000 for deposits relating directly to the sale or purchase of a residential property, and the set-up of a Deposit Guarantee Fund funded from levies collected from banks on a quarterly basis.

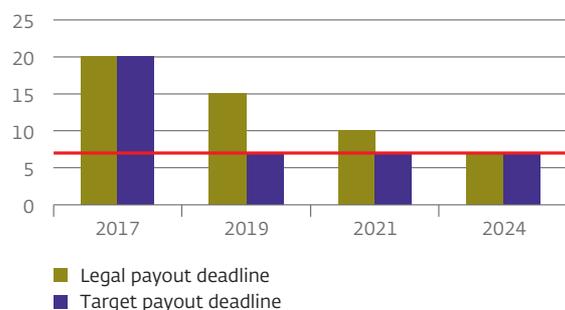
DNB has developed rules to support the new DGS set-up and meet its obligations associated with administering the DGS. More specifically, it has drafted two policy rules and an amendment to the Regulation on Statements of Financial Institutions under the Financial Supervision Act 2011 (Regeling staten financiële ondernemingen Wft 2011), hereinafter referred to as 'the Statements Regulation', on which it is consulting. They are the Single Customer View Policy Rule, the Policy Rule on the Scope and Coverage of the Deposit Guarantee Scheme, and the amendment to the Statements Regulation in connection with quarterly reporting under the DGS².

Single Customer View Policy Rule

The Single Customer View Policy Rule ensures timely payouts by the DGS and supports orderly resolution when a bank fails. The Single Customer View (SCV) is a standardised overview of all deposits held by each depositor. The information is structured according to a data model prescribed by DNB and allows deposits covered under the DGS to be paid out in a timely fashion.

The need for an SCV standard format arises from the recast DGS requirements. DNB is required over the next few years to reduce the payout deadline to a maximum of seven working days by 2024 (see Figure 1). However, DNB would prefer achieving this as early as by 2019, the reason being that it is more efficient for banks and DNB to take a single leap rather than having to adjust their systems several times. Depositors will benefit too if DNB is in a position to compensate them within seven working days earlier than by 2024.

Figure 1 Maximum payout deadline in number of working days



¹ Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (recast).
² DNB will also publish an update to the manual for banks (Manual 3.0), which will include practical notes to the new and amended rules.

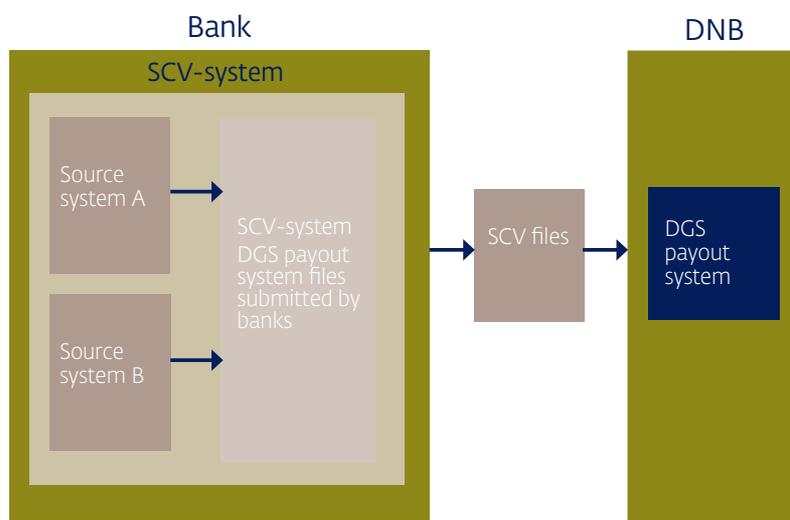
6 A shorter payout deadline also means that a depositor's right to compensation under the DGS must be established quicker. To make this happen, banks will be required to produce the SCV themselves. Up until now, this has been DNB's responsibility. In the new situation, each bank will need to create an SCV and submit it to DNB. This follows from national legislation, which requires that banks must have procedures and controls in place to ensure that the information necessary to administer the DGS are continually updated and adequately documented, and must submit this information at DNB's request in a manner and within a time period specified by DNB.³ The national legislation will give effect to the provisions of the DGS Directive

stipulating that Member States must ensure that

- 1) a DGS, at any time and upon the DGS's request, receives from their members all information necessary to prepare for a payout to depositors;
- 2) banks 'mark eligible deposits in a way that allows an immediate identification of such deposits'; and
- 3) DGSs may at any time request credit institutions to inform them about the aggregate amount of eligible deposits of every depositor.⁴

In order to meet the requirements mentioned before, the Single Customer View Policy Rule requires a bank to have procedures and controls in place allowing it to create an SCV file, calculate eligible and covered amounts, and take any

Figure 2 Payout system based on SCV files submitted by banks



³ See Article 26b of the Decree on Prudential Rules for Financial Institutions (Besluit prudentiële regels Wft).

⁴ See Article 4(8), Article 5(4) and Article 7(6) respectively of the DGS Directive.

resolution action. DNB will then use the SCV to determine the amount payable to each depositor (see Figure 2). The procedures and controls a bank uses to ensure compliance with its obligations is referred to as the SCV system.

In addition to enabling a faster payout, this way of working, with banks producing the SCV files, also enhances the accuracy and adequacy of banks' procedures and controls, and the reporting of covered deposits to calculate the levies payable into the Deposit Guarantee Fund. The SCV also supports resolution.

The Single Customer View Policy Rule sets out the requirements for record keeping and the procedures and controls that banks have in place to create accurate, correct and timely SCV files. It also sets out requirements for the SCV system's functioning, the period for submitting SCV files, and the procedure for monitoring the quality of SCV files.

Policy Rule on the Scope and Coverage of the Deposit Guarantee Scheme

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The Policy Rule on the Scope and Coverage of the Deposit Guarantee Scheme sets out further rules governing the coverage of deposits held on behalf of beneficiaries. As such, the Policy Rule will unlock additional information that is necessary to create an SCV, especially in terms of handling escrow accounts. Provisions on other DGS-related matters may be added to the Policy Rule over time.

Amendment to Regulation on Statements of Financial Institutions under the Financial Supervision Act 2011

The changes to the Statements Regulation explain in greater detail banks' obligation to supply quarterly information for the purpose of calculating the levies to be paid into the Deposit Guarantee Fund. The proposed statement format comprises both the current basis for the levy calculation and future SCV reporting.

Banks have reported numbers of accounts and balances on a quarterly basis since 2016, and DNB uses these data to establish the base for calculating levies. They remain relevant in the implementation of the DGS and the new statement will supplement them with guaranteed deposits based on the SCV.

Contents of the consultation paper

The consultation paper is structured as follows. Part 2 of this paper includes a number of consultation questions. Part 3 presents the Single Customer View Policy Rule for consultation. Parts 4 and 5 present the Policy Rule on the Scope and Coverage of the Deposit Guarantee Scheme and the proposed amendment to the Statements Regulation, respectively. Attached as an appendix is an example explaining how the SCV is compiled for various purposes.

Next steps

After the consultation period has closed, DNB will incorporate the responses received into the final rules, where appropriate. DNB plans to publish the policy rules and the amendment to the Statements Regulation in mid-2017. A practical clarification of the requirements set out in these policy rules, including the SCV data model, is given in Manual 3.o. This manual will be shared with the banks as soon as the policy rules are published.

Submitting responses to the consultation paper

A motivated response to the proposed rules, especially to the consultation questions in Part 2, may be submitted until 30 April 2017 by sending an email to consultatie-dgs@dnb.nl using the subject line 'Response to DGS consultation paper'.

The most valuable responses will be those that:

- make clear what rules and articles a comment refers to;
- are properly motivated, preferably by examples or evidence;
- provide answers to the questions asked in Part 2 of this consultation paper;
- describe alternative policy choices for DNB to take into consideration; and
- are substantiated from various perspectives.

This consultation paper is intended for bank employees responsible for DGS, but also for staff involved in resolution and legal affairs. We also welcome responses from other stakeholders, including civil-law notaries and payment service providers.

2 Consultation questions

As part of this consultation process, DNB would like to consult you on the following questions regarding its proposed rules:

1 Single Customer View Policy Rule

General

- 1.1 What is your view on the overall contents of this Policy Rule?
- 1.2 What is your view on the balance which the Policy Rule attempts to strike between standardising the data format and data submission on the one hand and the scope afforded to banks to exercise discretion in this regard on the other?
- 1.3 In your opinion, would you say that the Policy Rule is comprehensive in terms of the creation of a single customer view?

Chapter 2 SCV file content and submission

- 2.1 Is there any additional data that should be prescribed as a minimum under Article 2?
- 2.2 What is your view on the manner proposed under Articles 3(1) and (2) in which banks, when creating a single customer view, should deal with incoming and outgoing payments that have not yet been fully processed ('in-flight transactions')?
- 2.3 Are Articles 4(2) and (3) clear enough in terms of the distinction to be made in how eligible and covered amounts are to be calculated for DGS and resolution (testing) purposes on the one hand and deposit base reporting in order to calculate DGS levies on the other?

- 2.4 Do you agree with the product types prescribed by Article 5(2)?

Chapter 3 Resolution requirements

- 3.1 What is your view on the approach taken to identify preferred eligible deposits on the basis of the SCV, as proposed in Article 7?
- 3.2 What is your view on the role played by the SCV system in supporting resolution tools if the resolution plan provides grounds for doing so, as proposed in Article 8?

Chapter 4 Data submission

- 4.1 What is your view on the maximum period of three working days for submitting the information as proposed in Article 9?
- 4.2 What is your view on the approach proposed in Article 9(5) in terms of additions or corrections filed after the SCV file has been submitted? Are there any alternative options, taking into account a maximum data submission deadline of three working days?

Chapter 5 Data quality assurance and supervision

- 5.1 What is your view on the requirements for the entire set of procedures and controls (SCV system) that needs to be appropriate to ensuring the accuracy and completeness of information (Article 10) and the related controls (Article 11)?
- 5.2 Do you agree with the internal and external auditors' roles as proposed in Articles 11 and 12?

Chapter 6 Transitional and final provisions

6.1 To what extent does the Policy Rule, coupled with DNB's prescribed data model, provide enough clarification in terms of the transitional period during which banks are allowed to gradually adopt the prescribed standard?

2 Policy Rule on the Scope and Coverage of the Deposit Guarantee Scheme

General

1.1 What is your view on the definition of the term 'professional record-keeping system' to clarify in what situations it will suffice for a customer's identity to be clear from the records of certain account holders rather than from the bank's own records?

3 Amendment to Statements Regulation

General

1.1 What is your view on the design of the statements, especially the correlation between the deposit base calculated from the single customer view and the procedure for reporting this in the statements?

3 Single Customer View Policy Rule

De Nederlandsche Bank N.V.'s Policy Rule dated PM 2017 containing rules on the preparation of single customer view files by banks for the benefit of the deposit guarantee scheme and resolution toolset (Single Customer View Policy Rule)

De Nederlandsche Bank N.V.;

Having regard to Article 3:17(2), opening words and (d), of the Financial Supervision Act (Wet op het financieel toezicht – Wft) and Article 26a of the Decree on Prudential Rules for Financial Institutions (Besluit prudentiële regels Wft);

Having regard to Article 3:261 of the Financial Supervision Act, and Articles 29.05(3) to (5), Article 29.06(1), Article 29.07(4) and Article 29.16(1) of the Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees under the Financial Supervision Act (Besluit bijzondere prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft);

Having regard to Article 212ra of the Bankruptcy Act (Faillissementswet);

Having consulted the representative organisations involved and the general public;

Decides as follows:

Chapter 1 General Provisions

Article 1

Unless expressly defined otherwise, the terms used in this Policy Rule have the same meaning as in the Financial Supervision Act and secondary legislation based on the Act.

In this Policy Rule, the following definitions apply:

- a. DNB: De Nederlandsche Bank N.V.;
- b. Wft: Dutch Financial Supervision Act (Wet op het financieel toezicht);
- c. Bbpm: Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees under the Financial Supervision Act (Bijzondere prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft);
- d. Deposit guarantee scheme: has the meaning given in Article 3:259(2) of the Wft.
- e. Bank: an institution that holds deposits that are covered by the deposit guarantee scheme, as defined in Article 29.01 of the Bbpm;
- f. Eligible deposit: a deposit that falls within the scope of the deposit guarantee scheme;
- g. Eligible depositor: a depositor that is not excluded under 29.01(2)(a) of the Bbpm;
- h. Covered deposit: has the meaning given in Article 7k(1) of the Bbpm;
- i. Depositor: the holder or, in the case of a joint account as referred to in Article 29.02(2) of the Bbpm, each of the holders of a deposit, including a beneficiary as referred to in Article 29.02(3) of the Bbpm;

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- j. Representative: a person authorised to perform the act referred to in Article 29.07(1) of the Bbpm on the depositor's behalf;
- k. Single customer view: an overview of a depositor's aggregate deposits, presented according to the data model referred to in Article 2;
- l. SCV: single customer view;
- m. SCV file: a dataset in the format described in Article 2 that provides a list of all single customer views;
- n. SCV system: the set of procedures and controls a bank may use to produce an SCV file, calculate eligible and covered amounts, and take any resolution action, in a manner and within a time period specified by DNB;
- o. Micro, small and medium-sized enterprises: enterprises as defined based on the annual turnover criterion referred to in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ EU 2003, L 124/16).

Chapter 2 Format of the single customer view

Section 2.1 SCV file content and submission

Article 2

1. A bank must create an SCV file that contains all the information necessary to administer the deposit guarantee scheme, according to a data model prescribed by DNB, and designed in such a manner as to link the deposit information to the details of the depositors and, if applicable, their representatives.
2. For each depositor, the SCV file must contain the following information as a minimum:
 - a. A unique depositor identifier;
 - b. Markings as referred to in Article 6(1)(a);
 - c. Markings as referred to in Articles 6(2) and (3);
 - d. Customer type as referred to in Article 7(2) (a);
 - e. In the case of a natural person:
 1. Initials, surname, date of birth;
 2. Address details;
 3. Tax identification number, if the natural person has one;
 4. Markings as referred to in Article 6(1)(b);
 - f. In the case of a legal entity:
 1. Official name as shown in its constitution document;
 2. Address details;
 3. Chamber of Commerce number or RSIN number, if the legal entity has one.

3. For each representative, the SCV file must contain the following information as a minimum:
 - a. Initials, surname;
 - b. Date of birth, if known;
 - c. Address details;
 - d. Tax identification number, if the representative has one.
4. For each deposit, the SCV file must contain the following information as a minimum:
 - a. A unique deposit identifier;
 - b. The account number known to the depositor;
 - c. The ascription of the deposit as recorded;
 - d. A product description for the deposit as known to the depositor;
 - e. The type of deposit as referred to in Article 5(2);
 - f. Markings as referred to in Article 6(1)(c) to (g);
 - g. Markings as referred to in Article 6(3);
 - h. The currency in which the deposit is held;
 - i. The account balance;
 - j. The amount in interest on the deposit accrued but not yet credited;
 - k. The country where the deposit is held;
 - l. The number of depositors for the account and, if there is more than depositor, the percentage entitlement if it is not proportional.

Article 3

In creating the SCV file, as formalised in Article 2, a bank must observe the following guiding principles:

1. A bank must ensure that none of the account balances reported comprise any outgoing payments which, at the time of generating the single customer view, have already been debited from an account, regardless of whether the bank has sent value itself.
2. A bank must ensure that, where possible, the orders, rights and obligations arising from Article 212b of the Bankruptcy Act and associated with the bank's membership of a system as referred to in Article 212a(b) of the Bankruptcy Act, have been incorporated into all reported account balances within the time period specified in Article 9(1).
3. In creating a single customer view, a bank does not have to take into account the additional coverage of up to EUR 500,000 per depositor granted for three months after the monies have been credited, if such deposit relates directly to a contract for the purchase of a private residential property within the meaning of Article 29.02 of the Bbpm.
4. In creating a single customer view, a bank does not have to include any deposits held by natural persons or micro, small or medium-sized enterprises that would qualify as eligible deposits if the deposit had not been made through a branch located in a country other than a Member State, as referred to in Article 29.01(1)(a) of the Bbpm.

Section 2.2 Calculation of eligible and covered amounts

Article 4

1. In addition to the SCV file, a bank must also, for each depositor, calculate the eligible amount and covered amount in euros.
2. In calculating the amounts required by Article 4(1), a bank must observe the following guiding principles:
 - a. The aggregate amount in deposits marked in accordance with Articles 6(1)(c) to (h) and 6(3) must be treated as uncovered balances;
 - b. Depositors as referred to in Articles 6(1)(b) and 6(2) and (3) must be treated as ineligible depositors.
3. In derogation from Article 4(2), in calculating the amounts necessary to determine the deposit base, as referred to in Article 29.16(1) of the Bbpm, a bank must observe the following guiding principles:
 - a. The aggregate amount in deposits marked in accordance with Articles 6(1)(c) and 6(3) must be treated as covered balances;
 - b. Deposits referred to in Article 6(1)(d) to (g) must be treated as eligible deposits, with due observance of the maximum covered amount per individual depositor.
 - c. Depositors as referred to in Articles 6(1)(b) and 6(2) and (3) must be treated as eligible depositors.
 - d. The aggregate amount in deposits recorded in accordance with Article 6(1)(h) must be treated as uncovered balances.

Section 2.3 Identification of deposits and depositors

Article 5

1. A bank must identify and record the characteristics by which a depositor can be identified in such a manner as to allow the depositor's identity to be established with a high degree of certainty.
2. For each deposit, a bank must record the product type using the following classification:
 - a. Current accounts;
 - b. Savings accounts;
 - c. Fixed-term deposits;
 - d. Investor accounts;
 - e. Escrow accounts;
 - f. Bank savings deposits for private residential property;
 - g. Other fiscal accounts;
 - h. Credit cards.

Article 6

1. A bank must mark the types of deposits and depositors listed below in such a manner as to allow their immediate identification:
 - a. eligible deposits and depositors;
 - b. depositors who have died;
 - c. deposits held on behalf of beneficiaries by virtue of a contract or statutory requirement;
 - d. deposits arising from transactions where there has been a criminal conviction for money laundering, as referred to in Article 29.01(2) of the Bbpm;
 - e. deposits that are the subject of a legal dispute,

as referred to in Article 8(5)(a) of the DGS Directive;

- f. deposits that are subject to restrictive measures imposed by national governments or international bodies, as referred to in Article 8(5)(b) of the DGS Directive;
 - g. deposits over which a pledge has been created for a beneficiary or that have been attached;
 - h. bank savings deposits for a private residential property, as referred to in Article 29.01(2)(e) of the Bbpm.
2. A bank must mark depositors whose identities cannot be established with a high degree of certainty, as referred to in Article 5(1).
 3. A bank must mark depositors and deposits in relation to which the markings referred to in Article 6(1) cannot be made with a high degree of certainty.

- b. a bank may produce a list of deposits as referred to in Article 3(4).

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Article 8

1. If the resolution plan for the bank provides grounds for doing so, a bank must have procedures and controls in place to be able to:
 - a. transfer part of an eligible deposit into a separate account;
 - b. freeze deposits:
 1. held by ineligible depositors or whose depositors have been marked in accordance with Article 6(1)(b) or 6(2) or (3);
 2. marked in accordance with Article 6(1)(c) to (h) or 6(3).
2. A bank must complete the acts referred in Article 7(1) before midnight on the business day following the announcement that resolution action is being taken.

Chapter 3 Resolution requirements

Article 7

1. For the purposes of preparing and updating a resolution plan, a bank must submit, among other things, a detailed description of the components of the deposits held with the bank.
2. For the purposes of providing a detailed description as referred to in Article 7(1):
 - a. a bank must, in addition to Article 6(1), mark eligible deposits held by natural persons and micro, small and medium-sized businesses in such a manner as to allow their immediate identification;

Chapter 4 Data Submission

Article 9

1. A bank must provide DNB with the SCV file within three working days of:
 - a. DNB having decided to trigger the deposit guarantee scheme, as provided in Article 3:260(1) of the Wft;
 - b. DNB having made a specific request to that effect.
2. At DNB's request, a bank must provide DNB with the information referred to in Articles 4 and 7 within three working days.

3. A bank may provide the list referred to in Article 7(2)(b) separately from the SCV file.
4. In derogation from Articles 9(1) and (2), DNB may extend the submission deadline beyond three working days if a request to that effect is made in accordance with Article 26a of the Bpr.
5. If it wants to supplement or adjust the SCV file submitted in accordance with Article 9(1), a bank must so notify DNB immediately.
6. The SCV file referred to in Article 9(1) must be submitted in the manner and in a file format prescribed by DNB.

Chapter 5 Data Quality assurance and supervision

Section 5.1 Data Quality Assurance

Article 10

1. A bank's SCV system must ensure the correctness and completeness of the following information in such a manner as to allow DNB to proceed to pay compensation to depositors with a high degree of certainty:
 - a. The information referred to in Article 2, having regard to the guiding principles referred to in Article 3 and the deadlines stated in Article 9;
 - b. The record-keeping system referred to in Article 5;
 - c. The markings referred to in Article 6.
2. A bank must ensure that the information in the SCV file, referred to Article 2, the amounts referred to in Article 4(1), and the deposit

base calculations referred to in Article 4(3) are consistent with the reports filed with the regulatory authority under Implementing Regulation (EU) No 680/2014.

Article 11

A bank must have the following controls in place as a minimum:

1. Procedures that allow compliance with the requirements set out in this Policy Rule to be embedded in the normal conduct of business for all business units involved;
2. Documentation that describes the entire set of procedures and controls relating to the requirements set out in this Policy Rule;
3. Documentation that allows an ex-post evaluation to be carried out of the process of generating the information referred to in Articles 2, 4 and 7, and of the effectiveness of the controls;
4. Annual opinion issued by the bank's internal audit function of the extent to which the requirements set out in this Policy Rule have been complied with.

Section 5.2 Supervision

Article 12

1. A bank must instruct an external auditor to review compliance with the requirements set out in this Policy Rule annually as a minimum.
2. If DNB requires an ad hoc opinion by an external auditor, a bank must issue instructions accordingly within the shortest possible time.
3. The report prepared by the external auditor

pursuant to the instructions referred to in Article 12(1) must be shared with DNB along with the annual opinion issued by its internal audit function.

4. A bank must enclose with the reports referred to in Article 12(3) a document describing any material future changes to its SCV system.

Article 13

1. A bank must inform DNB of any intention to make material changes to the bank's SCV system and notify DNB within three months of any material changes being made to its SCV system.
2. The notification referred to in Article 13(1) must be accompanied by a statement issued by the bank to the effect that its SCV system is in line with this Policy Rule.

Article 14

1. If a bank joins the DGS after this Policy Rule has come into force, the bank must provide DNB with:
 - a. the SCV file referred to in Article 2 within three months of joining the DGS;
 - b. a report as referred to in Article 12(1) within six months of joining the DGS.
2. The provisions set out in Article 14(1) apply mutatis mutandis in the event of a merger or acquisition.

Article 15

1. DNB must assess the quality of the SCV file submitted and the control of the SCV system.
2. If the assessment provides grounds for doing so, DNB may instruct a bank to put measures in place.
3. For the purposes of assessing the SCV file,

DNB may at any time make a request as referred to in Article 9, in which case the SCV file must contain all single customer views based on up-to-date information available to the bank.

4. In assessing the control of the SCV system, DNB must use the periodic reviews by the bank's internal audit function referred to in Article 11(4) and the external auditor's report referred to in Article 12(1).
5. If, partly in DNB's opinion, a bank fails to meet the requirements set out in this Policy Rule, the bank must prepare a plan of action within three months, unless otherwise indicated by DNB, describing the measures it will take to achieve the necessary improvements.

Chapter 6 Transitional and final provisions

Article 16

1. There will be a transitional period from the effective date of this Policy Rule until 1 January 2019.
2. During the transitional period, a bank must give DNB advance notice as to which of the methods described below it will use to submit the deposit information and depositors' details:
 - a. the method according to which a bank supplies the data per account, with DNB creating the SCV in accordance with the data model prescribed by DNB; or
 - b. the method set out in Chapters 1 to 4 of this Policy Rule, according to which a bank creates and submits the SCV in accordance with the data model prescribed by DNB.

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3. During the transitional period, a bank must decide in consultation with DNB which of the methods described in Article 16(2) it will use.
4. The provisions of Chapter 5 of this Policy Rule apply if a bank uses the method referred to in Article 16(2)(b).
5. In derogation from Article 18, Articles 15(2) and (5) will enter into force on 1 January 2019.

Article 17

This Policy Rule must be cited as the Single Customer View Policy Rule 2017 (Beleidsregel individueel klantbeeld Wft 2017).

Article 18

This Policy Rule, including the notes, will be published in the Government Gazette (Staatscourant).

This Policy Rule will come into force on the day after its publication in the Government Gazette.

Amsterdam, the Netherlands, PM 2017

De Nederlandsche Bank N.V.;
Frank Elderson, Executive Director

Notes

General

The deposit guarantee scheme (DGS) protects depositors and, by extension, contributes to the stability of the banking sector. If a bank fails to meet its financial obligations, the DGS pays out each of the bank's depositors a maximum of EUR 100,000. In the wake of the financial crisis, the DGS has been strengthened in various ways so as to further enhance financial stability. The recast European Directive on deposit guarantee schemes (2014/49/EU, also known as the Deposit Guarantee Schemes Directive, or DGSD) plays an important role in this context, seeking maximum harmonisation of many aspects of the various deposit guarantee schemes. In the Netherlands, the Directive has been enshrined into the Financial Supervision Act (Wet op het financieel toezicht – Wft), the Decision on Prudential Measures, Investor Compensation and Deposit Guarantees (Besluit bijzondere prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft – Bbpm) and the Decree on Prudential Rules for Financial Institutions (Besluit prudentiële regels Wft – Bpr).

An important element of the DGS reforms is the shorter deadline for paying out compensation. The shorter payout deadline will contribute to the stability of the banking sector because depositors are assured that they can dispose of their funds quickly again after a bank failure. This is why it has been agreed to reduce the deadline from the current 20 working days to seven working days.

The DGSD recognises that many Member States lack the procedures necessary for a shorter payout deadline. Member States have therefore been given an opportunity to gradually shorten the payout deadline to seven working days during a transitional period. The Netherlands has used this option when enshrining the DGSD into its national law. The Bbpm requires that the deadline should be shortened to 15 working days by 1 January 2019, ten working days by 1 January 2021, and seven working days by 1 January 2024. The banks and DNB are united in their ambition to pay compensation within seven working days by 2019.

The shorter payout deadline also means that a depositor's right to compensation under the DGS must be established quicker. To make this happen, banks will themselves have to produce and submit an overview of all funds held by each depositor. This is known as the single customer view (SCV). The purpose of an SCV is to provide an aggregated view of all deposits held by each depositor, including an indication as to whether the depositor is eligible under the DGS and, if so, up to what amount the depositor can claim compensation. Until these new rules have been introduced, the SCV will be created by DNB in its capacity as the administrator of the Dutch DGS. If banks themselves produce and submit the SCV to DNB, it is possible to meet the shorter payout deadline with effect from 2019. This Policy Rule is therefore based on a seven-business-day payout deadline. This ambitious goal is also in the interests of banks, in that it prevents them from having to adjust their systems several times within the space of a few years.

Apart from enabling a shorter payout deadline, if a bank produces its own SCV, this will enhance the accuracy and adequacy of its procedures and controls and its reporting of covered deposits. The information will also help DNB carry out its resolution mandate and improve a bank's resolvability, subject to the statutory confidentiality requirements.

In order to administer the DGS, DNB ultimately needs an overview of all single customer views. This is known as the SCV file. Under Article 26a of the Bpr, a bank must be capable of providing DNB with the information it requires to administer the DGS, i.e. the SCV file, at DNB's request in a manner and within a time period specified by DNB. To do so, a bank must have procedures and controls in place to ensure that this information is continuously updated and adequately documented (referred to in this Policy Rule as the 'SCV system'). DNB explains these requirements in greater detail in this Policy Rule. This Policy Rule describes what information the SCV file must contain as a minimum, and how a bank is to design its record-keeping system and related procedures and controls to be able to produce the SCV accurately, in the right manner and in a timely fashion, in accordance with the data model prescribed by DNB. This will allow DNB to pay out covered deposits in a timely fashion. The requirements in terms of how the SCV should contribute to resolution are also discussed, as is the manner in which banks must submit the information and how data quality assurance is monitored.

Notes structured by Article

Chapter 1 General Provisions

Article 1

This Article provides a number of definitions relevant to this Policy Rule. For SCV purposes, in particular, it reiterates several terms that define the scope of the DGS.

In light of this, it should be noted first of all that 'deposits' are defined in Article 1:1 of the Wft. Articles 29.01(2)(b) to (e) of the Bbpm then go on to provide specifically that the deposit guarantee scheme does not apply to instruments that come within the definition of 'own funds' within the meaning of the Capital Requirements Regulation, or to debt instruments issued by banks or debts arising from banks' own accepted bills and promissory notes. The deposit guarantee scheme does not apply either to deposits arising from transactions involving a criminal conviction for money laundering, or bank savings deposits relating to a private residential property to the extent that they are offset against a property loan, as provided in Article 3:265d of the Wft.

In order to determine whether a deposit is eligible for protection under the DGS, regard must also be had to Article 29.01(2)(a) of the Bbpm, because the deposit guarantee scheme does not apply to deposits held by certain depositors. A depositor qualifies as an 'eligible depositor' unless excluded.

If a deposit and its depositor are not excluded under Article 29.01(2) of the Bbpm, the deposit falls within the scope of the DGS and is referred to as an 'eligible deposit'.

A covered deposit is the part of an eligible deposit that is effectively covered by the deposit guarantee scheme. The DGSD uses a similar definition of 'covered deposit', defining it as 'the part of the eligible deposit that does not exceed the coverage level laid down in Article 6'. This is equivalent to the definition of 'covered deposit' given in Article 7k(1) of the Bbpm.

These definitions can be illustrated by an example. Let us assume that an individual depositor holds two deposits, in his own name and for his own benefit only, with a bank whose deposits enjoy protection under the Dutch DGS. The funds are held in a current account with a balance of EUR 40,000 and a fixed-term deposit account with a balance of EUR 90,000. The individual depositor has identified himself in accordance with Article 4(1) of the Anti-Money Laundering and Anti-Terrorist Financing Act (Wet ter voorkoming van witwassen en financieren van terrorisme). Then both deposits will meet the definition of a deposit given in Article 1:1 Wft, and the depositor will not be excluded under the DGS. So this example involves an eligible depositor with a total of EUR 130,000 in eligible deposits, and a total of EUR 100,000 in covered deposits.

The Policy Rule defines the term 'depositor' so as to distinguish it from an 'account holder', which is also a term commonly used by banks in their

communication with customers. In this Policy Rule, the term depositor means the person who is entitled to all or any part of funds deposited with a bank. In most cases, the depositor and the account holder will be one and the same, but a difference arises when the account holder holds a deposit in his own name for the benefit of a beneficiary by virtue of a contract or statutory requirement. In such cases, it is the beneficiary that enjoys protection and is treated as the depositor, provided that its identity can be established at a point prior to the DGS trigger date.

The distinction between 'depositor' and 'account holder' made in this Policy Rule to a certain extent provides a further clarification of the Explanatory Memorandum to the Deposit Guarantee Scheme Implementing Decree (Implementatiebesluit depositogarantiestelsel) of 16 November 2015.

The details of any representatives play an important role in the single customer view. A representative should, of course, be able to arrange for compensation awarded to be paid to the depositor by putting in a written request or by logging on to a dedicated website on the depositor's behalf. The term 'representative' is interpreted broadly. This is to ensure that it covers two types of representatives. Those that represent natural persons and those representing legal entities. They must have full power to perform all acts on the depositor's behalf. Consider, for example, the parent of a minor or a company representative registered with the Chamber of Commerce.

The definition of a 'bank' given in this Policy Rule only covers banks within the meaning of Article 29.01(1) of the Bbpm. The term 'bank' is given a broader definition in the Wft, which cannot therefore be applied one on one. Here, the term refers to the entity that holds the relevant authorisation. So where the SCV Policy Rule refers to a 'bank', it is by reference to its banking authorisation. This means that each individual authorised bank must submit an SCV. Creating an SCV at group level is not permitted.

Finally, this Article distinguishes between the 'single customer view', the 'SCV file', and the 'SCV system'. 'Single customer view' means an overall view of a single depositor's aggregate funds, supplemented with specific details and markings that DNB requires to be able to pay out compensation. Building on the example given above, the single customer view for the depositor in the example will show that he is entitled to a total of EUR 130,000 in eligible deposits and a total of EUR 100,000 in covered deposits. The 'SCV file' contains the single customer views of all depositors with a bank. The SCV file is the data set that a bank must ultimately produce to enable DNB to pay compensation. In order to create the SCV file and related summaries, a bank must use an SCV system, which is the entire set of procedures and controls available to a bank to create the SCV file and other documents in a manner and within a time period specified by DNB.

Chapter 2 Format of the single customer view

Section 2.1 SCV file content and submission

This section specifies the information to be included in the SCV file as a minimum and sets out the guiding principles for creating the file. It provides the framework for the functional and formal logical data model prescribed by DNB for the submission of all data. The functional and formal logical data model will be published by DNB separately so as to allow enough flexibility to respond to new developments and DNB's and banks' shared experiences in terms of data content. The prescribed format strikes a balance between certainty (about the contours of the data model) and flexibility (to allow for technical requirements in particular).

Article 2

This Article stipulates that a bank must be capable of creating an SCV file in accordance with DNB's prescribed data model. It is important that the bank connects the details of depositors, deposits and any representatives in order to calculate the covered balance per depositor. The data model provides the specifications to do so.

Articles 2(2), (3) and (4) specify the information that must be included in the SCV file as a minimum. Details of the information to be entered in the data model, and of its functional, formal logical and technical aspects, are given in a manual for use by banks published by DNB along with the prescribed data model.

Some of the provisions in this Article should perhaps be clarified. The unique identifier referred to in Article 2(2)(a) ensures that the single customer views included in the SCV file can be identified individually. This unique identifier may be different for each submission. Article 2(4)(a) prescribes a similar unique identifier per deposit.

The markings to be reported per depositor (Article 2(2)(b) and (c)) and per deposit (Article 2(2)(f) and (g)) will allow DNB (and the banks themselves) to process the information in the SCV file in a certain way. For example, the marking that indicates whether or not a depositor is eligible under the DGS allows DNB to make a distinction between these two types of depositors. The prescribed markings are specified in Article 6. In most cases, a binary value ('yes', 'no') must be entered to mark depositors, for example to indicate their eligibility (Article 2(2)(b)). This is specified further in the data model.

The information required under Article 2(4)(l), i.e. the number of depositors and the percentage entitlement per depositor if an account is held by more than one depositor, has to do with the provisions on joint accounts set out in the Bbpm. Article 29.02(2) of the Bbpm stipulates that, in the event of a joint account, the guarantee applies to each depositor individually for a proportionate part of the deposit, unless otherwise agreed by contract.

Article 3

This Article sets out a number of guiding principles for banks to observe when creating the SCV file.

Articles 3(1) and (2) describe how a bank, in creating the SCV file, must deal with payments the underlying flows of funds of which – and hence the transaction as a whole – have not yet been settled in full (also known as 'in-flight transactions'). Article 3(1) provides that a bank must exclude from the reported deposit balance all outgoing payments that have already been debited from the deposit account. This ensures that the deposit balance in the SCV file tallies with the balance visible to the depositor at the point of default and/or on the date when the DGS was triggered. Article 3(2) deals with incoming payments and is consistent with Article 212b of the Bankruptcy Act, into which the Settlement Finality Directive (No 98/26/EC) has been implemented. The Settlement Finality Directive stipulates that once transfer orders have been entered in a payments system, they cannot be revoked or otherwise cancelled. In other words, transfer orders that have been entered in a designated system are irrevocable and final, even if a member of the system has gone bankrupt. It also follows from the Settlement Finality Directive that incoming transactions should still be permitted to be included in the recipient's account balance after the DGS has been triggered. On this issue, Article 3(2) prescribes that a bank, in creating the SCV, must incorporate the orders, rights and obligations relating to its membership of such designated systems into the reported balances within the time period for submitting the SCV file, if at all possible

so as to do justice as effectively as possible to both the Settlement Finality Directive and the payout deadline under the DGS.

Deposits held in connection with a contract for the purchase of a private residential property are an exception to the coverage level of EUR 100,000 per depositor stated in Article 29.02(1) of the Bbpm. This type of deposit is categorised as a temporary high balance and guaranteed up to an amount of EUR 500,000 per depositor for three months, as provided in Article 29.02(4) of the Bbpm. Because a temporary high balance is not held in a separate account, it will be for the depositor to prove that he or she held a temporary high balance resulting from a recent purchase contract for a private residential property at the point when the DGS was triggered. Banks are not expected to have information available on temporary high balances. They are not, therefore, required to include temporary high balances in the SCV, as referred to in Article 3(1).

A bank does not have to take into account either deposits held with a branch office located in a country other than a Member State when creating the SCV, as referred to in Article 3(4). As shown in Article 29.01(1)(a) of the Bbpm, these deposits are not covered under the DGS.

Section 2.2 Calculation of eligible and covered amounts

This section stipulates that a bank must be able to calculate the covered amount in euros for each depositor and how a bank must deal with the markings referred to in Article 6.

Article 4

For the purposes of administering the deposit guarantee scheme, DNB will establish the covered amount of each depositor on the basis of the SCV file delivered by a bank. There may, however, be situations in which a bank must calculate and report the aggregate covered amount per depositor to DNB to allow DNB, for instance, to draw up and update a resolution plan, prepare for a DGS payout, or calculate the levies a bank must pay into the DGS. Article 4(1) ensures that a bank will be able to do this and Articles 4(2) and (3) describe how a bank is expected to deal with certain markings for certain purposes.

Article 4(2) describes first of all a situation in which a bank is asked to calculate the eligible amount in order for DNB to draw up or update a resolution plan or prepare for a DGS payout, for instance. In such cases, it will be appropriate to exclude deposits and depositors whose eligibility under the DGS cannot be established with certainty. After all, if the DGS is triggered, these deposits cannot be paid out or transferred without ado; this will need to be assessed on a case-by-case basis. This is why a bank may exclude from view the following deposits when calculating the covered amount: (i) deposits held on behalf of beneficiaries, (ii) deposits associated with money laundering, (iii) deposits that are the subject of a legal dispute, (iv) deposits that are the subject of restrictive measures by national governments or international bodies (e.g. a terrorism or sanctions list), (v) deposits that have been attached or over which a pledge has been created for a beneficiary, (vi) bank savings deposits for a private residential

property, (vii) deposits held by depositors who have died, (viii) deposits whose depositor cannot be identified unambiguously, (ix) deposits in relation to which markings cannot be made with certainty, and (x) deposits held by depositors in relation to whom markings cannot be made with certainty.

Article 4(3) sets out the guiding principles which a bank must observe in calculating the deposit base that constitutes the basis for the contributions payable to the Deposit Guarantee Fund, i.e. the report referred to in the Regulation on Statements of Financial Institutions (Regeling staten financiële ondernemingen Wft) (most recently amended by DNB's decision dated PM 2017). In contrast to the calculations requested under Article 4(2), in this particular case, a bank will need to include deposits whose eligibility under the DGS cannot be established for certain so as to prevent that the amounts calculated are too low relative to the actual deposits covered. This is why in such cases the balances in the following accounts must be included in the deposit base for quarterly reporting purposes: (i) deposits held on behalf of beneficiaries, (ii) deposits associated with money laundering, (iii) deposits that are the subject of a legal dispute, (iv) deposits that are the subject of restrictive measures by national governments or international bodies (e.g. a terrorism or sanctions list), (v) deposits that have been attached or over which a pledge has been created for a beneficiary, (vi) deposits held by depositors who have died, (vii) deposits whose depositor cannot be identified unambiguously, (viii) deposits in relation to which markings cannot be made with certainty,

and (ix) deposits held by depositors in relation to whom markings cannot be made with certainty. Conversely, bank savings deposits held in connection with a private residential property must again be excluded from view because they generally do not qualify as covered deposits, the reason being that they are automatically offset against the depositor's mortgage loan.

Section 2.3 Identification of deposits and depositors

This section describes what information a bank must hold in its record-keeping systems to ensure the accurate, complete and immediate identification of deposits and depositors, and to answer the question of whether deposits and depositors are eligible under the DGS. The markings in the bank's systems form the basis for producing the SCV.

Article 5

Article 5(1) stipulates that a bank must identify a depositor and record the identifying information in such a way as to ensure that the depositor's identity can be established with a high degree of certainty and to allow compensation to be paid under the DGS. In practice, this means that a bank must supply an SCV for the depositor containing a combination of details showing the depositor's identity with a high degree of certainty. There are various reliable combinations of identifying details conceivable, as illustrated by the following example. If two deposits are registered to a natural person and the administrative details for both deposits show the same Citizen Service Number (BSN), date of birth and surname, there is a high degree of certainty that

both deposits can be allocated to one and the same depositor. If details are missing from a combination (e.g. the date of birth) or if details are inconsistent (e.g. a typing error in the Citizen Service Number for one of the two deposits), then the depositor's identity cannot be established with a high degree of certainty.

The markings by product type, as referred to in Article 5(2), are necessary to establish the kind of product that the deposit involves. This allows deposits that are unsuitable for automatic inclusion in a depositor's covered balance to be identified quickly and to be dealt with manually. The record-keeping system also facilitates the administration of the DGS in that depositors can be better informed of how the DGS guarantees their deposits.

Article 6

Article 29.05 of the Bbpm stipulates that the DGS must be able at some point in the next few years to pay out compensation within seven working days. However, the Bbpm lists numerous exceptions that have an impact on whether a deposit and/or depositor is eligible under the DGS or not. Given the short space of time in which payouts are to be made in the future, these requirements can be met only if the identifying details that determine eligibility, and the exceptions allowed when operating the DGS, have already been documented in banks' record-keeping systems. This is why Article 6 prescribes markings that a bank must incorporate into its systems in such a way as to ensure that certain types of deposits and depositors can be identified immediately.

The marking referred to in Article 6(1)(a) separates depositors not covered by the DGS, as provided in Article 29.01(2)(a) of the Bbpm, from those covered by the scheme.

The marking referred to in Article 6(1)(b) deals with the situation in which the depositor has died. In such cases, the heirs can potentially claim compensation under the DGS but their identity may not be immediately known. Awarding compensation may then be deferred, in accordance with Article 8(5) of the DGS Directive, which provides scope for doing so in cases in which it is uncertain that a person is entitled to payout.

The marking referred to in Article 6(1)(c) addresses the situation envisaged in Article 29.02(3) of the Bbpm, in which an account holder holds a deposit for a beneficiary under the terms of a contract or pursuant to a statutory requirement. Compensation must be awarded and made available to a beneficiary as referred to in Article 29.02(3) within three months of the time when the decision was made, under Article 3:260(1) of the Wft, to trigger the deposit guarantee scheme.

The marking referred to in Article 6(1)(d) addresses the situation envisaged in Article 29.01(2)(d) of the Bbpm, which stipulates that the DGS does not apply to deposits by virtue of transactions involving a criminal conviction for money laundering.

The markings referred to in Article 6(1)(e) and (f) reflect two situations in which payout of a deposit may be deferred in accordance with Article 8(5) of the DGS Directive.

The marking referred to in Article 6(1)(g) addresses the situation in which a deposit has been attached or a pledge has been created over a deposit for the benefit of a beneficiary.

The marking referred to in Article 6(1)(h) addresses the special situation involving bank savings deposits for a private residential property. As a rule, the DGS does not apply to such deposits, except where the deposit cannot be offset, either in full or in part, against the corresponding property loan. Theoretically at least, this could happen when the balance in the bank savings deposit exceeds the corresponding property loan. Because the corresponding property loan is not reported in the SCV, the full balance in the bank savings deposit will be inserted in the SCV and subsequently marked and separated from the depositor's eligible amount, on the assumption that the bank savings deposit has been offset in full. If information supplied by the depositor bears out that the bank's savings deposit for a private residential property cannot be offset in full against the corresponding property loan, the marking will allow the DGS's administrator to pay out the bank savings deposit, to the extent that the covered amount is not exceeded.

Article 6(2) stipulates that, if a depositor's identity cannot be established with a high degree of certainty, a bank must specify this in the SCV. This will be the case, for instance, if any of the details are missing and no unique combination of details can be made as a result. Awarding compensation may then be deferred, consistent with Article 8(5) of the DGS Directive. A marking of this kind may reflect poor

data quality. In such cases, a bank must improve its data quality as soon as possible to minimise this type of marking.

Article 6(3) contains a similar provision to deal with the situation in which any of the markings for a deposit or depositor cannot be made with certainty. DNB expects banks to be cautious in making this type of marking.

Chapter 3 Resolution Requirements

Chapter 3 imposes requirements on the SCV file and SCV system in support of DNB's resolution mandate and banks' resolvability.

Article 7

This Article stipulates that a bank must be able to provide DNB with a detailed description of the component parts of deposits held with the bank for resolution planning purposes. It is important that a bank should be able to indicate not only whether a deposit is eligible under the DGS, but also whether an eligible deposit is held by a natural person or micro, small or medium-sized enterprise. This extra information is necessary to have a full view of a bank's liabilities, especially the ranking of deposits in the hierarchy of creditors.

This has to do with Article 212ra(1)(b) of the Bankruptcy Act, which stipulates that the part of an eligible deposit over and above the covered amount and which is held by a natural person or micro, small or medium-sized enterprise has priority

ranking before the claims of unsecured creditors. This implies that the part of an eligible deposit over and above the covered amount held by a large enterprise has no priority ranking, despite the fact that its deposit is eligible under the DGS.

A rather similar situation applies to eligible deposits held by natural persons and micro, small and medium-sized businesses through a branch of a Dutch-based bank located outside the European Union. As explained in the notes to Article 3, these types of deposits are not covered under the DGS. However, they are assigned priority ranking under Article 212ra(1)(b) of the Bankruptcy Act. On this point too, it is important that a bank should supply extra information to provide a full view of the ranking of deposits within the hierarchy of creditors, beyond the information it is required to provide for DGS operational purposes.

Article 8

The resolution plan sets out the resolution strategy to be put into operation if an institution runs into difficulties. In preparing and updating the resolution plan, the resolution authority assesses the institution's resolvability and may require that it removes certain impediments to its resolvability. Article 8 contributes to achieving this by prescribing that, if the resolution plan provides grounds for doing so, a bank must put in place procedures and controls for dealing with eligible or covered deposits during the period in which a resolution tool is applied. This may be the case, for instance, if the resolution strategy provides for the use of the sale of business tool, to transfer (amongst others) deposits.

Articles 8(1) and (2) describe the procedures and controls a bank needs to have in place to separate all or any part of the deposits that will not be transferred from those that will, and to freeze those deposits.

This type of functionality is necessary, for example, to enable the practical transfer of covered deposits, which is a technically complex exercise. Although the legal transfer of deposits to another business will generally take a short time only, the technical transfer is more time-consuming. To ensure continuity of access to the critical (payment) function of deposits, it is conceivable that the deposits transferred may initially continue to be accessed on the systems of the bank that is being resolved. This is how depositors will continue to have access to their current accounts and to use their debit cards for those accounts. Once the necessary preparations have been completed, the business that has taken over the deposits will migrate them to its own systems.

An example may clarify what action a bank should specifically be able to take using the procedures and controls referred to in Articles 8(1) and (2). Let us assume that a natural person holds funds with a bank in two deposits with balances of EUR 90,000 (first account) and EUR 60,000 (second account) respectively, and the decision is made during the bank's resolution process to transfer the covered deposits held with the bank to another business. Based on the single customer view for the depositor, EUR 100,000 in funds will then be transferred and EUR 50,000 in funds will stay with the failed bank. Depending on the procedures and

controls the bank has in place, this separation can be effected in a number of ways. One option would be to transfer the first account (EUR 90,000) in full and to split the second account into a part that is transferred and remains accessible (EUR 10,000) and a remaining part (EUR 50,000) that is placed into a separate account. Another option would be to split both accounts proportionally into a part that remains accessible (EUR 60,000 and EUR 40,000 respectively) and a remaining part (EUR 30,000 and EUR 20,000) that is separated and perhaps combined into a separate account.

By analogy to the notes to Article 4(2), Article 8(2) requires that a bank must be able to freeze certain deposits. These are deposits that cannot be classified as eligible under the DGS with certainty at the point when the resolution tool is deployed. If a transfer is limited to eligible or covered deposits only, those deposits cannot be transferred automatically. If the resolution plan provides grounds for doing so, a bank must also have procedures and controls in place to freeze these types of deposits so as to allow the DGS time to determine whether they are eligible under the DGS and hence can be transferred or paid out.

Article 8(3) specifies the deadline by which the action described must be undertaken. This is consistent with Article 3a:52(1) of the Wft, which confers on the resolution authority the power to defer certain obligations until 12 midnight, Dutch time, at the end of the business day after the point when the decision to apply the resolution tool is announced.

Chapter 4 Data Submission

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Under Article 26a of the Bpr, DNB sets the deadline by which a bank must provide DNB with the information it requires to administer the DGS. This chapter sets out the deadlines and manner in which banks are to supply the information described in this Policy Rule to DNB.

Article 9

To be able to pay out compensation within seven working days, DNB needs to receive the SCV files from a bank within three working days of the DGS being triggered. This is required by Article 9(1)(a).

Article 9(1)(b) allows DNB to ask a bank to provide the SCV file within three working days in other situations as well, for instance when it needs the information to run a stress test on the deposit guarantee scheme's system, as provided in Article 4(11) of the DGS Directive.

Article 9(2) stipulates that a bank must provide DNB with information on covered and eligible amounts in euros on a per-deposit basis within three working days of a request to that effect. Similarly, a detailed description of the component parts of the deposits must be submitted within three days.

Article 9(4) confirms that DNB may choose to extend the three-day submission deadline, for instance if it needs the information for normal testing purposes.

Banks are expected to provide accurate and complete information, the reason being of course

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that this information is used as a basis for paying compensation to depositors, among other things. If a supplement or adjustment is nevertheless necessary, a bank must notify DNB immediately in order to decide in dialogue how to deal with the request.

Article 9(6) provides that a bank must submit the SCV file in a manner and file format prescribed by DNB. See also the notes to Article 2.

Chapter 5 Data quality assurance and supervision

Section 5.1 Data quality assurance

Section 5.1 sets out the requirements imposed by DNB to ensure data quality. The starting point is that DNB can pay out depositors in a timely fashion only if a bank's records contain full and accurate details of deposits and depositors. To ensure this, the percentage of deposits and depositors that is unsuitable for automated registration due to weaknesses in a bank's record-keeping system should be kept to a minimum so that eligible claims of depositors can be verified.

Article 10

This Article stipulates that banks must have procedures and controls in place that enable them to create single customer views and gather the information to be inserted in these views. One way to meet this requirement is to have in place IT and other controls to manage the record-keeping system and the process of preparing and submitting the information referred to in this Policy Rule. High

demands must be placed on the correctness and completeness of the information because the SCV file constitutes the immediate basis for paying compensation to depositors out of the Deposit Guarantee Fund.

Article 10(1)(a) deals with the registration of deposit and depositor information – especially the required markings – as provided in Articles 5 and 6, which is necessary to create a single customer view. The bank must assess for itself how it can ensure the correctness and completeness of the information in a way that also meets the requirements of Articles 5 and 6 that deposits and eligible depositors, including any marked specifics, must be capable of immediate identification.

In DNB's opinion, a bank will by definition be in compliance with Article 10(1)(a) if it logs the markings and information prescribed by Articles 5 and 6 in its primary record-keeping system (source system) and ensures that its customer due diligence (CDD) and Know Your Customer (KYC) processes apply the definitions and markings relevant to the DGS for both deposits and depositors.

Article 10(1)(b) deals with the information gathered using the SCV system in order to create an SCV file. The bank must assess for itself how it can ensure the correctness and completeness of this information such that it also meets the guiding principles of Article 3 and the deadline specified in Article 9.

In DNB's opinion, a bank will by definition be in compliance with Article (1)(b) if it links up its primary

record-keeping system (source system) to a (central) SCV system in which all depositors and deposits are entered completely, timely and correctly.

Article 10(2) stipulates that a bank must ensure that all the information it provides for DGS purposes is consistent with the information filed for regulatory purposes (FINREP). This is to ensure consistent and robust data submission. A bank must be able to provide a reconciliation upon request.

Article 11

This Article requires a bank to have controls in place that meet the requirements set out in this Policy Rule. It should specifically be noted that this Article provides a non-exhaustive list. A bank may consider the controls described in this Policy Rule as guidance, and must decide for itself whether controls other than those specified in this Policy Rule may be appropriate.

Article 11(1) requires a bank to have procedures in place that ensure that compliance with the Policy Rule is embedded in its normal conduct of business. These may, for instance, include work procedures that ensure that all business units involved adhere strictly to the procedures and controls referred to in Article 10 and any inaccuracies and exceptions are identified quickly and addressed in a timely fashion. These requirements combine to achieve a multi-level control mechanism, with the strictest controls being incorporated into the normal conduct of business to ensure a high degree of data certainty. The internal control structure for the bank's normal business processes must be aimed at avoiding errors (zero tolerance for errors). The internal and external audit

functions can then focus on the reliability of controls within the normal conduct of business.

Article 11(2) requires a bank to document the procedures and controls in question. The documentation provides an internal reference framework and a basis for the work to be carried out by the internal and external auditors and the supervision exercised by DNB.

Article 11(3) addresses how the method of generating the SCV files, or the information specified in Article 4, is to be documented. This allows the internal and external auditors and DNB to conduct an ex-post review of how procedures and controls are applied in practice.

Article 11(4) deals with the role of a bank's internal audit department. The internal audit function must review at least once a year whether the bank complies with the requirements set out in the Policy Rule to a high degree of certainty.

Section 5.2 Supervision

Supervision by DNB focuses on the correctness and completeness of the SCV files and DGS-related reports submitted by a bank, and on the design and effectiveness of the procedures and controls a bank has put in place to meet the requirements set out in this Policy Rule.

Article 12

This Article addresses the external auditor's role. Article 12(1) provides that a bank must instruct an external auditor to review its compliance with the

requirements set out in this Policy Rule annually as a minimum. Having an external auditor perform annual reviews is important because it enables the external auditor to be involved quickly, should the bank fail and the DGS need to be triggered. At DNB's request, a bank must also instruct the external auditor to perform an ad hoc review. The external auditor's report must be shared with DNB along with the annual review issued by the internal audit function. The reports to be produced will provide an opinion on the entire system. As explained in the notes to Article 11, this means that the auditor's focus will shift from testing the reliability of reporting to testing the reliability of the systems. A separate report on findings on the quarterly reports will no longer be required.

Article 13

The SCV system comprises the entire set of procedures and controls that enable a bank to keep the information required for DGS purposes up-to-date on a continuous basis, to document such information effectively, and to provide DNB with the requested SCV file or any other information from the SCV system in a manner and within a deadline specified by DNB. This Article stipulates that DNB must be notified of any material changes to the SCV system so that it can consider those changes in monitoring the correctness and completeness of the information to be delivered by a bank. Examples of material changes to the SCV system include the integration with another bank after a merger or acquisition or the transfer of a deposit portfolio, or the introduction of a new IT system to be used for the purposes of the SCV system.

Article 13(2) ensures that the SCV system continues to meet the requirements set out in this Policy Rule after material changes have been made to it, by requiring that a bank must give DNB advance notice of the material change and issue a statement after the change has been implemented.

Article 14

This Article stipulates that a bank, after joining the DGS or in the event of a merger or acquisition, must provide DNB with an SCV file within three months of its membership or merger or acquisition, and an external auditor's report on its degree of compliance with the requirements set out in this Policy Rule within six months.

Article 15

This Article addresses DNB's supervisory role in reviewing the quality of the SCV file and control of a bank's SCV system.

Article 15(2) makes clear that, if the assessment provides grounds for doing so, DNB may specify such additional measures as it may consider necessary. DNB will take additional measures if, in its opinion, the SCV file is of poor quality in terms of being correct and complete, or if control of the SCV system is insufficiently safeguarded. In such cases, DNB will highlight and explain the weaknesses in the SCV file or SCV system's control, and specify the measures to be taken by the bank and the deadline by which to implement these in order to comply with the Policy Rule.

Article 15(3) stipulates that DNB may always request information in order to assess the quality of the SCV file. In order to approximate the actual payout situation as closely as possible and to allow DNB to assess the depth and detail and suitability of the SCV file, the SCV file must contain all single customer views. A random check or an anonymised SCV file will not suffice.

Article 15(4) stipulates that DNB may use the reports prepared by a bank's internal and external auditors in order to assess the SCV system's control.

Article 15(5) specifies that a bank must draw up a plan of action to address any weaknesses if, for instance, in DNB's opinion, the bank fails to meet the requirements set out in this Policy Rule.

Chapter 6 Transitional and final provisions

Article 16

The Article describes how a bank must supply details of deposits and depositors during the transitional period, i.e. from the effective date of this Policy Rule until 1 January 2019. A bank must decide for itself whether it wants to continue using the current method (Article 16(2)(a)) or switch to using the new method described in this Policy Rule (Article 16(2)(b)). A description of the current method, according to which a bank supplies information per account and DNB creates the SCV, is given in Manual 2.0 published by DNB.

A bank must decide in consultation with DNB which method it will use during the transitional period, as provided in Article 16(3). If a bank uses the method referred to in Article 16(2)(b), it should preferably not switch back to using the method referred to in Article 16(2)(a). However, a situation may arise in which a temporary switch back to the method referred to in Article 16(2)(a) may be considered appropriate in consultation with DNB.

The controls and provisions on supervision set out in Chapter 5 of this Policy Rule apply from the time when a bank starts using the new method (Article 16(4)). However, if a bank fails to meet the requirements set out in this Policy Rule, DNB will not impose any measures on the bank during the transitional period if it has already switched to using the new method, as provided in Article 16(5).

Amsterdam, [PM] 2017

De Nederlandsche Bank N.V.
Frank Elderson, Executive Director

4 Policy Rule on the Scope and Coverage of the Deposit Guarantee Scheme

34

De Nederlandsche Bank N.V.'s Policy Rule on the Scope and Coverage of the deposit guarantee scheme as referred to in Article 3:259(2) of the Financial Supervision Act (Beleidsregel reikwijdte en uitvoering depositogarantiestelsel)

De Nederlandsche Bank N.V.;

Having consulted with representative organisations;
Having regard to Articles 29.02 and 29.06 of the Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees under the Financial Supervision Act (Besluit bijzondere prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft) and Article 26a of the Decree on Prudential Measures under the Financial Supervision Act (Besluit prudentiële maatregelen Wft);

Has decided to adopt the following Policy Rule on the Scope and Coverage of the Deposit Guarantee Scheme:

Chapter 1 General Provisions

Article 1.1

For this Policy Rule, the following terms are defined as follows:

- a. DNB: De Nederlandsche Bank N.V.;
- b. Decides as follows: Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees under the Financial Supervision Act (Besluit bijzondere prudentiële maatregelen beleggerscompensatie en depositogarantie Wft);
- c. Wft: Dutch Financial Supervision Act (Wet op het financieel toezicht);
- d. Professional record-keeping system: the record-keeping system of an entity that holds an authorisation as provided in Article 3:5(2)(a) and (b) of the Wft or an exemption from the prohibition imposed by Article 3:5(3) of the Wft or a waiver as provided in Article 3:5(4) of the Wft;
- e. DGS trigger date: the point at which the decision is made pursuant to Article 3:260(1) of the Wft to put the deposit guarantee scheme into operation for a particular bank.

Chapter 2 Scope and Coverage of DGS

Section 2.1 Escrow accounts

Article 2.1

The identity of a beneficiary will be considered known prior to the DGS trigger date as referred to in Article 29.02 of the Decree if the beneficiary's identity is shown in:

- a. the bank's records existing on or before the DGS trigger date; or
- b. the professional record-keeping system of an account holder, and the bank's records existing on the DGS trigger date show that the deposit was held for the benefit of one or more beneficiaries.

Article 2.2

DNB will award compensation under the DGS to a beneficiary only if DNB is able to establish the amount of the beneficiary's claim on the basis of information showing, or in relation to which the depositor or the account holder can show, that the information already existed prior to the DGS trigger date.

Chapter 3 Final provisions

Article 3.1 Effective date

This Policy Rule will enter into force on the day following the publication date of the Government Gazette [Staatscourant] in which it is published.

Article 3.2 Citation

This Policy Rule must be cited as: Policy Rule on the Scope and Coverage of the Deposit Guarantee Scheme (Beleidsregel reikwijdte en uitvoering depositogarantiestelsel).

Amsterdam, the Netherlands [PM] 2017

De Nederlandsche Bank N.V.
Frank Elderson, Executive Director

Notes

Under the Deposit Guarantee Scheme, deposits are guaranteed up to EUR 100,000 per depositor per bank. Article 29.02(3) of the Bbpm extends protection to a beneficiary if a depositor holds a deposit in his own name, but does so for the benefit of a beneficiary by virtue of a contract or statutory requirement. The beneficiary will be treated as the depositor, provided that its identity can be established prior to the date when the decision is made pursuant to Article 3:260(1) of the Wft to put the deposit guarantee scheme into operation. The notes to Article 29.01 Bbpm cite as an example an escrow account operated by a civil-law notary. However, the bank's records will not usually show who the beneficiaries of the notary's escrow account are. Importantly, according to the notes to Article 29.02 of the Bbpm, a further condition is that the beneficiary's identity must be known to the bank before the DGS is triggered. This apparently refers to Article 29.06(1) of the Bbpm, which stipulates that compensation will be awarded on the basis of the statutory rules or contractual terms applicable to the covered deposits, the failed bank's records, and any other relevant documents. The notes to this Article show that DNB will decide on the claims of depositors on the basis of the failed bank's records. This means that a beneficiary can claim compensation under the DGS only if it can support its claim with information that already existed before the DGS was triggered. In this Policy Rule, DNB explains how it interprets and will apply the guiding principles referred to above.

In light of the above, DNB, in Article 2.1 of this Policy Rule, makes the award of any compensation conditional on the beneficiary's identity being shown in the bank's records at the point when the DGS is put into operation for that bank. An exception to this rule is the situation where the bank does not know the beneficiary's identity, but its identity is clear from the records of certain account holders. This is where the term 'professional record-keeping system' comes in. This term is defined in this Policy Rule and clarified below. It can be inferred from Article 2.2 of this Policy Rule that, in DNB's opinion, the amount of the claim must also be evidenced by information that already existed before the DGS is triggered.

If a beneficiary who is not the account holder is treated as the depositor, the following applies. The maximum of EUR 100,000 applies to the aggregate funds held by a beneficiary, both as a beneficiary and as an account holder. Consider, for example, a notary's escrow account. An account of this type will hold a single balance that inures to the benefit of joint beneficiaries. The share of each beneficiary is prorated according to the amount paid into this special-purpose account for each beneficiary. Worked example: person A owns EUR 50,000 of the balance in a notary's escrow account held with bank X. Person A also holds EUR 60,000 in a savings account with bank X. So person A is (indirectly) owed a total of EUR 110,000 by bank X. The DGS will pay out a maximum of EUR 100,000 only, leaving EUR 10,000 unpaid. Person A will then have a claim against bank X up to this amount. The amount that DNB will compensate first is the amount the beneficiary is owed by the bank as an

account holder, not as a beneficiary. The rationale is that this amount must be paid out within a time period that is being reduced to seven working days over the next few years. In contrast, the period for awarding and paying compensation to a beneficiary is three months (Article 29.05(4) of the Bbpm).

The DGS Directive (Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (recast) (OJ EU L 2014, 173), hereinafter referred to as 'the Directive') allows Member States to stipulate that deposits in an account to which two or more persons are entitled as members of a group without legal personality may be treated as if made by a single depositor (Article 7(2) of the Directive). The Netherlands has not availed itself of this option allowed to Member States. Under Dutch law, this would refer to partnership firms, general partnerships, and limited partnerships. A mutual fund would also be an example of a group without legal personality. Moreover, it is important to note that an account holder without legal personality would not be the beneficiary of the deposit. In such cases, the persons who are members of the group would be the beneficiaries of the deposit.

In the situations referred to above, although the deposit is registered to a group, the deposit is held for the benefit of a beneficiary. If this is based on a contract or statutory requirement – which will usually be the case – and the beneficiary's identity can be established as provided in Article 2.1 of this Policy Rule, the deposit should be allocated proportionally to the beneficiaries.

The foregoing means that a person who is a member of the group can claim compensation for a portion of the deposit held by that group if the DGS is put into operation for the bank in question. This is subject to the condition that the bank where the funds are deposited must have registered the beneficiaries of the funds in its records in some way or other. An example would be the group's constitutional document, a copy of which may have been submitted to the bank. In all cases, the identities of the beneficiaries will need to be established unambiguously.

The Directive requires that the DGS payout deadline must be reduced in steps. To enable a faster payout deadline, DNB has drawn up the DGS Single Customer View Policy Rule, which describes how banks must record deposits held on behalf of beneficiaries. In order to avoid placing an unreasonably high burden on banks, the SCV Policy Rule and this Policy Rule do not affect the provisions in the Regulation on Statements of Financial Institutions under the Financial Supervision Act 2011 (Regeling staten financiële ondernemingen Wft), which provides that a bank does need to consider to what extent a deposit is held on behalf of beneficiaries in its DGS reporting.

As shown in Article 2.1(b) of this Policy Rule, deposits of beneficiaries whose identities are not clear from the bank's records, but who can be identified on the basis of the professional record-keeping systems of certain account holders will enjoy protection under the DGS. This is subject to the condition that the bank's records show in advance that the deposit is

held on behalf of a beneficiary or beneficiaries. This may, for example, be clear from the name to which the account is registered.

The definition of a professional record-keeping system refers to Article 3:5 of the Wft, which prohibits anyone from inviting, obtaining or having at their disposal repayable funds from the general public in the pursuit of a business. The Exemptions Regulation under the Financial Supervision Act (Vrijstellingsregeling Wft) exempts a variety of entities holding funds on behalf of customers from this prohibition, such as civil-law notaries if they hold repayable funds in an account as provided in Article 25 of the Civil-Law Notaries Act (Wet op het notarisambt). To ensure a consistent and clear framework, DNB follows this system of exemptions in terms of when a record-keeping system is considered to be sufficiently reliable to be able to establish the identity of the beneficiary of a deposit in the event that the DGS is put into operation.

General comments

As regards the scope of the term 'beneficiary', the following should be noted. If the account holder encumbers a deposit with a security interest, such as a pledge, this does not mean that the account holder is holding the deposit on behalf of the pledgee for the purposes of Article 29.02(3) of the Decree. The same applies to the situation where all or any part of a deposit is attached. In other words, the deposit in question will count towards calculating the account holder's aggregate covered deposits. However, rules

of private law will apply in answering the question who would be entitled to a payout under the DGS.

Finally, DNB would point out that the beneficiary itself can ensure that compensation awarded under the DGS is actually paid. This can be inferred from Article 29.07(1) of the Bbpm. That Article essentially provides that 'depositors' can make sure that amounts in compensation awarded and made available are paid out. As previously explained, if a deposit is held on behalf of a beneficiary, the beneficiary is treated as the depositor. Article 29.05(4) of the Decree stipulates that compensation payable to a beneficiary must be paid within no more than three months.

Amsterdam, the Netherlands [PM] 2017

De Nederlandsche Bank N.V.
Frank Elderson, Executive Director

5 Amendment to Regulation on Statements of Financial Institutions under Financial Supervision Act 2011

Amendment to the Regulation on Statements of Financial Institutions under the Financial Supervision Act 2011 (Regeling staten financiële ondernemingen Wft 2011) in connection with the implementation of the deposit guarantee scheme.

Regulation adopted by De Nederlandsche Bank N.V. dated [PM]2017, reference 2016/856173, amending the Regulation on Statements of Financial Institutions under the Financial Supervision Act 2011

De Nederlandsche Bank N.V.;

Having regard to Article 131 of the Decree on Decree on Prudential Rules for Financial Institutions 2011 (Besluit prudentiële regels Wft 2011);

Decides as follows:

Article 1

The Regulation on Statements of Financial Institutions under the Financial Supervision Act 2011 is amended to read as follows:

A

The following provision is added to Article 2:1(1), with the full stop at the end of (g) being replaced by a semicolon:

- h. a bank as referred to in Article 130(1), opening words, of the Decree other than a bank that has no authorisation as provided in Article 2:11 of the Act, as included in Appendix 15 to this Regulation.

B

The following provision is added after Article 2:2(12):

- 13. A bank as referred to in Article 130(1) of the Decree, other than a bank that has no authorisation as provided in Article 2:11 of the Act, must file the statements referred to in Article 130(1)(d) of the Decree with DNB as frequently and within the deadlines as specified in Appendix 6.6 to this Regulation

C

The following table is added to Appendix 6:

Banks in the Netherlands other than banks that have no authorisation as provided in Article 2:11 of the Financial Supervision Act (DGS banks)

Statement	Frequency	Filling deadline
Liabilities eligible under the deposit guarantee scheme (DGS) – separate	Every calendar quarter	No later than on 12 May, 11 August, 11 November and 11 February; or, if this is a Saturday, Sunday or public holiday, the next business day
Liabilities eligible under the deposit guarantee scheme (DGS) – consolidated	Every calendar quarter	No later than on 12 May, 11 August, 11 November and 11 February; or, if this is a Saturday, Sunday or public holiday, the next business day
Appendix showing accounts and amounts per EEA branch office	Every calendar year	No later than on the last business day of the month following the reporting period

D

The following appendix consisting of three tables and notes is inserted after Appendix 14:

A

Liabilities eligible under deposit guarantee scheme (DGS) - solo

		Number of accounts (in units) ⁸			Amounts in thousands of euros					
		01	02	03	04	05	06	07	08	09
		Number of accounts with Dutch branches	Number of accounts with EEA branches	Total number of accounts	Through Dutch branches	Through EEA branches	Total through Dutch and EEA branches (04+05)	Foreign subsidiaries and non-EEA branches	Total (06+07)	Covered deposits as shown in bank's records ⁹
001	Deposits (other than from credit institutions) ¹								V	
002	of which through Dutch branches and EEA branches respectively ²	V	V	B	V	V	B			V
Creditors by legal status										
003	- government authorities	V	V	B	V	V	B			V
004	- other financial corporations ³	V	V	B	V	V	B			V
005	- corporate customers other than financial corporations	V	V	B	V	V	B			V
006	- retail customers	V	V	B	V	V	B			V
007	Total of lines 003 to 006 (equal to line 001a column 08)	B	B	B	B	B	B		V	B
008	of which bank savings deposits for private residential property ⁴	V	V	B	V	V	B			
010	Total eligible under DGS as shown in this statement (005+006-008)	B	B	B	B	B	B			
Total eligible under DGS by account balance (010) and type of account ⁵										
017	of which ≤ EUR 100,000	V	V	B	V	V	B			
018	EUR 100,000 - EUR 200,000 (accounts held by one beneficiary)	V	V	B	V	V	B			
019	EUR 100,000 - EUR 200,000 (joint accounts and other accounts) ⁶	V	V	B	V	V	B			
020	≥ EUR 200,000 (accounts held by one beneficiary)	V	V	B	V	V	B			
021	≥ EUR 200,000 (joint accounts and other accounts)	V	V	B	V	V	B			
022	Total of lines 017 to 021 ⁷	B	B	B	B	B	B			
100	Total covered deposits based on number of deposits and account balances ¹⁰						B			

B

Liabilities eligible under deposit guarantee scheme (DGS) - consolidated

		Number of accounts (in units) ⁸			Amounts in thousands of euros					
		01	02	03	04	05	06	07	08	09
		Number of accounts with Dutch branches	Number of accounts with EEA branches	Total number of accounts	Through Dutch branches	Through EEA branches	Total through Dutch and EEA branches (04+05)	Foreign subsidiaries and non-EEA branches	Total (06+07)	Covered deposits as shown in bank's records ⁹
001	Deposits (other than from credit institutions) ¹								V	
002	of which through Dutch branches and EEA branches respectively ²	V	V	B	V	V	B			V
Creditors by legal status										
003	- government authorities	V	V	B	V	V	B			V
004	- other financial corporations ³	V	V	B	V	V	B			V
005	- corporate customers other than financial corporations	V	V	B	V	V	B			V
006	- retail customers	V	V	B	V	V	B			V
007	Total of lines 003 to 006 (equal to line 001a column 08)	B	B	B	B	B	B		V	B
008	of which bank savings deposits for private residential property ⁴	V	V	B	V	V	B			
010	Total eligible under DGS as shown in this statement (005+006-008)	B	B	B	B	B	B			
Total eligible under DGS by account balance (010) and type of account ⁵										
017	of which ≤ EUR 100,000	V	V	B	V	V	B			
018	EUR 100,000 - EUR 200,000 (accounts held by one beneficiary)	V	V	B	V	V	B			
019	EUR 100,000 - EUR 200,000 (joint accounts and other accounts) ⁶	V	V	B	V	V	B			
020	≥ EUR 200,000 (accounts held by one beneficiary)	V	V	B	V	V	B			
021	≥ EUR 200,000 (joint accounts and other accounts)	V	V	B	V	V	B			
022	Total of lines 017 to 021 ⁷	B	B	B	B	B	B			
100	Total covered deposits based on number of deposits and account balances ¹⁰						B			

Notes to Tables A and B

- All liabilities eligible for protection under the DGS must be entered in these tables, regardless of whether and to what extent these liabilities and/or customers are covered once the DGS has been triggered. After all, their actual protection cannot be established precisely until then.
 - Balances denominated in a currency other than the euro must be converted at the end-of-day exchange rate on the last day of the reporting period.
 - All fields marked (v) are to be completed. The blue fields will be calculated (b). The other fields fall outside the scope of this DGS statement.
- 1) The following liabilities shown in FINREP Table 08.01.a. serve as a basis: line 050 -/- 060 -/- 160 (for columns 010 + 020 + 030)
 - 2) Liabilities assumed through Dutch-based branches/offices (column 04), including through the provision of cross-border services, and liabilities assumed through branches located in an EEA country (column 05).
 - 3) 'Other financial firms' refers to financial firms within the meaning of Article 1:1 of the Wft other than credit institutions.
 - 4) These are bank savings deposits relating to a private residential property to the extent that they are offset against a corresponding property loan, as provided in Article 3:265d of the Wft. These deposits are not covered under the deposit guarantee scheme, in accordance with Article 29.01(2)(e) of the Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees under the Financial Supervision Act (Besluit bijzondere prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft).
 - 5) Account balances must be entered on a single line only. Worked example: if an account holds EUR 110,000, an amount of 110 must be reported on line 018 or 019, rather than 100 on line 017 and 10 on line 018 or 019.
 - 6) 'Other accounts' refers to all other accounts that have more than one beneficiary.
 - 7) The amounts shown on lines 007 and 022 must be the same and comprise both corporate and retail customers.
 - 8) The number of accounts (in units) held with Dutch-based offices/branches must be reported in column 01, and the number of accounts (in units) held with EEA branch offices in column 02, with the related balances to be reported in columns 04 and 05. If an individual account holder holds multiple accounts, neither the number of accounts per account holder nor the balances in those accounts must be aggregated. Worked example: an account holder has three accounts with a balance of EUR 30,000, EUR 60,000, and EUR 120,000 respectively. You must enter the account holding EUR 30,000 in funds and the account holding EUR 60,000 in funds on line 017 (balances of up to EUR 100,000) and enter the number of accounts, i.e. 2, on the same line in column 01

or 02. The account holding EUR 120,000 in funds must be reported on the line for balances > EUR 100,000, with the number of accounts, i.e. 1, being entered in column 01 or 02.

- 9) This represents the aggregate covered amount per depositor, as shown in the single customer view.
- 10) This is an estimate of the total extent of covered deposits on the basis of the numbers of deposits and balances, without taking account of depositors with more than one account (consistent with SCV).

Note

Banks are required to provide DNB with information about the deposits that are covered under the deposit guarantee scheme (Article 130(1)(d) of the Decree on Prudential Rules for Financial Institutions (Besluit prudentiële regels Wft – Bpr)). They must supply this information in a statement format. This amendment to the Regulation gives effect to banks' obligation to supply quarterly information for the purposes of the deposit guarantee scheme (DGS).

The Bpr also allows DNB to issue rules with regard to those statements. These rules may cover data formats and the deadlines by which and frequencies with which statements must be filed. These procedural rules are set out in the statement format shown in Appendix 15 to the Regulation on Statements of Financial Institutions under the Financial Supervision Act 2011 (Regeling staten financiële ondernemingen Wft 2011 – Rsfo), which is added to the Regulation pursuant to this amendment. One of the purposes of this statement format is to allow a bank's deposit base to be used to calculate the levies the bank is to pay into the Deposit Guarantee Fund on a quarterly basis.

The newly added Articles 2.1(1)(h) and 2.2(13) of the Rsfo refer to banks with the exception of banks which have no authorisation as provided in Article 2:11 Wft. This can be explained as follows. The definition of a 'bank' given in Article 1:1 of the Wft implies that a holder of an authorisation as referred to in Article 3:4 of the Wft is equated with a bank. This 'opt-in' bank, although registered in the Netherlands, has no authorisation as provided

in Article 2:11 Wft. It can be inferred from Article 3:258(1)(a) of the Wft that the DGS only applies to banks registered in the Netherlands that have an authorisation as provided in Article 2:11 of the Wft. Accordingly, this reporting obligation only applies to banks registered in the Netherlands that have an authorisation as provided in Article 2:11 of the Wft.

The reporting is linked to the information that banks are required to submit under Article 26a(2) of the Bpr. This information is necessary to be able to administer the DGS. Under Article 26a(1) of the Bpr, a bank must have procedures and controls in place that ensure that this information is continually kept up to date and adequately documented. The information must be submitted at DNB's request in a manner and within a time period specified by DNB. How DNB makes these requests is described in the Single Customer View Policy Rule (the 'Policy Rule'). The Policy Rule is based on the guiding principle that banks falling within the scope of the DGS must be able at any time to compile and submit a summary of all deposits held by each depositor, including information in accordance with the data model prescribed by DNB. This summary is known as a Single Customer View (SCV). DNB requires banks to submit these SCVs periodically, as specified in the Policy Rule.

This Regulation deals with the reporting of deposits covered under the DGS. This is intended mainly to be able to calculate the deposit base (the sum total of covered deposits held with a bank). The link between the Policy Rule and this Regulation is that the deposit base should logically follow from the

sum total of individual deposits held with a bank to the extent covered under the DGS. A further analysis of each depositor in an SCV is required because the DGS guarantees a maximum of EUR 100,000 per depositor. If a depositor holds funds in excess of EUR 100,000, the part of the aggregate amount in excess of EUR 100,000 does not count towards the bank's deposit base.

Because the reporting is based directly on the customer data stored on the bank's source systems, the accuracy and reliability of this data will be very high, that is to say, of a level comparable to the accuracy and reliability commonly exercised for customers' bank statements. As the Policy Rule makes clear, a bank's customer data must give such a fair view as to allow DNB to pay compensation within a short time, should the DGS be triggered for the bank.

The DGS statement format is not included in the list of statements reviewed by the auditor (Appendix 7 to the Regulation), the reason being, as shown in the Policy Rule, that updating the information necessary to administer the DGS and documenting this information adequately will involve instructing an external auditor to review compliance with the requirements set out in the Policy Rule at least once a year. This review will also look at the correctness of the data entered in the quarterly reports and so a separate review of this data would be unnecessary.

DNB would note that, in terms of the treatment of customer data, there are differences in compliance between the Policy Rule and this Regulation.

Firstly, the Policy Rule provides – briefly put – that customer data entered in the source systems must be marked if it cannot be established for certain, for example, that a customer is eligible under the DGS. An example would include the situation where a customer seems to qualify as a government body, but the bank is unable to confirm this with certainty, despite DNB's qualification guidelines. Markings of this kind are also made at the level of deposits in the bank's records. Deposits and depositors of deposits so marked must be included fully in this report.

Secondly, it will not be possible in all cases to include deposits held by an account holder on behalf of a beneficiary in the beneficiary-depositor's SCV. This concerns the situation referred to in Article 29.02(3) of the Bbpm. An example in point is a depositor who is one of the beneficiaries of an escrow account operated by a civil-law notary. As DNB explains in its Policy Rule on the implementation of the deposit guarantee scheme, the depositor would be able to claim compensation under the DGS, even if its identity is not clear from the bank's records, provided that the account is registered to an account holder with a professional record-keeping system. Banks do not therefore have to consider whether a deposit is held on behalf of a beneficiary in order to comply with this Regulation. That said, the bank's customer data will need to show that the balance in this type of account is held for the benefit of one or more beneficiaries, in line with the SCV Policy Rule. If a bank, in its reporting, does not allow for this nuance, the full balance in the account must be reported as included in the bank's deposit base.

6 Appendix – Worked example

This appendix provides a worked example of how a bank, in this case the fictitious ABC Bank, should deal with markings for the different purposes for which the SCV is used.

In the example, ABC Bank has 14 customers and 30 accounts⁵. Most customers have multiple accounts, as shown in the (simplified) single customer view. The customers and their products have different characteristics, as expressed by the markings which a bank is required to make under the single customer view Policy Rule.

On the basis of these markings, a bank will calculate the covered amount for each depositor in accordance with the various rules that govern the calculation of (i) the deposit base (from which the quarterly levies are derived)⁶ and (ii) the amounts in compensation to be paid, automatically or otherwise.

The example clarifies how the markings are to be used in the different reports. For example, customer 7 will see the full amount held in the escrow account (EUR 230,000) registered to his name included in the deposit base for the purpose of calculating the quarterly levies. At the same time, it cannot be inferred from the bank's records who the underlying beneficiaries are. This deposit does not allow for automatic payout and hence the account balance will not count towards calculating the eligible and covered amounts as requested in preparation of DGS payout or resolution.

The example report shows ABC Bank's report based on the simplified SCV file.

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5 This is a simplified SCV; not all data fields have been included.

6 Article 4(3) of the Single Customer View Policy Rule.

7 Article 4(2) of the Single Customer View Policy Rule.

ABC Bank's single customer views

Data in SCV file											Information derived from SCV file data				
SCV-ID	Depositor	Country/ branch	Customer identified unambiguously	Type of depositor	Customer is eligible	Client is deceased	Product (deposit)	Product type	Product is eligible	Blocked	Balance (including interest)	Covered amount in accordance with quarterly report	Automatic processing of DGS payout	Manual processing of DGS payout	Note
01	Customer 1	NL	Yes	Government authority	No	Na	Account 1 Account 2	Current account Savings account	Na Na		200.000 30.000 230.000	0	0	0	Government bodies are not eligible under DGS
02	Customer 2	NL	Yes	Government authority	No	Na	Account 3	Current account	Na		45.000	0	0	0	Government bodies are not eligible under DGS
03	Customer 3	NL	Yes	Financial corporation	No	Na	Account 4 Account 5	Current account Fixed-term deposit	Na Na		400.000 35.000 435.000	0	0	0	Financial corporations are not eligible under DGS
04	Customer 4	NL	Yes	Financial corporation	No	Na	Account 6 Account 7 Account 8	Current account Savings account Fixed-term deposit	Na Na Na		10.000 240.000 20.000 270.000	0	0	0	Financial corporations are not eligible under DGS
05	Customer 5	NL	Yes	Corporate customer	Yes	Na	Account 9 Account 10	Current account Current account	Yes Yes		30.000 40.000 70.000	70.000	70.000	0	
06	Customer 6	NL	Yes	Corporate customer	Doubt	Na	Account 11 Account 12	Savings account Fixed-term deposit	Yes Yes		20.000 300.000 320.000	100.000	0	100.000	Doubt as to whether customer is eligible, but amount is shown in quarterly report
07	Customer 7	NL	Yes	Corporate customer	Yes	Na	Account 13	Escrow account	Yes		140.000	140.000	0	140.000	Escrow account to be shown fully in quarterly report
08	Customer 8	DU	Yes	Corporate customer	Yes	Na	Account 14 Account 15 Account 16	Current account Savings account Savings account	Yes Yes Yes		30.000 1.000 15.000 46.000	46.000	46.000	0	Customer through EEA branch
09	Customer 9	NL	No	Retail customer	Yes	No	Account 17	Current account	Yes		10.000	10.000	0	10.000	Doubt about unambiguous identification, but amount is shown in quarterly report
10	Customer 10	NL	Yes	Retail customer	Yes	No	Account 18 Account 19 Account 20	Current account Savings account Other fiscal accounts	Yes Yes Doubt		-500 2.000 10.000 11.500	12.000	2.000	10.000	Negative balance is debt and will not be settled with DGS compensation Doubt as to whether deposit is eligible, but amount is shown in quarterly report
11	Customer 11	NL	Yes	Retail customer	Yes	No	Account 21 Account 22 Account 23	Current account Savings account Other fiscal accounts	Yes Yes Yes		10.000 20.000 300 30.300	30.300	30.300	0	Correct SCV, no special comments
12	Customer 12	NL	Yes	Retail customer	Yes	No	Account 24 Account 25 Account 26	Current account Current account Savings account	Yes Yes Yes	Yes	30.000 3.000 15.000 48.000	48.000	18.000	30.000	Blocked account is shown in quarterly report
13	Customer 13	BE	Yes	Retail customer	Yes	Yes	Account 27 Account 28	Savings account Savings account	Yes Yes		5.000 300 5.300	5.300	5.300	0	Customer is deceased, amount is shown in quarterly report. Customer through EEA branch
14	Customer 14	NL	Yes	Retail customer	Yes	No	Account 29 Account 30	Savings account Bank savings deposit for private residential property	Yes No		5.000 150.000 155.000	5.000	5.000	0	Account 30 is a bank savings deposit for private residential property
Total amount											1.816.100	466.600	176.600	290.000	

Consistency between SCV file and quarterly reports

Guiding principles:

- A bank must create the SCV file using an SCV system. The SCV system must be linked up to the bank's source systems (see the requirements relating to record keeping, processes and systems set out in Chapter 5 of the SCV Policy Rule).
 - The SCV file must contain all SCVs, including those of depositors ineligible for the DGS (see Article 2 of the SCV Policy Rule). The SCV file must contain the required data of all depositors and their deposits (accounts) with their balances, including accrued interest not yet credited.
 - The SCV file must contain the markings required for each SCV. These are important for processing in quarterly reports and in an actual payout situation.
 - The SCV file must also contain an indication of the country where the deposits are held (branch established in the EEA).
- The following rules apply, subject to the EUR 100,000 maximum per SCV, for calculating the amount of the covered deposits for quarterly reporting purposes, i.e. the deposit base referred to in Article 29.16(1) of the Bbpm:
- Deposits held by depositors (customers) whose identities cannot be established with a high degree of certainty, must be included.
 - Deposits held by depositors (customers), for which it is uncertain whether they are eligible for the DGS, must be included.
 - Deposits held by depositors (customers) who have died must be included as ordinary deposits.
 - Products for which it is uncertain whether they are eligible for the DGS must be included.
 - Deposits with the following markings (blockings) must be included:
 - deposits arising from transactions where there has been a criminal conviction for money laundering, as referred to in Article 29.01(2) of the Bbpm;
 - deposits that are the subject of a legal dispute, as referred to in Article 8(5)(a) of the DGS Directive;
 - deposits that are subject to restrictive measures imposed by national governments or international bodies, as referred to in Article 8(5)(b) of the DGS Directive; and
 - deposits over which a pledge has been created for a third party or that have been attached.

- The full balance must be included of deposits held on behalf of beneficiaries by virtue of a contract or statutory requirement (escrow accounts).
- Bank savings deposits for a private residential property, as referred to in Article 29.01(2)(e) of the Bbpm must not be included.

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If a deposit has any of these markings, the SCV concerned must be processed manually in an actual payout situation. If there are markings at the product level, the products concerned must be processed automatically in the SCV.

		Number of accounts (in units) ⁸			Amounts in thousands of euros					
		01	02	03	04	05	06	07	08	09
Liabilities eligible under deposit guarantee scheme (DGS)		Number of accounts with Dutch branches	Number of accounts with EEA branches	Total number of accounts	Through Dutch branches	Through EEA branches	Total through Dutch and EEA branches (04+05)	Foreign subsidiaries and non-EEA branches	Total (06+07)	Covered deposits as shown in bank's records ⁹
001	Deposits (other than from credit institutions) ¹								1.816.100	
002	of which through Dutch branches and EEA branches respectively ²	28	2	30	1.764.800	51.300	1.816.100			
Creditors by legal status										
003	- government authorities	3	0	3	275.000	0	275.000			0
004	- other financial corporations ³	5	0	5	705.000	0	705.000			0
005	- corporate customers other than financial corporations	5	3	8	530.000	46.000	576.000			356.000
006	- retail customers	12	2	14	254.800	5.300	260.100			110.600
007	Total of lines 003 to 006 (equal to line 001a column 08)	25	5	30	1.764.800	51.300	1.816.100		1.816.100	466.600
008	of which bank savings deposits for private residential property	1	0	1	150.000	0	150.000			
010	Total eligible under DGS as shown in this statement (005+006-008) ⁴	16	5	21	634.800	51.300	686.100			
Total eligible under DGS by account balance (010) and type of account ⁵										
017	of which ≤ EUR 100,000	14	5	19	194.800	51.300	246.100			
018	EUR 100,000 - EUR 200,000 (accounts held by one beneficiary)	0	0	0	0	0	0			
019	EUR 100,000 - EUR 200,000 (joint accounts and other accounts) ⁶	0	0	0	0	0	0			
020	≥ EUR 200,000 (accounts held by one beneficiary)	2	0	2	440.000	0	440.000			
021	≥ EUR 200,000 (joint accounts and other accounts)	0	0	0	0	0	0			
022	Total of lines 017 to 021 ⁷	16	5	21	634.800	51.300	686.100			
100	Total covered deposits based on number of deposits and account balances ¹⁰						446.100			

DeNederlandscheBank

EUROSYSTEEM

De Nederlandsche Bank N.V.

PO Box 98, 1000 AB Amsterdam, the Netherlands

+31 (0)20 524 91 11

[dnb.nl](https://www.dnb.nl)