

Brussels, 16 July 2024

## **Annex 3 to Circular NBB\_2024\_12**

### **List of periodic prudential returns to be reported on by accredited statutory auditors**

The reporting obligations (“reporting sheet”) and related guidelines are available in the NBB Supervision portal (OneGate). These obligations and guidelines are subject to modification. Accredited statutory auditors shall therefore ensure that the reporting institution uses the correct version.

#### **1. Credit institutions**

##### **1.1. Periodic prudential returns**

Periodic prudential returns are those which, in accordance with Article 225, paragraph 1(2), of the Banking Act, must be submitted to the supervisory authority in the framework of or pursuant to the following provisions and regulations.

##### **a) At EU and SSM level:**

- Articles 430(1-7) and 430(a) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the “CRR”)
- Commission Implementing Regulation (EU) No 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions; this regulation has been amended several times and concerns the following reporting: capital and capital requirements (COREP *sensu stricto* - Annexes I and II), financial information (FINREP in accordance with IFRS or GAAP - Annexes III to V), losses stemming from lending collateralized by immovable property (Annexes VI and VII), large exposures and concentration risk (Annexes VIII and IX), leverage ratio (Annexes X and XI), stable funding (Annexes XII and XIII), single data point model (DPM - Annex XIV), validation rules (Annex XV), asset encumbrance (Annexes XVI and XVII), additional liquidity monitoring metrics (ALMM - Annexes XVIII to XXIII) and liquidity coverage requirements (LCR - Annexes XXIV and XXV) and reporting to identify and assign G-SII buffer rates (G-SII - Annexes XXVI to XXVIII)
- Commission Implementing Regulation (EU) 2021/453 of 15 March 2021 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the specific reporting requirements for market risk
- Regulation (EU) 2015/534 of the European Central Bank of 17 March 2015 on reporting of supervisory financial information (ECB/2015/13) (this mainly concerns FINREP reporting on an individual, i.e. non-consolidated, basis)

- Questions and answers relating to supervisory reporting published by the EBA in the “Single Rulebook Q&A” available on its website (<http://www.eba.europa.eu/single-rule-book-qa>)
- b) At the national level: Articles 106 §§1 and 2 (credit institutions governed by Belgian law), 317 and 318 (Belgian branches of credit institutions governed by the law of another EEA country), 335 (Belgian branches of credit institutions governed by the law of non-EEA country) of the Banking Act, which require, in addition to the reporting referred to in point (a) above, the following reporting (depending on the type of institution):
- Shema A, Book I
  - Circular NBB\_2020\_42 / EBA guidelines on harmonised definitions and templates for funding plans of credit institutions under Recommendation A4 of ESRB/2012/2 (EBA/GL/2019/05 of 9 December 2019)
  - Circular NBB\_2022\_20 / Periodic qualitative and quantitative reporting obligations for proprietary trading
  - Circular NBB\_2023\_07 / Guidelines on sound management practices and reporting concerning interest rate risk and credit spread risk arising from non-trading book activities
  - Circular NBB\_2023\_17 / Reporting obligations concerning interest rate risk and credit spread risk in the banking book

## 1.2. Audit approach

A specific approach has been adopted for the review at the end of the first half of the financial year and the audit at the end of the financial year of the periodic prudential returns of credit institutions. This approach takes into account an analysis of the added value provided by the accredited statutory auditor depending on the nature of the returns concerned and based on a three-year revolving audit plan. After three years, all of the credit institution’s periodic prudential returns will have been audited by the accredited statutory auditor.

The objectives of the review/audit of periodic prudential returns are to:

- devote particular attention to the main periodic prudential returns by carrying out specific review and audit procedures;
- focus the work of accredited statutory auditors on periodic prudential returns for which their involvement is most useful to the supervisory authority, while freeing up time for the preparation of the comprehensive report; and
- ensure that the supervisory authority has the necessary flexibility to indicate to accredited statutory auditors any additional periodic prudential returns to be audited depending on the specific circumstances.

## 1.3. Breakdown of periodic prudential returns

Periodic prudential returns can be broken down into four categories (A to D) depending on the applicable audit approach.

### A. Limited review at the end of the first half of the financial year (30 June)

The following tables of key financial figures and key prudential items are subject to a limited review (limited assurance):

- Balance sheet, net and comprehensive income statements, and off-balance sheet, FINREP and Schema A reporting;
- COREP tables of capital adequacy, transitional measures and group solvency;
- Main LCR and NSFR tables;
- Large exposures table;
- Leverage ratio calculation; and

- Table F\_22.02 - *Assets involved in the services provided* for custodian banks<sup>1</sup>

#### B. Audit at the end of the financial year (31 December)

In addition to the abovementioned returns at the end of the first half of the financial year, the following tables are audited at the end of the financial year (reasonable assurance):

- a majority of the FINREP tables (with the exception of those listed below);
- the main COREP tables relating to operational, credit and market risks;
- asset encumbrance reporting;
- the financial instruments balance sheet; and
- COREP geographical breakdown tables for custodian banks.

#### C. Revolving three-year audit period

The following periodic prudential returns are audited once over a period of three years (which also corresponds to the duration of an audit engagement):

- FINREP tables for additional information on credit risk;
- FINREP geographical breakdown tables;
- FINREP tables on off-balance sheet activities (structured entities and fair value);
- Table F\_22\_02 - *Assets involved in the services provided* for custodian banks;
- COREP descriptive tables; and
- proprietary trade reporting.

The prioritisation of the audit of these returns over the three-year period shall form the subject of a separate communication to accredited statutory auditors.

#### D. Additional tables requested by the supervisory authority in specific circumstances

In addition to the aforementioned review and audit work, the supervisory authority may request the inclusion of supplementary periodic prudential returns in the scope of the accredited statutory auditor's engagement based on its assessment of prudential risks, either at the level of a credit institution or for certain categories of credit institutions (SI and LSI). Where this is the case, the supervisory authority shall also notify the credit institution(s) concerned by this request.

#### 1.4. Communication of the list

The detailed list of periodic prudential returns, broken down into the aforementioned categories A to D, shall be provided by the Bank to IRAIF/IREFI. IRAIF/IREFI will then forward this list as soon as possible to all accredited statutory auditors for the banking sector.

## 2. Stockbroking firms

For **large stockbroking firms**, as defined in Article 3(5) of the Act on the legal status and supervision of stockbroking firms and laying down various other provisions (hereinafter the "Brokerage Supervision Act"), accredited statutory auditors must report on periodic prudential returns in accordance with Article 198 §2 of the Brokerage Supervision Act in conjunction with Article 225 § 1(2) of the Banking Act.

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<sup>1</sup> CIK, Euroclear Bank, Euroclear SA and the Bank of New York Mellon.

The periodic prudential returns on which accredited statutory auditors report in accordance with the aforementioned provisions are, in particular, those which must be submitted to the supervisory authority in the framework of or pursuant to the following provisions and regulations.

a) At EU level:

- Articles 430 and 430(a) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the “CRR”)
- Commission Implementing Regulation (EU) No 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions; this regulation has been amended several times and concerns the following reporting (as for credit institutions): capital and capital requirements (COREP *sensu stricto* - Annexes I and II), financial information (FINREP in accordance with IFRS or GAAP - Annexes III to V - only for listed stockbroking firms), losses stemming from lending collateralized by immovable property (Annexes VI and VII), large exposures and concentration risk (Annexes VIII and IX), leverage ratio (Annexes X and XI), stable funding (Annexes XII and XIII), single data point model (DPM - Annex XIV), validation rules (Annex XV), asset encumbrance (Annexes XVI and XVII), additional liquidity monitoring metrics (ALMM - Annexes XVIII to XXIII) and liquidity coverage requirements (LCR - Annexes XXIV and XXV)
- Commission Implementing Regulation (EU) 2021/453 of 15 March 2021 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to specific reporting requirements for market risk
- Article 55(5) of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (the “IFR”)
- Commission Delegated Regulation (EU) 2022/1159 of 11 March 2022 supplementing Regulation (EU) 2019/2033 of the European Parliament and of the Council with regard to regulatory technical standards for public disclosure of investment policy by investment firms, specifying the obligation to provide information to the relevant competent authorities in order to enable effective monitoring of the thresholds referred to in points (a) and (b) of Article 8(1) of Directive 2013/36/EU
- Questions and answers relating to supervisory reporting published by the EBA in the “Single Rulebook Q&A” available on its website (<http://www.eba.europa.eu/single-rule-book-qa>)

b) At the national level:

- Article 109 §6 of the Brokerage Supervision Act in conjunction with Article 106 §2 of the Banking Act (see point a) above).
- Circular NBB\_2014\_14 of 18 November 2014 on the periodic prudential returns of stockbroking firms, to be read in conjunction with Communication NBB\_2021\_13 of 8 June 2021.
- Circular PPB-2007-14-CPB-CPA to credit institutions and stockbroking firms (Tables 03.70 “Financial instruments balance sheet” and 20.11 “Segregation of client funds”).

For **class 2 and class 3 stockbroking firms** (other stockbroking firms), accredited statutory auditors shall report on periodic prudential returns in accordance with Article 198 §1(2) of the Brokerage Supervision Act.

The periodic prudential returns on which accredited statutory auditors report in accordance with the aforementioned provisions are, in particular, those which must be submitted to the supervisory authority in the framework of or pursuant to the following provisions and regulations.

- a) At EU level:
- Articles 54(3) and 55(5) of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (the “IFR”).
  - Commission Implementing Regulation (EU) 2021/2284 of 10 December 2021 laying down implementing technical standards for the application of Regulation (EU) 2019/2033 of the European Parliament and of the Council with regard to supervisory reporting and disclosures of investment firms and as regards the following reporting: reporting for investment firms other than small and non-interconnected investment firms (Annexes I and II), small and non-interconnected investment firms (Annexes III and IV), the single data point model and validation rules (DPM - Annex V) and reporting on group capital test (Annexes VIII and IX).
  - Commission Delegated Regulation (EU) 2024/1771 of 13 March 2024 on supplementing Regulation (EU) 2019/2033 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the scope and methods for prudential consolidation of an investment firm group, in order to enable effective monitoring of the thresholds referred to in points (a) and (b) of Article 8(1) of Directive 2013/36/EU.
- b) At the national level:
- Article 109 §2 of the Brokerage Supervision Act (see point a) on the abovementioned reporting)
  - Circular NBB\_2014\_14 of 18 November 2014 on the periodic prudential returns of stockbroking firms, to be read in conjunction with Communication NBB\_2021\_13 of 8 June 2021.
  - Circular PPB-2007-14-CPB-CPA to credit institutions and stockbroking firms (Tables 03.70 “Financial instruments balance sheet” and 20.11 “Segregation of client funds”).

For **Belgian branches of investment firms governed by the law of another EEA country**, insofar as the firm is authorised to receive client/investor funds in Belgium or provide the services referred to in Article 2(2)(1) of the Act of 25 October 2016 on access to investment services activity and on the legal status and supervision of asset management and investment advisory firms, the term “periodic prudential returns” means the following:

- a periodic prudential return (consisting exclusively of a balance sheet and an income statement);
- additional data on investment and ancillary services provided in Belgium.

**3. Investment holding companies and mixed financial holding companies governed by Belgian law included in the scope of supervision on a consolidated basis or review of the capitalisation test of a group of investment firms carried out by the National Bank of Belgium**

These companies have the legal status of a regular stockbroking firm and are subject to the same reporting requirements, either those of class 2 or class 3 stockbroking firms (Annexes I - IV) or, if an exception is obtained from the supervisory authority, the group capital test (Annexes VIII and IX).

#### **4. Payment institutions**

Periodic prudential returns mean the detailed financial statements and other figures referred to in Article 77 of the Act of 11 March 2018, including certain returns that payment institutions are required to submit to the NBB in order to comply with the obligations or provisions of the Act of 11 March 2018, its implementing decrees and regulations or measures implementing Directive (EU) 2015/2366.

Circular NBB\_2018\_31 of 3 December 2021 on the periodic reporting scheme for payment institutions lists the periodic prudential returns to be provided to the Bank and determines the reporting terms and conditions.

#### **5. Electronic money institutions**

Periodic prudential returns mean the detailed financial statements and other figures referred to in Article 197 §2 of the Act of 11 March 2018, including certain returns that electronic money institutions are required to submit to the NBB in order to comply with the obligations or provisions of the Act of 11 March 2018, its implementing decrees and regulations or measures implementing Directive (EU) 2009/110/EC.

Circular NBB\_2019\_10 of 3 December 2021 on the periodic reporting scheme for electronic money institutions lists the periodic prudential returns to be provided to the Bank and determines the reporting terms and conditions.

#### **6. Central securities depositories, institutions providing support to central securities depositories and custodian banks**

Article 38 of the Royal Decree of 26 September 2005 provides that central securities depositories and organisations treated as equivalent to central securities depositories must provide the NBB on a monthly basis, in the form and by the deadline set by the latter, with a statement of their accounting position on a consolidated and non-consolidated basis until the entry into force of the provisions implementing Articles 24 and 25 §3 of the aforementioned decree. Periodic prudential returns mean the returns and figures which central securities depositories and organisations treated as such currently submit to the NBB on a contractual basis.

For the returns relating to compliance with regulatory standards and obligations pursuant to Article 13 of the Royal Decree of 26 September 2005 (own funds tables), the rules referred to in the royal decree implementing Article 98 of the Banking Act shall apply to central securities depositories and organisations treated as equivalent to central securities depositories on a consolidated and non-consolidated basis, until the entry into force of the provisions implementing that article.<sup>2</sup> These returns include the COREP tables required by the NBB (to monitor compliance with the CRR) and the Pillar II tables, on both an individual and a consolidated basis.

#### **7. Authorised and/or designated financial holding companies governed by Belgian law**

Periodic prudential returns mean the detailed financial statements and other figures referred to in European regulations and Article 205 §4 of the Banking Act.

The reporting obligations are identical to those applicable to credit institutions, but on a consolidated basis only. Generally speaking, this means data on a consolidated basis:

- FINREP, on a consolidated basis;

<sup>2</sup> See Article 37 of the Royal Decree of 26 September 2005.

- the COREP tables (all tables to monitor compliance with the CRR, with the exception of those pertaining to the solvency ratio, the fixed asset coverage ratio and the fixed charge coverage ratio) and the IRRBB table.<sup>3</sup>

For these financial holding companies, reference is made to the reporting set out in Annex 1 to Communication NBB\_2022\_30 - *Expected reporting from (mixed) financial holding companies governed by Belgian law following the modification of their supervisory regime in the Banking Act*. For authorised and/or designated financial holding companies governed by Belgian law, the same supervisory approach as that applicable to credit institutions applies.

For these financial holding companies authorised and/or designated under Belgian law, the audit approach applicable to credit institutions is maintained *mutatis mutandis*.

## **8. Authorised and/or designated mixed financial holding companies governed by Belgian law**

Periodic prudential returns mean those referred to in Article 193 §1 of the Banking Act and Article 463 §1 of the Insurance Supervision Act:

- an accounting return on the financial position of the financial services group, including at least a balance sheet and income statement;
- a return demonstrating compliance with the standards laid down by or pursuant to Article 190 §1, subparagraph 1(1) (compliance with the requirement that own funds must always be at least equal to the solvency capital requirements), Article 191 §3 (limitation standards or equivalent supervisory measures to monitor risk concentration at the level of a financial services group), and Article 192 §3 (limitation standards or equivalent supervisory measures to achieve the objectives of supplementary supervision of the group with respect to intra-group transactions), and a return setting out the significant risk concentrations and significant intra-group transactions referred to in Article 191 §1, subparagraph 2(1) (identification and reporting of significant risk concentrations) and Article 192 §1, subparagraph 2(1) (identification and reporting of significant intra-group transactions).

This information must be submitted to the supervisory authority at least twice a year.

## **9. Financial holding companies and mixed financial holding companies governed by foreign law**

See point 3.8 of the circular.

## **10. Insurance and reinsurance companies**

The periodic prudential returns (on an individual or consolidated basis, where applicable) on which accredited statutory auditors are required to report in accordance with Articles 332 and 333 of the Insurance Supervision Act are, in particular, those submitted in the framework of or pursuant to the following provisions and regulations.

- a) At EU level, in general:
  - i. Commission Implementing Regulation (EU) 2023/894 of 4 April 2023 laying down implementing technical standards for the application of Directive 2009/138/EC of the European Parliament and the Council, with regard to the templates for the submission by insurance and reinsurance undertakings to their supervisory authorities of information necessary for their supervision and repealing Implementing Regulation (EU) 2015/2450.
  - ii. Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards with regard to the procedures, formats and templates of the

<sup>3</sup> The following reporting is therefore not required: COREP (solo), Scheme A, proprietary trading activities, funding plans.

solvency and financial condition report in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

*iii.* The qualitative reporting referred to in Articles 291 and 304 of Delegated Regulation 2015/35.

Notwithstanding the foregoing, the following templates from Implementing Regulation (EU) 2023/894 do not form part of the periodic prudential returns for insurance undertakings:

- S.01.03 Basic Information - RFF and matching adjustment portfolios
- S.02.02 Liabilities by currency
- S.04.02 Information on class 10 in Part A of Annex I of Solvency II Directive, excluding carrier's liability
- S.04.03 Basic Information - list of underwriting entities
- S.04.04 Activity by country - location of underwriting
- S.05.02 Premiums, claims and expenses by country
- S.06.04 Climate change-related risks to investments
- S.12.02 Life and Health SLT Technical Provisions - by country
- S.14.01 Life obligations analysis
- S.14.02 Non-life obligations analysis
- S.14.03 Cyber underwriting risk
- S.14.04 Liquidity risk for life business [financial stability].
- S.14.05. Liquidity risk for non-life business [financial stability].
- S.17.03 Non-life Technical Provisions - by country
- S.19.01 Non-life insurance claims
- S.21.01 Loss distribution risk profile
- S.21.02 Underwriting risks non-life
- S.21.03 Non-life distribution of underwriting risks - by sum insured
- S.22.04 Information on the transitional on interest rates calculation
- S.22.05 Overall calculation of the transitional on technical provisions
- S.22.06 Best estimate subject to volatility adjustment by country and currency
- S.25.04 Solvency Capital Requirement [financial stability].
- S.29.02 Excess of Assets over Liabilities - explained by investments and financial liabilities
- S.29.03 Excess of Assets over Liabilities - explained by technical provisions
- S.29.04 Detailed analysis per period - Technical flows versus Technical provisions
- S.30.01 Facultative covers for non-life and life business basic data
- S.30.02 Facultative covers for non-life and life business shares data
- S.30.03 Outgoing Reinsurance Program basic data
- S.30.04 Outgoing Reinsurance Program shares data
- S.31.01 Share of reinsurers (including Finite Reinsurance and SPVs).
- S.31.02 Special Purpose Vehicles
- S.38.01 Duration of technical provisions [financial stability]



- S.39.01 Profit and Loss [financial stability]
- S.40.01 Profit or Loss sharing [financial stability]
- S.41.01 Lapses [financial stability]
- S.52.01 PEPP and PEPP saver information
- E.01.01 Deposits to cedants - line-by-line reporting [ECB add-on].
- E.02.01 Pension entitlements [ECB add-on]
- E.04.01 Investment revenues and expenses (part of TP and excess of assets over liabilities) [ECB add-on]

With regard to the qualitative reporting referred to in point (a)(iii) above, accredited statutory auditors are not required to carry out a full audit, only to make the following **additional statement**:

*“After analysing the qualitative reporting, no inconsistencies were found between this reporting and the quantitative reporting.”*

b) At the national level:

- i.* Circular NBB\_2016\_02 / Reporting complémentaire des chiffres obtenus selon la formule standard pour les entreprises disposant d’un modèle interne (partiel) approuvé
- ii.* Circular NBB\_2017\_10 / Circulaire relative aux privilèges des créanciers d'assurance, aux inventaires permanents et à l'état récapitulatif des inventaires permanents
- iii.* Circular NBB\_2018\_16 / Reporting du risque de tax

Liquidity reporting, which is carried out quarterly and defined in Circular NBB\_2018\_17 - Liquidity risk reporting, is not included in the scope of the audit or review by accredited statutory auditors.

## **11. Belgian insurance or reinsurance groups**

In accordance with Articles 430 (in conjunction with 332 and 333), 433 and 434 of the Act of 13 March 2016, accredited statutory auditors shall report to the Bank on:

- periodic prudential returns at the end of the first half of the financial year and at the end of the financial year for an insurance holding company governed by Belgian law or a mixed financial holding company governed by Belgian law; and
- consolidated periodic prudential returns at the end of the first half of the financial year and at the end of the financial year at the level of an insurance or reinsurance group.

Notwithstanding the foregoing, the following templates from Implementing Regulation (EU) 2023/894 do not form part of the periodic prudential returns for insurance groups:

- S.01.03 Basic Information - RFF and matching adjustment portfolios
- S.02.02 Liabilities by currency
- S.05.02 Premiums, claims and expenses by country
- S.14.04 Liquidity risk for life business [financial stability]
- S.14.05 Liquidity risk for non-life business [financial stability]
- S.25.04 Solvency Capital Requirement [financial stability]
- S.31.01 Share of reinsurers (including Finite Reinsurance and SPVs)
- S.31.02 Special Purpose Vehicles
- S.38.01 Duration of technical provisions [financial stability]

- S.39.01 Profit and Loss [financial stability]
- S.40.01 Profit or Loss sharing [financial stability]
- S.41.01. Lapses [financial stability]