In case of discrepancies between the French and the English text,
the French text shall prevail

Statistical reporting of Financial companies

Frequently asked questions

October 2021

Contents

1 What does the collection system from issuing financial companies consist of?

This initiative provides for the collection of statistical data from financial sector companies that are not covered at present by any other data collection scheme. The main objective of this collection is directed towards improving the data quality of the balance-of-payments and international investment position statistics.

2 Under which legal framework is this collection performed?

In the framework of its mission the BCL has to transmit to the ECB comprehensive and good-quality statistical data on its balance-of-payments and international investment position. These obligations are in particular defined in Guideline ECB/2004/15 on the statistical reporting requirements of the European Central Bank in the field of balance-of-payments and international investment position statistics as well as the international reserve position.

To be able to fulfill its mission in transmitting balance-of-payments and international investment position data, the Board of the Banque centrale du Luxembourg (BCL) has adopted the regulation of the Banque centrale du Luxembourg 2014/N°17 of 21 July 2014 concerning the collection of statistics from financial companies amending the Regulation of the BCL 2011/N°8 of 29 April 2011 concerning the collection of statistics from companies which grant loans or issue debt securities or derivative instruments to affiliates.

The regulation of the BCL 2014/17 and the consolidated version of the regulation BCL 2011/8 are available following the link hereafter:

http://www.bcl.lu/en/Regulatory-reporting/Societes_financieres/Reglements_circulaires_lettres-circulaires/Reglements/index.html

3 Coverage of the reporting population and reporting thresholds

3.1 How to define a company whose principal activity is a financing activity as defined by BCL regulation 2014/17

Further to the article 1.5 of BCL Regulation 2014/17, a financial company is a company whose object includes at least one of the elements detailed below:

1. The investment in any society for any kind of investment;
2. The acquisition by subscription, purchase, exchange or in any other way of securities, shares and other equity investments, bonds, receivables, certificates of deposits and other debt instruments and in general all financial instruments issued by a public or private entity;
3. To invest directly or indirectly in the acquisition and management of a real estate portfolio, of patents or other intellectual property rights whatever the nature or the origin;
4. To borrow in any form;
5. To lend funds to his shareholders, subsidiaries, affiliated companies, and/or any other entity.

Practically speaking, this applies to all companies whose economic activity focuses on the direct or indirect financing of its group's activities. Often these companies are so-called «*Sociétés de participations financiers*» (SOPARFI) As well, companies holding non financial assets such as ships or oil rigs are subjected to this data collection.

3.2 Is it possible to request an exemption?

According to the article 3.1 of BCL Regulation 2014/7 certain financial companies can be exempted from their reporting obligations.
The BCL has defined an exemption threshold based on the total balance of company assets. Currently this amounts to 500 million euro or its equivalent in foreign currency.

4 The statistical reporting to the BCL

The regulation BCL/2014/17 provides an overview of all the definitions and concepts that must be applied when establishing the statistical reports to be submitted to the BCL by financial companies. In this context, financial companies should provide periodically the following information to the BCL:

- Quarterly report S 2.16 «Quarterly statistical balance of financial companies », version «Layout 1»

- Quarterly report S 2.17 «Transactions of financial companies», version «Layout 1»

- Monthly report TPT «Monthly security by security reporting on financial companies», version «Layout 1».

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These instructions can be downloaded at the following link:

> http://www.bcl.lu/en/Regulatory-reporting/Societes_financieres/Instructions/index.html

5 What is the definition of companies belonging to the same group?

Any group of companies that have a «vertical» or a «horizontal» link. In statistical terms, two companies are considered as having a «vertical» link if one of them detains directly or indirectly at least 10% of the capital of the other one.

However, a company can be connected to another company because they are directly or indirectly influenced by the same company in the chain of property. This common «parent company» has to be a direct investor in at least one of the concerned companies. In such a case, these companies can be considered as connected by a «horizontal» link (without a detention of a participation of at least 10%) and are called «sister companies».

6   Identification of the ultimate parent company

The ultimate shareholder is identified by moving up the ownership chain through the control relationships (ownership of more than 50% of the voting rights) to an entity that is not controlled by another. Holding more than 50% of the voting rights along the ownership chain implies that there can only be one entity with ultimate control, the parent company at the starting point of the ownership chain.

The starting point is often the head of the group, but in some cases it may be an entity outside the group (an investment fund, a trust, a holding company or even an individual, provided that they detain more than 50% of the voting rights of the «head of the group»).

If the head of the group has its registered office in two or more different countries, the country of residence should be that of the group's decision-making center.

In the case of receivables and payables from sister companies (<10% of capital held but part of the same group), the geographical area of the parent company must also be entered. This geographical area must always be identical for all reported receivables and payables.

The following codes are to be used depending on the country of residence of the ultimate beneficiary:

- LU (ultimate beneficiary is in Luxembourg)
- X3 (ultimate beneficiary is in the Euro zone outside Luxembourg)
- X5 (ultimate beneficiary is in the European Union outside the Euro zone)
- X6 (ultimate beneficiary is outside the European Union)

In the same report, only one «Ultimate beneficiary» code is allowed.

7   Can the threshold be modified over time?

The aim of the threshold is to compile good-quality statistics (covering 95% of the total balance sheet of the population) but limiting to the extent possible the collection charge on smaller companies. In this framework all issuing companies with a total balance sheet higher than 500 million euro - or its equivalent in foreign currency - are requested to report (on a census basis) whereas companies having a total balance below 500 million euro are exempted from any reporting.

This threshold may be increased or lowered on an annual basis.

8   Is this threshold applicable to all companies of a group?

Yes, the threshold applies individually to all companies of a group.

9   Do all companies have to submit the new reports or only those which receive a letter from the BCL?

All reporting agents are supposed to self-declare. Article 2.1 of BCL Regulation 2011/8 indicates that «*Every financial company whose quarterly balance sheet total exceeds the threshold defined in appendix 1 shall inform the Banque centrale du Luxembourg within one month of overrun of the aforementioned threshold*».

10   How to distinguish public offer from private placement

Public offer: all collection of monies directly from the markets

Private placement: all collection of monies stemming from non-public offers (e.g. loans received from a bank or an affiliated company).

11 Under which instruments should promissory notes, bankers' acceptances and negotiable certificates of deposit be classified?

The following financial instruments are classified as debt securities:

- Treasury bills
- Negotiable certificates of deposit
- Bankers' acceptances
- Promissory notes
- Commercial papers

12 Under which financial instruments should certificates be reported?

From a statistical point of view, such financial instruments, whether they are identified by an ISIN code or not, are to be classified as debt securities (line 1-003000 or line 2-003000).

12.1 Under which financial instruments should PECs (Private Equity Certificates) be reported?

From a statistical point of view, these instruments represent debt securities (line 1-003000 or line 2-003000).

12.2 Under which financial instruments should CPECs (Convertible Preferred Equity Certificates) be reported?

Since such financial instruments do not have an ISIN code, from a statistical point of view they may be classified either as debt securities (line 1-003000 or line 2-003000) or as loans to related or non-related entities.

Once a classification has been established, reporters must ensure that:

- It is maintained for the entire duration of holding/issuance of the instrument;
- It is maintained until the conversion of the instruments, if applicable; once they are converted, they are considered as shares;
- They are identical for all related companies holding/issuing the instrument.

13 Under which financial instruments should «Preferred shares» be reported?

«Preferred shares» are to be classified:

- As debt instruments (line 1-003000 or line 2-003000) if the instruments generate an income fixed in advance **and** if the holder has no specific right on the occasion of the liquidation of the company;
- As equity instruments (line 1-005000 or line 2-C0500) in all other cases.

14 In which way should Cash at bank and Cash in postal cheque accounts be reported?

Cash at bank and cash in postal cheque accounts are to be classified in the S 2.16 report as short-term loans. The following classifications should be used:

- Item:
  - 1-N02000 – Loans and deposits to non-related entities
  - 2-N02000 – Loans received from non-related entities
- Country - direct counterpart:
  - The country of residence of the bank or postal cheque institution
- Currency:
  - The currency of the account or of the cheque
- Economic sector:
  - Use code 32100

- Original maturity:
    – Use code I000-01A – Equal or below 1 year

It should be noted that parts issued by Monetary funds are not to be recorded under this item.

15 When does the transmission start being mandatory and which dates are to be respected?

As indicated in article 7.2 of BCL Regulation 2011/8 the BCL regularly publishes the current transmission dates on its website under section «Regulatory Reporting» and «Financial companies».

Financial companies requested to provide a statistical reporting to the BCL do benefit from a grace period of two to three months in order to establish their reporting processes.

16 Beginning and end of the reporting obligations

16.1 In case of falling below the exemption threshold

A company currently transmitting data and with a balance sheet exceeding the above-mentioned threshold of 500 million euro - or its equivalent in foreign currency - changes the structure of its balance sheets and thus falls below the threshold.

This company is required to transmit a final S 2.16 report and SBS (as well as possibly an S 2.17 report) for the end of the current quarter.

Example:

- For 31 December 2014, a company has declared total assets of 900 million euro. Following the reimbursement of a debt instrument, the total assets fall to 400 million euro on 3 January 2015.

  As the total balance sheet is below the threshold of 500 million euro, the company may stop its data transmission starting with the period of April 2015.

The company is required to transmit the following files:

- January 2015: SBS
- February 2015: SBS
- March 2015: S 2.16, S 2.17 and SBS

16.2   In case of liquidation of a company

This company must submit last report(s), S 2.16, TPTIBS (and, as appropriate, an S 2.17), up to the month prior to cessation of activity.

Example 1:

- A company reported total assets of €900 million on 31st December 2014. The same company was liquidated on the date of 3rd February 2015.

The company should therefore transmit the following files:

- January 2015: TPTIBS

Example 2:

- A company reported total assets of €900 million on 31st December 2014. The same company was liquidated on the date of 3rd April 2015.

The company should therefore transmit the following files:

- January 2015: TPTIBS
- February 2015: TPTIBS
- March 2015: TPTIBS, S 2.16 and S 2.17 (as appropriate)

16.3   In case of exceeding the threshold

A company currently exempted from reporting and whose balance sheet is below the above-mentioned threshold (500 million euro - or its equivalent in foreign currency - regarding the total balance sheet), changes the structure of its balance sheet and thus exceeds the exemption threshold.

This company is required to transmit a first S 2.16 report and SBS for the end of the quarter preceding the quarter in which it exceeded the threshold.

Example:

- For 31 December 2020 a company has declared total assets of 400 million euro. Following the issuance of a debt instrument, the total assets pass to 900 million euro on 3 February 2021. The company is required to start its data transmission with the reference period December 2020.

The company is required to transmit the following files:

- December 2020: S 2.16 and SBS
- February 2021: SBS
- March 2021: S 2.16 and SBS

16.4   In case of setting up of a company that exceeds the threshold immediately

This company is required to transmit the first S 2.16 report for the end of the quarter during which it has been set up and the first SBS report for the monthly period where it has been created.

Example:

- A company is established on 3 January 2015. Its balance sheet equals 900 million euro. The company has to transmit statistical data as from January 2015.

The company is required to transmit the following files:

- January 2015: SBS

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- February 2015: SBS

- March 2015: S 2.16 and SBS

17   Can reporters be held responsible when reports are submitted to the BCL on time but with transmission problems? Would the BCL accept an additional deadline?

Reporters have to lodge their reporting files with the transmission channel. Reporters cannot be held responsible when transmission channels and/or the BCL are not able to handle the volume of lodged files. Therefore, it is not necessary to grant an additional deadline.

18   How to organise the electronic transfer of data

18.1   The XML format

The statistical reports are to be transmitted to the BCL in the form of standardised electronic files respecting the standards defined in the documents «Manual of electronic transmission» and «Compendium of verification rules» as defined for every statistical report.

The structure of XML files is detailed at the following link:

http://www.bcl.lu/fr/reporting_reglementaire/Societes_financieres/Instructions/index.html

18.2   The transmission channel

These XML files shall in principle be transmitted by using secured electronic transmission channels.

Currently the only available channels of transmission are those offered by SIX Payment Services (Sofie) and Fundsquare (E-File).

The BCL has contacted those two service providers and supplied them with all necessary information for the new data collection.

It remains at each reporter's discretion to contact either of the above-mentioned companies.

19 The regulation mentions an Excel template for use during a transition period.

The BCL has an Excel template available that can be provided to the reporting agents.

However,

- The use of the Excel template should only be considered a short-term solution to be used exclusively for the transmission of the first reference period.
- Subsequently reporters must transmit electronic files in XML format (as described in the instruction manuals).
- The BCL cannot guarantee confidentiality of statistical data where non-encrypted transmission channels are used by reporting agents.

20 What is the identification number for financial companies?

The identification number for financial companies corresponds to the numerical part of the identification number issued by the business register «*Registre de Commerce et des Sociétés (RCS)*».

Example:

- The RCS number of a company may be B1234. The identification number used for the creation of statistical reporting files will then be: 0001234.

21 What is the structure of the XML file name?

The convention used to determine the identification number of the reporter and the reporting agent is the following:

- Reporter:

   A string of characters with 10 alphanumeric positions. This string contains the type of reporter (either 1 digit or 3 digits) and the identification number of the reporter (either 9 digits or 7 digits, respectively).

   Examples:

   – The reporter may be a «PSF» with the CSSF identification number 125. The identification of the reporter would then be P000000125.

   – The reporter may be an issuing company with the RCS identification B3524. The identification of the reporter would then be DSE0003524.

- Reporting agent:

   A string of characters of 10 alphanumeric positions. This string contains the type of reporting agent (3 digits) and the identification number of the reporting agent (7 digits).

   Example:

   – The reporter may be an issuing company with the RCS identification B3524. The identification of the reporting agent would then be DSE0003524.

22 What are the reporting requirements for financial companies with branches abroad?

The survey covers the activities of all financial companies residing in Luxemburg. In this respect, the activities of branches located abroad are not included in the scope of the survey.

However, even if a branch has no legal autonomy, from a statistical point of view, it will be treated as a subsidiary. Therefore, the positions and the transactions between the Luxemburg entity and its branch abroad should be reported in the statistical reports.

It is important to note that the assets of the parent company will have to include the capital endowment of the branch as well as the reserves and the reported results of the branch minus the provisions. A break-down of the published balance sheet, based on the fiscal

balance sheet, between assets and liabilities of the Luxemburg entity («head office») and the assets and liabilities of the branch may be requested by the BCL.

Finally, if the total assets of the Luxemburg parent company are lower than the threshold of 500 million euro - or its equivalent value in currency -, then the company may be exempted from the reporting obligations.

23 Country codes that require particular attention

If a company holds a position with a resident in Great Britain, the country code "GB" must be used, rather than «UK».

Furthermore, please be careful when using one of the following ISO country codes:

IE	Ireland		IR	Iran
GI	Gibraltar		GE	Georgia
GE	Georgia		DE	Germany
NL	Netherlands		NE	Niger

24 Accounting standards

As a general rule, the declaring agent can follow the accounting standard which allows him to provide the statistical reports in the requested time frame.

However, are to be respected the following points:
• The loans and the loans are to be reported at their nominal value.
• The same accounting standard for all reports.
• The participations must be estimated at their fair-value. It is advisable to use the accounting standard for which the valuation of the participations gets close as much as possible to the fair value.

Remarks:

- The total balance sheet calculated based on the chosen accounting norm is used to determine if a company is in the scope of the collection (see 3.2).
- Companies belonging to the same group are invited to use the same accounting reference for all their reports. Indeed, the use for example of Lux-GAAP for a first company within a group and of US-GAAP for a second one would lead to inconsistencies harmful to the statistics' quality.

25 Should reporting companies wait for audited annual accounts before transmitting statistical reports?

No, BCL accepts non-audited data or data not yet approved.

Reporting companies are thus requested to transmit their reports in due time. They have the possibility to revise the provisional data sent in at any given time.

26 Security-by-security data collection: specific questions

26.1 How to report the maturity date of a perpetual bond without an ISIN code

In the case of a perpetual bond, the maturity date is not fixed. For this type of bond the date 01/01/2999 must be reported.

26.2 What has to be reported for a debt security without an ISIN code where the issue date is unknown?

Among the additional data to be reported in SBS for a debt security without a valid ISIN code is the issue date.

In case the reporting agent does not know the issue date of a security, it is recommended to report its acquisition date.

26.3 How to report the dividend per share for participating interests and shares (items 1-005000 and 2-C05000) without ISIN

The dividend per share should be expressed as a percentage amount. This amount is obtained as calculated in the following example:

Total amount of dividend paid: 3 400 000
Outstanding amount (as reported under item «reportedAmount»): 100 000 000
Coefficient: 3400000/100000000*100 = 3.4

Remark:

- When no dividend is distributed, the default value to be reported is «0».

The transaction date is reported in the variable «dividendLastPaymentDate» (e.g. 24/12/2020).

26.4 How to report the dividend per share for participating interests and shares (items 1-005000 and 2-C05000) without ISIN if the reported amount is negative

If the reported amount is negative, the amount to report in the variable «dividendAmount» is by default equal to «0»

The transaction date is reported in the variable «dividendLastPaymentDate» (e.g. 24/12/2020).

26.5 How to report dividend related data for months where no dividend is paid (participating interests and shares without ISIN)

For participating interests and shares without ISIN, both variables «dividendAmount» and «dividendLastPaymentDate» must be filled in so that the XML report is valid.

Thus, for months without payment of dividend, the «dividendAmount» is to be filled in with «0» and the «dividendLastPaymentDate» is to be filled in with the payment date of the last dividend.

If a dividend of 3.4% is paid in January 2015 and a second dividend of 1% is paid in March 2015, one has to report 3.4 in January, «0» in February, «1.0» in March and «0» for the following months.

Month	dividendAmount	dividendLastPaymentDate
January 2015	3.4	31/01/2015
February 2015	0	31/01/2015
March 2015	1.0	30/03/2015
April 2015	0	30/03/2015

26.6 How to report the payment date of the last dividend if this date is unknown or the share does not bear any dividend (participating interests and shares without ISIN)

In case the payment date of the last dividend is unknown or the share does not bear any dividend, the variable «Dividend amount» must be filled in with 0 and the variable «dividendLastPaymentDate» must be filled in, by default, with 31/12/2013.

26.7 Can a provisional ISIN be considered a valid ISIN code?

No, provisional identification codes should not be reported as valid ISIN codes. This concerns in particular ISIN codes starting with the letters Q and X (except for XS and QA, which are likely to refer to valid ISIN codes).

Provisional ISIN codes should not be reported with an identification code type equal to 1. All additional information on unidentified securities without valid ISIN codes has to be included in the reporting file (under identification code type equal to 2).

26.8 What has to be reported in case securities are borrowed and then sold short?

Borrowed securities must not be reported as held assets.

However, if they are sold short, these securities must be reported under the type of holding «05» (Short sales of securities).

The purpose is to ensure that the total amount held by all securities holders is consistent with the total amount issued. The securities that have been lent remain registered on the balance sheet of the holder and consequently must not be reported as securities on the balance sheet of the borrower. If they are sold short, however, it is necessary to report the security, since the buyer will report it on its balance sheet as a security held.

26.9 How to report Exchance Traded Commodities (ETCs) and Exchange Traded Notes (ETNs)

ETCs and ETNs should be classified as long-term debt securities (instrument type F.32). Therefore, ETCs and ETNs securities should be reported under item 1-003000 of the SBS reports.

As a general rule, the following sector codes should be filled in:

- 42900 for Special Purpose Vehicles;
- 32100 for credit institutions.

26.10 What about Reverse repo transactions?

Reverse Repo transactions are not to be entered in the security-by-security report, as the reporting company is not the economic holder of the security.

The transfer price paid by the reporting company will be shown as a debt to the counterparty involved in the transaction (item 1-002000 of report S 2.16).

The interest received under a repo contract will be shown as accrued interest not yet due (item 1-090000 «Other assets» of report S 2.16).

26.11 What about securities held as collateral in a repo?

Securities held under repurchase agreements (item 1-003000 and/or 1-005000) as a result of a repo contract must be entered in the security-by-security report with the type of holding 03 «Securities held as collateral», as the reporting company remains the economic holder of the security. The amount reported represents the market value of the securities repoed combined with the quantity of securities used in the transaction.

In the report S 2.16, the repurchase price of the securities excluding interest will be reported as a debt to the counterparty involved in the transaction (item 1-LA2001, 1-LA2002, 1-LA2003 or 1-N02000 of report S 2.13).
Interest received under a repo contract will be shown as accrued interest not yet due (item 2-090000 «Other liabilities»).

The objective is to ensure that the total amount held by all holders is consistent with the amount of securities outstanding. Securities sold under repurchase agreements remain on the balance sheet of the economic holder and therefore should not be recorded on the borrower's balance sheet as securities.

26.12 Is there any specific treatment for structured products to be considered?

Structured products which appear under various denominations on the market pose particular problems to statistical classification practice. The most common structured products are certificates. The basic problem is to decide whether to classify these instruments as debt instruments or as financial derivatives.

In the absence of a published classification list for the concerned instruments we propose to classify all structured products for statistical purposes as debt instruments, unless such an instrument corresponds to the definition of financial derivatives.

The following financial instruments should be considered financial derivatives:

- Options, whether tradable or OTC
- Warrants
- Futures, but only if they have a market value because they are tradable or can be offset
- Swaps, but only if they have a market value because they are tradable or can be offset

26.13 How to proceed with derivative financial instruments

In the context of data collection for financial companies, the methodology applied to financial derivatives is similar to that applied to investment funds. In summary, for financial companies:

- Transactions are to be included in report S 2.17 (if items 1-006000 «Non-financial assets», 1-007000 «Derivative financial instruments» and 2-011000 «Derivative financial instruments», considered individually, represent more than 5% of the total balance sheet).
- Positions are to be entered in the report S 2.16.

Gains and losses (see FAQ on funds - point 13, question 3) are to be broken down according to the various criteria required in the derivative instrument items 2-011000 or 1-007000 of the statistical balance sheet S 2.16.

Margin deposits are to be classified under the following items in Table S 2.16 according to the various breakdown criteria required:

- Margin deposits made: item 1-N02000 «Loans to unrelated entities»;
- Margin deposits received: item 2-N02000 «Loans received from unrelated entities»

These items correspond to items 1-002000 and 2-002020 of the investment fund reporting.

26.13.1 What is the amount to be entered in items 1-007000 and 2-011000 of the report S 2.16?

Only financial instruments that have a market value are to be entered in the above-mentioned items of the statistical report S 2.16. The information is to be entered at market value. In other words, the notional amounts of the contracts do not have to be entered in items 1-007000 and 2-011000 of report S 1.3 / S 2.13.

26.13.2 How are margin deposits made and/or received in connection with derivative financial contracts to be reported?

Margin deposits made by reporting firms are to be classified under item 1-N02000 «Loans and deposits to unrelated entities» and broken down according to the various breakdown criteria required.

Margin deposits received by investment funds are to be classified in item 1-N02000 «Loans received from unrelated entities» and broken down according to the different breakdown criteria required.

26.13.3 How to proceed with unrealised gains and/or losses on derivative financial instruments treated

Unrealised gains and/or losses that are taken into account for the calculation of the net asset value are to be entered in items 1-007000 and 2-011000 of the report S 2.16.

26.13.4 Which sector and country of the counterparty must be filled in for derivative financial instruments?

When the counterparty of the derivative is known (e.g. OTC sales), the country of the counterparty must be filled in. For example, a forward exchange transaction with a broker must be filled in with the broker's country of residence.

When the counterparty of the derivative is unknown (for example, purchase/sale on an organized market), the country of the market must be entered. For example, the holding of a

US treasury future purchased on the Chicago Mercantile Exchange or the Chicago Board of Trade must be entered with US for the country.

26.13.5 How to report cases of TBA («to be announced»)

Unrealised gains and/or losses on TBA contracts must be reported in items 1-007000 and 2-011000 of the report S 2.16.

26.13.6 How to report CFDs («contract for difference»)

Unrealised gains and/or losses on CFD contracts must be reported in items 1-007000 and 2-011000 of report S 1.3 / S 2.13.

26.14 Is there any specific treatment of warrants to be considered?

No, warrants should be considered as derivatives. Under no circumstance should warrants be considered as equities or shares.

These instruments must not be reported in the security-by-security data collection, not even with a valid ISIN code.

It is important to mention that the country code of the warrant's issuer has to be reported.

26.15 Which identification code of the security (code) should be used for debt securities without ISIN?

BCL does not impose any specific identifiers. The only constraint is that reporting agents should not use the same security code to identify different securities with an identical instrument type code and that this code, used in the first report, has to be identical for all the other reports.

26.16 Which identification code of the security (code) should be used for equity and investment fund shares/units held without ISIN and reported in the item 1-005000?

It can be either an internal or external code, except in the specific case where the issuer is a Luxembourgish entity. In this case, the use of the identification number of the «*Registre de commerce*» (e.g. B1234) as an identification code is required.

If the reporting agent holds several investments of the same entity, a unique code for each investment should be used and constructed from a basic code (for example, a code RCS relating to Luxembourgish entities: B1234a, B1234b, ... and for an internal/external code relating to non-Luxembourgish entities: CUSIP1, CUSIP2, ...).
It is important to mention that the code used in the first report has to be identical for all the other reports.

Finally, the reporting agents must ensure that the specific codes used to identify securities without ISIN code are not reused to identify another similar instrument.

26.17 Which security code should be used for Equity and investment fund shares/units issued without ISIN and reported in the item 2-C05000?

The security-by-security reporting aims at distinguishing all shareholders and allocating a unique code to each of them.

In case a reporting agent reports on a shareholder-by-shareholder basis, the identification code of the security with the RCS number of the company should be filled in, followed by the shareholder identification. Where applicable, Luxembourgish shareholders should also be identified with their RCS number.

For example, a company 3524 has a first resident shareholder 3525 and a second non-resident shareholder reported with an identifying code Co1. This internal code should allow identifying the non-resident shareholder.

The content of the variable «identification code of the security» is:

- B3524 - B3525
- B3524 – Co1

If a company has several shareholders of the same country, with the same type of instrument and affiliation, the BCL accepts the grouping of the shareholders under the same line in the SBS report.

In any case, each «SBS line» (corresponding to a shareholder or possibly a group of shareholders) must be identified by a unique code and should remain identical.

The content of the variable «security name» is by default the corporate name of the shareholder.

26.18 What information is required in the case of a non-ISIN debt instrument with irregular coupon payments?

With regards to the coupon information, a number of inconsistencies regularly appear between the coupon type, the date of the last coupon payment and the frequency of the coupon payment. It should be noted that the date of the last payment refers to the last effective payment and not a theoretical one (as foreseen during the life of a bond).

Especially for PECs (Preferred Equity Certificates) and CPECs (Convertible Preferred Equity Certificates), the effective payment date may differ significantly from the theoretically foreseen coupon payment date.

Therefore, if the effective payment date differs from the theoretical one, the coupon frequency should be classified as «other».

Example:

- A bond has been issued on 15 June 2013 with a fixed coupon of 4% and an annual coupon payment frequency foreseen every 15 June.

The date of the SBS report is 31 March 2015.

The last (theoretical) coupon payment date is 15 June 2014.

- If the last effective payment has been received on that theoretical date:
    - Coupon type: fixe «01»
    - Date of the last payment: 15/06/2014
    - *Frequency of the coupon: annual «01»*
- If the last effective payment has been received before that theoretical date:
    - Coupon type: fixe «01»
    - Date of the last payment: 15/06/2013
    - *Frequency of the coupon: other «99»*

26.19 Which security type should be used?

For securities without ISIN code, the reporting agent should report the variable «security type».

For debt securities (also included in the item 1-003000 or 2-003000 of the report S 2.16 layout 1), the type of security must be «F.3».

The following types of securities for equity and investment fund shares (also included in the item 1-005000 or 2- C05000 of the report S 2.16 layout 1) should be distinguished:

- Quoted shares → code F.511
- Unquoted shares → code F.512
- Other equity → code F.519
- Shares/units of mutual investment funds → code F.52 (not accepted in the item 2-C05000)

Further:

- All the securities quoted on a **regulated market** should be classified under the code **F.511**;
- All the securities which could be quoted on a regulated market without legal modification of the company (in particular all **limited companies**) should be classified under the code **F.512**;

All the securities not mentioned above should be classified under the code **F.519**. In practical terms, this includes mainly parts in limited liability companies (for instance: BV: Netherlands; GmbH: Germany, Austria, Switzerland, Liechtenstein; LCC: USA; Ltd.: United Kingdom, Ireland; S.à.r.l.: France, Luxembourg, Switzerland; SRL: Spain, Italy...);

- Capital endowments in a branch should also be reported under security type **F.519**;

- All the securities issued from an investment fund should be classified under the code **F.52**.

26.20 How to fill in the variable «Number of Units» for equity instruments

The declaring agent has to report the number of securities held or issued by the company. In particular, stock companies (S.A.) and limited liability companies (S.à.r.l.) always have their capital expressed in number of parts or shares.

Only certain structures such as «Limited partnerships» do not define a determined number of shares in their statutes.

Only in this specific case, the declarer can use a proxy of the number of parts. The number of parts can be equivalent to the reported amount.

Example:

- Period T: A declaring agent invests 100 000 euros in the capital of a «Limited partnership». The declaring agent thus uses the invested capital as proxy of the number of parts.

- Period T+2: The declaring agent gets back a part of the invested monies for a total of 25 000 euros.

The declaring agent should report the following data

- Period T
  - Type name: Equity
  - Cotation type: Currency quoted
  - Units: 100 000
  - Reported amount: 100 000
- Period T+1
  - Type name: Equity
  - Cotation type: Currency quoted
  - Units: 100 000
  - Reported amount: 100 000
- Period T+2
  - Type name: Equity
  - Cotation type: Currency quoted
  - Units: 75 000
  - Reported amount: 75 000

Remark:

- The number of units reported in the variable «Number of securities» should always be strictly higher than 1.

26.21 Link between the variable «type name» et the variable «cotation type»

The variable «type name» may be one of the following values:

- DEBT
- EQUITY

The variable «cotation type» may be one of the following values:

- Percentage quoted
- Currency quoted

Both variables are however connected and must be consistent. With the exception of certain very limited scenarios, as a general rule, it is advisable to use the following relations:

- If the variable «type name» reports DEBT, the variable «type de cotation» should report «Percentage quoted»
- If the variable «type name» reports EQUITY, the variable «type de cotation» should report «Currency quoted»

Remark:

- An example of securities with the variable «type name» reporting DEBT with the variable «type de cotation» reporting «Currency quoted» are certificates for which the volumes are issued in number of contracts.

26.22 How to report own shares held

Among its assets, the reporting company holds its own shares (e.g. resulting from a buy-back of issued shares).

A distinction is made between the following two cases:

- Temporary situation: the position reported under item 2-C05000 includes all the shares issued. The shares held for the company's own account are shown under item 1-005000 with the issuing country «LU» and the affiliation link «06».
- Permanent situation: the position is not included in the assets and the same amount is subtracted from the liabilities (item 2-C05000).

Remark:

- If the application of this principle brings the balance sheet total below the threshold of 500 million euros (or currency equivalent), then the company is exempt from reporting.