

Definitions and concepts for the statistical reporting of investment funds

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1 Introduction

The objective of the document «Definitions and concepts for the statistical reporting of investment funds» is to provide an overview of all the definitions and concepts that must be applied for all the statistical reports to be submitted to the Banque centrale du Luxembourg (BCL) by the different types of institutions considered as falling under the definition of Investment Funds:

- The undertakings for collective investment (UCI) governed by the law of 17 December 2010
- The specialized investment funds (SIF) governed by the law of 13 February 2007
- The investment companies in capital risk (SICAR) governed by the law of 15 June 2004
- The Reserved Alternative investment funds (RAIF) governed by the law of 23 July 2016
- Luxembourg's alternative investment funds non-authorized by the CSSF (NAF), managed by a Luxembourg or foreign alternative investment funds manager, that fulfil the criteria of article 1(39) of the law of 12 July 2013 and that are not exempted from the BCL reporting.

These definitions, where applicable, are based on regulation (EU) [2024/1988] of the European central bank of 27 June 2024 concerning statistics on investment funds and repealing Decision (EU) 2015/32 (ECB/2014/62) (ECB/2024/17) (recast) (the Regulation hereafter)¹.

Hence, this document provides a detailed description of the main underlying accounting principles for assets and liabilities, the breakdowns to be provided on the various statistical reports to be submitted to BCL as well as the links to the Regulation.

More specific instructions that are necessary to establish certain statistical reports are provided within the description of these reports.

¹ Link to the ECB regulation (ECB/2024/17): https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AL_202401988

2 Basic principles

2.1 Reference date for the establishment of the reports

In principle, the last day of each month should be the reference date for the establishment of the statistical reports to be submitted by investment funds.

However, the aforementioned rule is not mandatory for those investment funds that calculate their net asset value (NAV) at least once a week. For this category of investment funds, the reference date may be that of the last day of the month on which the net asset value has been calculated.

The same derogation applies to investment funds that calculate their net asset value at least once a month if the day of calculation of the NAV takes place in the last week of the reference month or in the first week of the following month. The statistical reports to be reported must then be established based on the data that is available at the NAV calculation date which is closest to the last day of the month.

The investment funds that do not calculate their net asset value on a monthly basis may use the latest available NAV for the fulfilment of their reporting obligations.

This last remark is also applicable to investment funds whose net asset value is not available within the requested deadline. These investment funds must transmit the final net asset value as soon as it is available.

2.2 Closure date

The closure date is the date on which the net asset value underlying the data has been calculated.

2.3 Reporting currency

Statistical reports must be established in the accounting currency - i.e. the currency in which the net asset value is expressed - of the investment fund or the compartment of the investment fund. Amounts to be reported on the statistical reports should be expressed with

two decimals and assets and liabilities denominated in a currency other than the accounting currency should be converted into the latter at the exchange rate prevailing on the day on which the net asset value underlying the report has been compiled.

2.4 File transmission to BCL

The reports must be provided to the BCL in an electronic file according to the norm defined in the document «Manual of electronic transmission» and the documents «Compendium of verification rules» established for each statistical report.

2.5 Safekeeping period of documents

Reporting agents must keep monthly, quarterly and annual statistical reports as well as relating documents for twenty-four months.

3 Reporting of operations

3.1 Valuation of securities

The booking value of assets and liabilities is defined by including accrued but not yet due interest (dirty price).

3.2 Repurchase agreements / Securities lending

Repurchase transactions are transactions which involve the transfer by a counterpart (transferor) to another counterpart (transferee) of assets such as securities, debts, loans, precious metal, etc. subject to an agreement that the same assets will or may subsequently be transferred back to the transferor at a specified price.

The accounting treatment of these operations varies according to the modalities of the operation:

1. If the transferee agrees to return the assets to the transferor at a specified date or to be specified by the transferor, the transaction in question shall be deemed a genuine

sale and repurchase transaction.

The accounting treatment of these operations is as follows:

- 1.1. The transferor continues to report the assets on his balance sheet; the purchase price received by the transferor is reported as an amount owed to the transferee (item 2-002040).
- 1.2. The transferee shall not be entitled to report the assets transferee in his balance sheet; the purchase price paid by the transferee is reported as an amount owed by the transferor (item 1-002999).
2. If however, the transferee is merely entitled to return the assets at the purchase price or for a different amount agreed in advance on a date specified or to be specified, the transaction in question is deemed to be a sale with an option to repurchase.

The accounting treatment of these operations is as follows:

- 2.1. The transferor is no longer entitled to report the assets in his balance sheet
- 2.2. The transferee reports the assets on his balance sheet

The same accounting treatment must be applied to securities lending transactions that are transactions which involve the lending by a counterpart (transferor) to another counterpart (transferee) of securities subject to an agreement that the same or similar securities will or may subsequently be transferred back to the transferor at a specified price.

3.2.1 Securities sold under repurchase agreements (repo)

Securities sold (item 1-003000 and / or 1-005000) following a repo contract must be reported in the security-by-security report with the type of holding 03 "Securities sold in a repurchase agreement", the investment fund remaining the economic holder of the security. The amount reported represents the market value of the securities sold associated with the quantity of securities used in the transaction.

In report S 1.3 / S 2.13, the repurchase price of securities excluding the interest will be reported as a debt to the counterparty involved in the transaction (item 2-002040 "Borrowings - Repurchase agreements" of report S 1.3 / S 2.13).

Interest received under a repo contract will be shown as accrued interest not due (item 2-090010 "Other liabilities - Accrued interest").

The cash received will be reported as a claim to the counterpart involved in the transaction (item 1-002999 “Deposits” of the S1.3 / S2.13).

Securities sold remain on the balance sheet of the beneficial owner and therefore should not be recorded as a security on the borrower's balance sheet for which the transaction is considered as a reverse repo.

The objective is to make sure that the total amount held by all the security holders is consistent with the amount of securities issued. The securities that have been sold under a repurchase agreement remain on the balance sheet of the economic holder and subsequently must not be reported as securities on the borrower's balance sheet.

3.2.2 Securities purchased under repurchase agreements (reverse repo)

Securities purchased under repurchase agreements (reverse repo) are not to be included in the security-by-security report, as the investment fund is not the economic holder of the security.

The sale price (Principal) paid by the investment fund will appear as a claim against the counterpart involved in the transaction (item 1-002999 of the report S 1.3 / S 2.13).

Interest received under a repo contract will be shown as accrued interest not due (item 1-090010 "Remaining assets - Accrued interest" of the report S 1.3 / S 2.13).

3.3 Short sales of securities

If securities are sold «short», the sale is reported under the item 2-002050 «Borrowings - Short sales of securities» in the S 1.3, S 2.13 and security-by-security reports.

In the security-by-security report, the securities must be reported under item 2-002050 “Borrowings - Short sales of securities” with the type of holding 05 “Short sales of securities”. The amount to be reported corresponds to the sale price of the securities.

However, if this debt corresponds to specific securities, it has to be valued according to the

valuation rules applicable to the securities reported on the asset side of the balance sheet Instruments.

4 Balance sheet items

4.1 Assets

4.1.1 Item 1-002000 Deposits and loan claims

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table A Categories 1 for the detailed description.

Remark: The item has been split into different categories.

Category
1-S02010 Deposits and loan claims – Leveraged loan claims
1-002999 Deposits and loan claims - Loan claims – Deposits and other loan claims

4.1.1.1 Item 1-S02010 Deposits and loan claims - Leveraged loan claims

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table A Categories 1 for the detailed description.

This item only includes leveraged loans.

Remark: The Syndicated loans are defined as single loan agreements, in which several institutions participate as lenders. Syndicated loans only cover cases where the borrower knows, from the loan contract, that the loan is made by several lenders. For statistical purposes, only amounts actually disbursed by lenders (rather than total credit lines) are regarded as syndicated loans. The syndicated loan is usually arranged and coordinated by one institution (often called the 'lead manager') and is actually made by various participants in the syndicate. Participants, including the lead manager, all report their share of the loan to the borrower, i.e. not to the lead manager, in their balance sheet assets;

4.1.1.2 Item 1-002999 Deposits and loan claims - Deposits and other loan claims

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table A Categories 1 for the detailed description.

Remark: This item includes deposits and loans other than leveraged loans.

This item also consists of holdings of euro and foreign banknotes and coins in circulation that are commonly used to make payments.

This items includes hybrid instruments of certificate type that are not identified by an ISIN code. Hence, all declinations of Preferred Equity Certificates (CPECs (Convertible Preferred Equity Certificates), TPECs (Tracking Preferred Equity Certificates), YFPECs (Yield Free Preferred Equity Certificates), ...) should be reported under this item.

4.1.2 Item 1-003000 Securities other than shares

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table A Categories 2 for the detailed description.

Remark: This item includes hybrid instruments of certificate type that are identified by an ISIN code. Hence, all declinations of Preferred Equity Certificates (CPECs (Convertible Preferred Equity Certificates), TPECs (Tracking Preferred Equity Certificates), YFPECs (Yield Free Preferred Equity Certificates), ...) identified by an ISIN code should be reported under this item.

The category includes coupons not yet due on securities.

4.1.3 Item 1-005000 Equity

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table A Categories 3, 3a, 3b, 3c and 4 for the detailed description.

4.1.4 Item 1-006000 Non-financial assets

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table 2 Category 6 for the detailed description of the different real estate types.

Remark: The item has been split into different categories.

Category
1-006011 Non-financial assets - Real estate - Residential
1-006012 Non-financial assets - Real estate - Commercial
1-006013 Non-financial assets - Real estate - Industrial
1-006014 Non-financial assets - Real estate - Offices
1-006015 Non-financial assets - Real estate - Others
1-006999 Non-financial assets - Other non-financial assets

4.1.4.1 Item 1-006011 Non-financial assets - Real estate – Residential

This item includes residential real estate asset.

4.1.4.2 Item 1-006012 Non-financial assets - Real estate – Commercial

This item includes commercial real estate asset.

4.1.4.3 Item 1-006013 Non-financial assets - Real estate - Industrial

This item includes industrial real estate asset.

4.1.4.4 Item 1-006014 Non-financial assets - Real estate - Offices

This item includes office real estate asset.

4.1.4.5 Item 1-006015 Non-financial assets - Real estate – Others

This item includes real estate asset other than residential, commercial, industrial and offices real estate asset.

4.1.4.6 Item 1-006999 Non-financial assets - Other non-financial assets

This item includes all non-financial assets that are not real estate assets

4.1.5 Item 1-007000 Financial derivatives

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table A Category 5 for the detailed description.

4.1.6 Item 1-090000 Remaining assets

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table A Category 7 for the detailed description.

Remarks: Accrued interest on holdings of debt securities are to be reported under item 1-003000 and as such are part of the Security-by-security reporting scheme.
The item has been split into different categories.

Category
1-090010 Remaining assets - Accrued interest
1-099999 Remaining assets - Other

4.1.6.1 Item 1-090010 Remaining assets - Accrued interest

This item includes interest accrued but not due.

Remark: Specifically, the calculated pro rata portion of interest receivable on deposits and loan claims (the coupons not yet due on securities are excluded from this item and must be reported under item 1-003000).

4.1.6.2 Item 1-099999 Remaining assets - Other

This item includes all the assets that are not reported under the aforementioned items such as:

- Accrued rent receivable
- Amounts receivable not related to the main business of the investment fund.

4.1.7 Item 1-000000 Total assets

This item is compiled by adding up all assets taking into consideration the various

breakdowns.

4.2 Liabilities

4.2.1 Item 2-002000 Borrowings

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table A Category 8 for the detailed description.

This item includes borrowings as defined under items 2-002010, 2-002020, 2-002030, 2-002040, 2-002050 and 2-RD2000.

4.2.1.1 Item 2-002010 Borrowings - Overnight borrowings

The item overnight borrowings includes all borrowings without a fixed initial maturity or a period of notice.

This item may include:

- Debit balances on overnight or current accounts that investment funds or compartments of investment funds have in the books of a bank.
- Loans to be repaid by close of business one day after it has been granted.

4.2.1.2 Item 2-002020 Borrowings - Borrowings with agreed maturity

The item borrowings with agreed maturity includes all borrowings with a fixed initial maturity conducted by investment funds.

4.2.1.3 Item 2-002030 Borrowings - Redeemable at notice

The item borrowings with agreed maturity includes all borrowings without a fixed initial maturity but that may only be converted into currency with a period of prior notice.

4.2.1.4 Item 2-002040 Borrowings - Repurchase agreements

This item includes the sale price received by the reporting agent in exchange for assets transferred to a third party in the form of a repurchase agreement as well as the amounts received in exchange for securities transferred to a third party in the form of bond lending

(against cash collateral).

4.2.1.5 Item 2-002050 Borrowings - Short sales of securities

The item short sales of securities includes all borrowings due to the short sales of securities.

The amount to be reported corresponds to the sale price of the securities.

However, if this debt corresponds to specific securities, it has to be valued according to the valuation rules applicable to the securities reported on the asset side of the balance sheet.

4.2.1.6 Item 2-RD2000 Borrowings - Revolving loans and overdrafts

The item includes revolving loans and overdrafts.

Revolving loans are loans that have all the following features: (i) the borrower may use or withdraw funds to a pre-approved credit limit without giving prior notice to the lender; (ii) the amount of available credit can increase and decrease as funds are borrowed and repaid; (iii) the credit may be used repeatedly.

Revolving loans include the amounts obtained through a line of credit and not yet repaid (outstanding amounts). A line of credit is an agreement between a lender and borrower that allows a borrower to take advances, during a defined period and up to a certain limit, and repay the advances at his discretion before a defined date.

Amounts available through a line of credit that have not been withdrawn or have already been repaid are not to be considered under any balance sheet items category.

Overdrafts are debit balances on current accounts. The total amount owed is to be reported, irrespective of whether it is within or beyond any limit agreed beforehand between the lender and the borrower with regard to size and/or maximum period of the loan

4.2.2 Item 2-003000 Debt securities issued

This item consists of securities other than equity issued by reporting agents, which are instruments usually negotiable and traded on secondary markets or which can be offset on the market and which do not grant the holder any ownership rights over the issuing institution. This item consists of holdings of securities which give the holder the unconditional right to a fixed or contractually determined income in the form of coupon payments and/or a

stated fixed sum at a specific date or dates, or starting from a date defined at the time of issue.

4.2.3 Item 2-004000 Shares / units issued

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table A Category 9 for the detailed description.

Remark: The item therefore represents the net asset value that is obtained by difference between total assets and those liabilities that do not result from the issue of shares.

4.2.4 Item 2-011000 Financial derivatives

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table A Category 10 for the detailed description.

4.2.5 Item 2-090000 Remaining liabilities

Please refer to the ECB regulation ECB/2024/17 Annex 2 Table A Category 11 for the detailed description

Remarks: The item has been split into different categories.

The debt securities issued must be reported under item 2-003000

Category
2-090010 Remaining liabilities – Accrued interest
2-099999 Remaining liabilities - Other

4.2.5.1 Item 2-090010 Remaining liabilities - Accrued interest

This item includes interest accrued but not due.

Specifically, the calculated pro rata portion of interest payable on borrowings (excluded are coupons not yet due on securities that must be reported under item 2-003000).

4.2.5.2 Item 2-099999 Remaining liabilities - Other

This item includes all the liabilities that are not reported under the aforementioned items such as:

- Amounts payable not related to the main business of the investment fund (amounts owed to suppliers, taxes, salaries, social security contributions, etc.)
- Provisions representing liabilities against third parties (pensions, dividends, etc.)
- The net amounts payable in respect of future settlements of securities transactions

4.2.6 Item 2-000000 Total liabilities

This item is compiled by adding up all liabilities taking into consideration the various breakdowns.

5 Types of breakdowns

Reported amounts must be split according to the following four criteria:

- Country of the counterpart
- Currency in which assets and liabilities are expressed
- Economic sector of the counterpart
- Initial maturity of assets and liabilities

Only the breakdowns requested in each statistical report are to be transmitted to the BCL.

The detailed breakdowns are available in the document “Types of breakdowns for the statistical reporting” accessible on the BCL’s website.

6 Minimum standards

Please refer to the ECB regulation ECB/2024/17 Annex 4 for the detailed description.