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Instructions for reporting of securities holdings – VINN

**Monetary financial institutions
(MFI)**

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1. Introduction

The following instructions for reporting securities holdings to VINN apply to the reporting by monetary financial institutions (MFI) on their own holdings of securities. The instructions are applicable as of reporting pertaining to 30 September 2017.

The Riksbank's regulations (RBFS 2016:1) on reporting holdings in securities contain provisions regarding reporting to VINN. The following instructions provide supplementary instructions, intended as support for reporting parties.

2. General

The reporting obligation to VINN is based on Chapter 6, Article 9, first paragraph of the Sveriges Riksbank Act (1988:1385). The reporting duty covers the institutions which shall report to VINN, as designated by the Riksbank.

The reporting to VINN by monetary financial institutions on their own securities holdings has been devised so as to enable the information to largely replace the reporting of securities holdings in the Balance-sheet statistics for monetary financial institutions (the MFI report).

The reporting to VINN shall comprise holdings in securities that are entered in the holder's balance sheet, and dealings within the legal entity (see below). The information shall be trade-date reported and refer to the balance sheet value, i.e. the value of the holding, at the end of the reporting period. All information regarding securities holdings shall be reported security-by-security. The reporting shall be electronic, and amounts shall be stated as units.

For *Swedish* monetary financial institutions, securities shall be reported for holders in the legal entity, i.e. the Swedish legal person. The securities holder can either be the head office, i.e. the Swedish part of the legal entity, or a foreign branch. The head office refers to business in the legal entity that is not conducted in foreign branches. In cases where the legal entity comprises one or more foreign branches, information on securities holdings shall be provided for *each* branch.

For the branches in Sweden of *foreign* monetary financial institutions, the reporting shall correspond to securities holdings in the business of the Swedish branch. In this case, it is the Swedish branch that is the holder, and equals the Swedish part of the legal entity in the instructions.

Holdings shall be reported on a non-consolidated basis, and also comprise holdings in the form of dealings within the legal entity. This means that if a branch holds securities issued by the Swedish part of the business or vice versa, or if a branch owns securities issued by another branch in the legal entity, these holdings shall be included in the reporting. For Swedish branches of foreign monetary financial institutions, holdings in the foreign legal entity shall also be included in the reporting.

All securities in the reporting are identified by their respective identifier. The ISIN of the security shall be used in the first instance. If there is no ISIN, SEDOL or CUSIP shall be stated.

In the absence of these identifiers too, the security is identified by another code, for example an internal code of the holder.

Which information is to be reported for a specific securities holding depends on whether or not the security concerned has an ISIN. For securities with an ISIN, a limited number of attributes are reported. For securities that lack an ISIN, supplementary attributes shall be reported. The need to collect supplementary data for securities that lack an ISIN is due to the fact that such securities cannot be matched against the reference database for securities devised within the European System of Central Banks.

3. Securities

The reporting of securities holdings shall comprise the following instruments:

- Fixed-income securities (short and long debt instruments); transferable debt instruments including structured products
- Equities admitted to trading on a regulated market or trading venue
- Equities not admitted to trading on a regulated market or trading venue
- Units in investment funds or alternative investment funds and foreign equivalent (sometimes called “undertakings for collective investments” in the supervisory reporting)
- Other participations

Subscription right certificates, fractional rights, paid subscribed-for shares (“*betalda tecknade aktier – BTA*”) and paid subscribed-for units (“*betalda tecknade units – BTU*”) shall be reported in VINN. Holdings in financial derivatives, including warrants and options, shall *not* be reported. Securities received in reverse repos or through loans shall *not* be included in the reporting either, when they are not entered in the balance sheet; the exception is short positions, which are described below. Securities sold or lent in a repo transaction shall be included in the reporting of securities holdings, when the security will continue to be entered in the balance sheet of the party selling or lending the security. No distinction is made in the reporting of the security having been used in a repo transaction.

Short positions with a holder, i.e. securities obtained in for example repo transactions or through loans, and which have subsequently been sold, shall be included in the reporting to VINN and considered as a negative holding. For short positions, the characteristics of the borrowed security sold are specified in the reporting.

In terms of netting long or short positions in VINN, with one exception, the rules applicable to netting financial assets and financial liabilities in accounting shall apply. Netting in VINN is permitted if, according to the accounting rules, there is a legal right to net the asset and liability *and* if the holder intends to settle the positions with a net amount or simultaneously realise the asset and settle the liability. Unlike in accounting in which netting is permitted between different components within the legal entity, netting in VINN is only permitted by *holder*. In VINN, the head office and any branches are treated as separate entities

and netting of long and short positions shall therefore be done separately for different holders. This means that it is not permitted to net positions between the head office and a foreign branch, or between foreign branches.

In VINN, long and short positions are reported broken down by security and valuation. One and the same security valued according to the same principle, e.g. market value, may (all else equal) not occur more than twice for the same holder; once as a long position and once as a short position. Depending on the accounting rules and application thereof by the holder, a holding in one and the same security with the same valuation can thus be reported in VINN either as a netted position, or as a long and a short position. If, however, the rules allow netting of a securities holding which, in VINN, is reported with different valuations, it is possible to report this as a netted position in VINN. In such a case, the valuation shall be specified that is applied to the predominant position.

For holdings of own issued shares, through for example repurchase, these shall be considered to be in circulation and entered as holdings in the reporting. Repurchased fixed-income securities issued by the own company shall be considered retracted from the market and shall *not* be reported as a securities asset in the reporting.

3.1 Handling certain specific securities and borderline cases

Below is a list of some specific types of securities and how they shall be classified in the reporting to VINN. Classifying a security in VINN is only needed if the security concerned does not have an ISIN.

Depository receipts, such as Swedish depository receipts (SDR) or American Depository receipts (ADR) shall be included in the reporting and classified as equities with properties equivalent to the underlying equity. Sector and country are the issuer of the underlying equities.

Subscription right certificates, fractional rights, paid subscribed-for shares (“betalda tecknade aktier – BTA”) and paid subscribed-for units (“betalda tecknade units – BTU”) are classified as equities.

Structured products with embedded derivatives are reported in their entirety as debt instruments if they are wholly or partly capital-protected. If there is no capital protection at all, i.e. the repayment amount can be zero due to changes in the underlying asset, the instrument is classified as a derivative and shall not be included in VINN. Structured products whose value is driven by an underlying asset, known as participation products, shall be classified according to the underlying assets. If the underlying asset is a basket or mix of different instruments, the holding shall be categorised based on the predominant instrument type. Leverage products (other than financial derivatives, warrants and options) shall be classified as debt instruments even if the initial investment is small in relation to the expected risk.

Convertible debt instruments/subordinated debentures shall be included in the reporting and classified as fixed-income securities until the security has been converted into equities.

Lottery-bonds (Swedish “Premieobligationer” and foreign equivalents, such as Lottery Bonds in the UK), shall be included in the reporting and classified as fixed-income securities.

Exchange-traded funds, ETF, shall be included in the reporting and classified as fund units.

Private equity funds, PEF, and venture capital funds, VCF, shall be included in the reporting and classified as fund units.

In terms of the boundary between private equity/venture capital funds, and shares or participations in unlisted companies, private equity/venture capital funds often have a specified investment horizon after which the holdings are sold and the assets distributed to the owners, which distinguishes them from unlisted companies. Private equity/venture capital funds often have a legal structure, such as a limited partnership, in which ownership does not carry voting rights. Private equity/venture capital funds also have a company that manages them, even if that company can largely be involved in the business of the companies in which the funds invest.

4. Residency (Domiciliation)

In the reporting, information is requested about the holder’s country and, where relevant, the issuer’s country, which corresponds to the holder’s/issuer’s *residency*.

In terms of legal persons, the main rule is that residency is determined by where the legal person has its unlimited tax liability. Branches are however always considered to be resident in the host country, i.e. the country in which the branch is established. The residency is not affected by whether the legal person is wholly or partly exempted from tax liability (e.g. governments, municipalities and certain foundations). For investment funds and alternative investment funds, the country of registration of the fund – not the fund manager – determines its residency.

International organisations are reported with their own “country codes”, see code list *Country*.

5. Report content

The type of information that shall be contained in the report is set out below. For some of the report’s attributes, there are a number of predefined options. These are set out in the document *Kodlista insamlingsattribut VINN*.

5.1 Information about the reporting agent

General information about the reporting agent is provided here.

Reporting agent name

The name of the reporting agent is stated here. The name shall be stated in full. The reporting agent is the institution that sends in the report, commonly the head office of the legal entity.

Reporting agent code

The corporate identity number – *organisationsnummer* - of the reporting agent.

5.2 Information about the report

General information about the report is provided here.

File created

The point in time (date and time) of when the report was created in the reporting agent's system.

Reference period

The date to which the information in the report pertains. The information shall refer to securities holdings at the end of the month and the reference period is stated with year, month and day. For example, if the information in the report refers to balance sheet values as at the final day of September 2017, the reference period is stated as 2017-09-30.

5.3 Information about the holder

The following information shall be provided concerning the holder of securities.

Holder name

The name of the institution that owns the securities holding. The complete name of the holder shall be stated. The holder can either be the Swedish part of the legal entity, or a foreign branch according to section 2.

FI institution code (FI identification number)

The holder's institution code with Finansinspektionen is stated here. For the Swedish part, Finansinspektionen's institution code shall be followed by an "S", for example "123XXS", so that it may be distinguished from other reporting in which Finansinspektionen's institution code refers to the entire legal entity. Equivalent use of institution codes with an "S" added shall be applied for monetary financial institutions without foreign branches, and for foreign monetary financial institutions' branches in Sweden, even if the institution code, and the institution code followed by an "S", refer to the same operations in such cases.

For foreign branches, Finansinspektionen's institution code is stated for each branch.

Holder country

The residency of the securities holder according to section 4. See code list *Country*.

5.4 Information about securities holdings

The following information on the securities holding shall be submitted for all securities, i.e. irrespective of whether the security has an ISIN or other identifier.

Identifier type

The type of identifier of the security is stated here. See code list *Identifier type*. The following identifier types can be selected.

- **ISIN** – International Securities Identification Number. ISIN is a unique security identifier. Its structure is defined according to ISO 6166 and shall contain 12 characters. In order to state the identifier type ISIN the security must have been given an ISIN through a National Numbering Agency, NNA. SEDOL codes and CUSIP codes converted to ISIN shall *not* be stated with identifier type ISIN.
- **CUSIP** – Identifier mainly used in North America. The CUSIP code is unique and has nine positions.
- **SEDOL** – Identifier mainly used in the UK and Ireland. The SEDOL code is unique and has seven positions.
- **Other identifier** – Any identifier other than those listed above is stated here, for example an internal code of the holder. The internal code shall be consistent over time.

If a security has several identifiers, ISIN shall be stated in the first instance.

Identifier

The identifier of the security is stated here.

Nominal currency

The currency in which the security is issued is stated for fixed-income securities. See code list *Currency*.

Reporting basis

States whether the size of the holding is expressed as an aggregate nominal value or as a number of units. See code list *Reporting basis*.

Nominal amount/no. units (Observation)

The size of the holding is stated here, expressed as an aggregate nominal value or number of units. Information about nominal value is stated in the nominal currency of the security. For short (net) positions, the nominal value or number of units is stated with a minus sign. Long (net) positions are stated without a sign.

Entity within the group

States who has issued the security and the nature of the relationship between the holder and the issuer. See code list *Entity within the group*. The following entities within the group can be selected:

- **Head office; parent of the legal entity** – Stated when the issuer of the security is the parent company of the legal entity. The parent company can be a Swedish legal person, but also a foreign legal person in cases where the reporting agent is a branch in Sweden (of a foreign MFI).
- **Foreign branch in the legal entity** – Stated in cases where the issuer of the security is a foreign branch belonging to the legal entity.
- **Other entity in the financial group** – Refers to financial subsidiaries and subsidiaries of subsidiaries, and co-owned companies (joint ventures) consolidated through proportionate consolidation (the proportional method). Insurance undertakings shall not be included. The group boundary shall follow the definition of Regulation No. 575/2013 of the European Parliament and of the Council (Capital Requirements Regulation, CRR) of the financial group (also known as consolidated situation). Associated companies shall not be reported as an entity in the financial group because the company's assets and liabilities are not consolidated in the financial group according to the Capital Requirements Regulation.
- **Shares in own company** – Stated if the holding refers to own issued shares, for example through a buyback. This can only be the case for the reporting of Swedish legal persons of holdings located at the head office. If branches of Swedish firms own shares in the own firm, or if a branch in Sweden owns shares in its foreign parent company, this shall instead be reported as Head office; parent of the legal entity.
- **Not an entity in the financial group** – States that the issuer of the security is not part of the financial group according to the definition of the financial group above.

Valuation

States how the securities holding is valued in the holder's balance sheet. See code list *Valuation*. The following valuations can be selected:

- **Market value (observed)** – The value of the holding based on the listed market price of the security.
- **Fair value (other than observed market value)** – The value of the holding based on the market value of the instrument's components or for a similar instrument, or if the value is determined using generally accepted valuation models and valuation methods that provide a reasonable estimation of the market value.
- **Amortised cost** – The value of the holding based on future cash flows, discounted to present value.
- **Nominal value** – Also referred to as face value or par value, is the value of the holding based on the amount disbursed to the holder at maturity.

- **Other value** – The value of the holding based on a valuation other than the types listed above.

Value

Here, the value of the securities holding in the holder's balance sheet is stated (book value). The information shall pertain to the aggregate value of the holdings in the reported identifier. For example, if the holder owns X no. shares in a company with the same identifier and which are valued according to the same valuation, the aggregate value of all X. no. shares shall be reported. The value shall be stated in Swedish kronor (SEK), both for holdings in the Swedish part and any foreign branch, respectively. For short (net) positions in the security, the value shall be stated with a minus sign. For long (net) positions, the value is stated with no sign.

Valuation currency

The currency in which the value of the securities holding is expressed. See code list *Currency*. Institutions reporting according to these instructions shall report the valuation currency Swedish kronor (SEK).

Accrued interest for market values

For fixed-income securities, it is stated whether the specified value of the securities holding includes or excludes accrued interest.

Accrued interest

For fixed-income securities, the size of accrued interest at the end of the reporting period is stated. The amount shall be stated in the same currency as the valuation currency and in relation to the reported nominal amount. If one and the same security occurs multiple times in the reporting, accrued interest shall be stated in proportion to the holding concerned (nominal amount).

5.5 Additional information, non-ISIN securities

Besides the information to be reported according to section 5.4, further information about the security shall be reported if the security concerned lacks an ISIN – information about the security itself, and information about the issuer. The information below shall only be submitted for securities reported with the identifier types CUSIP, SEDOL or an internal code.

Instrument ESA 2010 class

The instrument classification of the security according to ESA2010 (European System of National and Regional Accounts). See code list *Instrument*. The following financial instruments can be selected:

- **Short-term debt securities** – Transferable debt instruments with an original maturity of up to one year. Sometimes also called money market instruments or certificates.
- **Long-term debt securities** – Transferable debt instruments with an original maturity of more than one year. Often called bonds.
- **Listed shares** – Equities admitted to trading on a regulated market or trading venue.
- **Unlisted shares** – Equities not admitted to trading on a regulated market or trading venue.
- **Other participations** – For example participations in general partnerships, limited partnerships or financial associations. Financial associations also include participations in tenant-owner associations.
- **Money market funds** – Short-term fixed-income funds that invest in fixed-income securities with an average maturity up to one year.

Lists of money market funds and monetary financial institutions in the EU are available on ECB's website <https://mfi-assets.ecb.int/queryMfiD.htm>.

A list of American money market funds is available at <https://www.sec.gov/opa/data/opendatasets-mmhtml.html>.

- **Investment funds, except money market funds** – Non-money market investment funds and alternative investment funds. These include for example equity funds, fixed-income funds (that are not classified as money market funds), fund of funds, special funds, hedge funds, exchange-traded funds (ETF), and private equity funds (PEF)/venture capital funds (VCF).

For funds registered in Sweden, lists of all funds under the supervision of or registered with Finansinspektionen, are available on the latter's website.

Lists of investment funds registered in euro countries (and certain other EU countries) are available on ECB's website <http://www.ecb.europa.eu/stats/money/mfi/html/index.en.html>

Foreign funds shall be included in the reporting even if they are based outside of the EEA/EU and the funds do not need to be under supervision or traded on a regulated market to be covered by the reporting.

Issuer sector

The issuer's institutional sector affiliation is stated here. See code list *Issuer sector*. The issuer sector shall only be stated for foreign issuers, not for Swedish issuers. If the issuer is an international organisation, an issuer sector need not be stated.

Issuer domicile country

The residency of the issuer according to section 4. See code list *Country*.

Issuer corporate identity number (Issuer institution code)

The corporate identity number of the issuer - *organisationsnummer* - is stated if the issuer is Swedish.

Issuer institution LEI code

The issuer's LEI (Legal Entity Identifier) is stated for Swedish and foreign issuers that have a LEI. The LEI is a unique code consisting of 20 positions. It identifies a legal person participating in transactions on financial markets, irrespective of the markets and legal systems in which this takes place. Information about LEI codes can be obtained from, for example, GLEIF (Global Legal Entity Identifier Foundation), <https://www.gleif.org/en>.

Issuer name

The name of the issuer of the security. The complete name of the issuer shall be stated.

Issue date

The issue date is stated for fixed-income securities and is the date (year, month, day) on which the debt instrument started to apply. Issue date refers to the original date on which the debt instrument started to apply (initial day of interest) and not the acquisition date or date of "on-tap" issues.

Maturity date

The maturity date is stated for fixed-income securities and is the date (year, month, day) when the nominal amount is repaid by the issuer. If the maturity date is not known, the date 9999-12-31 shall be stated.

Asset securitisation type

The security's collateral type is stated for fixed-income securities. See code list *Asset securitisation type*. The asset securitisation type equals the type of collateral that the security has if the issuer were to become insolvent and unable to honour its payment commitments towards the holder of the security.

The following asset securitisation types can be selected:

- Asset backed (ABS)
- Mortgage backed (MBS)
- Other securitisation (for example collateralised debt obligation (CDO), collateralised mortgage obligation (CMO), mixed securitisation or unknown securitisation)

- Secured (Covered bond)
- Not securitised or covered

Last split factor

If a split or reverse split has occurred in a security during the reporting period, the last split factor shall be stated. The split factor shall be stated as <No. new>:<No. old>. For example, if in the split the holder receives two new shares for one old one, the split factor is 2:1.

Last split date

If a split or reverse split has occurred in a security during the reporting period, the date (year, month, day) for the last split shall be stated.

Last dividend amount

If a dividend has occurred in the reporting period, the value of the dividend, expressed as dividend per share or participation before tax, shall be stated. Note that it is both cash dividend, and dividend in the form of shares or reinvested fund units, which shall be reported. In terms of dividends in shares and participations, it is only shares and participations distributed in the underlying security (reported identifier) which shall be stated as dividend in shares and participations. If several dividends have occurred in one and the same security during the reporting period, the distributed amounts shall be aggregated in the reporting.

Last dividend amount type

If a dividend has occurred during the reporting period, it shall be specified whether the dividend was in the form of cash, or shares or participations. See code list *Dividend amount type*.

Last dividend date

If a dividend has occurred during the reporting period, the last dividend date (year, month, day) shall be stated.

Last dividend currency

If a cash dividend has occurred during the reporting period, the currency in which the last dividend was carried out shall be stated. The dividend currency is the currency in which the last dividend amount is expressed. See code list *Currency*.

6. Duplicates

One and the same security (identifier) shall generally only occur once per holder in VINN. However, there are some exceptions when the same identifier can occur more than once.

If a fixed-income security occurs in different *nominal currencies*, the same identifier can occur more than once for one and the same holder, provided that the nominal currencies for the holdings differ.

Securities with the same identifier can be present with different *valuations* with the holder. If there are holdings with the same identifier that have different valuations, such holdings shall be reported individually. For example, if the holder has a holding of Y no. securities valued at market value, and Z no. securities with the same identifier valued at nominal value, the same identifier shall be present more than once in the report but with different valuations.

Securities with the same identifier can also occur partly as a long position, partly as a short position, for one and the same holder. The same identifier can thus occur more than once in the report, but with or without a sign before *Nominal amount/Number of units*. The same applies for the *Value* attribute, for which the same identifier can occur more than once per holder, but with or without signs before the value of the position.

The number of times an identifier can occur with one and the same holder depends on how many of the aforementioned attributes differ, and in which different combinations.