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Instructions for reporting of securities holdings – VINN

**Systemically important institutions
(banking groups)**

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1. Introduction

The following instructions for reporting securities holdings to VINN apply to the reporting of systemically important institutions of the group's holdings in 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 duty 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.

Information about the group's securities holdings shall comprise holdings with Swedish and foreign financial subsidiaries, subsidiaries of subsidiaries, and co-owned companies (joint ventures) that are 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). In cases where proportionate consolidation is applied for co-owned companies, i.e. assets and liabilities are consolidated in proportion to the share of ownership, the equivalent proportionate part of the securities holding shall be reported to VINN.

It is the Swedish parent company that bears the reporting obligation for the group's securities holdings. The parent company's, i.e. the reporting legal entity's own holdings in securities, shall not be included in the reporting according to these instructions. This is because the holding is reported in the VINN reporting for monetary financial institutions. Associated companies shall not be included in the reporting either, because their assets and liabilities are not consolidated in the financial group according to the Capital Requirements Regulation.

Securities holdings with subsidiaries, subsidiaries of subsidiaries and, if applicable, co-owned companies shall be reported as per each entity. The holdings shall be reported on a non-consolidated basis and also contain holdings in the form of dealings between parent company and subsidiaries, or between subsidiaries.

Companies with a securities holding of less than SEK 25 million, or equivalent in foreign currency, are exempted from the reporting. If an undertaking exceeds the reporting threshold of SEK 25 million, it is the size of the securities holding that determines how rapidly the reporting to VINN shall commence. A company that only temporarily exceeds the reporting threshold, but has a securities holding below SEK 500 million, need not report to VINN. If it is considered that the company permanently holds securities to a scope exceeding the reporting threshold, but has a securities holding below SEK 500 million, reporting to VINN shall commence within a year of the threshold being exceeded. A company that exceeds the reporting threshold of SEK 25 million and has a

securities holding of SEK 500 million or more shall report as of the quarter when the reporting threshold was exceeded.

Companies that are monetary financial institutions and which report securities holdings separately to VINN, according to instructions for the reporting of monetary financial institutions of their own securities holdings, shall be exempted from the reporting according to these instructions.

The reporting shall comprise holdings in securities that are entered in the holder's balance sheet. 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.

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 is 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 with an ISIN
- Units in investment funds or alternative investment funds and foreign equivalent (sometimes called “undertakings for collective investments” in the supervisory reporting)

With respect to equities, all equities with an ISIN shall be reported, irrespective of whether or not they are admitted to trade on a regulated market or trading venue, or if they are unlisted. Hence, equities that lack an ISIN and which are traded on a regulated market or trading venue shall also be included in the reporting.

	With ISIN	Without ISIN
Fixed-income securities	Included	Included
Listed shares	Included	Included
Unlisted shares	Included	Not included
Fund units	Included	Included
Other participations, e.g. in financial associations	Not included	Not included

Table 1. Securities in the reporting to VINN

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, the rules applicable to netting financial assets and financial liabilities in the holder’s accounting shall apply. According to IFRS, financial assets and liabilities shall be netted if 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. In the reporting to VINN, it is not permitted to net positions between parent company and subsidiary, or between subsidiaries.

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 security 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 asset. 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 *country of residence*.

In terms of legal persons, the main rule is that the country of residence 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 country of residence 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 country of residence.

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 parent of the reporting 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 quarter 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 be a subsidiary, a subsidiary of a subsidiary, or a co-owned company according to section 2.

Corporate identity number (Holder institution code)

The corporate identity number – *organisationsnummer* – of the holder.

FI institution code (FI identification number)

The holder's institution code with Finansinspektionen is stated here.

Holder LEI code

The holder's LEI code (Legal Entity Identifier) is stated for Swedish and foreign holders 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>.

Holder country

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

5.4 Information about the 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 of the reporting legal entity (not the legal entity of the subsidiary, the subsidiary's subsidiary or the co-owned company).
- **Foreign branch in the legal entity** – Stated in cases where the issuer of the security is a foreign branch belonging to the reporting legal entity (not the legal entity of the subsidiary, the subsidiary's subsidiary or the co-owned company).

- **Other entity in the financial group** – If the issuer is a financial subsidiary, subsidiary's subsidiary or co-owned company (joint venture) 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 relevant in cases where a subsidiary, a subsidiary of a subsidiary, or a co-owned company owns shares in the own legal person. If the company holds shares in the reporting legal entity, 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.

Type of valuation (Valuation)

Type of valuation states how the securities holding is valued in the holder's balance sheet. See code list *Type of 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. 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 the currency of accounting of the entity concerned. 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*. The valuation currency shall be the holder's accounting currency.

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 a 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.
- **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 country of residence of the issuer according to section 4. See code list *Country*.

Issuer corporate identity number (Issuer institution code)

The corporate identity number – *organisationsnummer* – of the issuer 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 an 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.