



**Single
Resolution Board**

How to understand the invoicing package?

February 2018

Introduction

Documents included in the invoicing package:

1. Contribution Notice

2. Annex A: Debit Note

- Debit note (and bank account confirmation statement)

3. Annex B: Calculation details

- Summarising overview of the calculation results
- Details of the calculation

Example illustrated in this presentation:

Entity (A) that:

- Paid advanced instalments
- Changed status from Category A (SI) to Category B (LSI) mid-2016
- Acquired an entity (B) end 2017 (acquisition of the type: $A+B=A$)

1. Contribution Notice

Where can the key numbers be found in the Contribution Notice?

CONTRIBUTION NOTICE

THE SINGLE RESOLUTION BOARD,

Having regard to Regulation (EU) No 806/2014¹, and in particular Article 65(3) thereof,

Having regard to Commission Delegated Regulation (EU) No 2017/2361², and in particular Article 8(1) thereof,

HAS DECIDED TO:

- I. determine your individual annual contributions as follows:
 - a. for the financial year 2015³: €40.859,10,
 - b. for the financial year 2016: €12.729,87,
 - c. for the financial year 2017: €1.779,53,
 - d. for the financial year 2018: €1.485,75;
- II. postpone the outstanding settlement relating to the individual annual contributions due for years 2015, 2016 and 2017 in the amount of €8.604,08 to the subsequent financial year(s);
- III. request the payment of €2.971,51 within 35 calendar days from the day of issuance of this Contribution Notice in accordance with the terms of payment defined in the Debit Note under Annex A.

14) Under the provisional system the payment of contributions was deferred with the exception of a limited number of significant institutions. When requesting the payment of the amounts due for the Provisional Period, the SRB took into account instalments paid in the amount of € 45.278,68.

On the **first two pages** of the Contribution Notice:

- a. The administrative contributions calculated for the respective years;
- b. The outstanding settlement that will be settled in the subsequent financial year(s);
- c. The amount that needs to be paid by the entity in 2018.

On the **fourth page** of the Contribution Notice:

- d. The total instalments paid by the entity during the provisional period (2015, 2016 and 2017). This amount will be zero for all institutions for which the contributions were deferred under the provisional system.

2. Annex A: Debit note

Key information in the debit note

Expiry Date	Exclusively by banker's order to the account	Reference to be quoted	Currency	Amount
05/04/2018 a.	Nr 310-1960371-87 of the Single Resolution Board Ing Belgium nv/sa 24 Avenue Marnix B-1000 Brussels-BELGIQUE IBAN Code : BE67 3101 9603 7187 SWIFT BIC Code : BBRUBEBB100	444000002 b.	EUR	2.971,51 c.

The debit note contains the following key information:

- a. The payment's due date (issuance date of the Contribution Notice + 35 calendar days);
- b. The reference that needs to be quoted by the entity when making the payment;
- c. The amount that needs to be paid by the entity in 2018.

3. Annex B: Calculation details

The amounts presented in this document have been rounded to two decimals

Overview of calculation

Annex B: Overview of calculation SRB Administrative Contributions						
Name of the institution [LEI code]*	Administrative Contributions for the year			Total instalments paid in the provisional period	Amount to be resettled	Administrative Contributions for the year 2018
	2015	2016	2017			
a. Institution A [LEI]	€40.757,95	€12.438,46	€1.334,36	€45.278,68	€9.252,09	€1.485,75
Institution B [LEI]	€101,15	€291,41	€445,17	€0,00	€837,74	€0,00
Total:	€40.859,10	€12.729,87	€1.779,53	€45.278,68	€10.089,83	€1.485,75
Does Article 10(7) DR apply?						b. Yes
Final amount to be paid in 2018						d. €2.971,51
Outstanding settlement postponed to subsequent financial year(s)						b. €8.604,08

The first part of Annex B, the overview of the calculation includes the following information:

- The names and LEI codes of all entities that were considered;
- Amounts mentioned in the Contribution Notice:
 - The administrative contributions for the years 2015, 2016, 2017 and 2018;
 - The total instalments paid (if applicable);
 - The final amount to be paid in 2018;
 - The outstanding settlement postponed to the subsequent financial year(s) which is the difference between the total amount that needs to be resettled and the amount that is resettled in 2018. [$€10.089,83 - (€2.971,51 - €1.485,77) = €8.604,08$]
- The total amount that needs to be resettled, which is the difference between the sum of the contributions recalculated for the years 2015, 2016 and 2017 and what the entity paid as instalments during this period. A positive balance means the entity underpaid their contributions, a negative balance means that the entity overpaid their contributions during the provisional period (2015, 2016 and 2017). [$€40.859,10 + €12.729,87 + €1.779,53 - €45.278,68 = €10.089,83$]
- Article 10(7) of Commission Delegated Regulation (EU) No 2017/2361 states that settlements that are higher than the contributions calculated for 2018 should be postponed to the subsequent years. In this example, this « cap » applies as the total amount that needs to be resettled (€10.089,83) exceeds the contribution for 2018 (€1.485,75). Hence, the amount to be paid in 2018 equals two times the contribution calculated for the year 2018. [$2 \times €1.485,75 = €2.971,51$]

Note: Each institution invoiced receives one overview that includes information about itself as well as all the institutions it merged with or acquired, if any.

Note: In accordance with the obligation to balance the budget and the general principles of sound financial management, the amounts to be raised and discounted during each financial year by the SRB for the Provisional Period Settlement are limited by the constraints of Article 10(7). This results in the SRB being able to reimburse in 2018 a maximum of ca. 80,53% of the total amount that needs to be resettled to the entities that overpaid their contributions during the provisional period ((c.) is negative).



3. Annex B: Calculation details (Part 1)

Calculation details

Annex B - Calculation details
SRB Administrative Contributions

01/03/2018 a.

Identification of institution

Name of the Contribution Debtor
LEI code

Institution A
LEI

b.

Eligibility period

01/11/2014
31/12/2018

c.

Annual Administrative Contributions

Contribution for the year 2015	€	40.757,95	d.
Contribution for the year 2016	€	12.438,46	
Contribution for the year 2017	€	1.334,36	
Contribution for the year 2018	€	1.485,75	
- Instalment paid in the year 2015		€	e.
- Instalment paid in the year 2016	€	23.527,00	
- Instalment paid in the year 2017	€	-	
Total amount of instalments paid	€	45.278,68	

In the **first part** of the calculation details:

- a. The date of issuance of the document, note that this date is the same for all the documents of the invoicing package.
- b. The name of the institution and its LEI code
- c. The eligibility period - the period under which the institution is subject to administrative contributions

In the **second part** of the calculation details:

- d. The contributions calculated for the years 2015, 2016, 2017 and 2018 for the specific entity (Institution A in this case).
- e. The instalments paid in the years 2015, 2016 and 2017 (the provisional period) as well as the sum of this instalments.

Note: The calculation details sheet is provided on an individual basis (as opposed to the calculation overview), meaning that if an institution acquired another institutions it will have two individual calculation details sheets. For the purpose of this example, institution A will receive a calculation details sheet for itself (as shown in this slide) as well as a calculation sheet for institution B.

3. Annex B: Calculation details (Part 2)

Calculation details

Calculation of the Administrative Contributions for the year 2016

Total Amount of the Administrative Contributions

€ 56.673.870,87	
Category A	Category B
95%	5%
€ 53.840.177,33	€ 2.833.693,54

a.

Total Assets (as of 31 December 2015)

Weight

50%

Total Risk Exposure (as of 31 December 2015)

50%

€ 600.000.000,00
€ 900.000.000,00

b.

In the **other sections** of the document, the calculation details for each respective years (example for 2016):

- a. The total amount of the administrative contributions (TAR) that is collected by the SRB in the respective year. This amount is divided into two categories:
 - Category A (SIs and other cross-border groups) covers 95% of the total [$0,95 * €56.673.870,87 = €53.840.177,33$]
 - Category B (LSIs) covers the remaining 5% [$0,05 * €56.673.870,87 = €2.833.693,54$]
- b. The entity's fee factors which consist of:
 - Total Assets (TA) [$€600.000.000,00$]
 - Total Risk Exposure (TRE) [$€900.000.000,00$]

3. Annex B: Calculation details (Part 3)

Calculation details

Calculation of the Administrative Contributions for the year 2016

Number of full months
 Minimum fee component
 Variable fee component
 Total amount
Administrative Contributions for the year 2016
Instalment paid

	Category A	Category B
Number of full months	6	6
Minimum fee component	€ 9.995,21	€ 50,85
Variable fee component	€ 2.014,45	€ 377,95
Total amount	€ 12.009,66	€ 428,80
Administrative Contributions for the year 2016	€ 12.438,46	
<i>Instalment paid</i>		€ 23.527,00

c.
d.

Cat A

$$MFC_n = \frac{TAR \cdot 0,95 \cdot 0,10}{N_{Cat A}}$$

Note: in case institution's TA ≤ €10 bn, the MFC is halved

Cat B

$$MFC_n = \frac{TAR \cdot 0,05 \cdot 0,10}{N_{Cat B}}$$

Average annual number of contribution debtors	
	Year 2016
Category A (N Cat A) [TA < €10bn]	133 [29]
Category B (N Cat B)	2830

c. The number of months in which the entity was considered as Category A and B respectively;

d. The minimum fee component (MFC):

January - June [Cat A]: $((€56.673.870,87 \cdot 0,95 \cdot 0,10)/133) \cdot (6/12) = €20.240,67$

Given the entity's TA < €10bn => $€20.240,67 / 2 = €10.120,33$

=> While this is an estimation of the administrative contributions (using average annual numbers) the recalculated amounts slightly differ from the actual calculated MFC (€9.995,21).

July - December [Cat B]: $((€56.673.870,87 \cdot 0,05 \cdot 0,10)/2830) \cdot (6/12) = €50,07$

=> While this is an estimation of the administrative contributions (using average annual numbers) the recalculated amounts slightly differ from the actual calculated MFC (€50,85).

3. Annex B: Calculation details (Part 4)

Calculation details

Calculation of the Administrative Contributions for the year 2016

Number of full months	6
Minimum fee component	€ 9.995,21
Variable fee component	€ 2.014,45
Total amount	€ 12.009,66
Administrative Contributions for the year 2016	€ 12.438,46
<i>Instalment paid</i>	€ 23.527,00

	Category A	Category B
Number of full months	6	6
Minimum fee component	€ 9.995,21	€ 50,85
Variable fee component	€ 2.014,45	€ 377,95
Total amount	€ 12.009,66	€ 428,80
Administrative Contributions for the year 2016	€ 12.438,46	
<i>Instalment paid</i>	€ 23.527,00	

e.
f.

$$VFC_n = (TAR \cdot 0,95 - \sum_{i=1}^N MFC_i) \cdot (0,5 \cdot \frac{TA_n}{\sum_{i=1}^N TA_i} + 0,5 \cdot \frac{TRE_n}{\sum_{i=1}^N TRE_i})$$

Annual contribution = minimum fee component (MFC) + variable fee component (VFC)

Average annual number of contribution debtors	
	Year 2016
Category A (N Cat A) [TA < €10bn]	133 [29]
Category B (N Cat B)	2830

Annual average aggregated fee factor values (EUR):	
	Year 2016
Category A	
TA	€19.834.990.156.639,70*
TRE	€6.696.746.763.059,48*
Category B	
TA	€3.964.796.422.536,84*
TRE	€2.046.724.867.041,46*

e. The variable fee component (VFC):

January - June [Cat A]: $(€56.673.870,87 \cdot 0,95 - (29 \cdot €20.240,67^\wedge + (133-29) \cdot €40.481,34^\wedge)) \cdot (0,5 \cdot (\frac{€600.000.000,00}{€19.834.990.156.639,70}) + 0,5 \cdot (\frac{€900.000.000,00}{€6.696.746.763.059,48})) \cdot (6/12) = €2.018,65$

=> While this is an estimation of the administrative contributions (using average annual numbers) the recalculated amounts slightly differ from the actual calculated VFC (€2.014,45).

July - December [Cat B]: $((€56.673.870,87 \cdot 0,05 - (2830 \cdot €100,14^\wedge)) \cdot (0,5 \cdot (\frac{€600.000.000,00}{€3.964.796.422.536,84}) + 0,5 \cdot (\frac{€900.000.000,00}{€2.046.724.867.041,46})) \cdot (6/12) = €376,84$

=> While this is an estimation of the administrative contributions (using average annual numbers) the recalculated amounts slightly differ from the actual calculated VFC (€377,95).

^ Those amounts correspond to the MFCs for the respective categories as calculated on the previous slide.

f. The administrative contribution for the respective year:

Contribution Cat A (MFC Cat A + VFC Cat A) + Contribution Cat B (MFC Cat B + VFC Cat B) = (€10.120,33 + €2.018,65) + (€50,07 + €376,84) = €12.565,89

=> While this is an estimation of the administrative contributions, the recalculated amounts slightly differ from the actual calculated ((€9.995,21 + €2.014,45) + (€50,85 + €377,95) = €12.438,46).

Note: The calculation of administrative contributions is performed on a monthly basis, the number of institutions in the different categories vary per month. While the amounts published on the SRB website are annual averages, entities are only able to estimate their annual contributions but not fully recalculate them.

Note: The annual average number of institutions and sum of the fee factors for the years 2015, 2016, 2017 and 2018 can be found on the SRB website.
* For the purpose of this example, the TA and TRE of some entities were modified. Hence, the sum of the fee factors do not correspond to the ones used for the actual calculation as presented on the SRB website.