

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:

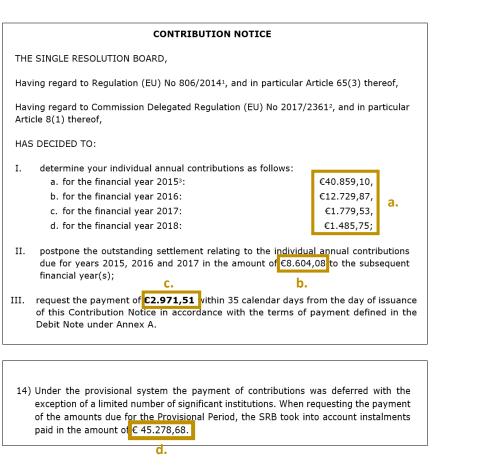
Entity (A) that:

- 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?



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
	Nr 310-1960371-87 of the Single Resolution Board			
05/04/2018	Ing Belgium nv/sa 24 Avenue Marnix B-1000 Brussels-BELGIQUE	444000002	EUR	2.971,51
а.	IBAN Code : BE67 3101 9603 7187 SWIFT BIC Code : BBRUBEBB100	b.		с.

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 <u>needs</u> 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

Overview of calculation Annex B: Overview of calculation SRB Administrative Contributions Administrative Contributions Administrative Contributions for the year Total instalments for the year Amount to be Name of the institution [LEI code]* paid in the resettled 2018 2015 2016 2017 provisional period Institution A [LEI] €40.757,95 €12.438,46 €1.334,36 €45.278,68 €9.252,09 €1.485.75 a. 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 b. Does Article 10(7) DR apply? d. Final amount to be paid in 2018 €2.971.51 b. Outstanding settlement postponed to subsequent financial year(s

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

- a. The names and LEI codes of all entities that were considered;
- b. 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]
- c. 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). [\notin 40.859,10 + \notin 1.779,53 \notin 45.278,68 = \notin 10.089,83]
- d. 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 (\leq 10.089,83) exceeds the contribution for 2018 (\leq 1.485,75). Hence, the amount to be paid in 2018 equals two times the contribution calculated for the year 2018. [2 x \leq 1.485,75= \leq 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).

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3. Annex B: Calculation details (Part 1)

Calculation details

Single Resolution Board	Annex B - Calculation details SRB Administrative Contributions			
			01/03/2018	а.
Identification of institution				
Name of the Contirbution Debto LEI code	r	Institution A LEI		b.
Eligibility period		01/11/2014	31/12/2018	с.

Annual Administrative Contributions			
Contribution for the year 2015	€	40.757,95	
Contribution for the year 2016	€	12.438,46	
Contribution for the year 2017	€	1.334,36	a.
Contribution for the year 2018	€	1.485,75	
- Instalment paid in the year 2015	€	21.751,68	
- Instalment paid in the year 2016	€	23.527,00	
- Instalment paid in the year 2017	€	-	е.
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:

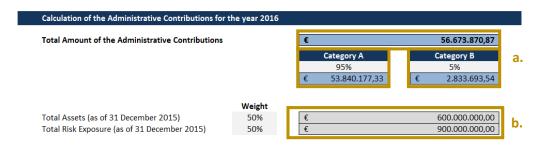
- d. The contributions calculated for the years 2015, 2016, 2017 and 2018 for the specific entity (Institution A in this case).
- e. The instalments paid in the years 2015, 2016 and 2017 (the provisional period) as well as the sum of this instalments.



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



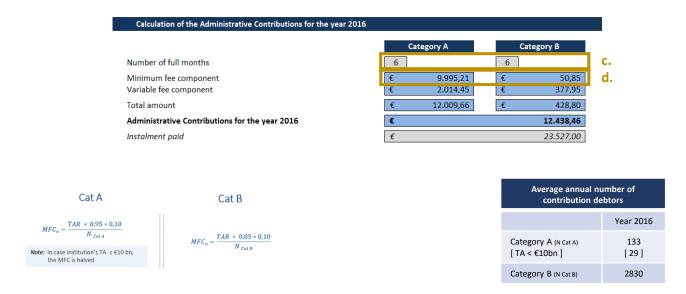
In the other sections of the document, the calculation details for each respective years (example for 2016):

- 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



- 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 * 0,95 * 0,10)/133) * (6/12) = €20.240,67

Given the entity's <u>TA < €10bn</u> => €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 ($\notin 9.995, 21$).

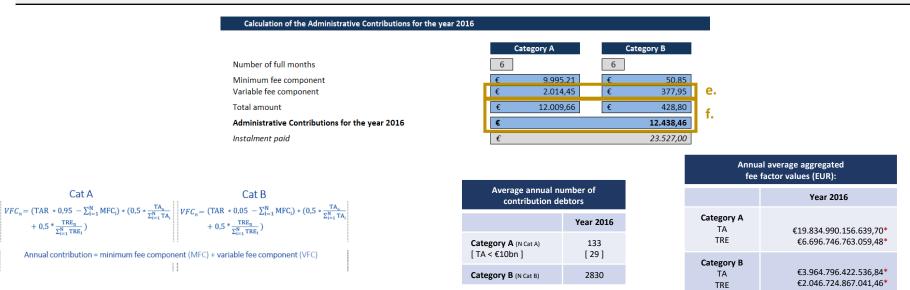
<u>July - December</u> [Cat B]: ((€56.673.870,87 * 0,05 * 0,10)/2830) * (6/12) = €50,07

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



3. Annex B: Calculation details (Part 4)

Calculation details



e. The variable fee component (VFC):

<u>January - June</u> [Cat A]: (€56.673.870,87 * 0,95 – (29 * €20.240,67^ + (133-29) * €40.481,34^)) * (0,5*(€600.000.000,00/€19.834.990.156.639,70) + 0,5*(€900.000.000,00/€6.696.746.763.059,48)) * (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 * 0,05 - (2830 * €100,14^)) * (0,5*(€600.000.000,00/€3.964.796.422.536,84) + 0,5*(€900.000.000,00/€2.046.724.867.041,46)) * (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) = $(\pounds 10.120,33 + \pounds 2.018,65) + (\pounds 50,07 + \pounds 376,84) = \pounds 12.565,89$ => While this is an estimation of the administrative contributions, the recalculated amounts slightly differ from the actual calculated (($\pounds 9.995,21 + \pounds 2.014,45$) + ($\pounds 50,85 + \pounds 377,95$) = $\pounds 12.438,46$).

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.

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