

Chapter 16

Reporting requirements

Guidance notes for data items in SUP 16 Annex 34AR

(1) Financial year for which the remuneration is awarded

A *firm's* financial year should be designated by reference to the calendar year in which it ends. For example, if a *firm's accounting reference date* is 31 March 2013, the financial year that begins on 1 April 2013 and ends on 31 March 2014 will be the *firm's* 2014 financial year.

(2) Consolidation

When reporting on a consolidated basis as a UK lead regulated group, *firms* should where possible treat the consolidation group as a single entity (i.e. line-by-line) rather than on an aggregation basis.

(3) Currency

See ■ SUP 16.17.4R (9) which provides that *firms* must report in euros. To convert into euros, *firms* must use the rates published by the European Commission for financial programming and budget for December of the reported year. The table is published on the European Commission's website: http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm

The table contains monthly exchange rates. A list sorted by country name can be generated using the 'access by list of countries' function. *Institutions* should use the exchange rate applicable for the month in which the financial year ended.

Figures should be reported in full amounts.

(4) Information to be collected

(a) *High earners* should be classified under the *EEA State*, function or business area and responsibility where they carry out the predominant part of their business activities. The full amount of *remuneration* awarded to the relevant *high earner* within the group or *firm* should be reported under this *EEA State*, function or business area and responsibility.

(b) If the predominant areas for one *high earner* have the same weight, the *firm* should allocate the *high earner* and his *remuneration* taking into account the allocation of other *high earners*, so that the report best reflects the distribution of *high earners* within the *firm*.

(c) For each *high earner*, figures should only be reported once and the full amounts should be assigned to one *EEA State*, one function or business area and responsibility only.

(d) *High earners* who carry out professional activities both within and outside the *EEA* should be classified under an *EEA State* only if they carry out the predominant part of their professional activities within the *EEA*. Otherwise, figures should not be reported.

(5) Data elements

These are referred to by row first and then by column, so data element 2B will be in row 2 and column B.

(6) Separate templates

Firms should submit a separate template for each *EEA Member State* where the group is operating.

(7) Definitions

For the purpose of completing the form in ■ SUP 16 Annex 34A, the following terms are defined:

Term	Definition
MB Supervisory Function	Members of the <i>management body in its supervisory function</i> ; this includes non-executive directors of any board in the scope of consolidation.
MB Management Function	Members of the <i>management body</i> in its management function who have executive functions within the management body; this includes all executive directors of any board in the scope of consolidation.
Investment Banking	Include corporate finance advice services, private equity, capital markets, trading and sales.
Retail Banking	Include total lending activity (to individuals and enterprises).
Asset Management	Include portfolio management, managing of <i>UCITS</i> and other forms of asset management.
Corporate Functions	All functions that have responsibilities for the whole <i>institution</i> at the consolidated level and for subsidiaries with such functions at the solo level, e.g. Human Resources, IT.
Independent Control Functions	Staff active in the independent risk management, compliance and internal audit functions as described in the EBA's guidelines on internal governance. Such reporting requirements should apply to these functions at the consolidated level and for subsidiaries with such functions at the solo level.
All Other	This column should include staff that cannot be allocated to one of the designated business areas.
Senior management	As defined in the <i>Glossary</i> , that is those <i>persons</i> who are a natural person and who exercise executive functions in an <i>institution</i> and who are responsible and accountable to the management body for the day-to-day management of the <i>institution</i> .
Control Functions	Control functions comprise control functions within the business units and the independent compliance, risk control and internal audit function.
High Earners	As defined in the <i>Glossary</i> , that is an <i>employee</i> whose total annual <i>remuneration</i> is EUR 1 million or more per year or its equivalent in another currency determined by reference to the conversion rate applicable to the corresponding High Earners Report under SUP 16.
Identified Staff	Staff whose professional activities have a material impact on the <i>firm's</i> risk profile in accordance with Regulation (EU) 604/2014 (Regulatory technical standards to identify staff who are material risk takers). For data relating to the performance year 2013, identified staff are those whose professional activities have a material impact on the <i>firm's</i> risk profile in accordance with SYSC 19A.3.4 R.
Fixed remuneration	Fixed <i>remuneration</i> includes payments, proportionate regular (non-discretionary) pension contributions or benefits (where they are without consideration of any performance criteria).
Variable remuneration	Variable <i>remuneration</i> includes additional payments or benefits depending on performance or, in exceptional circumstances, other contractual elements but not those which form part of routine employment packages (such as healthcare, childcare facilities or proportionate regular pension contributions). Both monetary

Term	Definition
	and non-monetary benefits should be included. Amounts should be reported gross, without any reduction due to the application of the discount rate for variable remuneration for the categories of total variable remuneration, variable in cash, variable in shares and share-linked instruments, and variable in other types of instruments.
Variable remuneration in other types of instruments	Instruments in accordance with Commission Delegated Regulation (EU) No 527/2014 (Regulatory technical standards specifying the classes of instruments that adequately reflect the credit quality of a firm as a going concern and are appropriate to be used for the purposes of variable remuneration).
Deferred variable remuneration in other types of instrument	
Deferred remuneration	Should be determined with reference to SYSC 19A.3.49 R. Amounts should be reported gross, without any reduction due to the application of the discount rate for deferred variable remuneration for the categories of total deferred variable remuneration, deferred variable in cash, deferred variable in shares and share-linked instruments, and deferred variable in other types of instruments.
Discretionary pension benefits	As defined in the Glossary with reference to article 4(1)(73) of the EU CRR, which means enhanced pension benefits granted on a discretionary basis by a firm to an employee as part of that employee's variable remuneration package, which do not include accrued benefits granted to an employee under the terms of the company pension scheme.

(8) Specific guidance on data fields

Field	Guidance
5A Payment bracket	Figures should be provided within value brackets of EUR 1 million (e.g. EUR 1 million to less than EUR 2 million, EUR 2 million to less than EUR 3 million etc.).
Business Areas	
6B-8H Individuals	The numbers of staff in the categories should be the total number of persons and be based on year-end numbers.
11A-14H Total fixed remuneration	If applicable, deferred fixed remuneration should be included in these fields. Variable remuneration should not be included in these fields.
15A – 18A Total variable remuneration	Include all variable remuneration including both variable remuneration awards that have been made upfront and variable remuneration awards that are deferred. Fixed remuneration should not be included in these fields.
19A-22H Deferred variable remuneration	Include deferred variable remuneration only, i.e. this data item should be a subset of the figures provided in row 15 'Total variable remuneration'.
Additional information regarding the amount of total variable remuneration	
24A-H Severance payments	The total monetary value of severance payments in the financial year.
26A-H Variable remuneration for multi-year periods which are not revolved annually	Remuneration awarded based on multi-year accrual periods that do not revolve on an annual basis, i.e. where institutions do not start a new multi-year period every year, should be fully allocated to the performance year in which the remuneration was awarded, without consideration of the point in time when the variable remuneration is effectively paid. These amounts should be reported separately to allow a further analysis of fluctuations of the

Field	Guidance
	variable <i>remuneration</i> and should not be deducted from the amount of variable <i>remuneration</i> reported.
Supplementary Information	
27A Staff categorised as 'all other'	For staff included in column H 'all other', <i>institutions</i> must provide explanatory text including the business area in which those staff sit.