

**SUPERVISION MANUAL (REMUNERATION REPORTING NO 2)
INSTRUMENT 2014**

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 137T (General supplementary powers); and
 - (c) section 139A (Power of the FCA to give guidance); and
 - (2) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 7 November 2014.

Amendments to the FCA Handbook

- D. The Senior Management Arrangements, Systems and Controls sourcebook (SYSC) is amended in accordance with Annex A to this instrument.
- E. The Supervision manual (SUP) is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Supervision Manual (Remuneration Reporting No 2) Instrument 2014.

By order of the Board of the Financial Conduct Authority
6 November 2014

Annex A

**Amendments to the Senior Management Arrangements, Systems and Controls
sourcebook (SYSC)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

19A.1 General application and purpose

...

Purpose

- 19A.1.6 G (1) ...
- (2) The *Remuneration Code* implements the main provisions of the *CRD* which relate to *remuneration*. The Committee of European Banking Supervisors published Guidelines on Remuneration Policies and Practices on 10 December 2010. Provisions of the Capital Requirements ~~(Amendment) Regulations 2012~~ 2013 (SI ~~2012/917~~ 2013/3115) together with the European Banking Authority's Guidelines to article ~~22(3) and (5) of the *Banking Consolidation Directive*~~ 75(1) and (3) of the *CRD* relating to the collection of *remuneration* benchmarking information and *high earners* information have been implemented through *SUP* 16 Annex 33AR and *SUP* 16 Annex 34AR. The Guidelines can be found at <http://www.eba.europa.eu/cebs/media/Publications/Standards%20and%20Guidelines/2012/EBA-GL-2012-04-GL-4-on-remuneration-benchmarking-exercise.pdf> and <http://www.eba.europa.eu/cebs/media/Publications/Standards%20and%20Guidelines/2012/EBA-GL-2012-05-GL-5-on-remuneration-data-collection-exercise.pdf> <http://www.eba.europa.eu/regulation-and-policy/remuneration/guidelines-on-the-remuneration-benchmarking-exercise> and <http://www.eba.europa.eu/regulation-and-policy/remuneration/guidelines-on-the-data-collection-exercise-regarding-high-earners>.
- (3) ...

Annex B

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

16.17 Remuneration reporting

Purpose

- 16.17.1 G The purpose of this section is to ensure that the ~~appropriate regulator~~ FCA receives regular and comprehensive information about *remuneration* in a standard format to assist it to benchmark *remuneration* trends and practices and to collect *remuneration* information on *high earners*. It also takes account of the Capital Requirements (~~Amendment~~) Regulations ~~2012~~ 2013 (SI ~~2012/917~~ 2013/3115) together with the European Banking Authority's Guidelines to article ~~22(3) and (5) of the Banking Consolidation Directive~~ 75(1) and (3) of the CRD.

Interpretation

- 16.17.2 R In this section "UK lead regulated group" means ~~a UK~~ an FCA consolidation group that is headed ~~either~~ by an EEA parent institution, or by an EEA parent financial holding company or an EEA parent mixed financial holding company.

Remuneration Benchmarking Reporting Requirements

- 16.17.3 R (1) A firm to which this rule applies must submit a Remuneration Benchmarking Information Report to the FCA annually.
- (2) The firm must complete the Remuneration Benchmarking Information Report in the format set out in SUP 16 Annex 33AR.
- (3) The firm must submit the Remuneration Benchmarking Information Report to the FCA within four months of the firm's accounting reference date.
- (4) A firm that:
- (a) is not part of a UK lead regulated group must complete that report on an unconsolidated basis in respect of remuneration awarded to employees of the firm in the last completed financial year;
- (b) is part of a UK lead regulated group must not complete that report on either a solo consolidation basis or an unconsolidated basis. It must complete that report on a consolidated basis in respect of remuneration awarded to all

employees in the UK lead regulated group in the last completed financial year.

(5) The firm must complete the Remuneration Benchmarking Information Report using accounting year-end amounts in euros determined, if necessary, by reference to the exchange rate used by the European Commission for financial programming and the budget for December of the reported year.

(6) This rule applies to:

(a) an IFPRU investment firm; and

(b) an overseas firm that:

(i) is not an EEA firm;

(ii) has its head office outside the EEA; and

(iii) would be an IFPRU investment firm, if it had been a UK domestic firm, had carried on all of its business in the United Kingdom and had obtained whatever authorisations for doing so as are required under the Act;

that:

(c) is not, and does not have, an EEA parent institution, an EEA parent financial holding company or an EEA parent mixed financial holding company, and that had total assets equal to or greater than £50 billion on an unconsolidated basis on the accounting reference date immediately prior to the firm's last complete financial year.

(7) This rule also applies to:

(a) an IFPRU investment firm; and

(b) an overseas firm that:

(i) is not an EEA firm;

(ii) has its head office outside the EEA; and

(iii) would be an IFPRU investment firm, if it had been a UK domestic firm, had carried on all of its business in the United Kingdom and had obtained whatever authorisations for doing so as are required under the Act;

that:

- (c) is part of a UK lead regulated group, and that had total assets equal to or greater than £50 billion on an unconsolidated basis on the accounting reference date immediately prior to the *firm's* last complete financial year.
- (8) In this rule “total assets” means:
- (a) in relation to an *IFPRU investment firm*, its total assets as set out in its balance sheet on the relevant *accounting reference date*; and
- (b) in relation to an *overseas firm* in (7)(b) and (8)(b), the total assets of the *overseas firm* as set out in its balance sheet on the relevant *accounting reference date* that cover the activities of the branch operation in the *United Kingdom*.

High Earners Reporting Requirements

- 16.17.4 R (1) A *firm* to which this *rule* applies must submit a High Earners Report to the ~~*appropriate regulator*~~ FCA annually.
- (2) The *firm* must submit that report to the ~~*appropriate regulator*~~ FCA within four months of the end of the *firm's accounting reference date*.
- ...
- (4) A *firm* that is part of a UK lead regulated group must not complete that report on either a solo consolidation basis or an unconsolidated basis. The *firm* must complete that report on a consolidated basis in respect of *remuneration* awarded in the last completed financial year to all *high earners* who mainly undertook their professional activities within the *EEA* at:
- (a) the *EEA parent institution*, ~~or~~ *EEA parent financial holding company* or *EEA parent mixed financial holding company* of the UK lead regulated group; and
- ...
- (5) (a) The *firm* must complete a separate template, in the format set out in SUP 16 Annex 34AR, for each *EEA State* in which there is a *high earner*, and for each payment bracket of EUR 1 million. Those templates together form the ~~report~~ High Earners Report.
- (b) The number of *high earners* must be reported as the number of natural persons, independent of the number of working hours on which their contract is based.
- (6) ~~*High earners* who carried out their professional activities in an *EEA*~~

~~State₂ should be classified under that EEA State. [deleted]~~

- (7) ~~High earners who carried out their professional activities in more than one EEA State should be classified under the EEA State where they mainly undertook their professional activities. [deleted]~~

...

- (9) The information in the report High Earners Report must be denominated in euros determined, if necessary, by reference to the conversion rate table specified from time to time by the European Banking Authority as applicable to that year's High Earners Report exchange rate used by the European Commission for financial programming and the budget for December of the reported year.

- (10) This rule applies to ~~a bank, building society and an IFPRU investment firm~~ that: is not, and does not have, an EEA parent institution, an EEA parent financial holding company or an EEA parent mixed financial holding company.

(a) ~~is not a IFPRU limited licence firm or a IFPRU4 limited activity firm; and~~

(b) ~~is not, and does not have, an EEA parent institution or an EEA parent financial holding company.~~

- (11) This rule also applies to ~~a bank, building society and an IFPRU investment firm~~ that: is part of a UK lead regulated group.

(a) ~~is not a IFPRU limited licence firm or a IFPRU limited activity firm; and~~

(b) ~~is part of a UK lead regulated group.~~

- (12) This rule also applies to ~~a IFPRU limited licence firm or a IFPRU limited activity firm~~ a BIPRU firm, an exempt CAD firm, a local, or any other firm that is not a bank, a building society or an IFPRU investment firm:

...

(b) where that UK lead regulated group contains either:

(i) ~~a bank, building society or an IFPRU investment firm that is not an IFPRU limited licence firm or an IFPRU limited activity firm; or~~

(ii) ~~an overseas firm that;~~

...

would be a ~~bank, building society or an IFPRU~~

investment firm that is not a IFPRU limited licence firm or IFPRU limited activity firm, if it had been a *UK domestic firm*, had carried on all of its business in the *UK* and had obtained whatever authorisations for doing so as are required under the *Act*.

(13) This *rule* also applies to an *overseas firm* that:

...

(c) would be a ~~*bank, building society or an IFPRU investment firm that is not a IFPRU limited licence firm or IFPRU limited activity firm*~~, if it had been a *UK domestic firm*, had carried on all of its business in the *UK* and had obtained whatever authorisations for doing so as are required under the *Act*;²

and either:

(d) is not, and does not have, an *EEA parent institution*,² ~~or an *EEA parent financial holding company* or an *EEA parent mixed financial holding company*~~; or

...

The annexes listed below are new and the new text is not underlined.

- SUP 16 Annex 33AR: Remuneration Benchmarking Information Report
- SUP 16 Annex 33BG: Guidance notes for data items in SUP 16 Annex 33AR

SUP 16 Annex 33AR Benchmarking Report

	A	B
1.a	Name of institution/group	
1.b	Reference number of institution/group	
1.c	Financial year for which remuneration is awarded (Year N)	
1.d	Is this report on behalf of a group?	
1.e	EEA state to which the data relates	
2	Do you wish to submit a Nil return for the country selected?	

Information on remuneration of identified staff

	A	B	C	D	E	F	G	H	I
	Total	MB Supervisory Function	MB Management Function	Investment Banking	Retail Banking	Asset Management	Corporate Functions	Independent Control Functions	All other
3	Number of staff (headcount)								
4	Total number of staff (FTE)								
5	Total net profit in year								
6	Total remuneration								
	<i>Of which:</i>								
7	Variable remuneration								

Business Areas

8	Members of management body (headcount)								
9	Number of identified staff (FTE)								
10	Number of identified staff in senior management positions								
11	Total fixed remuneration								
	<i>Of which:</i>								
12	Fixed in cash								
13	Fixed in shares and share-linked instruments								
14	Fixed in other types of instruments								
15	Total variable remuneration								
	<i>Of which:</i>								
16	Variable in cash								
17	Variable in shares and share-linked instruments								
18	Variable in other types of instruments								
19	Total amount of variable remuneration awarded in year which has been deferred								
	<i>Of which:</i>								
20	Deferred variable in cash for year								
21	Deferred variable in shares and share-linked instruments for year								
22	Deferred variable in other types of instruments in year								

Additional information regarding the amount of total variable remuneration

23	Article 450h (iii) CRR - total amount of outstanding deferred variable remuneration awarded in previous periods and not in year								
24	Total amount of explicit ex post performance adjustments applied in year for previously awarded remuneration								
25	Number of beneficiaries of guaranteed variable remuneration (new sign-on payments)								
26	Total amount of guaranteed variable remuneration (new sign-on payments)								
27	Number of beneficiaries of severance payments								
28	Total amount of severance payments paid in year								
29	Highest severance payment to a single person in year								
30	Number of beneficiaries of contributions to discretionary pension benefits in year								
31	Total amount of contributions to discretionary pension benefits in year								
32	Total amount of variable remuneration awarded for multi-year periods under programmes which are not revolved annually								

Supplementary information

33	Please indicate the function of all staff who cannot be included in a business area above and are therefore categorised as 'all other'								
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Information on identified staff remunerated EUR 1 million or more in year

	A
<i>Total remuneration - payment band:</i>	
34	EUR 1 million to below EUR 1.5 million
35	EUR 1.5 million to below EUR 2 million
36	EUR 2 million to below EUR 2.5 million
37	EUR 2.5 million to below EUR 3 million
38	EUR 3 million to below EUR 3.5 million
39	EUR 3.5 million to below EUR 4 million
40	EUR 4 million to below EUR 4.5 million
41	EUR 4.5 million to below EUR 5 million
42	EUR 5 million to below EUR 6 million
43	EUR 6 million to below EUR 7 million
44	EUR 7 million to below EUR 8 million
45	EUR 8 million to below EUR 9 million
46	EUR 9 million to below EUR 10 million
47	Add further payment bands as appropriate

16 Annex 33BG

Guidance notes for data items in SUP 16 Annex 33AR

(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) Reference year of data collected and currency conversion

- (a) See SUP 16.17.3R(5) 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/infoeuro/infoeuro_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.

- (b) Data should comprise both fixed and variable *remuneration* awarded for performance during the performance year preceding the year of submission of the information.
- (c) *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 variable *remuneration* and should not be deducted from the amount of variable *remuneration* reported.
- (d) The information to be provided on ex-post adjustments (which adjusts *remuneration* for crystallisation of specific risks events), including clawback and malus, refers to the application of these arrangements for *remuneration* already awarded. These amounts should be reported separately and should not be deducted from the amount of variable *remuneration* reported.

- (e) Only the amounts of variable *remuneration* awarded in the performance year should be reported as deferred. Deferred variable *remuneration* for previous periods that has not yet vested should be reported separately.
- (f) Where numbers should be reported in terms of the headcount, the number of natural persons should be entered, independent of the number of working hours on which their contract is based. Where numbers should be reported in terms of the full-time equivalent, the number should be based on the percentage of time that a staff member is employed compared to a full-time contract.
- (g) Staff should be classified under the function or business area where they carry out the predominant part of their business activities. The full amount of their *remuneration* awarded to that staff member within the group or *institution* should be reported under this function or business area.

(4) 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.

(5) Definitions

For the purpose of completing the form in *SUP 16 Annex 33AR*, 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

Term	Definition
	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.
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.3.4R.
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 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 <i>remuneration</i> for the categories of total variable <i>remuneration</i> , variable in cash, variable in shares and share-linked instruments, and variable in other types of instruments.

Term	Definition
Variable remuneration in other types of instruments which has been deferred	Cash and 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	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 remuneration	Should be determined with reference to SYSC 19A.3.49R. 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 <i>Glossary</i> with reference to article 4(1)(73) of the <i>EU CRR</i> , 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.

(6) **Specific guidance on data fields**

Field	Guidance	
Information on remuneration of identified staff		
3B-I	Number of staff	The number of staff should be reported as a headcount figure and be based on year end numbers.
4C-I	Total number of staff	The total number of staff should be expressed in full time equivalents (FTE) and be based on year end numbers.
6B-I	Total remuneration	The total remuneration figure (fixed and variable) awarded in the remuneration year expressed per function.
7B-I	Variable	The total variable remuneration awarded in the

Field		Guidance
	remuneration	<i>remuneration</i> year expressed per function.
Business Areas		
8B–C	Members of management body	The number of management body members should be reported as a headcount figure and be based on year end numbers.
9D–I	Number of identified staff	The total number of staff should be expressed in full time equivalents (FTE) and be based on year end numbers.
10D–I	Number of identified staff in senior management positions	The number of identified staff in senior management positions should be reported as a headcount figure and be based on year end numbers.
11B–18I	Fixed remuneration Variable remuneration	Deferred fixed and variable <i>remuneration</i> should not be included in these fields.
19B–22I	Deferred remuneration	Includes deferred variable <i>remuneration</i> .
Additional information regarding the amount of total variable remuneration		
23B–I	Total amount of outstanding deferred variable remuneration	This position includes the deferred variable <i>remuneration</i> which was awarded in previous periods and which has not yet vested. Amounts should be reported gross, without any reduction due to the application of the discount rate for deferred variable <i>remuneration</i> .
24B–I	Total amount of explicit ex post performance adjustments applied in year	Expressed as a monetary value. Explicit ex post performance adjustment in accordance with SYSC 19A.3.51R and SYSC 19A.3.51AR.
25B–I	Number of beneficiaries of guaranteed variable remuneration (new sign-on payments)	Expressed as number of individuals.
26B–I	Total amount of guaranteed variable remuneration (new	Expressed as a monetary value. Guaranteed variable <i>remuneration</i> in accordance with SYSC 19A.3.40R.

Field		Guidance
	sign-on payments)	
28B– I	Severance payments	The total monetary value of severance payments in the financial year.
30B– I	Number of beneficiaries	The total number of beneficiaries expressed as individuals.
31B– I	Total amount of contributions to discretionary pension benefits in year	The total amount of contributions should be provided in euros.
32B– I	Variable remuneration for multi-year periods which are not revolved annually	See Guidance note (3)(c).
Supplementary Information		
33A	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.
Information on identified staff remunerated EUR 1 million or more in year		
34A– XA	Total remuneration payment band	The number of identified staff within each pay bracket should be expressed in headcount figures. Further brackets should be added in ranges of EUR 1 million where needed.

The text of the annexes listed below is deleted and is replaced with the text shown on the following pages. The deleted text is not shown and the new text is not shown underlined.

- SUP 16 Annex 34AR: High Earners Report
- SUP 16 Annex 34BG: Guidance notes for data items in SUP 16 Annex 34AR

SUP 16 Annex 34AR High Earners Report

	A	B
1.a Name of institution/group:		
1.b Reference number of institution/group:		
1.c Financial year for which remuneration is awarded (Year N)		
1.d Is this report on behalf of a group?		
1.e EEA state to which the data relates		
2 Do you wish to submit a Nil return for the country selected?		
3 Payment bracket		

Business Areas

	A	B	C	D	E	F	G	H
	MB	MB					Independent	
	Supervisory	Management	Investment	Retail	Asset	Corporate	Control	
	Function	Function	Banking	Banking	Management	Functions	Functions	All other
4 Number of individuals in senior management								
5 Number of individuals in control functions								
6 Number of other staff								
7 Total number of High Earners								
<i>Of which:</i>								
8 Identified Staff								
9 Total fixed remuneration								
<i>Of which:</i>								
10 Fixed in cash								
11 Fixed in shares and share-linked instruments								
12 Fixed in other types of instruments								
13 Total variable remuneration								
<i>Of which:</i>								
14 Variable in cash								
15 Variable in shares and share-linked instruments								
16 Variable in other types of instruments								
17 Total amount of variable remuneration awarded in year which has been deferred								
<i>Of which:</i>								
18 Deferred variable in cash for year								
19 Deferred variable in shares and share-linked instruments for year								
20 Deferred variable in other types of instruments in year								

Additional information regarding the amount of total variable remuneration

21 Number of beneficiaries of severance payments								
22 Total amount of severance payments paid in year								
23 Total amount of contributions to discretionary pension benefits in year								
24 Total amount of variable remuneration awarded for multi-year periods under programmes which are not revolved annually								

Supplementary information

	A
25 Please indicate the function of all staff who cannot be included in a business area above and are therefore categorised as 'all other'	

(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/infoeuro/infoeuro_en.cfm

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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 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 34AR*, 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.

Term	Definition
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 <i>SUP 16</i> .
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 <i>SYSC 19A.3.4R</i> .
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 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 <i>remuneration</i> , variable in cash, variable in shares and share-linked instruments, and variable in other types of instruments.
Variable remuneration in other types of instruments Deferred variable remuneration in other	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).

Term	Definition
types of instrument	
Deferred remuneration	Should be determined with reference to SYSC 19A.3.49R. Amounts should be reported gross, without any reduction due to the application of the discount rate for deferred variable <i>remuneration</i> for the categories of total deferred variable <i>remuneration</i> , 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 <i>Glossary</i> with reference to article 4(1)(73) of the <i>EU CRR</i> , which means enhanced pension benefits granted on a discretionary basis by a <i>firm</i> to an <i>employee</i> as part of that <i>employee's</i> variable <i>remuneration</i> package, which do not include accrued benefits granted to an <i>employee</i> under the terms of the company pension scheme.

(8) **Specific guidance on data fields**

Field		Guidance
3B	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		
4A–6H	Individuals	The numbers of staff in the categories should be expressed in full time equivalents (FTEs) and be based on year-end numbers.
9A–16H	Fixed remuneration Variable remuneration	Deferred fixed and variable <i>remuneration</i> should not be included in these fields.
17A–20H	Deferred remuneration	Includes deferred variable <i>remuneration</i> .
Additional information regarding the amount of total variable remuneration		
22A–H	Severance payments	The total monetary value of severance payments in the financial year.
24A–H	Variable remuneration for multi-year periods	<i>Remuneration</i> awarded based on multi-year accrual periods that do not revolve on an annual basis, i.e. where <i>institutions</i> do not start a new multi-year

Field		Guidance
	which are not revolved annually	period every year, should be fully allocated to the performance year in which the <i>remuneration</i> was awarded, without consideration of the point in time when the variable <i>remuneration</i> is effectively paid. These amounts should be reported separately to allow a further analysis of fluctuations of the variable <i>remuneration</i> and should not be deducted from the amount of variable <i>remuneration</i> reported.
Supplementary Information		
25A	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.