

Chapter 16

Reporting requirements

Guidance notes for data items in SUP 16 Annex 33AR

FCA

(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/inforeuro/index_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 33A, 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.
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).

Term	Definition
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.
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.3.49 R. 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.

(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 <i>remuneration</i> figure (fixed and variable) awarded in the <i>remuneration</i> year expressed per function.
7B-I	Variable remuneration The total variable <i>remuneration</i> awarded in the <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.

Field		Guidance
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	Deferred fixed and variable <i>remuneration</i> should not be included in these fields.
	Variable remuneration	
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.3.51 R and SYSC 19A.3.51A R.
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 sign-on payments)	Expressed as a monetary value. Guaranteed variable <i>remuneration</i> in accordance with SYSC 19A.3.40 R.
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).
Information on identified staff remunerated EUR 1 million or more in year		
33A-XC	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.