

RESULTS OF CONSULTATION

The draft text of the Good practices Guidance on prudential reporting for investment firms and investment fund managers (referred to below as the guidance document) was publicly consulted on DNB's website between 25 October and 13 December 2023. We received responses from the Dutch Fund And Asset Management Association (DUFAS), the Association of Proprietary Traders (APT) and Vereniging van Vermogensbeheerders & Adviseurs (VV&A). The table below provides a point-by-point presentation of the feedback received, our response to it, and whether we have made any changes further to the feedback.

#	Subject	Feedback	Our response	Were changes made?
	Proportional application	To what extent can institutions apply this good practice proportionally?	We have produced this guidance document for all investment firms and managers of UCITS (referred to below as "institutions"). Each institution should judge for itself, according to its nature, size and complexity, whether and to what extent it will implement the good practices.	No
	Banking standard (BCBS)	The good practices are based on the BCBS principles for banks.	This guidance document is inspired by the BCBS principles. We have tailored them to the	Yes

			institutions, as we have clarified this in the guidance document.	
	Implementation	The good practices prescribe standards and principles.	We have chosen to produce a guidance document to provide recommendations and suggestions on the preparation of prudential reports. The document therefore does not include any legally enforceable obligations.	No
	Scope of application	The scope of application of this guidance document is unclear.	The scope of this guidance document covers the prudential reports, FINREP and IFREP, and any ad hoc prudential reports that must be submitted to DNB. We have clarified this in the guidance document. We have removed Section 3 due to the fact that the scope of application has been adjusted. The elements contained in that section are sufficiently covered by Sections 1 and 2.	Yes
	Specific examples	Specific examples illustrating the good practices are requested.	Where possible, we have provided specific examples.	Yes
	Various business models	Applicability for proprietary trading firms, asset managers and small market participants.	We have deliberately chosen to produce a single guidance document for all institutions. Each institution should judge for itself, according to its nature, size and complexity, whether and to what extent it will implement the good practices.	No

	Outsourcing	Applicability of good practice in the event of outsourcing.	If parts of the prudential reporting process are outsourced, institutions may apply this guidance document to this outsourcing party, and institutions should apply the applicable standards for outsourcing.	Yes
	Good Practice 1 - outsourcing	The risk management framework is not the place for detailed service level standards.	The prudential reporting process is part of the risk management framework. We do not require detailed service level standards to be included in the risk management framework itself.	Yes
	Good Practice 2	Responsibility of the management body for reviewing prudential reports.	We do not prescribe who performs what tasks in the guidance document. It is important that the (management) board bears ultimate responsibility for the prudential reporting process.	Yes
	Good Practice 3	Unclear wording about data aggregation.	We have removed this good practice, given the overlap with good practice 8.	Yes
	Good practice 4c	Could this good practice on an institution's group structure be worded in more concrete terms?	We have worded this good practice in more concrete terms.	Yes
	Good Practice 5	Application of business continuity planning to the prudential reporting process.	The prudential reporting process is a business-critical process and should be included in business continuity planning (BCP).	No

	Good Practice 6	Unclear wording about the application of this good practice, especially with regard to the (business) owner.	This good practice applies to the individual aggregating the data and/or the owner of the data that must be included in prudential reporting. We have clarified this.	Yes
	Good Practice 7	Application of the three lines of defence model by smaller institutions.	Smaller institutions may apply this good practice by, for example, having external audits conducted from time to time. We have added this.	Yes
	Good Practice 8	This good practice is of dubious practicability for board members.	We do not prescribe who performs what tasks in the guidance document. It is important that the (management) board bears ultimate responsibility for the prudential reporting process. This is why the good practice now uses the phrase "ultimate responsibility".	Yes
	Good Practice 9	Unclear wording about data aggregation.	We have changed this good practice to make it more specific and remove any ambiguity.	Yes
	Good practices 10c and 10d	Unclear wording about reconciling data.	We have changed the wording and made it more unambiguous. The good practice now uses the phrase "validating data".	Yes
	Good Practice 14	Appropriateness of the term "action plans"	We have changed this good practice to include the need for timely remediation of shortcomings.	Yes
	Good Practice 15	Appropriateness of the word "materially".	We have removed this word.	Yes

Good Practice 16	Appropriateness of the phrase "The institution's ability (...) enables it".	We have changed this good practice to included that prudential reports must be submitted on time.	Yes
Good Practice 17	Unclear wording.	We have changed this good practice to include that the institution must also be capable of rapidly producing prudential reports in times of stress and crisis.	Yes
Good Practices 18 and 30	Adding "a reasonable timeframe" for ad hoc requests	The guidance document sets out recommended actions for institutions, not for DNB.	No
Good Practice 20	Appropriateness of the term "confidently".	We have removed this good practice	Yes
Good Practice 21	It is unclear to what crisis situations this good practice applies.	We have removed this good practice	Yes
Good Practice 22	Unclear wording with regard to the "material threshold"	We have removed this good practice	Yes
Good Practices 27 and 11	Unclear wording with regard to the word "good"	We have removed good practice 27.	Yes