

## Factsheet on additional documentation to be submitted by investment holding companies

**Pursuant to Article 7(1) of the IFR, investment holding companies must put in place a sound organisational structure and an appropriate internal control structure. This ensures that the data required for consolidation is properly processed and transmitted. In particular, the parent company must ensure that subsidiaries not covered by IFR have arrangements, processes and structures in place to ensure error-free consolidation. An investment firm must submit documentation to DNB to demonstrate and substantiate the above.**

An investment holding company must submit the following documents:

### **Pursuant to the IFR:**

- Capital quality information [With reference to *Article 7 in conjunction with Article 9* in this presentation: [Quality of capital at investment firms and investment funds.pptx \(dnb.nl\)](#).]
- Article 8 of the IFR describes the possible application of the group capital test. The group capital test results in a lower solvency requirement for the investment holding company than the standard consolidated calculation.
- Articles of Association.
- A calculation of capital requirements for the next three years, including the calculation of the K-factor requirement (if applicable) and/or the fixed overheads capital requirement (FOR). [Article 7 in conjunction with Articles 12, 13 and 15-24].
- *For newly established investment holding companies:* budget for the next three years, showing at least that the investment holding company continues to meet the applicable capital requirements.
- *For pre-existing investment holding companies:* the most recent audited financial statements.
- A calculation of liquidity requirements for the next three years. [Article 7, in conjunction with Article 43].

### **Pursuant to the IFD:**

- Assessment documents for co-policymakers, see annex. [Article 52].
- Documents showing that the investment holding company is aware of disclosure obligations by investment firms [this applies only to Class 2 investment firms]. [Article 57].

*Small and non-interconnected investment firms are exempted from the following requirements [Article 25(1)]:*

- Documents demonstrating the company's internal governance [in accordance with Article 26], including:
  - A clear organisational structure.
  - Effective risk management processes.
  - An appropriate internal control structure and sound administrative and accounting procedures.
  - Procedures implementing remuneration policies and practices including sound risk management, gender neutrality.
  - Internal control structure.
- Documents showing the division of tasks of at least the management body and the risk committee. [Article 28].
- Documents showing the risk management regarding both customers and the market and the investment firm. [Article 29].

## **Solo exemption for investment firms**

IFR Class 3 investment firms whose parent company is subject to supervision as an investment holding company may qualify for a **solo exemption**. For more information on this, see the following link:

[IFR/IFD – Solo exemptions \(dnb.nl\)](#)

### **Disclaimer**

To read more about the status of this statement, see the [Explanatory guide to DNB's policy statements](#) on Open Book on Supervision.