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Regulation No 356

Regulation on Preparing and Submitting the Reports of Investment Management Companies

Issued pursuant to
Paragraph two of Section 72, Paragraph four of
Section 75¹ and Paragraph five
of Section 77 of the Law on Investment Management Companies, and
Paragraph two of Section 63 and Paragraph three of Section 68
of the Law on Latvijas Banka

I. General Provisions

1. This Regulation establishes:

1.1. the requirements and procedure according to which an investment management company (hereinafter referred to as the "company") shall prepare and submit to Latvijas Banka reports containing statistical data and information other than statistical data required for the performance of supervisory functions (hereinafter jointly referred to as the "data") on the operation of the company and that of each investment fund or sub-fund where an investment fund has been established as an umbrella fund (hereinafter jointly referred to as the "fund");

1.2. the deadlines for submitting the data;

1.3. the duration for storing the data.

2. The Regulation shall be binding on:

2.1. the company licensed in Latvia, when providing data on its operation and on that of the fund registered in Latvia;

2.2. the company licensed in another Member State that has registered the fund in Latvia, when providing data on its operation in Latvia and on that of the fund registered in Latvia;

2.3. a Latvian branch of the company licensed in another Member State, when providing data on its operation.

3. The data are required for the performance of Latvijas Banka's tasks, including the tasks of supervising the financial market and its participants and compiling supervisory statistics, investment fund statistics, securities holdings statistics, external statistics and financial accounts statistics, as well as for conducting financial stability analysis and providing information on the operation of companies and funds in Latvia to other institutions and the general public.

4. Latvijas Banka stores the data for an unlimited duration.

5. Latvijas Banka establishes, maintains, and regularly updates the list of investment funds of Latvia, comprised of the funds other than money market funds, as required by the European Central Bank (hereinafter referred to as the "list"). The list is published on Latvijas Banka's website (www.bank.lv) in the section "Statistics". The list is also incorporated in the list of investment funds of the European Union Member States regularly published on the European Central Bank's website.

II. General Requirements and Procedure for Compiling and Submitting the Data and the Submission Deadlines

6. The company shall prepare:

- 6.1. "Report on the Company's Balance Sheet" (Appendix 1);
- 6.2. "Company's Profit or Loss Statement" (Appendix 2);
- 6.3. "Report on the Assets Managed by the Company and Its Compliance with the Capital Requirements" (Appendix 3) which shall consist of:
 - 6.3.1. Part 1 "Assets Managed by the Company";
 - 6.3.2. Part 2 "Company's Compliance with the Capital Requirements";
- 6.4. "Report on the Fund's Securities" (Appendix 4);
- 6.5. "Report on the Fund's Assets and Liabilities" (Appendix 5);
- 6.6. "Report on the Fund's Income and Expense" (Appendix 6) which shall consist of:
 - 6.6.1. Part 1 "Income, Expense, and Increase or Decrease in Investment Value";
 - 6.6.2. Part 2 "Income by Class of Fund Units (item 0100 in detail)";
 - 6.6.3. Part 3 "Expenses as Defined by Regulation (EU) 2017/653";
- 6.7. "Report on the Changes in the Fund's Net Asset Value" (Appendix 7) which shall consist of:
 - 6.7.1. Part 1 "Changes in the Fund's Net Asset Value";
 - 6.7.2. Part 2 "Dividends by Class of Fund Units (item 0300 in detail)";
- 6.8. "Report on the Fund's Global Exposure" (Appendix 8);
- 6.9. "Report on the Identification and Classification of the Fund" (Appendix 9).

7. The company licensed in Latvia shall prepare the reports covering its operation and referred to in Paragraphs 6.1, 6.2 and 6.3 of this Regulation for each quarter of a calendar year.

8. The company licensed in Latvia shall prepare the following reports covering the operation of the fund:

- 8.1. the reports referred to in Paragraphs 6.4, 6.5, 6.6.1, 6.6.2, 6.7.1, and 6.7.2 of this Regulation for each calendar month;
- 8.2. the report referred to in Paragraph 6.8 of this Regulation for each quarter of a calendar year;
- 8.3. the report referred to in Paragraph 6.6.3 of this Regulation for each calendar year.

9. The company licensed in another Member State shall prepare the following reports covering its operation in Latvia and the operation of the fund registered in Latvia:

- 9.1. the reports referred to in Paragraphs 6.4, 6.5, 6.6.1, 6.6.2, 6.7.1, and 6.7.2 of this Regulation for each calendar month;
- 9.2. the reports referred to in Paragraphs 6.3.1 and 6.8 of this Regulation for each quarter of a calendar year;
- 9.3. the report referred to in Paragraph 6.6.3 of this Regulation for each calendar year.

10. A Latvian branch of the company licensed in another Member State shall prepare the reports covering its operation and referred to in Paragraphs 6.2 and 6.3.1 of this Regulation for each quarter of a calendar year.

11. For the fund registered in Latvia, the company shall prepare the report referred to in Paragraph 6.9 of this Regulation for each calendar month in which:
- 11.1. there have been any changes in the data included in the most recent report submitted to Latvijas Banka;
 - 11.2. a new fund has been established.
12. The company shall prepare the reports for the relevant reporting period, reflecting the position as at the last date of the reporting period, and submit them to Latvijas Banka by the 20th date of the month following the reporting period, with the exception of the report referred to in Paragraph 6.6.3 of this Regulation which shall be submitted to Latvijas Banka by 20 April of the year following the reporting period. By 20 April of the year following the reporting period, the company shall resubmit to Latvijas Banka all the other reports referred to in Paragraph 6 of this Regulation, reflecting the position as at 31 December of the previous calendar year, and shall ensure consistency across the data.
13. The company shall submit the reports to Latvijas Banka electronically via the advanced security system, in accordance with Latvijas Banka's regulations governing the electronic information exchange with Latvijas Banka.
14. The company shall provide the contact details of the individual who prepared the report to Latvijas Banka by e-mailing his/her name and surname, e-mail address and telephone number to stp.info@bank.lv.
15. The reports shall be prepared in compliance with the following general requirements:
- 15.1. items shall be evaluated in accordance with the requirements for the preparation of annual reports stipulated by the Law on Investment Management Companies (hereinafter referred to as the "Law") and the legal acts issued on the basis thereof, unless provided otherwise by this Regulation;
 - 15.2. amounts in euro or other currencies shall be disclosed as whole numbers, except the values to be disclosed in the columns "Total nominal value in the currency of issuance" and "Book value (in euro)" of the report referred to in Paragraph 6.4 of this Regulation; those values shall be disclosed with two digits after the decimal point;
 - 15.3. percentage values shall be disclosed with up to two digits after the decimal point, except the values to be disclosed in the column "Coupon rate (%)" of the report referred to in Paragraph 6.4 of this Regulation which are disclosed with up to four digits after the decimal point;
 - 15.4. values for the number shall be disclosed with up to eight digits after the decimal point;
 - 15.5. the country code shall be disclosed in accordance with the international standard ISO 3166 "Codes for the representation of names of countries and their subdivisions". For international organisations that are not registered as residents of a single country (for example, the European Bank for Reconstruction and Development, the European Investment Bank and the Bank for International Settlements), the code shall be disclosed in accordance with the list of the codes of international organisations maintained by Latvijas Banka (see the section "Statistics" of Latvijas Banka's website (www.bank.lv));
 - 15.6. the currency code shall be disclosed in accordance with the international standard ISO 4217 "Codes for the representation of currencies and resources". For securities, the code of the currency of issuance of the relevant financial instrument shall be disclosed;
 - 15.7. the sector code of the issuer and counterparty shall be disclosed in accordance with Appendix 10 to this Regulation. A list of resident institutional units, compliant with the requirements of Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union, is available on the website of the Central Statistical Bureau of Latvia;

15.8. maturity breakdown code, based on the original maturity of the transaction, as well as the codes for liquid assets, coupon payment frequency, additional information, dividend distribution policy, investment policy, exchange-traded fund, investment style, geographical focus, investment focus on debt securities, investor base, redemption frequency of fund units, and environmental, social and governance compliance shall be disclosed in accordance with Appendix 10 to this Regulation.

III. Requirements for Preparing the "Report on the Company's Balance Sheet" and the "Company's Profit or Loss Statement"

16. In the "Report on the Company's Balance Sheet":

16.1. the company holding a licence of an alternative investment fund manager shall disclose the relevant code in accordance with Appendix 10 to this Regulation in the column "Liquid asset code";

16.2. item 12500 "Employee stock options" shall be used by the company to report data where the company gives its employees an option to buy the company's stocks, and it shall disclose the book value of the employee stock options in accordance with Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union.

17. The data on income and expenses incurred in the course of activities in Latvia shall be disclosed by a branch of the company licensed in another Member State in the "Company's Profit or Loss Statement".

IV. Requirements for Preparing the "Report on the Assets Managed by the Company and its Compliance with the Capital Requirements"

18. The "Report on the Assets Managed by the Company and its Compliance with the Capital Requirements" shall be prepared as follows:

18.1. a branch of the company licensed in another Member State and the company licensed in another Member State that has registered the fund in Latvia shall only prepare Part 1 "Assets Managed by the Company" of the "Report on the Assets Managed by the Company and its Compliance with the Capital Requirements" and report the data on the book value of the assets of the funds registered in Latvia and its managed individual financial instrument portfolios of Latvia's resident customers;

18.2. the company holding a license or registered to operate as an alternative investment fund manager shall calculate the value of its managed alternative investment fund assets in accordance with Article 2 of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (hereinafter referred to as "Regulation No 231/2013");

18.3. the value of own funds calculated in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 shall be disclosed under item 801 "Company's own funds" of Part 2 "Company's Compliance with the Capital Requirements";

18.4. the value calculated in accordance with the requirements of Article 13 of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 shall be disclosed under item 802 "Company's total fixed overheads" of Part 2 "Company's Compliance with the Capital Requirements";

18.5. the book value of the managed alternative investment fund assets where the manager's professional liability risks are not covered by professional indemnity insurance in accordance with the Commission Delegated Regulation (EU) No 231/2013 shall be disclosed by company holding a license to operate as an alternative investment fund manager under item 810 "AIF manager's professional liability risks not covered by insurance" of Part 2 "Company's Compliance with the Capital Requirements". This part of the assets' book value shall be subject to an additional own funds requirement calculated in accordance with Article 14 of Regulation No 231/2013. Where a manager has the professional liability risks fully covered by professional indemnity insurance, the disclosed value shall be "0".

V. Requirements for Preparing the "Report on the Fund's Securities"

19. The "Report on the Fund's Securities" shall be prepared in accordance with the following requirements:

19.1. the code of the issuer of the relevant security (a unique identifier assigned by the national central bank of the European Union Member State whose resident is the issuer of the security) in accordance with the lists of financial institutions maintained by the European Central Bank or, where the issuer of the relevant security is not on the lists of financial institutions maintained by the European Central Bank, the issuer's registration number with the commercial register of its country of registration shall be disclosed in the column "Issuer registration number";

19.2. the ISIN code of securities having an International Securities Identification Number assigned by a member or an authorised representative of the Association of National Numbering Agencies in accordance with the international standard ISO 6166 "ISIN codes" shall be disclosed in the column "ISIN code";

19.3. if the acquired financial instrument is traded on a trading venue referred to in Clauses 1 and 2 of Paragraph two of Section 62 of the Law, the relevant country code shall be disclosed in the column "Trading venue country of registration code". If a financial instrument has been acquired as a result of a transaction outside a trading venue, the code of the country of the trading venue where it is traded shall be disclosed. Where financial instruments for which purchase transactions have been concluded with several trading venues have the same ISIN codes, the country code of the trading venue from which the largest part (number) of securities has been purchased shall be disclosed, whereas if the number of purchased securities is equal, the country code of the trading venue on which the earliest transaction took place shall be disclosed;

19.4. the data on debt securities and other fixed-income securities (without an ISIN code) shall be disclosed in the column "Coupon rate (%)" as the coupon or interest rate at the end of the reporting period in percentages with up to four digits after the decimal point;

19.5. the code characterising the frequency of coupon payments in accordance with Appendix 10 to this Regulation shall be disclosed in the column "Coupon payment frequency";

19.6. the code characterising the additional information in accordance with Appendix 10 to this Regulation shall be disclosed in the column "Additional information";

19.7. where the alternative investment fund does not have any records of individual fund shares or units, the relevant book value shall be disclosed as the respective number in the column "Number of securities";

19.8. shares or units of investment funds subject to a legal framework corresponding to the provisions of the Law, including shares or units of UCITS ETFs (undertaking for collective investments in transferable securities; exchange-traded fund), shall only be disclosed under item 11107 "Investment fund shares or units (with an ISIN code)" and item 11108 "Investment fund shares or units (without an ISIN code)";

19.9. shares or units of AIFs, including shares or units of AIF ETFs (exchange-traded alternative investment funds), shall be disclosed under item 11109 "AIF shares or units (with an ISIN code)" and item 11110 "AIF shares or units (without an ISIN code)".

VI. Requirements for Preparing the "Report on the Fund's Assets and Liabilities"

20. The "Report on the Fund's Assets and Liabilities" shall be prepared in accordance with the following requirements:

20.1. a breakdown of individual financial instruments by their original maturity shall be provided. The original maturity of short-term financial instruments is up to and including 1 year, whereas that of long-term financial instruments is over 1 year;

20.2. loans having all of the following features shall be disclosed under item 2111 "revolving credit loans": the borrower may use or withdraw funds from the account up to a pre-approved credit limit without giving prior notice to the lender; the amount of available credit can increase or decrease as funds are borrowed or repaid; the credit may be used repeatedly. Revolving loans shall include the amounts obtained through a line of credit and not yet repaid (outstanding amounts), and they shall not include the amounts available through a line of credit that have not been withdrawn or have already been repaid;

20.3. the debit balance of the current account shall be disclosed under item 2112 "overdrafts". The data on the total amount owed shall be provided irrespective of whether it is within or beyond any limit agreed beforehand between the lender and the borrower with regard to the size or maximum period of the loan.

21. Where the fund has investments in debt securities issued by a credit institution that meet the requirements of Paragraph four of Section 66 of the Law and their value exceeds 5% of the fund's assets, the book values of these investments shall be aggregated and the total amount shall be disclosed under item 4101 "Total investments in covered bonds issued by credit institutions in excess of 5% of the fund's assets".

22. Where the fund has investments in transferable securities issued or guaranteed by a single issuer, other than investments referred to in Paragraphs two and four of Section 66 of the Law, in excess of 5% of the fund's assets, the total of these investments shall be disclosed under item 4103 "Total investments in securities of issuers (other than investments referred to in Paragraphs two and four of Section 66 of the Law) in excess of 5% of the fund's assets".

23. The risk exposure to the counterparty of a derivative not admitted to trading on the regulated market referred to in Paragraph eight of Section 66 of the Law, calculated in accordance with the requirements of Latvijas Banka's regulations governing the calculation of the global exposure of the fund and risk exposure to a counterparty (hereinafter referred to as "regulations for calculating the global exposure"), shall be disclosed under item 4104 "Fund's exposure to a counterparty".

24. The company that applies contractual netting of financial derivative transactions entered into with the same counterparty shall disclose the book value, calculated in accordance with the requirements of the regulations for calculating the global exposure, under item 4106 "Fund's exposure to a counterparty through contractual netting".

25. The amount of transactions referred to in Paragraph eleven of Section 66 of the Law or the transaction concentration risk arising from the fund's investments in transferable securities and money market instruments, the fund's deposits and trades in financial derivatives, where the issuer or guarantor, deposit taker or counterparty to the transaction is the same person or commercial companies belonging to the same group, calculated in accordance with the requirements of the regulations for calculating the global exposure, shall be disclosed under item 4107 "Concentration risk of a fund's transactions with a single (each) issuer or counterparty exceeding 10% of the fund's assets". If the fund has investments in financial instruments or transactions with financial derivatives whose issuers or counterparties are several commercial companies belonging to the same group,

the name with the largest exposure shall be disclosed in the column "Issuer, counterparty name", with all exposures aggregated.

VII. Requirements for Preparing the "Report on the Fund's Income and Expense"

26. The total book value of income per class of fund units, if such class has been established, shall be disclosed by the company in Part 2 "Income by Class of Fund Units" (item 0100 in detail) of the "Report on the Fund's Income and Expense".

27. The book values of recurring and incidental costs as defined in Section I of Part 1 of Annex VI of Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents shall be disclosed by the company under item 0801 "Recurring costs" and item 0802 "Incidental costs" of Part 3 "Expenses as Defined by Regulation (EU) 2017/653" of the "Report on the Fund's Income and Expense".

VIII. Requirements for Preparing the "Report on the Fund's Global Exposure"

28. The "Report on the Fund's Global Exposure" shall be prepared in accordance with the following requirements:

28.1. the type of each respective financial derivative or transaction shall be disclosed in the column "Position name" to ensure the effective management of the fund's investment portfolio, based on the categories of transactions referred to in the regulations for calculating the global exposure;

28.2. the code of the currency that the fund will receive within the framework of the transaction shall be disclosed in the column "Currency codes (.../.../...)". For currency derivatives, the codes of all currencies involved in the transaction shall be disclosed;

28.3. the commitment of each financial derivative, calculated in accordance with the requirements of the regulations for calculating the global exposure, shall be disclosed in the column "Commitment of a financial derivative (in the fund's currency)";

28.4. the net commitment of financial derivatives whose value has been reduced due to netting or hedging arrangements in accordance with the requirements of the regulations for calculating the global exposure shall be disclosed in the column "Net commitment of a financial derivative (in the fund's currency)". No data shall be disclosed in the column for other financial derivatives;

28.5. one of the following values shall be disclosed in the column "Commitment, net commitment or transaction commitment of the financial derivative (in the fund's currency)":

28.5.1. for a financial derivative not subjected to netting or hedging arrangements – commitment calculated in accordance with the requirements of the regulations for calculating the global exposure;

28.5.2. for a financial derivative subjected to netting or hedging arrangements in accordance with the requirements of the regulations for calculating the global exposure – net commitment;

28.5.3. for a transaction for ensuring an efficient management of the fund's investment portfolio – commitment calculated in accordance with the requirements of the regulations for calculating the global exposure;

28.6. commitment of a financial derivative, net commitment of a financial derivative and commitment of a transaction for ensuring an efficient management of the fund's investment portfolio shall be expressed in the fund's currency based on the exchange rate whose source has been indicated in the fund's prospectus or, where it has not been indicated, based on the exchange rate of the reporting date used for accounting purposes. The exchange rate indicated shall be used consistently;

28.7. the company using the value-at-risk method for estimating the fund's global exposure in accordance with the requirements of the regulations for calculating the global exposure shall disclose the resulting value in item 08 "Global exposure to net asset value (%)" of the report.

IX. Requirements for Preparing the "Report on the Identification and Classification of the Fund"

29. The data shall be disclosed in the "Report on the Identification and Classification of the Fund" based on the codes provided in Appendix 10 to this Regulation as well as the descriptions of classification attributes set out in Table E of Part 5 of Annex II "Descriptions" of Regulation (EU) 2024/1988 of the European Central Bank of 27 June 2024 concerning statistics on investment funds and repealing Decision (EU) 2015/32 (ECB/2014/62) (ECB/2024/17) (recast) (hereinafter referred to as "Regulation (EU) 2024/1988") with regard to the following items: "Dividend distribution policy", "Investment policy", "Is an exchange-traded fund (ETF)" (corresponds to data field "Exchange-traded fund" included in Table E of Part 5 of Annex II of Regulation (EU) 2024/1988), "Investment style", "Geographical focus", "Investment focus on debt securities" (corresponds to data field "Corporate/government bond funds" included in Table E of Part 5 of Annex II of Regulation (EU) 2024/1988), "Investor base", "Redemption frequency of fund units" (corresponds to the data field "Redemption frequency" included in Table E of Part 5 of Annex II of Regulation (EU) 2024/1988) and "Environmental, social and governance (ESG) type".

X. Final Provisions

30. The Financial and Capital Market Commission's Regulation No 155 "Regulation on Preparing the Reports of Investment Management Companies" of 15 September 2020 shall be deemed invalid (*Latvijas Vēstnesis*, 2020 No 186, 2022, No 122).

31. The data reflecting the position as at 31 December 2024 shall be prepared based on the Financial and Capital Market Commission's Regulation No 155 "Regulation for Preparing the Reports of Investment Management Companies" of 15 September 2020 and shall be submitted to Latvijas Banka electronically by using the data reporting system, in compliance with Latvijas Banka's regulation governing electronic information exchange with Latvijas Banka, by 20 January 2025.

32. The company shall prepare the reports referred to in Paragraph 6 of this Regulation for the reporting periods within the period from 1 January 2025 to 30 November 2025 and submit them to Latvijas Banka electronically, using the data reporting system, in compliance with Latvijas Banka's regulation governing electronic information exchange with Latvijas Banka, as follows:

32.1. the reports referred to in Paragraphs 6.4 and 6.7.1 of this Regulation shall be prepared for each calendar month;

32.2. the reports referred to in Paragraphs 6.1, 6.2, 6.3, 6.5, 6.6.1, and 6.8 of this Regulation shall be prepared for each quarter of a calendar year;

32.3. the company shall prepare the data on the operation of its managed alternative investment fund established in Latvia or a sub-fund, where the fund has been established as an umbrella fund, in accordance with Latvijas Banka's regulation governing the preparation and submission of the reports of alternative investment fund managers;

32.4. the company shall not submit any data:

32.4.1. under item 11421 "for investment fund management", item 11422 "for alternative investment fund management", item 11423 "for investment plan management", item 11424 "for pension plan management", item 11510 "for attracting investors to the investment funds", item 11520 "for attracting investors to the alternative investment funds", item 11530 "for attracting investment plan participants", and item 11540 "for other services" of the report referred to in Paragraph 6.2 of this Regulation;

32.4.2. under item 2111 "revolving loans" and item 2112 "overdrafts" of the report referred to in Paragraph 6.5 of this Regulation;

32.4.3. in the reports referred to in Paragraphs 6.6.2, 6.6.3, 6.7.2 and 6.9 of this Regulation.

33. The company shall prepare the report referred to in Paragraph 6.9 of this Regulation, reflecting the position as at 31 December 2025, and submit it to Latvijas Banka by 20 January 2026.

34. This Regulation shall take effect on 1 January 2025.

Governor of Latvijas Banka

Mārtiņš Kazāks