



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Special Purpose Entities (SPE) FAQs

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Section 1: Getting Started

Introduction

This document aims to assist in compliance with the Central Bank's reporting requirements for Special Purpose Entities (SPE's) through the use of worked examples. Any comments or suggestions are welcome through email at the SPE team's centralised inboxes: fvcstats@centralbank.ie and spvstats@centralbank.ie

An SPE is a legal entity created to fulfil narrow, specific or temporary objectives. SPE's are split between two sub-categories, Financial Vehicle Corporations (FVCs), which are SPEs used primarily for the purpose of securitisation, and other SPEs, often referred to as non-securitisation vehicles, or as SPVs. A full treatment of the definitions can be found in their respective guidance notes [at this link](#).

A change in activities that sees an FVC change to an SPV or vice versa this should be notified to the Central Bank. An FVC winding down its activities remains an FVC.

Submission Deadlines

The FVC returns should be submitted and signed off on the Central Bank Portal no later than 19 working days after the end-reference quarter.

Non-Securitisation vehicles (SPVs) must be submitted and signed off on the Central Bank Portal no later than 29 working days after the end-reference quarter.

The first reporting quarter for an SPE should be the quarter in which it undertook its first transactions.

For example, if an SPE purchased a portfolio of bonds on 12th March 2023, then its first activity would be within the Q1-2023 reporting period, which is from 1st January 2023 to 31st March 2023. The SPE return should show the transactions during this period, and the balance sheet as at 31st March 2023. This return should be uploaded and signed off on the Central Bank Portal system by no later than 11th May 2023. The registration form should be received by the Central Bank by **no later than 7 working days** before the reporting deadline, in that case the 2nd May 2023.

A full schedule of reporting dates for statistical returns is available [at this link](#).

Deadlines are legal requirements and must be respected

Basis for Collection

The quarterly FVC data is collected under the following legislation:

- Regulation ECB/2013/40
- Regulation ECB/2013/33
- The Central Bank Acts 1942 – 2013

- Guideline ECB/2014/15

More information is available at the ECB FVC webpage:

<https://www.ecb.europa.eu/stats/money/fvc/html/index.en.html>

The quarterly SPV data is collected under Section 18 of the Central Bank Act 1971.

Please note that contravention of an obligation imposed under the above constitutes an offence and may result in the Central Bank applying to the High Court for an enforcement order pursuant to Section 52 of the Central Bank (Supervision and Enforcement) Act 2013.

Reporting Form

The FVC2 or SPV return has 10 tables in total which capture different dimensions of the assets and liabilities of each vehicle. These are as follows, sorted by asset or liability classification:

Assets

- Table 1 – Cash, deposits, loans extended by the FVC or SPV, and reverse repo / securities borrowing
- Table 2a/Table 2b – Debt securities held by the FVC or SPV (2a: ISIN, 2b: Non-ISIN), including holdings of profit participating notes.
- Table 3 – Securitised loans, which were extended by a third party but subsequently bought by the FVC or SPV.

Liabilities

- Table 5 – Deposits received, loans given to the FVC or SPV, and repos / securities lending.
- Table 7 – Debt securities issued by the FVC or SPV, including profit participating notes.

Mixed Assets/Liabilities

- Table 4 – Derivative positions engaged in by the FVC or SPV. A/L is based on closing position.
- Table 6 – Assorted items, including equity, non-financial and other assets²

Other Tables

- Table 8 - Total Assets/Liabilities of the FVC or SPV. Please note that this figure is not the *net assets* of the vehicle, which are recorded in Table 6 – Capital & Reserves. This figure should be equal to the sum of all closing positions on the assets side.

² Please note that Table 6 records only closing positions at end-quarter and net transactions over the quarter, rather than opening/closing positions and increases/decreases over the quarter which are required elsewhere.

- Table 9 – Annual Profit & Loss data for the FVC or SPV should be entered in this table. A country breakdown by counterparty is also required here. This data is only filled out in Q4 returns and will be rejected if entered in any other quarter.

The return is locked and lists are provided within certain cells where only a limited range of values can be supplied. Values can be pasted into Excel, but only 'As Values'. Pasting formatting will compromise the return and may prevent upload. This accounts for the majority of errors uploading through Portal.

Please note that tampering with the return will result in errors with the Portal system.

General Principles for Reporting Figures

A full 'Notes on Compilation' document with extensive definitions and formatting requirements is available on the Central Bank's website.

This document should be consulted before emailing in a query to the FVC or SPV team, as the majority of queries regarding reporting should be covered by either this document or the Notes on Compilation.

Please note that figures in the FVC2 or SPV return are reported in euro thousands (€'000). Therefore FVCs or SPVs which do not use the euro as their base currency are required to convert their figures before submitting the return. Section 1 of the Notes on Compilation gives extensive guidance on how to do this.

The Central Bank Portal

The Central Bank uses a secure centralised portal in order to receive data from reporting entities.

Reporting agents can register for a Portal account through this link: <https://registration.centralbank.ie/>

A primary administrator for each reporting agent will be set up by the FVC or SPV team, and this administrator will have the privileges to add as many additional Portal users as required for their firm. At least one additional Portal user is required in addition to the Portal administrator in order to submit the FVC2 or SPV return. The Portal is accessed through this link:

<https://www.centralbank.ie/regulation/central-bank-portal>.

Should a user experience errors logging into the Portal, explanations and solutions to various errors which can occur can be accessed through this link: <https://www.centralbank.ie/regulation/central-bank-portal/help/common-troubleshooting>.

Uploading Returns to Portal

Once the user has logged into Portal, they should navigate to 'Returns' and then click on 'View/Edit Returns' and scroll to 'Statistics' and click on 'Financial Vehicle Corporations (FVC2) or SPV'. The user is then presented with three options. To view FVCs or SPVs assigned to the reporting agent, click on 'View/Edit Returns'. Once an FVC or SPV is selected, all the returns for this FVC or SPV will be visible, including previously submitted data.

To upload a file, the user should navigate to the 'Financial Vehicle Corporations (FVC2)' or SPV screen. From here, the tab 'Load a File' should be selected.

The completed FVC or SPV return should be renamed **C123456_C654321_Q12016_QUARTERLY** where the following attributes are replaced with the appropriate details for each FVC or SPV:

C123456 – This is the reporting agent code and is the 'Institution Code' used to log into Portal.

C654321 – This is the individual FVC code, which is available from the 'View/Edit Returns' screen.

Q12016 – This will change from quarter to quarter and represents the timeframe of the data.

QUARTERLY – This attribute will not change and should be left as is.

Portal Error Messages

Sometimes the return will not upload successfully, and the user will receive a 'rejected' email. This can happen because the balance sheet or transactions do not balance, there has been formatting changes to the return, or incorrect/ insufficient data supplied within the return. Generally speaking, Portal error messages are intuitive and will guide the user to the specific point in the return where there is a data or formatting error, or where there is incomplete data supplied.

Offline Checker file

It is highly recommended that the Offline Checker file is used to validate the FVC return before uploading to the Portal. This will drastically reduce the amount of upload errors and queueing time during the reporting round as fewer files will need to be uploaded. It is expected that reporting agents have consulted both this document and the offline checker before emailing a query to the central bank team.

Finalising and the Sign-Off Process

Once the return has been uploaded successfully, it will need to be finalised by the uploader and signed off by a second person. The user should navigate back to the 'Financial Vehicle Corporations (FVC2)' or SP page and select 'View/Edit Returns'. Click into the FVC or SPV which you have just uploaded, and beside the appropriate reporting period you should see the status 'Valid'. Click on the reporting quarter, and on the next page a button will appear called 'Finalise'. Click this button and the status of the return will change to 'Finalised' in the View/Edit Returns subpage.

In order to sign off the return and complete the submission process, a second user should log into the Portal site with appropriate access permissions to sign off the return (either Verify or Administrator permission is required for this). The sign off process is the same as the Finalise process – the appropriate FVC and reporting period should be selected and the 'Finalise' button will now have changed to 'SignOff'. The user will then see a page asking them to confirm the accuracy of the data which they have supplied to the Central Bank. Once the signoff process is complete, the return will be loaded into the Central Bank's database and both the person who signed off the return and the FVC or SPV team in the Central Bank will receive a notification.

Revisions to Data

In some cases, there may have been a mistake in the data provided. This can either be spotted by the reporting agent, or during validation checks performed by the Central Bank. To revise a return, email the FVC or SPV team and request unlocking of the return, along with an explanation of the revision and expected amount to change. Once the return is unlocked, the process for resubmission is the same as initial submission of the data (Upload -> Finalise -> Sign Off).

Reminder on General Principles for Reporting Figures

The return is locked and lists are provided within certain cells where only a limited range of values can be supplied. Values can be pasted into the Reporting Form, but **only 'As Values'**. Pasting formatting will compromise the return and may prevent upload. This accounts for the majority of errors uploading through Portal. **Tampering with the return will result in errors in the Portal system.**

Table 8 – Total Assets/Liabilities of the SPE. Please note that this figure should be equal to **the sum of all closing positions** on the assets side, roughly equating with the gross assets of the SPE. It is **not the net assets** of the SPE, which are recorded in Table 6 – Capital & Reserves. For clarity, Total Assets is the sum

of Tables 1, 2a, 2b, 3, 4 (cell E8, detailing Derivative assets) and 6 (cell B7, detailing other asset closing positions).

Table 9 – Annual Profit & Loss data for the SPE. A country breakdown by counterparty is required here. This data is only filled out in **Q4 returns** and will be rejected if entered in another quarter.

Debt security data is requested on a security-by-security basis. When available, the ISIN code of the debt securities must be employed as the security identifier.

A full 'Notes on Compilation' document with extensive definitions and formatting requirements is available on the Central Bank's website at the following links:

[FVC Notes on Compilation](#)

[SPV Notes on Compilation](#)

This document should be consulted before emailing in a query to the SPE team, as the majority of queries regarding reporting should be covered by either this document or the 'Notes on Compilation'.

Please note that figures in the SPE returns are reported in **euro thousands (€'000)**. Therefore, SPEs which do not use the euro as their base currency are required to convert their figures to euro before submitting the return (see Section 1 of the 'Notes on Compilation').

The SPE Offline Checker is available and designed to assist in identifying possible data validation or loading issues before uploading an SPE return on Portal. This offline checker does not guarantee **passing** all the data quality management checks. The checker is still in Beta/Development phase and the SPE team reserves the right to make further enquiries as the return has to reflect **accurate data**. **Please note that the information returned to the Central Bank must be an accurate representation of the accounts of the SPE at the relevant reporting date. Each entity is obliged to ensure the data is accurate as per the reporting guidelines.** Validation items are primarily to assist in submitting accurate data, but it is possible that inaccurate data can be submitted whilst still passing validation checks. The offline checker is available on the Central Bank's website at the following link:

[SPE Offline Checker](#)

Section 4: Data Quality Management

Initial Validation of Data

When the data has been submitted to the Central Bank, a number of in-house validation checks take place. These include quarter-on-quarter movements, large valuation changes, and inconsistencies between the registration form (ie. activities of vehicle) and the data reported.

Across Period Checks

A comparison is made between the positions recorded at the end of last quarter and the data this quarter. Discrepancies between these amounts and/or changing of country/sector/maturity/instrument type/identifier codes will also result in validation queries.

Valuation Changes

The change in stocks (closing versus opening positions) during a quarter is compared with the transactions over the quarter. The residual left after transactions are excluded are considered to be valuation/FX changes. If this residual is quite large, it will generally be queried to ensure that the data is accurate.

Inconsistencies

For example, if an FVC or SPV has indicated that it is an intragroup financing vehicle in its registration form and the FVC2 or SPV return shows that it is actively trading bonds or holding RMBS, then a query may be raised regarding the inconsistency between the classification of the vehicle and the data reported.

Turnaround of Validation Checks

Validation checks will often be sent out the day after the Central Bank has received all data and performed preliminary analysis of the returns. The turnaround time for queries is generally 48 hours.

The turnaround time is required to be quite tight as the data must be validated and quality checked before the Central Bank transmits the FVC or SPV aggregates to the European Central Bank.

Additional Queries and Historical Checks

The Central Bank draws on a number of other sources (including company accounts) in order to cross-check the accuracy of data supplied. At any time, the Central Bank may query reporting agents if there is a discrepancy.

Periodically, the Central Bank performs extensive historical analysis of the data collected. Should this analysis show issues with data supplied, retrospective revisions will be required by reporting agents in order to correct the series.

Section 2: Worked Examples on Common Errors

Separation of Balance Sheet and Profit and Loss account

One of the principles of statistical reporting is that there is a separation between Profit and Loss and Balance sheet data. SPEs submit profit and loss data on an annual basis, but submit balance sheet data on a quarterly basis. However the golden rule of accounting still applies to such quarterly reports and balance sheets must balance and debits having corresponding credits. Accordingly, items that ordinarily have a

contra recorded on the Profit and Loss must be reflected in the Balance Sheet. The examples below detail how typical transactions must be recorded to ensure that items balance and are categorised correctly.

General Principles for the Reporting of Financial Transactions

Financial transactions reported on the return consist solely of cashflows, and all cashflows must be reported as transactions. Accordingly, transactions are not necessarily the same as quarter on quarter movements of outstanding amounts as transactions do not include the following elements:

- Write-downs/write offs
- Revaluations due to valuation or exchange rate movements – see p 9
- Accruals in interest payable/receivable – see p 6
- Reclassification (where a break in a time series is noted due to errors from previous quarters or superior country/sector/instrument classification being available)

Financial transactions must be reported at the transaction value. Therefore, they can generally be considered in terms of **cash paid/received** in respect to the asset or liability (unless there is an amount which is to be settled at a later date³). Financial transactions of an asset or liability exclude associate service charges, fees, taxes, commissions and similar payments for service provided in carrying out the transaction. Such associated fees and charges are dealt with as fees – see page 11.

Positive Transactions are recorded as increases and negative transactions are recorded as decreases. **Please note that transactions must be reported without negative signs, with the exception of Table 6.** In Table 6, net transactions are to be reported in Column C rather than separate increases and decreases, and where a net transaction is negative, a “-” sign must be used.

The sum of financial transactions in assets must equal the sum of transactions in liabilities (when capital and reserves are included as part of liabilities), reflecting the principle that cash flows and movement in cash holdings must balance.

Transactions are not the residual between opening and closing positions and should not be calculated by deducting the Opening position from the Closing Position, but must represent only cashflows, such as can be found in an investor report, distribution report or similar (see example 1 below).

Example 1: The SPE holds debt securities and no transaction occurred during the reporting quarter

³ If an amount arising from a transaction is to be paid to the SPE at a later date, it should be recorded, essentially on a contingent basis, under ‘Remaining Assets – of which other’ in Table 6. If an amount is to be paid by the SPE, it should be recorded as ‘Remaining Liabilities – of which other’.

Table 7: Liabilities: Debt Securities Issued: ISIN

ISIN	Non-ISIN reporting	Instrument market movements					Instrument characteristics			Initial holder of security	
	Sedol/Cusip/Internal	Opening Position	Transactions		Closing Position	Market price at quarter-end	Coupon rate	Maturity date	Original maturity	Country	Sector
			Issued	Redeemed							
XS0000000000		1,000	0	0	750	100.00	0	01/01/18	over 2 years	IE	OFI

Although no transaction occurred during the quarter, there is a difference between the opening and closing positions of 250 (750-1000). However this is not entered in the redeemed column as no transaction took place. The difference is referred to as a **revaluation**, which is not explicitly recorded in the return, and can be due to different reasons: fair value movements, exchange rate movements, accruals and so on.

Stock positions (Opening/Closing) should be reported at market value. The exceptions are Table 1, Table 3 and Table 5, where they should be reported at nominal value⁴

Table	Stocks (Opening/Closing)	Transactions
1	Nominal Value ⁵	Market Value
2a	Market Value	Market Value
2b	Market Value	Market Value
3	Nominal Value	Market Value
4	Market Value	Market Value
5	Nominal Value *	Market Value
6	Market Value	Market Value
7	Market Value	Market Value
8	Sum of all asset closing positions	N/A
9	As per company accounts	N/A

2.1 Treatment of Accrued Income and Expenses

The accrual of interest should be shown as a **revaluation movement** i.e. a positive change in outstanding amount with **no corresponding** upwards transaction. The principle is that the accrual is an increase in the value of a position, and therefore should be recorded as a positive revaluation rather than a transaction.

Unrealised accrued income/expenses are thus treated as a **revaluation** in Table 6 as there is no cash transaction. Rather the outstanding amount in column B will increase. Realised accrued income/expenses are to be treated as a transaction i.e. when accrued income/expenses are **received/paid**. Therefore when accrued income/expenses are realised and recorded as a transaction decrease in column C Table 6 there will be a corresponding transaction reported as cash in the appropriate worksheet (e.g. Table 1 Deposits and Loan Claims).

⁴ This is the contractual amount owed by the debtor, to the creditor

* Please note that for Profit Participating Loans or similar securities where the contractual value is dependent on the performance of underlying assets, these should be recorded at fair value in Tables 1 and 5. Table 3 should always be recorded at nominal value, using the valuation adjustment in Table 6 – Remaining Liabilities to balance the accounts for fair value

The value of debt securities issued (Table 7) will move in accordance with SPE assets. If there is a change in the market value of assets this means the value of the debt securities issued will increase / decrease accordingly.

In Example 2 below, we hypothesise that a package of securitised loans is accruing interest of €500,000 per quarter, which is paid semi-annually. Therefore an interest payment of €1,000,000 would be made to the SPE every two quarters.

Example 2a: Q1 – The securitised loans held by the SPE haven't accrued interest yet. In Q1, we assume that these loans are worth €100 million. If these were the only assets in the SPE, the value of debt securities issued by the SPE would also be €100 million.

Table 3: Assets: Securitised Loans					
Type of loan	Instrument market movements				
	Opening Position - Nominal Value	Transactions		Write off/write down of loan(s)	Closing Position - Nominal Value
		Purchases	Sales		
ABCP	100,000				100,000

Table 7: Liabilities: Debt Securities Issued: ISIN						
ISIN	Non-ISIN reporting	Instrument market movements				
	Sedol/Cusip/Internal	Opening Position	Transactions		Closing Position	Market price at quarter-end
			Issued	Redeemed		
XS000000000000		100,000	0	0	100,000	100.00

Example 2b: Q2 - The securitised loans held by the SPE accrued interest of €500,000 over Q2. Here the sum of the 'Remaining assets - of which accrued interest on securitised loans' position is 500. Please note that the bold text in Table 6 refers to subtotal amounts which should be populated using sum of the 'of which' columns below. So here the subtotal is 500. In Q2 the accrued interest is unrealised (and therefore a revaluation) as interest is only made every two quarters so only the Outstanding Amounts column B is increasing.

	Outstanding amounts - total	Transactions - total
Remaining assets	500	
<i>of which accrued interest receivable on deposits and loans</i>		
<i>of which accrued interest on securitised loans</i>	500	
<i>of which accrued interest on holdings of debt securities</i>		
<i>of which other</i>		

Securitised loans have not changed, as the value of accrued interest is recorded separately, above.

Table 3: Assets: Securitised Loans					
Type of loan	Instrument market movements				
	Opening Position - Nominal Value	Transactions		Write off/write down of loan(s)	Closing Position - Nominal Value
		Purchases	Sales		
ABCP	100,000				100,000

Debt securities issued have to move in accordance with the SPE assets, an increase of 500 in Remaining Assets in the example 2b above has to be counterbalanced by an increase of 500 in Table 7 – Debt securities issued:

Table 7: Liabilities: Debt Securities Issued: ISIN						
ISIN	Non-ISIN reporting	Instrument market movements				
	Sedol/Cusip/Internal	Opening Position	Transactions		Closing Position	Market price at quarter-end
			Issued	Redeemed		
XS000000000000		100,000	0	0	100,500	100.00

Example 2c: Q3 – The securitised loans accrue a further €500,000 interest. So the Outstanding amounts in column B would be (in the absence of an interest payment):

$$€500,000 \text{ outstanding amount Q2} + €500,000 \text{ accrued interest Q3} = €1,000,000$$

However we know that an interest payment of €1,000,000 happens every two quarters. This is reflected as a negative transaction in Transactions column C. Please note that Transactions on accrued interest are always reported as a **negative figure**. As there is - €1,000,000 in transactions the respective Outstanding amounts is impacted:

Pre-interest payment €1,000,000 OA (€500,000 Q1 + €500,000 Q2) - €1,000,000 realised accrued interest in transactions = 0

Pre-interest payment €1,000,000 OA - €1,000,000 transactions = 0 post-interest payment OA

	Outstanding amounts - total	Transactions - total
Remaining assets	0	-1,000
<i>of which accrued interest receivable on deposits and loans</i>		
<i>of which accrued interest on securitised loans</i>	0	-1,000
<i>of which accrued interest on holdings of debt securities</i>		
<i>of which other</i>		

Additionally, this interest payment must be accounted for in the cash account by balancing with +€1,000,000 in transactions if, for example, the interest payment is lodged to the SPE's bank account. This is reflected as a transaction increase of +1,000 in Table 1 Deposits and Loan Claims:

Table 1: Assets: Deposits and Loan Claims						
Instrument Type	Cash/Instrument market movements				Debtor/Counterparty	
	Opening Position	Transactions		Closing Position	Country	Sector
		Increase	Decrease			
Cash	0	1,000		1,000	IE	DTC

As the Remaining assets accrued by a further 500 in Q3, this is reflected in the value of debt securities issued which will increase by a further 500. This 2,000 figure is balanced on the asset side by the closing position of 101,000 in securitised loans plus the closing position of 1,000 in cash:

Table 7: Liabilities: Debt Securities Issued: ISIN						
ISIN	Non-ISIN reporting	Instrument market movements				
	Sedol/Cusip/Internal	Opening Position	Transactions		Closing Position	Market price at quarter-end
			Issued	Redeemed		
XS000000000000		100,000	0	0	101,000	100.00

2.2 Treatment of Valuation Adjustments to Securitised Loans

Securitised loans are recorded in Table 3 and must be reported at nominal value, even if purchased from the originator at a different price. The nominal amount is the contractual amount owed by the debtor. This table does not include debt securities backed by securitised loans. These securities should be recorded in Table 2a (or 2b if an ISIN code does not exist for the security).

The difference between the nominal value and the current fair value of the loans must be included under 'Remaining liabilities – valuation adjustment of securitised loans (see example 3 below). This valuation adjustment will move quarter-on-quarter if the underlying value changes. However, it **should never be transacted up or down**. The only column impacted in Table 6 will be Column B – Outstanding amounts.

Example 3a: Q1 – The SPE has purchased securitised loans with a nominal value of €1bn at a haircut of 30% during the quarter. A transaction purchase is shown of 700,000 and a closing position of 1,000,000 in Table 3.

The purchase price of a loan at nominal value 1,000,000 with a haircut of 30% is 700,000

Type of loan	Instrument market movements				
	Opening Position - Nominal Value	Transactions		Write off/write down of loan(s)	Closing Position - Nominal Value
		Purchases	Sales		
ABCP	0	700,000			1,000,000

€300m should then be reported as valuation adjustment for securitised loans. This results in an increase of the Outstanding amount by 300,000 without a corresponding transaction.

Table 6: Certain Balance Sheet Items for Outstanding Amounts and Transactions

	Outstanding amounts - total	Transactions - total
LIABILITIES		
Capital and Reserves		
Remaining liabilities	300,000	
<i>of which accrued interest payable on loans and deposits</i>		
<i>of which accrued interest on debt securities issued</i>		
<i>of which valuation adjustment for securitised loans i.e nominal less purchase price</i>	300,000	
<i>of which other</i>		

Q2 – the value of the securitised loans increases by €10 million. Since the stock positions of securitised loans are always recorded at nominal value, the increase in value is reflected in the valuation adjustment on table 6, which is reduced to 290,000 (note that it does not transact and therefore is recorded in column B).

LIABILITIES		
Capital and Reserves		
Remaining liabilities		
<i>of which accrued interest payable on loans and deposits</i>		
<i>of which accrued interest on debt securities issued</i>		
<i>of which valuation adjustment for securitised loans i.e nominal less purchase price</i>	290,000	
<i>of which other</i>		

Table 3: Assets: Securitised Loans

Type of loan	Instrument market movements				
	Opening Position - Nominal Value	Transactions		Write off/write down of loan(s)	Closing Position - Nominal Value
		Purchases	Sales		
ABCP	1,000,000				1,000,000

The market value of debt securities issued should move in accordance with the market value of SPE assets, as follows:

Table 7: Liabilities: Debt Securities Issued: ISIN						
ISIN	Non-ISIN reporting	Instrument market movements				
	Sedol/Cusip/Internal	Opening Position	Transactions		Closing Position	Market price at quarter-end
			Issued	Redeemed		
XS0000000000		700,000	0	0	710,000	100.00

2.3 Treatment of Fees

Fees accruals outstanding should be recorded in Table 6 under 'Remaining Assets – of which other' or 'Remaining Liabilities – of which other'. Whether fees are paid by the entity or to the entity, the accruals should be recorded in column B – Outstanding amount.

Example 4: Fees of €100 million owed by the SPE accrue during the quarter. The fees should be recorded in 'Remaining liabilities – of which other' with 100,000 in column B Outstanding amounts as the fees have not been paid yet.

Table 6: Certain Balance Sheet Items for Outstanding Amounts and Transactions		
	Outstanding amounts - total	Transactions - total
LIABILITIES		
Capital and Reserves		
Remaining liabilities	100,000	
of which accrued interest payable on loans and deposits		
of which accrued interest on debt securities issued		
of which valuation adjustment for securitised loans i.e nominal less purchase price		
of which other	100,000	

As liabilities increased by 100,000, debt securities issued in Table 7 must decrease by 100,000. For example, if the opening value of debt securities issued is €200 million, then the closing position will be €100 million, with no transactions.

Table 7: Liabilities: Debt Securities Issued: ISIN						
ISIN	Non-ISIN reporting	Instrument market movements				
	Sedol/Cusip/Internal	Opening Position	Transactions		Closing Position	Market price at quarter-end
			Issued	Redeemed		
XS00000000		200,000			100,000	100.00

Example 4c: Q3 – The SPE pays €300,000 in fees. This is reflected by a negative transaction in column C Transactions and a decrease in Outstanding amounts of 300.

Table 6: Certain Balance Sheet Items for Outstanding Amounts and Transactions

	Outstanding amounts - total	Transactions - total
LIABILITIES		
Capital and Reserves		
Remaining liabilities	99,700	-300
<i>of which accrued interest payable on loans and deposits</i>		
<i>of which accrued interest on debt securities issued</i>		
<i>of which valuation adjustment for securitised loans i.e nominal less purchase price</i>		
<i>of which other</i>	99,700	-300

Additionally, this payment of fees has to be accounted for in the cash account by balancing with -€300,000 in transactions if, for example, the payment of fees is coming out of the SPE's bank account. This is reflected as a transaction decrease of -300 in Table 1 Deposits and Loan Claims:

Table 1: Assets: Deposits and Loan Claims

Instrument Type	Cash/Instrument market movements			Debtor/Counterparty	
	Opening Position	Transactions		Country	Sector
		Increase	Decrease		
Cash	500		300	200 IE	DTC

As there is no change in the net position of the fund, Debt securities issued remain static at €100,000,000

Table 7: Liabilities: Debt Securities Issued: ISIN

ISIN	Non-ISIN reporting Sedol/Cusip/Internal	Instrument market movements			
		Opening Position	Transactions		Closing Position
			Issued	Redeemed	
XS000000000000		100,000	0	0	100,000

Example 4d: Q4 – The entity accrues fees of €50,000. The fees accrued should thus be recorded in 'Remaining liabilities – of which other' with an increase of €50,000 in column B Outstanding amounts as the fees have not been paid yet.

Table 6: Certain Balance Sheet Items for Outstanding Amounts and Transactions

	Outstanding amounts - total	Transactions - total
LIABILITIES		
Capital and Reserves		
Remaining liabilities	99,750	
<i>of which accrued interest payable on loans and deposits</i>		
<i>of which accrued interest on debt securities issued</i>		
<i>of which valuation adjustment for securitised loans i.e nominal less purchase price</i>		
<i>of which other</i>	99,750	

Again as liabilities increased by 50,000 debt securities issued in Table 7 are impacted by €50,000.

Table 7: Liabilities: Debt Securities Issued: ISIN

ISIN	Non-ISIN reporting	Instrument market movements				Market price at quarter-end
	Sedol/Cusip/Internal	Opening Position	Transactions		Closing Position	
			Issued	Redeemed		
XS000000000000		100.00	0	0	99.950	100.00

Market Price

Market price should be reported to two decimal places and is relative to par at 100. It is not the market value of the position. Market price can be estimated if exact information is difficult to obtain or would be costly to obtain. It is important to report relative to par so that the decrease/increase in value can be derived. See Example 4 below to see how to register market price at par 100.

Example 5: Q1. An entity has €100 million in Table 7: Debt securities issued at the start of the quarter, priced at a par value of 200 per unit. During the quarter, these debt securities increased in value by 5%. This means the market value of the debt securities increases to €105,000. The market price is 105, which reflects the resetting of the par value to 100 and a 5% valuation increase.

Table 7: Liabilities: Debt Securities Issued: ISIN

ISIN	Non-ISIN reporting	Instrument market movements				
	Sedol/Cusip/Internal	Opening Position	Transactions		Closing Position	Market price at quarter-end
			Issued	Redeemed		
XS000000000000		100,000	0	0	105,000	105.00

2.4 Derivatives

All positions should be reported at the market-to-market value, except for the nominal amount under the 'instrument characteristics' heading). Please note that derivative data reported as part of the SPE form is crosschecked internally by the Central Bank against the European Market Infrastructure Regulation (EMIR) data provided by each entity.⁶

Example 6 - Forward: The SPE enters into a forward contract with a US bank at end February to buy \$10 million for euro at a rate of €1 = \$1 at end May. At the start of the contract, the contract has a value of 0. At the end of Q1, the forward rate is €1 = \$0.95.

At **Q1** the market to market position is positive and should be reported as an asset: $(\$10,000,000/0.95) - (\$10,000,000/1.00) = €526,315$

So the forward contract is worth €526,315 at the end of Q1 to the SPE. This is an unrealised gain and should be recorded as a positive closing position. It is worth noting that the position is recorded as positive because the contract is in the money and SPE is owed money as a result of the contract. If the contract was out of the money (i.e. the SPE owed money to the counterparty as a result of the contract) then it would be recorded as a negative position.

Table 4: Assets & Liabilities: Derivatives

Derivative type	Instrument market movements				Instrument characteristics	Counterparty	
	Opening Position	Transactions		Closing Position	Nominal amount	Country	Sector
		Receipts	Payments				
	0	0	0	526			
	0			0			
Forwards	0			526	10,526	US	DTC

At the time of delivery in Q2 the market rate is €1 = \$1.05 and the forward contract value is $(\$10,000,000/1.05) - (\$10,000,000/1.00) = -€909,091$. Please note that the nominal amount fluctuates because the value of the contract to the SPE is based on \$10,000,000 USD, which is converted to EUR.

Forward contract is now worth -€909,091 at expiry. A payment is made on the position, which is recorded as a transaction (realised loss), and the position is closed out. As elsewhere on the return, only cash flows are recorded as transactions, with other changes in positions being recorded as revaluations.

⁶ <https://www.centralbank.ie/regulation/industry-market-sectors/securities-markets/emir-regulation>

Section 5: Frequently Asked Questions

Portal Error Messages

Unidentified Errors

(FVC-FIL-0000: Internal File Error) or Unidentified Errors (SPV-FIL-0000: Internal File Error)

Q: I am trying to upload an FVC or SPV return to the Portal, however the above error message occurs and the file will not load.

A: Generally this error results from tampering with the Excel file. If the reporting agent encounters this error they should download a new template from the website and paste in their data from the previous template 'as values'. It is important that the 'as values' option is selected in Excel as it is likely that full pasting caused this error. Care should also be taken to ensure that the filename convention is correct (See [Section 2](#)).

Total Assets = Total Liabilities

Q: I am trying to upload an FVC2 or SPV return to the Portal, however it is getting rejected and the error message states that the breakdown of assets does not match the breakdown of liabilities.

A: This is a standard check on the Portal to ensure that the sum of all asset positions equals the sum of all liability positions. Liabilities, for this purpose, include Capital and Reserves on Table 6. The FVC or SPV team has developed an offline checker file which can be used by reporting agents to check that an FVC2 or SPV return will pass arithmetic validation⁷. Simply open the FVC or SPV return in excel (ensuring that the file has the appropriate filenaming conventions detailed in [Section 2](#)) along with the offline checker file. Once the offline checker file is open, navigate to the 'Register' tab and enter the codes used in the filename in the appropriate boxes in the top-left corner of the sheet. The 'Arithmetic' tab shows a full breakdown of all items included in the Portal validation checks and the FVC or SPV file can be edited in real time while monitoring this file.

Breakdown of Asset Transactions = Breakdown of Liability Transactions

Q: I am trying to upload an FVC2 or SPV return to the Portal, however it is getting rejected and the error message states that the breakdown of assets transactions is not within 1% of the breakdown of liabilities transactions and 3% of the total assets/liabilities.

A: Similar to the previous question, this is a standard Portal check to ensure that asset transactions equal liability (including Capital and Reserves) transactions. A definition of financial transactions is available in Section 2 of the Notes on Compilation. Please ensure that these are being recorded correctly in the FVC2 or SPV return. The offline checker file as detailed in the previous question can also be used to ensure the FVC2 or SPV return passes the transactions check.

Table 9 country codes

Q: I am trying to upload the Q1 FVC2 or SPV return, however it is getting rejected and the error message states that "Table 9 data should only be populated in Q4".

A: Table 9, which collects annual profit & loss data, should only be populated during the Q4 reporting period. Often this error occurs when reporting agents use the Q4 return and update figures for Q1, but forget to delete the data within Table 9.

⁷ <https://www.centralbank.ie/docs/default-source/statistics/statistical-reporting-requirements/special-purpose-vehicles/spe-business-validation-rules-offline-checker-beta-19.xlsx?sfvrsn=48>

Alternatively, the figures in Table 9 can be removed, but additional country codes in column A are not removed, as in the example below:

Income	
Total	
Ireland	
GB	
US	
DE	
Other	

Here, the country codes GB, US and DE should be deleted to allow the return to load.

If you have any suggestions for additional questions, please feel free to contact the spe-registration@centralbank.ie mailbox.



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