



Banc Ceannais na hÉireann
Central Bank of Ireland

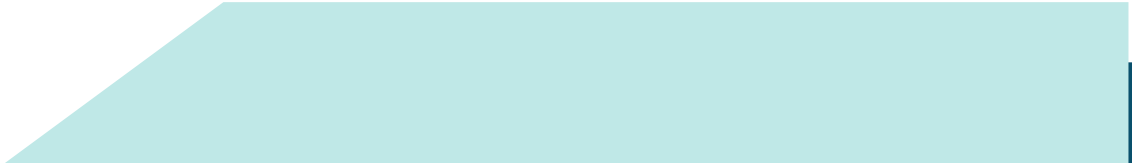
Eurosystem

Asset Concentration Report – Guidance Note for Irish Investment Firms

February 2022

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General

1. The Asset Concentration Report is applicable to certain investment business firms authorised under the Investment Intermediaries Act, 1995 (“IIA Non-Retail firms”).
 - The Asset Concentration Report is not applicable to retail intermediaries authorised under the Investment Intermediaries Act, 1995 or to fund service providers.
2. This guidance note provides direction on how to complete the Asset Concentration Report. It may be updated periodically and the most up-to-date version will be available on the Central Bank of Ireland (“Central Bank”) website¹.
3. Firms should submit the Asset Concentration Report annually to the Central Bank via the Online Reporting System by the 20th working day after the 31 December. The information on the return should be submitted as at 31 December of the reporting year.
4. Notwithstanding paragraph 3, firms may be required to submit the Asset Concentration Report on a more frequent basis at the discretion of the Central Bank, for instance if there is a supervisory concern in relation to a particular exposure or in relation to a firm’s own monitoring and control of its exposures. Therefore firms should have the capability to produce the information required to complete the return at all times.
5. The Asset Concentration Report is depicted in Appendix 1.
6. If firms have any queries in relation to the Asset Concentration Report or the content of this guidance note, they should contact their supervisor.

Counterparty Concentrations

7. Firms should list all asset counterparty concentrations that are greater than 10% of the firm’s regulatory own funds on the Asset Concentration Report.

(1) <http://www.centralbank.ie/regulation/industry-sectors/investment-firms/iia-non-retail-firms/Pages/reporting.aspx> (for IIA Non-Retail firms).

8. When calculating asset counterparty concentrations, firms should aggregate all on and off-balance sheet assets by counterparty before the deduction of any provisions or off-setting liabilities. It is this gross amount that should be used for the purpose of determining whether the reporting threshold (10% of the firm's regulatory own funds) is exceeded.
9. Firms should consider whether any counterparties are connected and if there exists a group of connected counterparties, it is the aggregate exposure to the group that is to be used for the purpose of determining whether the reporting threshold is exceeded.
10. Firms that have no asset counterparty concentrations that are greater than 10% of the firm's regulatory own funds should submit a nil return.

Field-specific guidance

Counterparty Name

11. In this column firms should input the counterparty name for each asset counterparty concentration that is greater than 10% of the firm's regulatory own funds.

Is the counterparty a group entity?

12. In this column firms should input "Y" or "N" to indicate whether the relevant counterparty is a group entity.

Gross asset amount

13. Under the column entitled 'Gross asset amount' firms should input the aggregate of all on and off-balance sheet assets for the relevant counterparty (or group of connected counterparties) before the deduction of any provisions or off-setting liabilities. The gross asset amount should be entered as a positive figure in euro thousands.

Less any provision

14. In this column firms should input the amount of any provision that has been made against the counterparty exposure. The amount should be entered as a positive figure in euro thousands.

Net asset amount

15. To calculate the 'Net asset amount' firms should deduct the amount entered under the 'Less any provisioning' column from the amount entered under the 'Gross asset amount' column. The resulting amount should be entered as a positive figure in euro thousands.

Liabilities owing to the same counterparty

16. Under this column firms should enter the aggregate amount of any on or off-balance sheet liabilities owing to the relevant counterparty. The amount should be entered as a positive figure in euro thousands.

Is there an enforceable legal contract in place that allows netting of assets and liabilities for this counterparty?

17. Firms should input "Y" or "N" in this column depending on whether there is an enforceable legal contract in place that permits netting of assets and liabilities for the counterparty.

Value of any collateral held

18. Under the column entitled 'Value of any collateral held' firms should input the value of any collateral held by the firm as security against the counterparty exposure. The amount should be entered as a positive figure in euro thousands.

Appendix 1

Please list below all asset counterparty concentrations that are greater than 10% of own funds.							
Counterparty name	Is the counterparty a group entity? (Y/N)	Gross asset amount €000	Less any provision €000	Net asset amount €000	Liabilities owing to the same counterparty €000	Is there an enforceable legal contract in place that allows netting of assets and liabilities for this counterparty? (Y/N)	Value of any collateral held €000

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