

Pillar III Disclosures policy

1. Introduction

iFOREX UK is a trading name of VIBHS Financial Limited, authorised and regulated in the UK by the Financial Conduct Authority under Firm Reference Number 613381. Incorporated as a Limited Company in England and Wales under Companies House number 08279988.

Usage of this Pillar III Disclosures policy must be in conjunction with VIBHS Financial Limited's ("VIBHS") Compliance Manual and other company policies and procedures currently in effect and those yet to be introduced.

Reference to the Compliance Officer throughout this policy includes in his absence, his appointed deputy. For the benefit of clarity an appointed deputy will be defined as any one person from:

- The Chief Executive Officer ("CEO"), being a Financial Conduct Authority ("FCA") Approved Person;
- In the absence of (i) above, another Director of VIBHS, also being an FCA Approved Person and in association with (iii) below;
- The Compliance Assistant (if required).

References to the masculine include the feminine. Items in italics have their essence defined in the FCA's Glossary. Refer to the Compliance department if you require further information. This Pillar III Disclosures policy must not be reproduced or provided to third parties without prior reference to the Compliance Officer and their subsequent approval.

1.1. Sponsor

This policy is sponsored by VIBHS' Executive Management and will be maintained by the company's Compliance Officer, therefore any queries and / or suggestions for change should be addressed to the firm's Compliance Officer.

1.2. VIBHS' regulated status

VIBHS is currently authorised and regulated by the FCA under Firm Reference Number ("FRN") 613381 and is a Limited License IFPRU €125k license firm.

2. Implied practical interpretation of BIPRU chapter 11 and its impact on VIBHS

It is not the purpose of this policy to dilute the requirements embedded in chapter 11 of the FCA's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), where all Pillar III Disclosure Requirements are determined including the requirement upon VIBHS to establish, implement and maintain an effective Disclosures policy that is set out in writing (BIPRU 11.3.3R) however, it is reasonable for the firm when determining the required disclosures and the manner of their publication to appropriately consider the size and organisation of the firm and the nature, scale and complexity of its business.

3. Practical implementation by VIBHS to satisfy the requirements of BIPRU chapter 11

A separate landing page will be set up on VIBHS' website called 'Pillar III Disclosures'. Within this area the firm's senior management will place the following information:

- The most recent but abridged and therefore non-commercially sensitive version of VIBHS' Business Plan;
- VIBHS' most up-to-date ICAAP Policy;
- The most recent version of VIBHS' annual audited accounts;

- The firm's most up-to-date other, relevant management information identified at the time of publication but nonetheless reviewed on a monthly basis;
- VIBHS' most recent FCA003 - Capital Adequacy return, updated monthly;
- The latest version of the firm's Remuneration Policy; and
- The most up-to-date version of this PILLAR III DISCLOSURES POLICY.

Whilst chapters 4 - 9 of this policy outline the full disclosure requirements under BIPRU 11, VIBHS feel that the practical disclosure of items (i) to (vii) in the manner prescribed and in keeping with chapter 2 above, will satisfy the regulator and ensure the firm's ongoing compliance with BIPRU 11, in keeping with the size, nature and complexity of the firm and its business.

4. Policy governing the disclosure of Pillar III requirements

4.1. Application and Purpose

Under BIPRU 11.1.1R, this requirement applies to all BIPRU defined firms and its purpose is to implement Articles 68(3), 72, 145 and 149 as well as Annex XII of the Banking Consolidation Directive ("BCD") and Article 2 (in part), point 3 of Article 23 (in part) and Article 39 of the Capital Adequacy Directive.

5. Basis of disclosures

5.1. Disclosure on an Individual Basis

In compliance with BIPRU 11.2.1R, BIPRU 11.3 must be complied with on an individual basis if the firm is neither a parent undertaking nor a subsidiary undertaking, or if the firm is excluded from a UK consolidation group or non-EEA sub-group pursuant to BIPRU 8.5 or if it is part of a group which has been granted an investment firm consolidation waiver under BIPRU 8.4.

6. Disclosures: information to be disclosed; Frequency, media and location of disclosures; Verification

6.1. Information to be Disclosed

VIBHS must publicly disclose the information laid down in BIPRU 11.5 subject to the provisions laid down in BIPRU 11.3.5R to BIPRU 11.3.7R. Under BIPRU 11.3.2R, if the firm has an IRB permission it must publicly disclose the information laid down in BIPRU 11.6.1R to BIPRU 11.6.4R. Also, if VIBHS recognises credit risk mitigation in accordance with BIPRU 5, it must publicly disclose the information laid down in BIPRU 11.6.5R and if at any time the firm uses the advanced measurement approach for the calculation of its operational risk capital requirement, it must publicly disclose the information laid down in BIPRU 11.6.6R.

6.2. Disclosure Policy

In keeping with BIPRU 11.3.3R, VIBHS must adopt a formal policy to comply with the disclosure requirements laid down in BIPRU 11.3.1R and BIPRU 11.3.2R and have policies for assessing the appropriateness of its disclosures, including their verification and frequency.

The Directive of the European Parliament and the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (No 2006/48/EC).

The Directive of the European Parliament and the Council of 14 June 2006 on capital adequacy of investment firms and credit institutions (No 2006/49/EC).

Please refer to the FSA's glossary at <http://fsahandbook.info/FSA/glossary-html/handbook/Glossary/I?definition=G2169>.

VIBHS must also have policies for assessing whether its disclosures convey its risk profile comprehensively to market participants. Where those disclosures do not convey its risk profile comprehensively to market participants, the firm must publicly disclose the information necessary in addition to that required according to BIPRU 11.3.3R(1). However, VIBHS may omit one or more items of information if those items are not, in the light of the criterion specified in BIPRU 11.4.1R, regarded as material or if those items are, in the light of the criteria specified in BIPRU 11.4.2R and BIPRU 11.4.3R, regarded as proprietary or confidential.

6.3. Exemption from Disclosure: Materiality

Under BIPRU 11.3.5R VIBHS may omit one or more of the disclosures listed in BIPRU 11.5 if the information provided by such disclosures can be defined by BIPRU 11.4.1R as material.

6.4. Exemption from Disclosure: Proprietary or Confidential Information

VIBHS may omit one or more items of information included in the disclosures listed in BIPRU 11.5 and BIPRU 11.6 if those items include information which can be regarded as proprietary or confidential under BIPRU 11.4.2R and BIPRU 11.4.3R.

In these exceptional cases referred to in BIPRU 11.3.6R, the firm must state in its disclosures the fact that the specific items of information are not disclosed and the reason(s) for non-disclosure. The firm should also publish more general information about the subject matter of the disclosure requirement, except where these are to be classified as secret or confidential under the same FCA regulations i.e., BIPRU 11.4.2R and BIPRU 11.4.3R.

6.5. Frequency of Publication

To remain compliant with BIPRU 11.3.8R, VIBHS must publish the disclosures required under BIPRU 11.3.1R to BIPRU 11.3.5R on an annual basis at a minimum and publish disclosures as soon as practicable. It must also determine whether more frequent publication than is provided for in BIPRU 11.3.8R is necessary in accordance with BIPRU 11.4.4R.

6.6. Media and Location of Publication

VIBHS may determine in keeping with BIPRU 11.3.10R, the appropriate medium, location and means of verification to comply effectively with the disclosure requirements laid down in BIPRU 11.3.1R to BIPRU 11.3.4R and where feasible, must provide all disclosures in one medium or location. It should also be noted that equivalent disclosures made by VIBHS under accounting, listing or other requirements may be deemed to constitute compliance with the aforementioned regulations but if disclosures are not included in the financial statements, the firm must indicate where they can be found.

7. Technical criteria on disclosure: general criteria

7.1. Criterion for Materiality

Under BIPRU 11.4.1R, VIBHS must regard information as material in disclosures if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

7.2. Criteria: Proprietary and Confidential Information

VIBHS must regard information as proprietary information if sharing that information with the public would undermine its competitive position and may include information on products or systems which if shared with competitors, would render a firm's investments therein less valuable.

VIBHS must also regard information as confidential if there are obligations to customers or other counterparty relationships binding the firm to confidentiality.

7.3. Criteria: Frequency of Publication

In compliance with BIPRU 11.4.4R VIBHS must assess the need to publish some or all disclosures more frequently than annually in the light of the relevant characteristics of its business such as its:

- Scale of operations;
- Range of activities;
- Presence in different countries;
- Involvement in different financial sectors;
- Participation in international financial markets; and
- Participation in payment, settlement and clearing systems.

In making this assessment VIBHS must pay particular attention to the possible need for more frequent disclosure of:

- Items of information laid down in BIPRU 11.5.3R(2) and BIPRU 11.5.3R(5), and BIPRU 11.5.4R(2) - BIPRU 11.5.4R(5); and
- Information on risk exposure and other items prone to rapid change.

8. Technical criteria on disclosure: general requirements

8.1. Disclosure: Risk Management Objectives and Policies

Under BIPRU 11.5.1R VIBHS must disclose its risk management objectives and policies for each separate category of risk, including the risks referred to under BIPRU 11.5.1R to BIPRU 11.5.17R. These disclosures must include:

- The strategies and processes to manage those risks;
- The structure and organisation of the relevant risk management function or other appropriate arrangements;
- The scope and nature of risk reporting and measurement systems; and
- The policies for hedging and mitigating risk and the strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.

8.2. Disclosure: Scope of Application of Directive Requirements

VIBHS must disclose the following information regarding the scope of application of the requirements of the BCD being:

- The name of the firm which is the subject of the disclosures;
- An outline of the differences in the basis of consolidation for accounting and prudential purposes, with a brief description of the entities that are:
 - Fully consolidated;
 - Proportionally consolidated;
 - Deducted from capital resources; and
 - Neither consolidated nor deducted;
- Any current or foreseen material practical or legal impediment to the prompt transfer of capital resources or repayment of liabilities among the parent undertaking and its subsidiary undertakings;

- The aggregate amount by which the actual capital resources are less than the required minimum in all subsidiary undertakings not included in the consolidation and the name or names of such subsidiary undertakings; and
- If applicable, the circumstance of making use of the provisions laid down in BIPRU 2.1 - Solo consolidation waiver.

8.3. Disclosure: Capital Resources

To remain compliant with BIPRU 11.5.3R VIBHS must disclose the following information regarding its capital resources:

- Summary information on the terms and conditions of the main features of all capital resources items and components thereof, including:
 - Hybrid capital;
 - Capital instruments which provide an incentive for the firm to redeem them; and
 - Capital instruments which the firm treats as tier one capital under GENPRU TP8A;
- Tier one capital resources, with separate disclosure of:
 - All positive items and deductions;
 - The overall amount of hybrid capital, with specification of those instruments treated as tier one capital under GENPRU TP 8A.1; and
 - The overall amount of capital instruments that provide for an incentive to redeem them, with specification of those instruments treated as tier one capital under GENPRU TP 8A.1;
- The total amount (for the purposes of (iii), the total amount must be stated gross of deductions) of:
 - Tier two capital resources plus any innovative tier one capital resources; and
 - Tier three capital resources;
 - Deductions from tier one capital resources and tier two capital resources, with separate disclosure of items referred to in GENPRU 2.2.236R; and
 - Total capital resources, net of deductions in GENPRU 2.2 and limits laid down in GENPRU 2.2.25R to GENPRU 2.2.30R and GENPRU 2.2.42R to GENPRU 2.2.50R.

8.4. Disclosure: Compliance with BIPRU 3, BIPRU 4, BIPRU 6, BIPRU 7, BIPRU 10 and the Overall Pillar II Rule

VIBHS must disclose the following information regarding compliance with BIPRU 3, BIPRU 4, BIPRU 6, BIPRU 7, BIPRU 10 and the overall Pillar 2 rule:

- A summary of the firm's approach to assessing the adequacy of its internal capital to support current and future activities;
- For a firm calculating risk weighted exposure amounts in accordance with the standardised approach to credit risk, 8% of the risk weighted exposure amounts for each of the standardised credit risk exposure classes;
- For a firm calculating risk weighted exposure amounts in accordance with the IRB approach, 8% of the risk weighted exposure amounts for each of the IRB exposure classes;
- The firm's minimum capital requirements for the following: In respect of its trading-book business, its:

- Interest rate PRR;
- Equity PRR;
- Option PRR;
- Collective investment schemes PRR;
- Counterparty risk capital component;
- Concentration risk capital component; and
- In respect of all of its business activities, its:
 - Commodity PRR; and
 - Foreign currency PRR;
- Its operational risk capital requirement calculated in accordance with the basic indicator approach, the standardised approach and the advanced measurement approach and disclosed separately.

For retail exposures, the requirement under 6.4(iii) above applies to each of the following categories:

- Exposures to retail SMEs;
- Retail exposures secured by real estate collateral;
- Qualifying revolving retail exposures; and
- Other retail exposures.

For equity exposures, the requirement under 6.4(iii) above applies to:

- Each of the approaches (the simple risk weight approach, the PD/LGD approach and the internal models approach) provided for in BIPRU 4.7.5R to BIPRU 4.7.6R, BIPRU 4.7.9R to BIPRU 4.7.11R, BIPRU 4.7.14R to BIPRU 4.7.16R, BIPRU 4.7.24R to BIPRU 4.7.25 R;
- Exchange traded exposures, private equity exposures in sufficiently diversified portfolios and other exposures;
- Exposures subject to supervisory transition regarding capital requirements; and
- Exposures subject to grandfathering provisions regarding capital requirements.

Under BIPRU 11.5.7R VIBHS must disclose the following information regarding its exposure to counterparty credit risk:

- A discussion of the methodology used to assign internal capital and credit limits for counterparty credit exposures;
- A discussion of policies for securing collateral and establishing credit reserves;
- A discussion of policies with respect to wrong-way risk exposures;
- A discussion of the impact of the amount of collateral the firm would have to provide given a downgrade in its credit rating;
- Gross positive fair value of contracts, netting benefits, netted current credit exposure, collateral held and 'net derivatives credit exposure', where 'net derivatives credit exposure' is the credit exposure on derivatives transactions after considering both the benefits from legally enforceable netting agreements and collateral arrangements;

- Measures for exposure value under the CCR mark to market method, the CCR standardised method or the CCR internal model method, whichever is applicable;
- The notional value of credit derivative hedges, and the distribution of current credit exposure by types of credit exposure;
- Credit derivative transactions (notional), segregated between use for the firm's own credit portfolio, as well as in its intermediation activities, including the distribution of the credit derivatives products used, broken down further by protection bought and sold within each product group; and
- The estimate of alpha (α) if the firm's CCR internal model method permission permits it to estimate α .

8.5. Disclosure: Credit and Dilution Risk

To remain compliant with BIPRU 11.5.8R VIBHS must disclose the following information regarding its exposure to credit risk and dilution risk:

- The definitions for accounting purposes of past due and impaired;
- A description of the approaches and methods adopted for determining value adjustments and provisions;
- The total amount of exposures after accounting offsets and without taking into account the effects of credit risk mitigation and the average amount of the exposures over the period broken down by different types of exposure classes;
- The geographic distribution of the exposures, broken down in significant areas by material exposure classes, and further detailed if appropriate;
- The distribution of the exposures by industry or counterparty type, broken down by exposure classes, and further detailed if appropriate;
- The residual maturity breakdown of all the exposures, broken down by exposure classes, and further detailed if appropriate;
- By significant industry or counterparty type, the amount of:
 - Impaired exposures and past due exposures, provided separately;
 - Value adjustments and provisions; and
 - Charges for value adjustments during the period;
- The amount of the impaired exposures and past due exposures, provided separately, broken down by the significant geographical areas including, if practical, the amounts of value adjustments and provisions related to each geographical area;
- The reconciliation of changes in the value adjustments and provisions for impaired exposures, shown separately; and
- Value adjustments and recoveries recorded directly to the income statement must be disclosed separately.

In accordance with BIPRU 11.5.9R the information to be disclosed under 6.5(ix) above must comprise:

- A description of the type of value adjustments and provisions;
- The opening balances;
- The amounts taken against the provisions during the period;

- The amounts set aside or reversed for estimated probable losses on exposures during the period, any other adjustments including those determined by exchange rate differences, business combinations, acquisitions and disposals of subsidiary undertakings, and transfers between provisions; and
- The closing balances.

8.6. Disclosure: Firms Calculating Risk-Weighted Exposure Amounts in Accordance with the Standardised Approach.

Under BIPRU 11.5.10R for a firm calculating risk weighted exposure amounts in accordance with the standardised approach to credit risk, the following information must be disclosed for each of the standardised credit risk exposure classes:

- The names of the nominated ECAs and export credit agencies and the reasons for any changes;
- The standardised credit risk exposure classes for which each ECAI or export credit agency is used;
- A description of the process used to transfer the issuer and issue credit assessments onto items not included in the trading book;
- The association of the external rating of each nominated ECAI or export credit agency with the credit quality steps prescribed in BIPRU 3, taking into account that this information need not be disclosed if the firm complies with the credit quality assessment scale; and
- The exposure values and the exposure values after credit risk mitigation associated with each credit quality step prescribed in BIPRU 3, as well as those deducted from capital resources.

8.7. Disclosure: Firms Calculating Risk-Weighted Exposure Amounts Using the IRB Approach.

To remain compliant with BIPRU 11.5.11R a firm calculating risk weighted exposure amounts for specialised lending exposures in accordance with BIPRU 4.5.8R to BIPRU 4.5.10R or equity exposures in accordance with BIPRU 4.7.9R to BIPRU 4.7.10R (the simple risk weight approach) must disclose the exposures assigned:

- To each category of the table in BIPRU 4.5.9R; or
- To each risk weight mentioned in BIPRU 4.7.9R to BIPRU 4.7.10R.

8.8. Disclosure: Market Risk

As per BIPRU 11.5.12R VIBHS must disclose its capital resources requirements separately for each risk referred to in (i), (ii) and (iii):

- In respect of its trading-book business, its:
 - Interest rate PRR;
 - Equity PRR;
 - Option PRR;
 - Collective investment schemes PRR;
 - Counterparty risk capital component; and
 - Concentration risk capital component; and
- In respect of all of its business activities, its:
 - Commodity PRR; and
 - Foreign currency PRR; and

- Its specific interest-rate risk of securitisation positions.

8.9. Disclosure: Use of a VaR Model for the Calculation of the Market Risk Capital Requirement

BIPRU 11.5.13R dictates that the following information must be disclosed by a firm which calculates its market risk capital requirement using a VaR model:

- For each sub-portfolio covered:
 - The characteristics of the models used;
 - A description of stress testing applied to the sub-portfolio;
 - A description of the approaches used for back-testing and validating the accuracy and consistency of the internal models and modelling processes;
 - For the capital charges calculated according to the incremental risk charge and the all price risk measure separately, the methodologies used and the risks measured through the use of an internal model, including a description of the approach used by the firm to determine liquidity horizons, the methodologies used to achieve a capital assessment that is consistent with the required soundness standard and the approaches used in the validation of the model;
 - The scope of the firm's VaR model permission;
 - A description of the extent and methodologies for compliance with the requirements set out in GENPRU 1.3.13R(2) and GENPRU 1.3.13R(3) and GENPRU 1.3.14R to GENPRU 1.3.34R;
 - The highest, the lowest and the mean of the following:
 - The daily VaR measures over the reporting period and the VaR measure as per the period end;
 - The stressed VaR measures over the reporting period and the stressed VaR measure as per the period end;
 - The capital charge according to the incremental risk charge over the reporting period and as per the period end;
 - The capital charge according to the all price risk measure over the reporting period and as per the period end;
 - The amount of capital according to the incremental risk charge and the amount of capital according to the all price risk measure shown separately, together with the weighted average liquidity horizon for each sub-portfolio covered; and
 - A comparison of the daily end-of-day VaR measures to the one-day changes of the portfolio's value by the end of the subsequent business day together with an analysis of any important overshooting during the reporting period.

8.10. Disclosure: Operational Risk

BIPRU 11.5.14R determines that the following information must be disclosed by a firm on operational risk:

- The approaches for the assessment of the operational risk capital requirement that the firm qualifies for; and
- if the firm uses the advanced measurement approach:

- A description of the methodology used in the advanced measurement approach, including a discussion of relevant internal and external factors considered in the firm's measurement approach; and
- In the case of partial use, the scope and coverage of the different methodologies used.

8.11. Disclosure: Non-Trading Book Exposures in Equities

To remain compliant with BIPRU 11.5.15R VIBHS must disclose the following information regarding the exposures in equities not included in the trading book:

- The differentiation between exposures based on their objectives, including for capital gains relationship and strategic reasons, and an overview of the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation and any significant changes in these practices;
- The balance sheet value, the fair value and, for those exchange-traded, a comparison to the market price where it is materially different from the fair value;
- The types, nature and amounts of exchange-traded exposures, private equity exposures in sufficiently diversified portfolios, and other exposures;
- The cumulative realised gains or losses arising from sales and liquidations in the period; and
- The total unrealised gains or losses, the total latent revaluation gains or losses, and any of these amounts included in tier one, tier two or tier three capital resources.

8.12. Disclosures: Exposures to Interest Rate Risk in the Non-Trading Book

BIPRU 11.5.16R states that VIBHS must disclose the following information on its exposure to interest rate risk on positions not included in the trading book:

- The nature of the interest rate risk and the key assumptions (including assumptions regarding loan prepayments and behaviour of non-maturity deposits), and frequency of measurement of the interest rate risk; and
- The variation in earnings, economic value or other relevant measure used by the management for upward and downward rate shocks according to management's method for measuring the interest rate risk, broken down by currency.

8.13. Disclosures: Securitisation

BIPRU 11.5.17R is a complex rule governing where a firm calculating risk weighted exposure amounts in accordance with BIPRU 9 or capital resource requirements according to BIPRU 7.2.48AR to BIPRU 7.2.48KR must disclose the following information, where relevant separately for its trading book and non-trading book (note that the rule paragraph reference numbers have been retained for easier cross-referencing to the BIPRU Sourcebook):

- (1) A description of the firm's objectives in relation to securitisation activity;
 - (1A) The nature of other risks, including liquidity risk inherent in securitised assets;
 - (1B) The type of risks in terms of seniority of underlying securitisation positions and in terms of assets underlying these latter securitisation positions assumed and retained with resecuritisation activity;
- (2) The different roles played by the firm in the securitisation process;
- (3) An indication of the extent of the firm's involvement in each of them;

- (3A) A description of the processes in place to monitor changes in the credit and market risk of securitisation exposures, including how the behaviour of the underlying assets impacts securitisation positions and a description of how those processes differ for resecuritisation positions;
- (3B) A description of the firm's policy governing the use of hedging and unfunded protection to mitigate the risks of retained securitisation and resecuritisation positions, including identification of material hedge counterparties by relevant type of risk exposure;
- (4) The approaches to calculating risk weighted exposure amounts that the firm follows for its securitisation activities, including the types of securitisation exposures to which each approach applies;
- (6A) The types of SSPEs that the firm, as sponsor, uses to securitise third-party exposures, including whether, and in what form, and to what extent, the firm has exposures to these SSPEs, separately for on and off-balance sheet exposures, as well as a list of the entities that the firm manages, or advises, and that invest in either the securitisation positions that the firm has securitised or in SSPEs that the firm sponsors;
- (5) A summary of the firm's accounting policies for securitisation activities, including:
- Whether the transactions are treated as sales or financings;
 - The recognition of gains on sales;
 - The methods, key assumptions, inputs and the changes from the previous period for valuing securitisation positions;
 - The treatment of synthetic securitisations if this is not covered by other accounting policies;
 - How assets awaiting securitisation are valued and whether they are recorded in the firm's non-trading book or trading book; and
 - Policies for recognising liabilities on the balance sheet for arrangements that could require the firm to provide financial support for securitised assets;
- (6) The names of the ECAs used for securitisations and the types of exposure for which each agency is used;
- (6A) Where applicable, a description of the ABCP internal assessment approach as set out in BIPRU 9.12.20R including the structure of the internal assessment process and relation between internal assessment and external ratings, the use of internal assessment other than for ABCP internal assessment approach capital purposes, the control mechanisms for the internal assessment process (including discussion of independence, accountability, and internal assessment process review), the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels, by exposure type;
- (6B) An explanation of significant changes to any of the quantitative disclosures in (8) and (13) to (15) since the last reporting period;
- (7) Deleted from BIPRU;
- (8) For the non-trading book and for exposures securitised by the firm, the amount of impaired and past due exposures securitised, and the losses recognised by the firm during the current period, broken down by exposure type;

- (9) Deleted from BIPRU;
- (10) Deleted from BIPRU;
- (11) Deleted from BIPRU;
- (12) Deleted from BIPRU;
- (13) Separately for the trading book and the non-trading book, the following information broken down by exposure type:
 - The total outstanding amount of exposures securitised by the firm, separately for traditional securitisations and synthetic securitisations, and securitisations for which the firm acts only as sponsor;
 - The aggregate amount of on-balance sheet securitisation positions retained or purchased, and off-balance sheet securitisation exposures;
 - The aggregate amount of assets awaiting securitisation;
 - For securitised facilities subject to an early amortisation provision, the aggregate drawn-down exposures attributed to the originator's and investors' interests respectively, the aggregate capital resources requirement incurred by the firm against the originator's interest and the aggregate capital resources requirement incurred by the firm against the investors' shares of drawn balances and undrawn lines;
 - The amount of securitisation positions that have been risk weighted at 1250% or deducted; and
 - A summary of the securitisation activity of the current period, including the amount of exposures securitised and recognised gain or loss on sale;
- (14) Separately for the trading book and the non-trading book, the following information:
 - The aggregate amount of securitisation positions retained or purchased and the associated capital resources requirements, broken down by securitisation and resecuritisation exposures, and further broken down into a meaningful number of risk weight or capital resources requirement bands, for each capital resources requirement approach used; and
 - The aggregate amount of resecuritisation exposures retained or purchased, broken down according to the exposure before and after hedging or insurance, and the exposure to financial guarantors, broken down according to guarantor credit worthiness categories or guarantor name; and
- (15) For the trading book, the total outstanding exposures securitised by the firm and subject to a market risk capital requirement, broken down into traditional and synthetic, and by exposure type.

8.14. Disclosures: Remuneration

With regard to Remuneration and subject to BIPRU 11.5.18R VIBHS must disclose the following information, including regular, at least annual, updates, regarding its remuneration policy and practices for those categories of staff whose professional activities have a material impact on its risk profile:

- Information concerning the decision-making process used for determining the remuneration policy, including if applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders;

- Information on the link between pay and performance;
- The most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria;
- Information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based;
- The main parameters and rationale for any variable component scheme and any other non-cash benefits;
- Aggregate quantitative information on remuneration, broken down by business area;
- Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the firm, indicating the following:
 - The amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries;
 - The amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types;
 - The amounts of outstanding deferred remuneration, split into vested and unvested portions;
 - The amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments;
 - New sign-on and severance payments made during the financial year, and the number of beneficiaries of those payments;
 - The amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person.

Guidance determines that the FCA would normally consider the requirements to publish disclosures in accordance with BIPRU 11.3.8R and 11.3.9R in respect of BIPRU 11.5 as a whole to meet the requirement in paragraph 15 of Annex XII to the BCD to publish "regular, at least annual, updates" as implemented in BIPRU 11.5.18R.

BIPRU 11.5.2 OR instructs that:

- A firm that is significant in terms of its size, internal organisation and the nature, scope and the complexity of its activities must also disclose the quantitative information referred to in BIPRU 11.5.18R at the level of senior personnel; and
- Firms must comply with the requirements set out in BIPRU 11.5.18R in a manner that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities and without prejudice to the UK or other national transposition of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

The FCA has given guidance for the purpose of providing a framework for complying with the disclosure requirements of BIPRU 11.5.18R in accordance with the proportionality test set out in BIPRU 11.5.2 OR(2). The guidance divides firms into four tiers and indicates which requirements should be complied

with for each tier. It was published in the FCA's Policy Statement 10/21 - 'Implementing CRD requirements on the disclosure of remuneration: Feedback on CP10/27 and final rules.

In the FCA's view, the exemptions from disclosure provided for in BIPRU 11.3.5R - Materiality and BIPRU 11.3.6R - Proprietary or confidential information, are unlikely to apply to the disclosure required by BIPRU 11.5.18R - Having regard, amongst other things, to the fact that the requirements set out in BIPRU 11.5.18R are to be complied with in the manner described in BIPRU 11.5.2 OR(2)).