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| **NATIONAL COMMISSION ON STATE REGULATION OF FINANCIAL SERVICES MARKETS** | |
| **RESOLUTION** | |
| **12.11.2015  № 2724** | |
|  | **Registered with the Ministry of Justice of Ukraine**  **04 December 2015**  **under № 1511/27956** |

### On approval of the Regulation on the procedure for the consolidated supervision of the non-bank financial groups, predominant activities in which are conducted by the financial institutions, supervised by the National Commission on State Regulation of Financial Services Markets

According to Article 16-1 of the Law of Ukraine "On Financial Services and State Regulation of Financial Markets", paragraphs 11 and 12 of the Regulation on the National Commission on State Regulation of Financial Services Markets, approved by the President of Ukraine from November 23, 2011 № 1070, the National Commission on state regulation of financial services markets, **has resolved**:

1. To approve the Regulation on the procedure for the consolidated supervision of the non-bank financial groups, predominant activities in which are conducted by the financial institutions, supervised by the National Commission on State Regulation of Financial Services Markets (enclosed).

2. Controllers of the non-bank financial groups shall ensure the submission of documents under paragraph 2 of section II of the Regulation on the procedure for the consolidated supervision of the non-bank financial groups, predominant activities in which are conducted by the financial institutions, supervised by the National Commission on State Regulation of Financial Services Markets, within 60 days from the date of enactment of this regulation.

3. Methodology, Standards of Regulation and Supervision of Financial Institutions Department, along with the Legal Support and Register of Financial Institutions Maintenance Department shall submit this resolution to the Ministry of Justice of Ukraine for the state registration.

4. Public Relations and Protocol section shall ensure disclosure of this resolution after its state registration.

5. This resolution shall enter into force following the day of its official publication.

6. The Commissioner Zaletov is entrusted with control over implementation of this Resolution.

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| **Chairman of Commission** | **І. Pashko** |

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|  | **APPROVED** **Resolution** **of the National Commission on State Regulation of Financial Services Markets**  **12.11.2015  № 2724** |
|  | **Registered with the Ministry of Justice of Ukraine**  **04 December 2015**  **under № 1511/27956** |

### REGULATION On approval of the Regulation on the procedure for the consolidated supervision of the non-bank financial groups, predominant activities in which are conducted by the financial institutions, supervised by the National Commission on State Regulation of Financial Services Markets

**I. General Provisions**

1. This Regulation is developed according to the provisions of the Law of Ukraine “On Financial Services and State Regulation of Financial Markets” and establishes requirements for the non-bank financial groups, the identification procedure of the non-bank financial group, the predominant activity in which is conducted by the non-bank financial institution (non-bank financial institutions), which is (are) supervised by the NCSRFSM (hereinafter – non-bank financial group), the recognition procedure by the NCSRFSM of the non-bank financial groups, the criteria for determining subgroups within the non-bank financial group, the requirements to the responsible person of the non-bank financial group (hereinafter - responsible person) and the procedure for approval of the candidature by the NCSRFSM and also notification procedures about changes in the ownership structure of the non-bank financial group and suspension of the non-bank financial group recognition and reports submission by the non-bank financial group.

2. The definitions used in this Regulation shall have the following meaning:

date of the control acquisition means the date of obtaining possibility to exercise decisive influence (control) on management and / or activity of legal entities - participants of the non-bank financial group or entities that control the non-bank financial group participant;

the main type of economic activity means economic activity, which accounts for the highest value of the income share (as a percentage) of total net income (revenue) from sales of products (goods, works and services) according to the annual financial statements;

the ownership structure of the non-bank financial group means the system of relations between legal entities and natural persons, allowing all participants to identify all participants of the non-bank financial groups that have a common controller.

The other definitions in this Regulation are used in the meanings defined in the Law of Ukraine "On Financial Services and State Regulation of Financial Services Markets" and other Laws of Ukraine.

3. The requirements of this Regulation shall apply to the legal and physical persons that intend to become non-bank financial group controllers, controllers of the non-bank financial groups and members of the non-bank financial groups.

4. Financial institutions in which the state, represented by the competent authorities, is the controller for the purposes of the consolidated supervision are not deemed to have a common controller.

5. The non-bank financial groups controller shall ensure functioning of such a management structure in the non-bank financial group (system of interaction between participants of the non-bank financial group, control and reporting system of the non-bank financial group), which will enable to supervise its activity on a consolidated basis, including timely risks identification and mitigation in this group.

6. Documents submitted to the NCSRFSM under the provisions of this Regulation shall be stated in the official state language and contain no corrections, inaccuracies.

In the documents submitted to the NCSRFSM under the provisions of this Regulation concerning:

the full name of the legal entity shall match the name of the legal entity used in its foundation documents;

the full name of the foreign entity shall match the name of the legal entity that is used in the document under which such entity is registered, and contain spelling of this name in Ukrainian (name, written in Cyrillic alphabet). In case of several titles or alternative spelling variants all these names or alternative spelling variants shall be indicated;

the surname, name, patronymic (if available) of the natural person - Ukrainian citizen shall correspond passport information of such a person;

the surname, name, patronymic (if available) of the natural person – foreigner shall correspond passport document data of such a person and include the variant of spelling in Ukrainian (surname, name, patronymic (if available) written in Cyrillic alphabet).

7. Documents submitted to the NCSRFSM shall be signed and certified with the seal of the legal entity (if any seal is available) according to the forms listed in the annexes of this Regulation.

8. Information on the non-bank financial group participants provided according to the forms listed in the annexes 1-8 of this Regulation is reflected on the same date. Financial indicators denominated in the foreign currency are translated into the national currency at the official UAH exchange rate to foreign currencies, which is established by the National Bank of Ukraine on the last day of the reporting period.

9. Responsible person of the non-bank financial group has the right to request the members of the group to provide information, documents and reports needed to meet the requirements of this Regulation.

10. The NCSRFSM has the right to apply to the state agencies that regulate financial services markets and supervisory authorities of other countries in order to clarify or receive the information and documents required for the recognition of the non-bank financial group, approval of the responsible person and derecognition of the non-bank financial groups.

11. In case if the non-bank financial group, responsible person of the non-bank financial group, other members of the non-bank financial group violate provisions of this Regulation the NCSRFSM shall enact enforcement measures under the legislation.

**II. Procedure of the information submission on the non-bank financial group establishment**

1. A legal entity or natural person who intends to become a controller of the non-bank financial group that has already been established or being established (hereinafter - a person who intends to become a controller of the non-bank financial group) is required before the date of control acquisition the non-bank financial group, which meets the requirements listed in paragraph 1 of chapter 1, section III of this Regulation, submit to the NCSRFSM notification of the intention to become a non-bank financial group controller in the form listed in annex 1 to this Regulation.

2. Controller of the non-bank financial group that corresponds to the characteristics listed in paragraph 1 of chapter 1, Section III of this Regulation, within 20 calendar days from the date of the control acquisition over the non-bank financial group is obliged to provide submission by the non-bank financial groups participants to the responsible person determined under the provisions of the Article 161 of the Law of Ukraine "On Financial Services and State Regulation of Financial Services Markets" and section IV of this Regulation, of the information, documents and reports required for submission by the responsible person to the NCSRFSM of the information on the non-bank financial group according to the requirements defined by this chapter.

3. The controller of the non-bank financial group within 30 calendar days from the date of the control acquisition by him over the non-bank financial group is obliged to ensure submission of the following documents by the responsible person to the NCSRFSM:

notification about the establishment of the non-bank financial group according to the form provided in Annex 2 to this Regulation;

information on the controllers of the non-banking financial group, according to the relevant forms provided in Annexes 3 and 4 to this Regulation;

information on the non-bank financial group according to the form provided in Annex 5 to this Regulation;

ownership structure of the non-bank financial group according to the example provided in Annex 6 to this Regulation;

package of documents for approval of the responsible person referred to in paragraph 1, Chapter 2, section IV of this Regulation (if the responsible person was not agreed with the NCSRFSM).

4. The documents shall be submitted to the NCSRFSM in hard copy meeting the requirements defined in paragraphs 6 – 8 of Section I of this Regulation. Information on the non-bank financial group according to the form provided in the Annex 6 to this Regulation shall be submitted also in electronic form in the EXCEL format.

5. In case of submission of incomplete package of documents or non-compliance with this Regulation the NCSRFSM shall require the responsible person to submit documents, which were not provided, and / or corrected documents.

6. The NCSRFSM is authorized to require from the responsible person, controller or any other non-bank financial group participant to submit information and documents necessary to clarify the ownership structure of the non-bank financial group, characteristics of the non-bank financial group and activity types of its members.

7. The responsible person, controller or any other non-bank financial group participant is obliged to provide documents required by the NCSRFSM according to the paragraphs 5 and 6 of this section within the period specified in the request by the NCSRFSM. This period cannot be defined to be less than 14 calendar days.

### III. Non-bank financial groups recognition

### 1. Non-bank financial groups recognition by the NCSRFSM

1. The NCSRFSM makes decision on the recognition of the non-bank financial group as a group, which is supervised on a consolidated basis by the NCSRFSM (hereinafter - recognition of the non-bank financial groups), if the non-bank financial group meets the following criteria:

group of legal entities that have a common controller (except banks), consisting of two or more financial institutions;

arithmetic mean value of the assets for the last four reporting quarters of the non-bank financial institution (non-bank financial institutions) accounts for 50 per cent or more of the total amount of the arithmetic mean value of the ​​assets of all financial institutions that are members of this group for that period;

arithmetic mean value of the assets for the last four reporting quarters of the financial institutions supervised by the NCSRFSM accounts for 50 or more per cent of the total amount of the arithmetic mean value of the ​​assets of all financial institutions that are members of this group for that period.

2. Non-bank financial holding company and a company, which provides ancillary services that have a common controller together with members of the non-bank financial groups, belong to the non-bank financial group.

1.3. The NCSRFSM recognizes the non-bank financial group on the basis of:

information submitted by the responsible person according to the requirements, provided in Section II of this Regulation;

information obtained during supervision of the activities of the financial services markets.

1.4. The NCSRFSM shall disclose information on the non-bank financial group on its website. The information contained in Tables 4, 6-8 of Annex 5 to this Regulation shall be disclosed (excluding personal data).

**2. Procedure for the non-bank financial group recognition by the NCSRFSM on the basis of the information, submitted by the responsible person**

1. The NCSRFSM shall make the decision on the recognition of the non-bank financial group within 30 calendar days after receipt of the full package of documents specified by section II of this Regulation.

2. The NCSRFSM within five working days from the date of making decision on the recognition of the non-bank financial group shall send a notification on recognition of the non-bank financial group to the responsible person of the group.

3. The responsible person of the non-bank financial group shall inform all members of such a group about the decision, made by the NCSRFSM on the non-bank financial group recognition.

4. The NCSRFSM shall decide to refuse the recognition of the non-bank financial group, if the group does not meet the requirements listed in paragraph 1 of Chapter 1 of this section, and within five working days from the date of such decision making sends to the responsible person of the group notification including substantiated grounds for refusing recognition.

**3. Procedure for the non-bank financial group recognition by the NCSRFSM on the basis of the information, obtained in the process of the financial services markets supervision**

1. The NCSRFSM shall identify the non-bank financial group, information on which was not submitted to the NCSRFSM, on the basis of the information obtained during the financial services markets supervision, including information from the public authorities and supervisory bodies from other countries.

2. The NCSRFSM on the basis of such identification results shall require the non-bank financial group controller to fulfil the requirements of this Regulation and ensure information submission by the responsible person about the non-bank financial group in the manner prescribed in section II of this Regulation, within 20 calendar days from the date of such request.

3. If the non-bank financial group controller did not ensure submission by the responsible person within the specified time of information about the non-bank financial group or substantiated, documented objections to the existence of the non-bank financial group, the NCSRFSM shall recognize the non-bank financial group on the basis of available information.

### 4. Recognition of subgroups of the non-bank financial group

1. The NCSRFSM may identify subgroups within the non-bank financial group as a supervision object on a sub-consolidated basis using the following criteria:

activity type of the non-bank financial group participants;

cross-border nature of the activity.

2. The NCSRFSM on the basis of the activity type of the non-bank financial group members can identify the following subgroups:

credit and investment - group of participants of the non-bank financial group, which consists of credit institutions and other participants of the non-bank financial group, except insurance companies;

insurance - group of participants of the non-bank financial group, which includes insurers.

3. The NCSRFSM on the basis of the cross-border nature of the activities may identify a subgroup (subgroups), consisting of participant of the non-bank financial group and its subsidiaries and / or associated companies - members of the non-bank financial group registered in another (other) state (states).

### IV. Responsible person

### 1. Procedure for the responsible person identification by the non-bank financial group

1. The non-bank financial group controller shall ensure identification by the non-bank financial group of the responsible person from among its members that shall be able to ensure:

effective management system in the non-bank financial group that foresees such an organization of relations system between the responsible person, members of the non-bank financial group and controller of the non-bank financial group, which will contribute to the effective management of activity of the non-bank financial group, the definition of strategies and objectives of the non-bank financial group, the risks mitigation of such a non-bank financial group;

effective risk management system in the non-bank financial group that foresees a reliable process of the risks identification, their evaluation, control and monitoring in the non-bank financial group and its subgroups, availability of internal regulations of the non-bank financial group concerning risk management, including risk assessment, a clear division of functions, responsibilities and authorities in the area of risk management in the non-bank financial group;

efficient internal control system in the non-bank financial group, which shall ensure that the non-bank financial group participants meet the legislation requirements;

accounting procedures that define the principles and methods for the non-bank financial group reporting;

availability of information systems that provide data processing and transfer, analysis, retention and protection of information;

preparation and submission of reports and information according to the requirements of the regulatory and legal acts of the NCSRFSM;

compliance with the requirements of the regulatory and legal acts of the NCSRFSM on the sufficiency of the regulatory capital, and other economic standards, limits and restrictions on certain types of activities.

2. The controller of the non-bank financial group shall ensure submission to the NCSRFSM of the package of documents specified in chapter 2 of this section, for approval by the responsible person.

3. Before the date of approval of the responsible person by the NCSRFSM the responsible person is a financial institution, which is a participant of the non-bank financial group with the highest value of assets for the last reporting period (quarter).

**2. Procedure for the responsible person approval by the NCSRFSM**

1. For the responsible person approval the non-bank financial group controller is obliged to ensure submission to the NCSRFSM of the following documents:

application for approval of the responsible person of the non-bank financial group according to the form provided in Annex 7 to this Regulation;

information on the responsible person of the non-bank financial group according to the form provided in Annex 8 to this Regulation.

Documents shall be submitted to the NCSRFSM in hard copy, meeting the requirements which are specified in paragraphs 6 - 8 Section I of this Regulation.

2. The NCSRFSM in case of submission of the incomplete set of documents or their non-compliance with this Regulation shall require the submission of not provided and / or corrected documents within a specified period by the NCSRFSM.

3. The NCSRFSM has the right to require the submission of documents and information needed to clarify the provided information and make the decision on approval of the responsible person.

4. The NCSRFSM shall consider documents within 30 calendar days from the date of the receipt of all documents foreseen by this chapter and decides on the approval of the responsible person.

5. The NCSRFSM within five working days after making the decision on approval of the responsible person shall send a letter to the approved responsible person in which it informs about such approval.

6. The NCSRFSM shall make a decision to refuse the responsible person approval, if according to its conclusion the responsible person appointed by the non-bank financial group is unable to perform functions of the responsible person defined by legislation, including the requirements defined in paragraph 1 of Chapter 1 of this Section.

7. The NCSRFSM, within five working days after making the decision to refuse the responsible person approval, shall notify the non-bank financial group participant that performs functions of the responsible person about such a decision, providing justification of grounds for refusal.

8. The responsible person within five working days after receiving notification from the NCSRFSM is obliged to notify the non-bank financial group controller, all members of the non-bank financial group about the decision made by the NCSRFSM on approval / refusal to approve the responsible person.

9. In case of refusal to approve the responsible person the non-bank financial group controller within 30 calendar days from the date of making such a decision shall ensure appointment of another responsible person by the non-bank financial group from among its members and the submission of all the documents specified in paragraph 1 of this chapter to the NCSRFSM.

10. The responsible person of the non-bank financial group is obliged to notify the NCSRFSM about information changes on the responsible person of the non-bank financial group submitted to the NCSRFSM according to the form provided in Annex 7 to this Regulation within 30 days from the date of such change occurrence. In this case, the responsible person shall submit to the NCSRFSM a notification letter (in any form) on information changes about the responsible person and updated information on the responsible person of the non-bank financial group according to the form provided in Annex 8 to this Regulation.

**3. Change of the responsible person**

1. Non-bank financial group (controller) has the right to appoint another responsible person.

2. Non-bank financial group (controller) is (are) obliged (required) to appoint another responsible person if the responsible person has lost the capacity to ensure proper implementation of legal requirements, including the requirements defined in paragraph 1 of Chapter 1 of this section.

3. Non-bank financial group (controller) is (are) obliged to identify another responsible person upon the request of the NCSRFSM if the acting responsible person did not eliminate the revealed violations by the non-bank financial group of the legislation on financial services within the specified by the NCSRFSM period of time and is not able to ensure proper performance of the functions by the responsible person.

**V. Changes in the ownership structure of the non-bank financial group and activity types of its participants**

1. Participants of the non-bank financial group are required to notify the responsible person about changes in its ownership structure and activity types no later than 10 calendar days after the occurrence of such changes.

2. The responsible person is required to inform the NCSRFSM about changes in the ownership structure of the non-bank financial group and activity types of its members within 30 days after the occurrence of such changes.

3. In case of change in the ownership structure of the non-bank financial group the responsible person shall submit to the NCSRFSM the following documents:

letter containing notification about changes in the ownership structure of the non-bank financial group (in any form);

information on the non-bank financial group in the form provided in Annex 4 to this Regulation;

information on the non-bank financial group controllers, using the appropriate form provided in the Annexes 3 and 4 to this Regulation (in case of change of the non-bank financial group controller);

ownership structure of the non-bank financial group using the appropriate template provided in Annex 6 to this Regulation.

4. In case of change in the activity types of the non-bank financial group the responsible person shall submit to the NCSRFSM the following information:

letter containing notification about changes in the activity types of its members (in any form);

composition of non-banking financial group participants using the appropriate form provided in Table 1.4 of Annex 5 to this Regulation.

5. Documents shall be submitted to the NCSRFSM in hard copy meeting the requirements specified in paragraphs 6-8 of Section I of this Regulation. Information on the non-bank financial group using the form provided in Annex 4 to this Regulation and the composition of the non-banking financial group participants using the form provided in subparagraph 4 of paragraph 5 of Annex 5 to this Regulation shall also be submitted in electronic form in the EXCEL format.

6. In the case of submission of an incomplete set of documents or their non-compliance with the requirements of this Regulation the NCSRFSM shall require the submission of not provided and / or corrected documents within a specified period by the NCSRFSM.

7. The NCSRFSM has the right to require the responsible person, the non-bank financial group participant to submit information and documents required to clarify the ownership structure of the non-bank financial group and activity types of its members.

8. The responsible person, non-bank financial group participant shall provide documents required by the NCSRFSM under paragraphs 6 and 7 of this section within the period specified in the request of the NCSRFSM. This period may not be less than 14 calendar days.

9. The non-bank financial group (controller) in case of changes in the non-bank financial group membership has the right to appoint a new responsible person.

**VI. Derecognition of the non-bank financial group by the NCSRFSM**

1. The NCSRFSM shall make the decision on derecognition of the non-bank financial group, if such a group does not meet the characteristics listed in paragraph 1 of Chapter 1, section III of this Regulation.

2. Calculation of the predominant non-bank financial group activity according to the indications specified in paragraph 1 of Chapter 1, section III of this Regulation shall be performed by the responsible person annually as of 1 January.

3. The reason for derecognition the non-bank financial group by the NCSRFSM may be information obtained by the NCSRFSM:

from the responsible person;

during the process of supervision of the financial services market activities, including information from other state agencies and foreign supervisors.

4. The responsible person is obliged to inform the NCSRFSM about the suspension of the non-bank financial group as a result of changes in the ownership structure of the non-bank financial groups and provide information and copies of documents signed by the head and sealed (if available) by the responsible person confirming suspension of the group.

5. The NCSRFSM has the right to require the responsible person to submit the documents required for clarification of the relevant information and confirmation of the suspension of the non-bank financial group.

6. The NCSRFSM within five working days from the date of making the decision to terminate the recognition of the non-bank financial group shall inform about such a decision the responsible person.

**VII. Regulatory capital requirements for the non-bank financial group**

**1. Procedure for calculating regulatory capital of the non-bank financial group**

1. Regulatory capital is an indicator which characterizes the non-bank financial group activity as a single economic unit, which is determined considering influence of the mutual capital investments of the non-bank financial group participants.

The main purpose of the regulatory capital of the non-bank financial group is covering losses caused by the risk faced by the non-banking financial group participants in the process of financial services provision, including the risks arising from participation in the non-bank financial group.

2. The regulatory capital of the non-bank financial group is calculated as the amount of the regulatory capitals of the group members reduced by the amount of investments of the non-bank financial group participants (shareholdings, stakes, stocks) in the capital of other members of this group.

3. Regulatory capital of the non-bank financial group participant for the purposes of this Regulation shall be determined in the following way:

1) the regulatory capital of the insurer shall be determined as the amount of the actual solvency margin (net assets) of the insurer, calculated according to the requirements of Article 30 of the Law of Ukraine "On insurance" and legal and regulatory acts of the National Commission on State Regulation of Financial Services Markets;

2) regulatory capital of the bank is calculated in accordance with the procedure specified in Chapter 1, Section II of Instruction on the regulation procedure of banks in Ukraine, approved by the resolution of the Board of the National Bank of Ukraine on August 28, 2001 № 368, registered in the Ministry of Justice of Ukraine on September 26, 2001, № 841 / 6032 (hereafter - Instruction number 368);

3) the regulatory capital of the other non-bank financial group participants is determined in accordance with the requirements of the legislation. If these requirements are not established, the regulatory capital is determined as the amount of the equity capital, reflected in the financial statements of the non-bank financial group participant in the “Balance Sheet (Statement of Financial Position)” (total amount for Section I “Equity capital”), reduced by the amount of the residual value of intangible assets (Article 1000 Section I “Non-current assets”), which has been drawn up taking into account the National provision (standard) of financial accounting 1 "General Requirements to the Financial statements", approved by the Ministry of Finance of Ukraine on February 7, 2013 № 73, registered in the Ministry of Justice of Ukraine on 28 February 2013 No 336/22868.

**2. Procedure for calculating the required amount of the regulatory capital of the non-bank financial group**

1. The required amount of the regulatory capital of the non-bank financial group is calculated as the amount of the required amounts of the regulatory capitals of each participant of the group.

2. The required amount of the regulatory capital of the non-bank financial group participant for the purposes of this Regulation shall be determined as follows:

1) the required amount of the regulatory capital of the insurance company is determined as the amount of the required solvency margin of the insurer, calculated in accordance with the requirements of Article 30 of the Law of Ukraine "On insurance" and regulations of the National Commission for State Regulation of Financial Services Markets;

2) the required amount of the regulatory capital of the bank, which is non-bank financial group participant RARC (b) is calculated on the basis of the following formula:

RARC (b) = (Ar + Top) • 0.1,

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| where | Ar | - | total amount of the assets and off-balance-sheet bank instruments weighted for the relevant risk factors, depending on the risk group to which an asset belongs in accordance with Chapter 1, Section IV of the Instruction № 368, taking into account the analytical accounting data in accordance with an algorithm of the economic standards calculation determined by the National Bank of Ukraine; |
|  | Top | - | total amount of the open foreign currency position, which is determined in the manner prescribed by Chapter 1, section IV of the Instruction number 368 |

3) the required amount of the regulatory capital of the other non-bank financial group participants which is determined in accordance with the requirements (standards) to the minimum amount of the equity or the authorized capital, established by the legislation.

**3. Adequacy of the regulatory capital of the non-bank financial group**

1. Adequacy of the non-bank financial group regulatory capital reflects the ability of the non-bank financial group to cover losses caused by risks, which the non-bank financial group participants face in the process of financial services provision, including the risks arising from participation in the non-bank financial group, through the regulatory capital.

2. The non-bank financial group is obliged to meet the regulatory capital adequacy requirements.

Requirements for the regulatory capital adequacy of the non-bank financial group are complied with if the amount of regulatory capital of the non-bank financial group is equal to or exceeds the required amount of the regulatory capital of the non-bank financial group.

3. Regulatory capital adequacy is determined by comparing the amount of the non-bank financial group regulatory capital with the required amount of the regulatory capital of the non-bank financial group, calculated in accordance with the requirements of Chapter 2 of this section.

4. The calculation of the regulatory capital adequacy of the non-bank financial group is made by the responsible person of the non-bank financial group on the basis of the annual consolidated financial statements of the non-bank financial group, other reports and information, required to perform these calculations, as of December 31 of the reporting year.

5. If the amount of the regulatory capital of the non-bank financial group is less than the required regulatory capital of this group, the responsible person of the non-bank financial group is obliged to inform the National Commission on State Regulation of Financial Services Markets within 10 working days from the date of identification of such decrease. The controller of the non-bank financial group and responsible person of such group is obliged to ensure bringing the regulatory capital in compliance with the requirements to the regulatory capital adequacy under this paragraph, within six months from the date of such inconsistency and submit through the responsible person the appropriate supporting documents to the National Commission on State Regulation of Financial Services Markets.

The National Commission on State Regulation of Financial Services Markets has the right to decide to extend the period for bringing the regulatory capital adequacy in line with requirements for the regulatory capital adequacy for a period of not more than three months in the case of submission of a justified request from the responsible person of the non-bank financial group.

### VIIІ. Requirements to reporting and reports submission by the non-bank financial group

1. The responsible person of the non-bank financial group shall make annual reports on the activities of the non-bank financial group on the basis of reporting of the non-bank financial group participants and submit to the NCSRFSM in the manner specified by this Regulation.

2. The non-bank financial group participants are obliged to submit to the responsible person of the non-bank financial group reports and information required for reporting on the activity of the non-bank financial group, sub-consolidated reporting, calculation of the regulatory capital adequacy, economic standards in the manner prescribed by the internal non-bank financial group regulation, which shall also include the following:

accounting procedures that define the principles and methods of preparation of statements by the non-bank financial group;

procedures for reporting, required for the calculation of the adequacy of the regulatory capital, economic norms;

procedure for preparation and deadlines of submission by the bank group participants of the reports and information, prescribed by this Regulation;

internal control mechanism over the credibility, completeness and timeliness of information submission.

3. Reporting on the activities of the non-bank financial group submitted by the responsible person to the NCSRFSM shall include the following documents:

annual consolidated financial statements;

information on the activities of the non-bank financial group, prepared in accordance with Annex 9 to this Regulation.

4. Preparation of the consolidated financial statements shall be conducted according to the National Accounting Regulation (Standard) 1 "General requirements for financial reporting", approved by the Ministry of Finance of Ukraine on February 7, 2013 № 73, registered with the Ministry of Justice of Ukraine on 28 February 2013, № 336/22868.

5. Reliability and integrity of the annual consolidated financial statements on the activities of the non-bank financial group shall be confirmed by the opinion of the audit firm, which is included in the register of auditors and audit firms that have the right to conduct audits of financial institutions, which is maintained by the NCSRFSM.

Audit firms that audit consolidated statements on the activity of the non-bank financial group cannot be entities connected with the participants of this non-bank financial group.

6. Report forms may be complemented by the specific articles and notes required to reflect information about the non-bank financial group.

7. The responsible person of the non-bank financial group shall submit to the NCSRFSM reports on the activity of the non-bank financial group together with a cover letter and the audit opinion (report) by June 1 of the year following the reporting one.

8. Reports on the activities of the non-bank financial group shall be submitted to the NCSRFSM in hard copy, meeting the requirements specified in paragraphs 6 – 8, Section I of this Regulation. Information on the activities of the non-bank financial group, prepared in accordance with the Annex 8 to this Regulation shall also be submitted in electronic form in the EXCEL format.

9. Upon the written request of the NCSRFSM the responsible person of the non-bank financial group shall submit the financial statements of its individual participants or other information about the financial position of the group participants.

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| **Head of Methodology, Standards of Regulation and Supervision of Financial Institutions Department** | **V. Lohvinovskyi** |