



31 October 2017
Riga

Instructions No. 174
(minutes No. 46.2. p of the Council of the
Financial and Capital Market Commission)

Recommendations (Guidelines) for Imposing Sanctions and Legal Obligation for Violations of the Laws and Regulations Governing Money Laundering and Terrorism Financing on the Participants of the Financial and Capital Market and the Natural Persons Responsible for the Violation

Issued under Section 17.¹, Paragraph two of the
Financial and Capital Market Commission Law

I. General Provisions

1. The purpose of the Recommendations (Guidelines) for Imposing Sanctions and Legal Obligation for Violations of the Laws and Regulations Governing Money Laundering and Terrorism Financing on the Participants of the Financial and Capital Market and the Natural Persons Responsible for the Violation (hereinafter - the Recommendations) shall be to ensure the following:

- 1.1. uniform and equal application of sanctions;
- 1.2. equal conditions for conclusion of administrative contracts;
- 1.3. proportionate decision-taking according to the actual circumstances or nature and severity of the committed violation in order to achieve efficient improvement of conduct of a participant of the financial and capital market or prevention of the violation;
- 1.4. awareness of the fundamental principles which are taken into account when imposing sanctions;
- 1.5. compliance with the requirements of laws and regulations and refraining from any violations.

2 The Recommendations shall specify a procedure for imposing sanctions and legal obligation if participants of the financial and capital market have committed violations of the laws and regulations governing the prevention of money laundering and terrorism financing (hereinafter - the AML/CTF).

3. The Recommendations shall specify imposing of sanctions in cases when the Council of the Financial and Capital Market Commission (hereinafter - the Commission) should take a decision to impose sanctions on the legal subjects under supervision of the Commission referred to in Section 45, Paragraph one, Clause 1 of the Law on the Prevention of Money Laundering and Terrorism Financing (hereinafter also - the participants of the financial and capital market), as well as the natural persons responsible for the violation.

4. Sanctions may be imposed for both committed but terminated and continued violations.

5. In exceptional cases when the Council of the Commission derogates from the approach to the application of sanctions specified in the Recommendations, the Council of the Commission shall provide special grounds for this conduct in its decision.

6. By applying sanctions the compliance with the principle of *ne bis in idem*, i.e. no one may be prosecuted twice for the same violation, is ensured. By applying sanctions to the person responsible for the violation the compliance with the principle of *nulla poena sine culpa*, i.e. taking account responsibility of the person, is ensured.

II. Assessment of Violations

7. The Commission shall assess the established violations by making distinction between the violations of the general compliance of the Internal Control System (hereinafter - the ICS) with the regulatory requirements and risk exposure of the financial institution, and the violations of practical implementation of the requirements of laws and regulations in ensuring management of the risks of customers and their transactions (sample testing).

8. Violations of the compliance of the ICS shall be divided into the following four groups:

8.1. Group A - a situation when requirements of laws and regulations have been implemented in general, yet individual insignificant ICS deficiencies have been identified and over the last four years until initiation of an administrative case no violations have been identified in the AML/CTF;

8.2. Group B - a situation when requirements of laws and regulations have been implemented in general, yet individual insignificant ICS deficiencies have been identified, the violation persists for more than six month and/or a repeated violation in the AML/CTF has been identified in the Commission's inspection over the last four years until initiation of an administrative case, and violation has not been prevented within the deadline set by the Commission;

8.3. Group C - a situation when requirements of laws and regulations have not been implemented in the ICS, and violations in the AML/CTF have not been identified in the Commission's inspection over the last four years until initiation of an administrative case;

8.4. Group D - a situation when requirements of laws and regulations have not been implemented in the ICS, and the violation persists for more than six month and/or a repeated violation of the AML/CTF requirements has been identified in the Commission's inspection over the last four years until initiation of an administrative case, and such violations have not been prevented within the deadline set by the Commission.

9. Types of violations of the practical implementation of the requirements of laws and regulations in ensuring management of the risks of customers and their transaction (sample testing) shall be divided into the following four groups:

9.1. Group A - a violation which is insignificant and short-term;

9.2. Group B - a violation which is insignificant and long-term;

9.3. Group C - a violation which is significant and short-term;

9.4. Group D - a violation which is significant and long-term.

10. A violation of the practical implementation of the requirements of laws and regulations in the management of the risks of customers and their transactions (sample testing) shall be deemed significant, provided one of the following cases occurs:

10.1. at least three of the types of violations specified in Annex 1 to the Recommendations have been identified in the inspection, and they refer to the performed transactions the sum total of which exceeds EUR 700,000;

10.2. not more than two of the types of violations specified in Annex 1 to the Recommendations have been identified in the inspection inherent to more than 15 % of the customers subject to inspection in each type of violations, and they refer to the performed transactions the sum total of which exceeds EUR 700,000;

10.3. at least one of the following violations has been identified in the inspection irrespective of the scope, number thereof or the sum total of transactions:

10.3.1. a participant of the financial and capital market has failed to identify a customer who should be subject to enhanced due diligence;

10.3.2. a participant of the financial and capital market has failed to carry out enhanced due diligence of a customer or a transaction thereof;

10.3.3. a participant of the financial and capital market has failed to ensure classification of a customer according to the risk of money laundering and terrorism financing inherent in the customer;

10.3.4. a participant of the financial and capital market has failed to establish or ascertain the beneficial owner of the customer who should be subject to enhanced due diligence;

10.3.5. a participant of the financial and capital market has failed to decide to terminate a business relationship with a customer who should be subject to enhanced due diligence, if it has been impossible to ensure carrying out of the customer due diligence on the substance;

10.3.6. a participant of the financial and capital market cooperates with a customer who corresponds to indications of a shell bank;

10.3.7. a participant of the financial and capital market has failed to identify an unusual or suspicious transaction in a timely manner and failed to immediately submit the relevant report to the Office for the Prevention of Money Laundering;

10.3.8. a participant of the financial and capital market has failed to freeze funds when there have been reasonable suspicions of money laundering or terrorism financing.

11. Violation of the practical implementation of the requirements of laws and regulations in the management of the risks of customers and their transactions (sample testing) shall be deemed long-term, provided it persists for more than three month or has been repeatedly established in the Commission's inspection over the last four years until initiation of an administrative case.

12. The overall assessment of the severity of violations shall be determined on the basis of assessment of general compliance of the ICS and practical implementation of regulatory requirements in the management of the risks of clients and their transactions (sample testing) by taking account of the most severe violation according to the following algorithm:

Types of assessment and degrees of severity of violation	ICS violation Group A	ICS violation Group B	ICS violation Group C	ICS violation Group D
Violation of the management of the risks of customers and their	Insignificant short-term	Insignificant long-term	Significant short-term	Significant long-term

transactions (sample testing) Group A				
Violation of the management of the risks of customers and their transactions (sample testing) Group B	Insignificant long- term	Insignificant long-term	Significant short-term	Significant long- term
Violation of the management of the risks of customers and their transactions (sample testing) Group C	Significant short- term	Significant short-term	Significant short-term	Significant long- term
Violation of the management of the risks of customers and their transactions (sample testing) Group D	Significant long- term	Significant long-term	Significant long-term	Significant long- term

13. If taking account of the purpose of the inspection only practical implementation of regulatory requirements in the management of the risks of customers and their transactions (sample testing) is assessed, the overall assessment shall be determined on the basis of the overall result in accordance with Paragraphs 9-11 of the Recommendations.

III. Application of Sanctions

14. In the event of violations of the AML/CTF law sanctions shall be applied according to the following table.

Overall type of violation	Insignificant short-term	Insignificant long-term	Significant short-term	Significant long-term
Possible sanctions	Public announcement Warning to the participant of the financial and	Warning to the individual responsible for the violation Fine to the	Suspension of duties of the person responsible for the violation	Recalling of the Management Board Recalling of a member of the

	<p>capital market</p> <p>Warning to the individual responsible for the violation*</p> <p>Fine to the participant of the financial and capital market</p> <p>Fine to the individual responsible for the violation</p>	<p>participant of the financial and capital market</p> <p>Fine to the individual responsible for the violation</p>	<p>Recalling of a member of the Management Board who is responsible for compliance with the requirements for the prevention of money laundering and terrorism financing</p> <p>Recalling of a person who is responsible for compliance with the requirements for the prevention of money laundering and terrorism financing</p> <p>Fine to the participant of the financial and capital market</p> <p>Fine to the individual responsible for the violation</p>	<p>Management Board who is responsible for compliance with the requirements for the prevention of money laundering and terrorism financing</p> <p>Recalling of a person who is responsible for compliance with the requirements for the prevention of money laundering and terrorism financing</p> <p>Suspension of duties of the individual responsible for the violation</p> <p>Fine to the participant of the financial and capital market</p> <p>Fine to the individual responsible for the violation</p> <p>Withdrawal of licence</p>
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* The term “individual responsible for the violation” refers to the following persons: members of the Management Board, the person responsible for the compliance with the requirements for the prevention of money laundering and terrorism financing, participant of the financial and capital market.

15. Amount of fine according to the overall type of violation shall be determined after taking the following three steps consecutively:

- 15.1. determination of the severity group of the violation;
- 15.2. assessment of consequences of the violation and risk exposure;
- 15.3. assessment of aggravating and attenuating circumstances of the violation.

16. On the basis of the severity group of violation determined in the overall assessment the minimum threshold of fine (%) shall be set for each severity group of the violation:

- 16.1. insignificant short-term - up to 25 % (the minimum threshold of 0 %);
- 16.2. insignificant long-term - from 25 to 50 % (the minimum threshold of 25 %);
- 16.3. significant short-term - from 50 to 75 % (the minimum threshold of 50 %);
- 16.4. significant long-term - from 75 to 100 % (the minimum threshold of 75 %).

17. Percentage points shall be added to the minimum threshold in the event of the following risk increasing factors:

- 17.1. established consequences of violations:
 - 17.1.1. category 1 + 20 %;
 - 17.1.2. category 2 + 15 %;
 - 17.1.3. category 3 + 10 %;
 - 17.1.4. category 4 + 5 %;
 - 17.1.5. not established + 0 %;
- 17.2. risk exposure, including:
 - 17.2.1. acceptable + 0 %;
 - 17.2.2. increased + 3 %;
 - 17.2.3. critical + 5%.

18. Consequences of the established violations shall be assessed according to severity of their influence on reputation of the participant of the financial and capital market and State and divided into four categories:

18.1. the first category includes transactions which, taking account of the nature and indications of their violations, provide reasonable grounds to believe that they result in:

18.1.1. directly or indirectly committed violations of the requirements of European Union or national sanctions. A directly or indirectly committed violation shall mean consequences resulting in violations of European Union or national sanctions irrespective of direct or indirect violation of sanctions;

18.1.2. directly or indirectly committed violations of the compliance with the requirements for the OFAC (The Office of Foreign Assets Control) sanctions. A directly or indirectly committed violation shall mean consequences resulting in violations of the OFAC sanctions irrespective of direct or indirect violation of sanctions;

18.1.3. performed transaction which is related to terrorism financing;

18.1.4. performed transaction of creation and maintenance of financial pyramids or scheme thereof;

18.1.5. performed transaction, within the framework of which significant participation of a participant of the financial and capital market has been established in large-scale fraudulent schemes implemented in order to defraud financing provided within the framework of international organisation programmes. "Significant" means a situation when the sum total of a fraudulent transaction or transaction scheme exceeds 20 % of the total assets of a participant of the financial and capital market. "Participation" means a situation when a fraudulent transaction or a series of transactions performed by a participant of the financial and capital market was

significant for implementation of the scheme (it would be impossible to implement the overall scheme without them), provided the participant of the financial and capital market had or should have had information at his or her disposal which allowed to determine the nature of the relevant transaction, and it was an obligation of the participant of the financial and capital market to obtain it;

18.2. the second category includes transactions which, taking account of the nature and indications of their violations, provide reasonable grounds to believe that they result in:

18.2.1. committed corruptive transaction (bribery);

18.2.2. committed transaction of money laundering;

18.2.3. committed tax evasion;

18.2.4. committed transaction with the aim of manipulating accounting data of a company, and the total turnover of these transactions or sets of transactions carried out by a customer or a group of related customers (including a concealed group of related customers) exceeds EUR 300,000 in any calendar month (during cooperation with a participant of the financial and capital market). In case several cases of such consequences have been identified they shall be deemed consequences of the first category.

18.3. the third category includes:

18.3.1. transactions which, taking account of the nature and indications of their violations, provide reasonable grounds to believe that they result in:

18.3.2. committed a large-scale manipulative transaction (market manipulation);

18.3.3. committed a phishing transaction and resulting money laundering,

and the total turnover of these transactions or sets of transactions carried out by a customer or a group of related customers (including a concealed group of related customers) exceeds EUR 300,000 in any calendar month (during cooperation with a participant of the financial and capital market). In case several cases of such consequences have been identified they shall be deemed transactions of the second category;

18.4. the fourth category includes transactions not resulting in the consequences referred to in categories 1-3, but the sum total of transactions exceed EUR 1.5 million.

19. It is reasonable to assume that transactions have resulted in the consequences referred to in Paragraph 18 of the Regulations if it is confirmed by the information provided by security authorities or investigating bodies, an expert opinion from public institutions or typology of criminal offences developed by them, or a court judgement.

20. Risk exposure of a credit institution shall be determined on the basis of the information received in accordance with the Commission's Regulations No. 154 of 23.09.2016 "Regulations for Money Laundering and Terrorism Financing Risk Management":

20.1. risk exposure shall be deemed as acceptable if the share of credit turnover of the transactions carried out by customers of the bank who are subject to enhanced due diligence is equal to or smaller than 30 % in the total credit turnover of transactions of customers of the credit institution;

20.2. risk exposure shall be deemed as increased if the share of credit turnover of the transactions carried out by customers of the credit institution who are subject to enhanced due diligence is larger than 30 % but does not exceed 60 % in the total credit turnover of transactions of customers of the credit institution;

20.3. risk exposure shall be deemed as critical if the share of credit turnover of the transactions carried out by customers of the credit institution who are subject to enhanced due diligence is larger than 60 % in the total credit turnover of transactions of customers of the credit

institution, and the classification of risk exposure of the said regulations has not been introduced or has been introduced improperly;

20.4. as to other participants of the financial and capital market to which requirements of the said regulations do not apply, the risk exposure shall be determined according to the information obtained during inspection, including by taking account of the actual classification of customer base and risk scoring algorithm inspection.

21. If the established violations belong to the group of violations named “insignificant short-term”, and not more than 5 % of the customers subject to due diligence and their transactions have been established with regard to the practical implementation of regulatory requirements in the management of the risks of customers and their transactions (sample testing), and the sum total of the transactions related to the said violations does not exceed EUR 300,000, the Commission shall impose a warning. If the established violations belong to the group of violations named “insignificant short-term”, and a participant of the financial and capital market has established the violation himself or herself, prevented it and reported it to the Commission before inspection of the Commission, the Commission shall impose a public announcement as a sanction.

22. In the case of insignificant long-term, significant short-term or significant long-term violation the fine shall be imposed on a participant of the financial and capital market in all cases, while other sanctions shall be imposed according to the factual circumstances.

23. In the case when over the last four years until initiation of an administrative case results of the inspections (full or targeted) of a participant of the financial and capital market carried out by the Commission show significant short-term violations (the Commission has applied sanctions more than three times), the Commission shall decide to withdraw a licence, but in case of credit institutions to suggest that the European Central Bank examines withdrawal of a licence.

24. The final amount of the fine shall be fixed by taking account of the aggravating and attenuating circumstances of sanctions which allow to reduce or increase amount of the fine. Factors, such as proportionality of the calculated fine, its compliance with the specific factual circumstances and impact on the financial position of a participant of the financial and capital market or of an individual or entity responsible for the violation, shall also be taken into consideration.

25. Amount of the fine may be increased up to a maximum provided for in the relevant group of violations, if at least one of the following observations aggravating sanctions is present:

25.1. a participant of the financial and capital market or an individual or entity responsible for the violation fails to cooperate with the Commission in the administrative proceedings, fails to comply with the deadline for submission of the information required by the Commission, fails to reveal facts regarding the violation or otherwise hinders the Commission in the administrative proceedings;

25.2. a violation is not terminated even after a participant of the financial and capital market or an individual or entity responsible for the violation has received information from the Commission on the possible violation of laws and regulations, or has failed to prevent it within the deadline specified by the Commission.

26. Amount of the fine may be reduced to a minimum provided for in the relevant group of violations in the following cases:

26.1. a violation is terminated as soon as a participant of the financial and capital market or an individual or entity responsible for the violation receives information from the Commission on the possible violation of laws and regulations, except for the case when the violation belongs to the group named “significant long-term”;

26.2. a participant of the financial and capital market or an individual or entity responsible for the violation has provided complete and true information or evidence at his or her own initiative which is essential in establishing the violation.

27. In the case referred to in Paragraphs 12 and 13 of the Recommendations amount of the fine for significant long-term violation, by taking account of the factual circumstances and consequences caused by the violation, may be reduced below a minimum provided for in Paragraph 16.4 of the Recommendations but not less than the minimum threshold specified in Paragraph 16.2 of the Recommendations, provided all the following conditions are met:

27.1. consequences of the committed violation do not correspond to the categories of consequences referred to in Paragraph 18 of the Recommendations;

27.2. violation of similar nature has not been established repeatedly over the last four years until initiation of an administrative case;

27.3. circumstances referred to in Paragraphs 26.1 and 26.2 of the Recommendations are present (without applying the exception referred to in Paragraph 26.1);

27.4. the committed violation is deemed an individual case and established with regard to no more than three customers;

27.5. amount of the credit turnover of the customers who have committed violation does not exceed EUR 300,000. Amount of the credit turnover shall be calculated for the entire period of cooperation between a customer and a participant of the financial and capital market;

27.6. committed violation does not represent a risk to the country’s reputation;

27.7. the ICS violations belong to the group A or group B (provided the ICS assessment has been carried out).

28. When fixing amount of the fine applicable to the person responsible for the violation, the Council of the Commission shall additionally take account of the information on the net income generated by the person during a 12-month period before the Council of the Commission has taken a decision in an administrative case, the information from the Credit Register of the Bank of Latvia regarding liabilities of the person, as well as any other information related to the financial position or expected future income of the person as a result of which the Commission may derogate from the thresholds of fine specified in Paragraph 16 of the present Regulations providing appropriate justification.

29. When calculating amount of the fine the headings of the annual financial statements indicated in Annex 2 shall be used as a basis for determination of the total annual turnover.

IV. Conclusion of the Administrative Contract

30. The Commission may decide not to adopt an administrative act regarding application of sanctions and instead conclude an administrative contract, provided a participant of the financial and capital market cooperates, including promotes duly examination of an administrative matter and at least one of the following observations is present:

30.1. the violation is terminated as soon as the person receives information from the Commission regarding this violation (a letter from the Commission regarding the established violation or a statement of inspection) or within the deadline set by the Commission;

30.2. the person acknowledges the committed violation and has submitted a plan for measures to improve the situation.

31. The Commission shall not conclude an administrative contract if there are grounds for taking a decision to withdraw a licence (registration).

32. When concluding an administrative contract for the first time, provided no sanctions have been applied in the AML/CTF over the last five years since initiation of an administrative case, the Commission shall reduce amount of the applicable fine by 50 per cent under the procedure established by the Recommendations. When concluding a repeated administrative contract in the AML/CTF over the four years, the Commission shall reduce amount of the applicable fine by 25 per cent under the procedure established by the Recommendations.

33. Parties shall conclude an administrative contract upon mutual agreement and within a reasonable period of time. If the parties fail to agree on terms and conditions of the contract, the Council of the Commission shall take a decision to apply sanctions.

34. Publication of the information on the concluded administrative contract shall be subject to the procedure established by laws and regulations governing activities of participants of the financial and capital market regarding publication of information on the applied sanctions.

35. The Commission may review the sanctions and corrective measures specified in an administrative contract or take any other legal action, provided the factual or legal circumstances underlying conclusion of such contract have changed and under which the Commission would not conclude an administrative contract of such content.

V. Legal Obligations

36. After inspection restrictions may be imposed to the operation according to severity group of the established violations and specific circumstances under the following procedure:

Group of violations	Restrictions to operation
Insignificant short-term	No restrictions
Insignificant long-term	No restrictions
Significant short-term	Restrictions to operation shall be imposed on a temporary basis until the Commission completes a follow-up or an external audit inspection and evaluates results.
Significant long-term	Restrictions to operation until the date set by the Commission

37. Restrictions to operation shall be imposed:

37.1. taking account of the risk factor which a participant of the financial and capital market has failed to manage duly. A legal obligation may be imposed upon a participant of the financial and capital market not to increase or to reduce the current exposure of the relevant risk factor until evaluation of the results of a follow-up or an external audit inspection;

37.2. depending on the specific nature of violations. Restrictions to operation may be imposed with regard to the segment, operational geography, financial services, distribution channels of services of customers or combination of the said factors.

38. Other legal obligations shall be imposed on the basis of the results of inspections under the following procedure.

Group of violations	Other corrective measures
Insignificant short-term	<ol style="list-style-type: none"> 1. An obligation to develop a plan for addressing of shortcomings, coordinate the plan with the Commission and prepare reports on implementation of the plan.
Insignificant long-term	<ol style="list-style-type: none"> 1. An obligation to develop a plan for addressing of shortcomings, coordinate the plan with the Commission and prepare reports on implementation of the plan. 2. Provide additional reports to the Commission on a regular basis.
Significant short-term	<ol style="list-style-type: none"> 1. An obligation to develop a plan for addressing of shortcomings, coordinate the plan with the Commission and prepare reports on implementation of the plan. 2. Provide additional reports to the Commission on a regular basis. 3. A limited purpose external audit or Commission's targeted follow-up.
Significant long-term	<ol style="list-style-type: none"> 1. An obligation to develop a plan for addressing of shortcomings, coordinate the plan with the Commission and prepare reports on implementation of the plan. 2. Provide additional reports to the Commission on a regular basis. 3. A full external audit inspection or Commission's follow-up. 4. Coordination of individual activities with the Commission.

Chairman of the
Financial and Capital Market Commission
P. Putniņš

**THIS DOCUMENT IS SIGNED IN ELECTRONIC FORM
WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME-STAMP**

Annex 1
to Instructions No.174, dated 31.10.2017.
of the Financial and Capital Market Commission

Types of violations

No.	Nature of violation
1.1.	Failure to ensure appropriate identification of a customer.
1.2.	Failure to ensure appropriate initial due diligence of a customer.
1.3.	Failure to ensure permanent supervision of transactions of a customer (for instance, with regard to the customers who do not comply with the criteria of enhanced due diligence, or politically exposed persons).
1.4.	Failure to pay sufficient and special attention during supervision of transactions of customers to unusually large, complex and mutually related transactions carried out by customers which appear not to have an economic or clearly legitimate purpose, including the failure to obtain documents in a timely manner justifying economic activity of customers to an extent and at quality adequate to ascertain that the transactions carried out by customers should not be deemed suspicious.
1.5.	Failure of a participant of the financial and capital market to ascertain origin of funds of a customer by obtaining documents certifying origin of the funds and documenting conclusions on the results.
1.6.	Failure to identify the beneficial owner of a customer.
1.7.	A participant of the financial and capital market services several companies which have one beneficial owner, yet the participant of the financial and capital market has failed to document and analyse these companies as a group of mutually related customers. Failure of the participant of the financial and capital market to document role of each company in the group.
1.8.	When establishing a business relationship with a customer whose beneficial owner is a politically exposed person, a family member of a politically exposed person, or a person closely related to a politically exposed person, no consent from the Management Board or a specially authorised member of the Management Board has been received before establishing a business relationship.
1.9.	Failure to ensure compliance with the requirements of laws and regulations for cooperation with third parties that carry out identification of customers or obtain information necessary for customer due diligence (agents) in the interests of a participant of the financial and capital market.
1.10.	Failure to take the measures specified in laws and regulations when establishing a correspondent banking relationship with a credit institution or an investment

	brokerage firm registered or operating in a third country.
1.11.	Other violations of the laws and regulations governing prevention of money laundering and terrorism financing.

Total Annual Turnover

Pursuant to the Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (the EC Merger Regulation), and the Commission Notice on calculation of turnover in accordance with the Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings, the total turnover of a participant of the financial and capital market shall consist of the following:

1) In the case of a credit institution, an investment brokerage firm and an investment management company

The sum of the following items included in the profit and loss statement in accordance with the Commission's Regulations No. 46 of 24.06.2006 "Regulations for Annual Financial Statements and Consolidated Financial Statements of Credit Institutions, Investment Brokerage Firms and Investment Management Companies":

- a) interest income;
- b) dividend income;
- c) commission income;
- d) net realised profit/loss from financial assets measured at their depreciated acquisition value and financial liabilities (only positive result);
- e) net realised profit/loss from financial assets available for sale (only positive result);
- f) net profit/loss from financial assets held for trading and financial liabilities (only positive result);
- g) net profit/loss from financial assets classified as measured at their fair value and financial liabilities reflected in profit and loss statement (only positive result);
- h) changes in the fair value in the risk-hedging accounting (only positive result);
- i) profit/loss from foreign exchange trade and reassessment (only positive result);
- j) profit/loss from termination of the recognition of property, machinery and equipment, investment property and intangible assets (from termination of the recognition of non-financial assets) (only positive result);
- k) other income from basic activity.

2) In the case of an insurance operator, insofar he or she carries out life insurance or any other insurance activities related to accumulation of funds, and a reinsurance service provider

The amount of gross insurance premiums written included in the profit and loss statement in accordance with the Commission's Regulations No. 201 of 29.11.2016 "Regulations for the Preparation of Annual Financial Statements and Consolidated Financial Statements of Insurance and Reinsurance Companies and Branches of Non-Member State Insurers".

3) In the case of an insurance broker, insofar he or she provides life insurance or any other insurance brokerage services related to accumulation of funds

The amount of the net turnover referred to in Section 41 of the Law on the Annual Financial Statements and Consolidated Financial Statements.

4) In the event of a payment institution and electronic money institution

The amount of the net turnover referred to in Section 41 of the Law on Annual Financial Statements and Consolidated Financial Statements which has been acquired from basic activity, i.e. provision of payment services or services of an electronic money institution.

5) In the case of a savings and loan association

The sum of the following items included in the profit and loss statement in accordance with the Commission's Regulations No. 232 of 17.10.2013 "Regulations for the Preparation of Annual Financial Statements of Savings and Loan Associations":

- a) interest income;
- b) commission income;
- c) profit/loss from transactions in debt securities and foreign currency (only positive result);
- d) other income;
- e) profit/loss from reassessment of long-term investments (only positive result).

6) In the case of an alternative investment fund manager

The amount of the net turnover referred to in Section 41 of the Law on the Annual Financial Statements and Consolidated Financial Statements.

7) In the case of a private pension fund

The sum of the following items included in the profit and loss statement in accordance with the Commission's Regulations No. 100 of 19.05.2006 "Regulations for the Preparation of Annual Financial Statements of Private Pension Funds":

- a) income from basic activity;
- b) interest income;
- c) dividend income;
- d) net realised profit/loss from financial assets measured at their depreciated acquisition value and financial liabilities (only positive result);
- e) net realised profit/loss from financial assets available for sale (only positive result);
- f) net profit/loss from financial assets held for trading and financial liabilities (only positive result);
- g) net profit/loss from financial assets classified as measured at their fair value and financial liabilities reflected in profit and loss statement (only positive result);
- h) changes in the fair value in the risk-hedging accounting (only positive result);
- i) profit/loss from foreign exchange trade and reassessment (only positive result);
- j) profit/loss from termination of the recognition of property, machinery and equipment, investment property and intangible assets (only positive result);
- k) other income.