

(Text valid as of 8 November 2007)

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**Further regulations of the Netherlands Authority for the Financial Markets of 15 November 2006, containing rules relating to the supervision of the conduct of financial enterprises pursuant to the Act on Financial Supervision (Further Regulations on the Supervision of the Conduct of Financial Enterprises pursuant to the Act on Financial Supervision)**

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Netherlands Authority for the Financial Markets,

In view of Sections 31, 35, 54, 56, 58, 59, 66, 67, 69, 70, 71, 84, 110, 112, 118, 123, 124, 133, 134, 164, 165 and 167 of the Decree on the Supervision of the Conduct of Financial Enterprises pursuant to the Act on Financial Supervision;

Decree:

**Chapter 1. Definitions**

**Section 1:1**

In these Regulations the following terms shall have the following meaning:

- a. administrative costs: costs incurred for administering an investment object;
- b. other benefits: other items than revenues that meet the definition of profits;
- c. bank savings mortgage: product as meant in the Act of 20 December 2007, providing for the amendment of the Income Tax Act 2001 and any other laws concerning tax facilities for saving on bank accounts for pension accrual or repayment of home acquisition debt, consisting of a combination of a mortgage loan and a savings account;
- d. profits: increases of the economic potential during the reporting period in the form of new assets or an expansion of existing assets or a reduction of loan capital, resulting in an increase of the equity capital;
- e. management costs: costs incurred to preserve or maintain an investment object;
- f. investment object expenses: projected or already incurred administrative costs, management costs, production costs and selling costs, as well as projected or already paid interest charges;
- g. the Decree: the Decree on the Supervision of the Conduct of Financial Enterprises (the ‘Supervision Decree’) pursuant to the Act on Financial Supervision;
- h. contract duration: duration of the agreement regarding a complex product;
- i. immediately effective annuity: if it concerns a savings type of product, an immediate, lifetime, fixed periodic payment is received, and if it concerns an investment type of product, a payment, the level and/or duration of which depends on the proceeds of the investments;
- j. immediately effective payment: product as meant in the Act of 20 December 2007, providing for the amendment of the Income Tax Act 2001 and of any other laws concerning tax facilities for saving on bank accounts for pension accrual or

- repayment of home acquisition debt; if it concerns a savings type of product, an immediate, fixed, periodic payment is received for a fixed number of years, and if it concerns an investment type of product, a payment, the level and/or duration of which depends on the proceeds of the investments;
- k. guarantee: guarantee on the product issued by an institution under capital adequacy supervision; if it concerns a loan product the repayment of the debt of the consumer is fully or partly guaranteed, and if it concerns an accrued benefit product a certain proceed is guaranteed.
  - l. guise: average payment in the worst 10% of the cases, calculated using the method described in annex 4;
  - m. hybrid mortgage or savings investment mortgage: loan product, offering the consumer the possibility of using the premium or deposit for saving or investment purposes at his own discretion;
  - n. funds paid in: total of the investments made by consumers for acquiring investments objects;
  - o. capital adequacy supervision: statutory economic supervision pursuant to:
    - 1°. the Capital Adequacy Directive;
    - 2°. Directive no. 2002/83/EC of the European Parliament and the Council of 5 November 2002 concerning life insurance (OJEC L 345/1);
    - 3°. Directive no. 2002/13/EC of the European Parliament and the Council of 5 March 2002 amending Directive 73/239/EEC of the Council concerning the solvency margin requirements for Non-Life Insurance Companies (OJEC L 228);
    - 4°. Directive no. 2002/87/EC of the European Parliament and the Council of 16 December 2002 on the additional supervision of credit institutions, insurance companies and investment firms in a financial conglomerate and amending Directives no. 73/239/EEC, no. 79/267/EEC, no. 92/49/EEC, no. 92/96/EEC, no. 93/6/EEC and no. 93/22/EEC of the Council and of Directives no. 98/78/EC and 2000/12/EC of the European Parliament and the Council;
    - 5°. Directive no. 2004/39/EC of the European Parliament and the Council of 21 April 2004 on the Markets in Financial Instruments, amending Council Directives no. 85/611/EEC and no. 93/6/EEC and Directive no. 2000/12/EC of the European Parliament and the Council and repealing Council Directive no. 93/22/EEC (OJEC L 145); or
    - 6°. other adequate economic supervision comparable to the supervision meant under 1° up to and including 5°;
  - p. total expense ratio: representation of the level of the costs of a collective investment scheme related to its average net asset value in any financial year;
  - q. net return percentage: percentage resulting in the payment of a complex product, depending on the agreed duration and the level and frequency of the contribution;
  - r. turnover factor: indicator of the turnover rate of the portfolio of a collective investment scheme in any financial year;
  - s. underlying values: financial instruments in which the consumer invests or orders to invest directly or indirectly by means of the complex product;
  - t. accrued benefit product: complex product used to grow capital other than a unit in a collective investment scheme;

- u. returns: profits made on a business' normal activities;
- v. returns scenario: forecast of the payment to the consumer on the basis of a certain return;
- w. surplus value construction: loan product, part of the loan being used for investment, not being redemption of the credit, or a combination of a loan product and a withdrawal deposit for financing additional income;
- x. production costs: costs incurred for increasing the economic potential or the value of an investment object;
- y. loss of interest costs : the part of the costs charged or passed on to the consumer by the provider of the complex product in the event of early termination and related to lost interest income;
- z. residual debt: remaining financial obligation of the consumer to the provider of a complex product under an accrued benefit product;
- aa. loan product: complex product consisting of a combination of credit, except for credit used for providing the enjoyment of a complex product primarily meant for growing capital, and a component used to provide for the whole or partial redemption of the credit;
- bb. savings & investment product: accrued benefit product consisting of a combination of a savings and an investment account;
- cc. savings-based mortgage: a complex product consisting of a combination of a mortgage loan and a life insurance with a guarantee capital equal to the amount of the loan;
- dd. payment: payment by the provider of a complex product to the consumer of the value of the complex product after deduction of charges on termination by the consumer and, as far as applicable, any withdrawals made by the consumer prior to termination;
- ee. selling costs: costs that can be related directly to the sale of the investment product to the consumer;
- aa. sample value: value of the proceeds of the sale of a unit in a collective investment scheme after deduction of the selling expenses;
- ab. value: the sum of all the payments for a complex product made by the consumer or the unit holder to the provider plus a certain annual return on the part of those payments used for generating profit for the consumer or the unit holder.

## **Chapter 2. Pre-contractual Information**

### **§ 2.1. Rules about the presentation and formulation of advertisements concerning complex products**

#### **Section 2:1**

1. Information about the main financial risks of a complex product in a written advertising text as meant in section 52, subsection 1, of the Decree, is displayed in the upper right corner of the advertising text by means of the risk indicator, calculated as laid down in section 3:6, which can be downloaded from [www.afm.nl/reclameteksten](http://www.afm.nl/reclameteksten). Contrary to section 3.5, subsection 3, an accrued benefit product does not have an

interim term.

2. Information about the main financial risks of a complex product in an advertisement as meant in section 52, subsection 1, of the Decree, via the Internet is displayed in the advertisement directly next to the information about the proceeds of the complex product by means of the risk indicator, calculated as laid down in section 3:6, which can be downloaded from [www.afm.nl/reclameteksten](http://www.afm.nl/reclameteksten). Contrary to section 3.5, subsection 3, an accrued benefit product does not have an interim term.
3. Information about the main financial risks of a complex product in a TV-commercial, as meant in section 52, subsection 1, of the Decree, is displayed at the bottom of the screen during the commercial by means of the risk indicator, calculated as laid down in section 3:6, which can be downloaded from [www.afm.nl/reclameteksten](http://www.afm.nl/reclameteksten). Contrary to section 3.5, subsection 3, an accrued benefit product does not have an interim term.
4. Contrary to section 3:6, second and third subsection, the ‘low’ and ‘high’ risks are not specified, but are displayed in the risk indicator, as meant in subsections (1) to (3).
5. Information about the main financial risks of a complex product in a radio commercial, as meant in section 52, third subsection, of the Supervision Decree, is presented at the end of the commercial by inclusion of the audio file, which can be downloaded from [www.afm.nl/reclameteksten](http://www.afm.nl/reclameteksten).
6. The Netherlands Authority for the Financial Markets may change all or part of the risk indicator, as meant in subsections (1) to (3), or all or part of an audio file, as meant in the previous subsection. A provider of the complex product will implement a change as meant in the previous sentence at the latest on the first day of the fourth calendar month after its notification.
7. The risk indicator as meant in the first and second subsection is composed in accordance with the design in annex 1, sub 1, with the proviso that the risk indicator meant in the second subsection refers the consumer to [www.afm.nl/risicometer](http://www.afm.nl/risicometer) by means of a hyperlink. The risk indicator as meant in the third subsection is composed in accordance with the design in annex 1, sub 2.
8. For A4-size or smaller advertisements with a minimum diameter of 4 cm the information as meant in the first subsection is displayed in the colour black or red.
9. For advertisements larger than A4 the information meant in the first subsection is displayed in the colour black or red in an area of at least 5% of the total surface of the advertisement.
10. The information meant in the second subsection is displayed at a minimum size of 180 x 180 pixels in the colour black or red, with the proviso that the size is determined on the basis of a set screen resolution of 1024 x 768 picture lines.

11. The information meant in the third subsection is presented at 10 % of the size of the commercial.

## § 2.2. Rules about the calculation of historical and future returns, costs and risks

### Section 2:2

1. Information about a historical return, as meant in section 52, fifth or sixth subsection of the Decree, not being from a collective investment scheme, is calculated in accordance with the returns scenario meant in section 3:9, first subsection, sub a) and may be supplemented by the inclusion of the returns actually realised in the historical period concerned.
2. Information about a future return, as meant in section 52, fifth or sixth subsection of the Decree, not being from a collective investment scheme, is calculated in accordance with one or more returns scenarios as described in section 3:9, first subsection, sub a), b) or c). A self-assessed return may be added, if this does not exceed the historic returns scenario meant in section 3:9, first subsection, under a.
3. Information about the costs, as meant in section 52, fifth or sixth subsection of the Decree, not being from collective investment scheme, is provided in absolute numbers, if the provider of the complex product presents the returns as meant in the first or second subsection in absolute numbers, or in percentages, if the financial enterprise concerned presents the returns in percentages. The information about the costs is provided in cumulative form.
4. Information about the main financial risks, as meant in section 52, fifth subsection of the Decree, not being from a collective investment scheme, is presented by including the following statement, if it concerns a loan product: *Het risico dat u met een schuld blijft zitten zoals opgenomen in de Financiële Bijsluiter is [...].* ('*The risk that you are left with a debt as included in the Financial Information Leaflet is [...]*') or, if it concerns an accrued benefit product: *'Het risico dat u uw inleg niet terugkrijgt zoals opgenomen in de Financiële Bijsluiter is [...].'* ('*The risk that you will not recover your investment as included in the Financial Information Leaflet is [...]*'), stating the risk category for the contract term as meant in section 3:5, second and third subsection, if applicable followed by the text: *'Dit risico kan hoger of lager worden afhankelijk van bijvoorbeeld uw beleggingskeuze. Bespreek uw risico met een adviseur.'* ('*This risk may become higher or lower, depending, for instance, on your choice of investment. Discuss your risk with an advisor.*').
5. Information as meant in the fourth subsection may be replaced by a risk indicator calculated on the basis of details of the consumer.
6. The information about the complex product meant in the fourth or fifth subsection is presented clearly and noticeably in the immediate vicinity of the information about returns, as meant in the first and second subsection.

### **Section 2:3**

If actual return figures are presented in an advertisement of a management company or a:

- a. the reference period is mentioned;
- b. return figures pertaining to several years are reduced to an average annual return or stated as separate annual returns. If an average annual return on more than one year is presented, a measuring period of at least three years is used. If the collective investment scheme has not been active very long, the date of the initial issuance of units in the collective investment scheme can be taken as the starting date;
- c. results on shorter periods than 12 months can be presented, provided that the presentation is consistent and the results are not extrapolated to returns on an annual basis;
- d. the benchmark to which the results are compared will be mentioned and the reference period of the benchmark will be equal to the stated reference period of the collective investment scheme;
- e. the return figures are presented in value change percentages, either consistently of the net asset value or consistently of the market value per share or investment scheme unit at the beginning of the financial year/the period, taking the distributions to shareholders or unit holders in said period(s) into account, to which distributions interest may be added towards the end of the financial year or the period. If return figures are presented on the basis of changes in the net asset value and this net asset value per investment scheme unit deviates from market value of that unit, the latter must be stated explicitly;
- f. if the net asset value change is used as a basis, reference is made to the total return of the collective investment scheme. All this will be consistent with the annual accounts concerned. If the collective investment scheme is subject to taxation, the return after taxation is mentioned;
- g. if simulated return figures are used, an expert, as meant in section 393, first subsection, of Book 2 of the Dutch Civil Code, will certify that the simulation is mathematically correct, objectively measurable and representative. The fact that a simulation was used, will be mentioned in the advertisement. The certification of the expert does not have to be included in the advertisement; and
- h. the currency used is mentioned, if the return figures have not been given in euros.

### **Section 2:4**

If return forecasts are presented in an advertisement of a management company or investment:

- a. section 2:3 under a, b, f, g, and h will apply accordingly to the method used to calculate the return figures;
- b. the fact that it concerns forecasts will be stated in the advertisement; and
- c. the forecasts will be substantiated and the model used for that will be tested for the relevant elements by an expert, as meant in section 393, first subsection, of Book 2 of the Dutch Civil Code. The result of this test will be recorded in writing.

## **Chapter 3. Financial Information Leaflet**

### **§ 3.1. Financial Information Leaflet concerning complex products, with the exception of units in a collective investment scheme**

#### **Section 3:1**

The financial information leaflet for a complex product, not being a unit in a collective investment scheme, is prepared in accordance with Sections 3:2 up to and including 3:10.

#### **Section 3:2**

1. A financial information leaflet is prepared:
  - a. if it concerns a loan product: in accordance with the layout of annex 2, part 1;
  - b. if it concerns a loan product with guarantee: in accordance with the layout of annex 2, part 2;
  - c. if it concerns a surplus value construction: in accordance with the layout of annex 2, part 3;
  - d. if it concerns an accrued benefit product: in accordance with the layout of annex 3, part 1;
  - e. if it concerns an accrued benefit product with guarantee: in accordance with the layout of annex 3, part 2;
  - f. if it concerns an immediate annuity on a savings basis: in accordance with the layout of annex 3, part 3.
  - g. if it concerns an immediately effective annuity on an investment basis: in accordance with the layout of annex 3, part 4;
  - h. if it concerns an immediately effective payment on a savings basis: in accordance with the layout of annex 3, part 5;
  - i. if it concerns an immediately effective payment on an investment basis: in accordance with the layout of annex 3, part 6;
  - j. if it concerns an investment object: in accordance with the layout of annex 3, part 7.
  
2. A financial information leaflet contains the following information:
  - a. at the top of the first page, an introduction as meant in section 3:3;
  - b. in the centre of the first page, a product description consisting of an explanation of the applicable 'loan', 'investment', 'insurance' or 'savings' elements of the complex product, as meant in section 3:4;
  - c. at the bottom of the first page, the risk indicator as meant in section 3:6 and, with the exception of an immediately effective annuity on a savings basis or an

- immediately effective payment on a savings basis, a description of the most negative financial result of the complex product as meant in section 3:7;
- d. at the top of the second page, an overview of all the costs of the complex product as meant in section 3:8;
  - e. in the centre of the second page, three graphs outlining the payment in an historical, a 4% and a pessimistic scenario respectively, as meant in section 3:9, or if it concerns an immediately effective annuity on a savings basis or an immediately effective payment on a savings basis, two graphs outlining the payment at life and at death; and
  - f. at the bottom of the second page, a description of the financial consequences of early termination of the complex product, as meant in section 3:10.

### Section 3:3

1. A financial information leaflet contains an overview of the symbols in the top left corner under the heading 'Financial Information Leaflet'. Directly below the symbols the financial information leaflet contains the following texts:
  - a. if it concerns a loan product: 'Let op! Er wordt gerekend met een hypotheek of een lening, onder invulling van hetgeen toepasselijk is, van € (...)' (*Attention! This is based on a mortgage or a loan of € (...) – fill in as appropriate*), the applicable amount as meant in section 3:5, fifth subsection, under a) or b), to be filled in, followed by the sentence stated in annex 5, table 1, for the applicable investment class, unless:
    1. it concerns a complex product consisting of a combination of a mortgage loan and a savings account, the balances of which serve to redeem the loan, then there is no sentence from annex 5, table 2; or unless
    2. it concerns a hybrid mortgage, then the sentence reads: 50% as savings and 50% as investment;
  - b. if it concerns an accrued benefit product, an investment object, an immediately effective annuity or an immediately effective payment, as far as applicable: 'Let op! Er wordt gerekend met een inleg van € 1.200 per jaar' (*Attention! This is based on a contribution of € 1,200 per year*), or the text 'Let op! Er wordt gerekend met een eenmalige inleg van € (...)' (*Attention! This is based on a one-off contribution of € (...)*), the applicable amount as meant in section 3:5, second and fourth subsection, to be filled in, followed by the sentence stated in annex 5, table 1, for the applicable investment class, unless the complex product concerns a traditional life insurance as meant in section 1(d) under 3 of the Decree.
  - c. if it concerns a savings & investment product: 'Let op! Er wordt gerekend met een inleg van € 1.200 per jaar, met 50% sparen en 50% beleggen' (*Attention! This is based on a contribution of € 1,200 per year, 50% as savings and 50% as investment*).
  - d. if it concerns an accrued benefit product on a full savings basis, the sentence: 'Let op! Er wordt gerekend met een inleg van € 1.200 per jaar, met 100% sparen.' (*Attention! This is based on a contribution of € 1.200 per year, 100% as savings.*)

- e. as far as it concerns an accrued benefit product with contributions set at a target date: ‘Let op! Er wordt gerekend met een inleg van € 1.200 per jaar, waarbij de beleggingsmix verandert gedurende de tijd’ (*Attention! This is based on a contribution of € 1,200 per year for a portfolio mix that changes during the term*)’
2. In the top right corner the financial information leaflet contains the name of the product, followed by the name of the provider of the complex product.
  3. The first paragraph of the introduction contains the following sentences: ‘Gebruik de Financiële Bijsluiter vóór u overgaat tot het afsluiten van de [productsoort] [productnaam]’ (*Use the Financial Information Leaflet before you proceed to take out [product type] [product name]*’), providing a description in the singular of the type of products to which the complex product offered belongs and the name of the complex product offered, followed by the sentence: ‘Vergelijk deze Financiële Bijsluiter ook met de bijsluiter van andere [productsoorten]’ (*Also compare this Financial Information Leaflet to the information leaflet with other [product types]*’), providing a description in the plural of the type of products to which the complex product offered belongs, followed by the sentence: ‘Lees ook de offerte en/of de algemene voorwaarden.’ (*Also read the quote and/or the general terms and conditions*’), or if it concerns an investment object, the sentence: ‘Lees ook het prospectus, de offerte en de algemene voorwaarden.’ (*Also read the prospectus, the quote and the general terms and conditions*’).
  4. The second paragraph of the introduction contains the following texts:
    - a. if it concerns a loan product: ‘Let op! Er wordt gerekend met een hypotheek of een lening, onder invulling van hetgeen toepasselijk is, van € (...)’ (*Attention! This concerns a mortgage or a loan of € (...)*) – fill in where appropriate’, specifying applicable amount as meant in section 3:4, fifth subsection, under a) or b), depending on the investment class, followed by the sentence stated in annex 5, table 2, unless:
      1. it concerns a complex product consisting of a combination of a mortgage loan and a savings account, the balances of which serve to redeem the loan then there is no sentence from annex 5, table 2; or unless
      2. it concerns a hybrid mortgage, then the sentence reads: 50% as savings and 50% as investment;
    - b. if it concerns an accrued benefit product, an investment object, an immediately effective annuity or an immediately effective payment: ‘Let op! Er wordt gerekend met een inleg van € 1.200 per jaar’ (*Attention! This is based on a contribution of € 1,200 per year*’), or the text ‘Let op! Er wordt gerekend met een eenmalige inleg van € (...)’ (*Attention! This is based on a one-off contribution of € (...)*’), specifying the applicable amount as meant in section 3:5, second and fourth subsection, followed by the sentence stated in annex 5, table 1, for the applicable investment class, unless the complex product concerns a traditional life insurance as meant in section 1(d) under 3 of the Decree.

- c. if it concerns a savings & investment product: ‘Let op! Er wordt gerekend met een inleg van € 1.200 per jaar en met 50% sparen en 50% beleggen’ (*‘Attention! This is based on a contribution of € 1,200 per year, 50% as savings and 50% as investment’*), or
  - d. if it concerns an accrued benefit product with contributions set at a target date: ‘Let op! Er wordt gerekend met een inleg van € 1.200 per jaar, waarbij de beleggingsmix verandert gedurende de tijd’ (*‘Attention! This is based on a contribution of € 1,200 per year for a portfolio mix that changes during the term’*).
  - e. the texts: ‘uw persoonlijke keuzes en situatie kunnen van invloed zijn op de resultaten die in deze bijsluiter vermeld worden. Meer informatie: [www.definancielebijsluiter.nl](http://www.definancielebijsluiter.nl) of vraag een adviseur.’ (*‘your personal choices and situation may influence the results stated in the financial information leaflet. Visit: [www.definancielebijsluiter.nl](http://www.definancielebijsluiter.nl) for more information or consult an advisor.’*)
5. The third paragraph of the financial information leaflet contains the following sentence: ‘Heeft u vragen?’ (*‘Do you have any questions?’*), followed by the name, address and phone number of the provider of the complex product and the text: ‘of neem contact op met een adviseur’ (*‘or contact an advisor’*).
  6. The fourth paragraph of the introduction contains the following sentences: ‘Deze Financiële Bijsluiter is opgesteld op [...] volgens de voorschriften van de Autoriteit Financiële Markten ([www.afm.nl](http://www.afm.nl)).’ (*‘This Financial Information Leaflet was prepared on [...] in accordance with the regulations of the Netherlands Authority for the Financial Markets ([www.afm.nl](http://www.afm.nl)).’*), including the date on which the financial information leaflet was prepared, followed by the sentence: ‘This organisation supervises savings, credit, investment and insurance transactions’.

### Section 3:4

1. Under the subheading ‘What is [name of product]?’ a financial information leaflet provides information about the relevant components ‘borrowing’, ‘investing’, ‘taking out an insurance’ and ‘saving’, as meant in subsections 2, 3, 4, and 5, respectively.
2. A financial information leaflet explains the component ‘borrowing’ by including the text:
  - a. under the heading ‘U moet’ (*‘You must’*): ‘[elke ...] [op ...] rente betalen’ (*‘pay interest [each ...] [on ...]’*), specifying the applicable frequency or time and, as far as applicable, ‘het huis in onderpand geven’ (*‘giving the house as security’*), ‘het huis in onderpand geven en de lening terugbetalen door aflossing’ (*‘giving the house as security and paying back the mortgage by redemption’*) or ‘de lening terugbetalen’ (*‘redeeming the mortgage’*), and if it concerns a loan: ‘Let op! Hoe korter de periode waarover u de rente vastzet, hoe groter de onzekerheid over uw maandlasten’ (*‘Attention! The shorter the period for which you fix the interest, the more insecure your monthly payments’*) and

- b. under the heading ‘U moet’ (*You can*), as far as applicable: ‘een huis kopen’ (*buy a house*), ‘beleggen met geleend geld’ (*invest with borrowed funds*) or ‘beleggen om uw inkomen aan te vullen’ (*invest to supplement your income*).
3. A financial information leaflet explains the component ‘investing’ by including the text:
- a. under the heading ‘U moet’ (*You must*), as far as applicable: ‘[eenmalig/elke ...] een vast bedrag storten’ (*pay a fixed amount [once only/each ...]*), specifying the applicable frequency, or ‘eenmalig uw overwaarde storten’ (*pay up your surplus value once*) and: ‘Vraag naar het bedrag en vraag waarin u belegt’ (*Ask for the amount and what you invest in*), and
- b. under the heading ‘U kunt’ (*You can*), as far as applicable: ‘een bedrag bijeen krijgen om de lening af te lossen’ (*raise funds to redeem the loan*), ‘een bedrag bijeen krijgen’ (*raise funds*), ‘uw inkomen aanvullen’ (*supplement your income*) or ‘een periodieke uitkering ontvangen’ (*receive a periodic payment*) and ‘Vraag naar de hoogte en duur van de uitkeringen’ (*Ask for the level and the duration of the payments*) or ‘een bedrag bijeen krijgen met een garantie op einddatum’ (*raise funds with a guaranteed payment on the maturity date*) [to redeem all or part of your loan] and en ‘Vraag naar de garantievoorwaarden’ (*Ask for the guarantee terms*) or ‘een bedrag bijeen krijgen met garantie op een [jaarlijks/periodiek minimum rendement’ (*raise funds with a guaranteed [annual/periodic minimum return*) [to redeem all or part of your loan].
4. A financial information leaflet explains the component ‘taking out an insurance’ by including the text:
- a. under the heading ‘U moet’ (*You must*): ‘[eenmalig/elke ...] premie betalen’ (*pay a premium [once only/each...]*) and: ‘Vraag naar het bedrag’ (*Ask for the amount*) and
- b. under the heading ‘U kunt’ (*You can*), as far as applicable: bij overlijden een (vast/onzeker) bedrag/periodieke uitkering nalaten aan [uw partner/nabestaanden]’ (*bequeath a (fixed/uncertain) amount/periodic payment to [your partner/surviving relatives]*) or: ‘een aanvulling op uw inkomen ontvangen bij [arbeidsongeschiktheid] en [werkloosheid]’ (*receive a supplement to your income in the case of [occupational disability] and [unemployment]*), specifying as applicable.
5. A financial information leaflet explains the component ‘saving’ by including the text:
- a. under the heading ‘U moet’ (*You must*): ‘[eenmalig/elke ...] een bedrag storten’ (*pay an amount [once only/each ...]*), specifying the applicable frequency and: ‘Vraag naar het bedrag’ (*Ask for the amount*) and
- b. under the heading ‘U kunt’ (*You can*): ‘een [gegarandeerd] bedrag bijeen krijgen’ (*raise a [guaranteed] amount*), with the addition ‘gegarandeerd’ (*guaranteed*), if the total amount is guaranteed, or: ‘een [vaste][levenslange]

periodieke uitkering ontvangen [gedurende maximaal 20 jaar] Vraag naar de hoogte en de duur van de uitkering.’ (*‘receive a [fixed/lifetime] periodic payment [for a maximum term of 20 years]’*). Ask for the level and the duration of the payment’), with the addition ‘vast’ (*‘fixed’*), if the level of the periodic payment is fixed, and with the addition ‘levenslang’ (*‘lifetime’*), if it concerns a lifetime payment.

6. If subsections 1 up to and including 5 do not apply, the provider of the complex product may request the Netherlands Authority for the Financial Markets for additions.

### **Section 3:5**

1. For calculating the financial risk, the costs and the returns a financial information leaflet is based on the following contract terms:
  - a. if the product has a fixed duration that does not differ for different consumers: the fixed duration; or
  - b. if the complex product has no fixed duration and
    - 1°. is a loan product: a duration of thirty years if the product has a mortgage loan component, a term of 15 years in so far as it concerns a loan without mortgage interest or a term to be determined by the Netherlands Authority for the Financial Markets if the product has a loan component that can be used by the consumer to buy other products than financial products or instruments;
    - 2°. is an accrued interest product, an immediately effective annuity on an investment basis, an immediately effective payment or an investment object: A term of twenty years; or
    - 3°. a unit in a collective investment scheme or a savings & investment product without insurance and without contract term: a duration of one year; or
    - 4°. An immediately effective annuity on a savings basis: a lifetime duration.
2. If the complex product has an insurance component, the calculation of the financial risk, the costs and the returns, in addition to the contract term meant in subsection 1, is based on the following parameters:
  - a. one non-smoking, male insured person aged 35 and aged 60 as far as it concerns an immediate annuity;
  - b. if it concerns a savings-based mortgage or a savings bank mortgage with an annual savings premium of € 3,428.87 with a net return of 4% per year or a monthly savings premium of € 287.21 with a net return of 0.3333% per month;
  - c. if there are other variables affecting the level of the premium, the most representative choice of variables or, if this cannot be determined, those variables that lead to the highest possible premium or costs.
3. If the complex product is an accrued benefit product or a unit in a collective investment scheme or an immediately effective annuity on an investment basis or an

immediately effective payment on an investment basis, the calculation of the financial risk is not only based on the contract term meant in the first subsection, but also on an interim term of:

- a. one year, if the contract term is more than one year and less than or equal to ten years;
  - b. three years, if the contract term is more than ten and less than or equal to twenty years; or
  - c. five years, if the contract term is more than twenty years.
4. If the complex product concerns an accrued benefit product, an investment object, an immediately effective annuity or an immediately effective payment, the calculation of the risk indicator, the costs and the returns is based on the following parameters in addition to subsection (1) to (3):
- a. a one-off contribution of € 1,000;
  - b. if the periodic payments of the consumer to the provider have been agreed: a monthly contribution of € 100;
  - c. if it concerns a deferred annuity insurance: a one-off premium payment of € 5,000;
  - d. if it concerns an investment-based immediate annuity insurance, an immediately effective payment on an investment basis or a savings basis and a withdrawal at a level to be determined by the expected return and a withdrawal period of twenty years: a payment of € 20,000;
  - e. if it concerns a traditional, immediate annuity insurance on a savings basis and a withdrawal at a level to be determined by a lifetime payment to the insured from the age of 60 and a lifetime surviving relative payment of seventy % of said payment, based on a 60-year-old female surviving relative: a payment of € 20,000;
  - f. an insured sum to be paid on the basis of an endowment insurance with a life cover or a life insurance for the total amount to be paid during the entire contract term; or
  - g. if it concerns a with-profits life insurance, the guise is calculated on the basis of the lowest possible profits.
5. If the complex product concerns a loan product, the calculation of the financial risk, the costs and the returns is based on the following parameters in addition to subsections (1) and (2):
- a. if it concerns a loan product, not being a surplus value construction:
    - 1°. a mortgage loan of € 200,000; or
    - 2°. if it concerns a non-mortgage loan: a loan at a level to be determined by the Netherlands Authority for the Financial Markets;
  - b. if it concerns a surplus value construction: a mortgage loan to the amount of € 225,000, € 25,000 to be paid into an investment trust with an annual withdrawal from the deposit of € 1,630;

- c. a contribution based on the historical returns and/or prescribed calculation returns in annex 5, table 0, and a redemption target equal to the loan;
  - d. an insured sum to be paid on the basis of an endowment insurance with a life cover equal to the insured sum or a life insurance to an amount equal to the insured sum;
  - e. if it concerns a mortgage loan with a savings- and investment-based redemption, a fifty-fifty savings and investment income division, or
  - f. a credit of € 15,000 if the complex product consists of a combination of a loan without mortgage interest and a life insurance to redeem said credit.
6. In addition to subsections (1) to (5) the calculation of the financial risk, the costs and returns will be based on an investment class, as meant in annex 5, equal to:
- a. the product offering;
  - b. the investment class meant in category 4 of annex 5, if the consumer can choose the investments, a mixed investment portfolio is one of the choices offered and is not the least risky choice;
  - c. the investment class meant in category 5 of annex 5, if the consumer can choose the investments, condition b does not apply and category 5 is one of the choices offered; or
  - d. the investment class meant in category 6 of annex 5, if condition b or c do not apply.
7. If the provider of the complex product charges transaction costs, the extent of which depends on the choices to be made by the consumer, the calculation of these costs will be based on the most representative choices.

### **Section 3:6**

1. Under the subheading ‘What are the risks?’ the first part of a financial information leaflet contains the risk indicator as meant in the second or third subsection.
2. In a financial information leaflet the financial risk of a loan product is described as follows under the heading ‘The risk that you are left with a debt’ above the line and under the heading ‘for the entire term (... years)’ below the line, specifying the contract term meant in section 3:5, first subsection:
  - a. ‘very low’, if the discharge of the debt of the consumer is fully guaranteed and the complex product guarantee is issued by an institution under capital adequacy supervision;
  - b. ‘low’, if the discharge of the debt of the consumer is guaranteed for eighty percent or more, the guise amounts to ninety percent or more of the debt and the complex product guarantee is issued by an institution under capital adequacy supervision;
  - c. ‘fairly high’, if the guise amounts to eighty percent or more of the debt and condition a or b does not apply;
  - d. ‘high’, if the guise amounts to sixty five to eighty percent of the debt; or

- e. 'very high', if the guise amounts to less than sixty five percent of the debt;
  - f. 'very high', if it concerns a surplus value construction.
3. In a financial information leaflet the financial risk of an accrued benefit product, an immediately effective annuity on an investment basis, an immediately effective payment on an investment basis, an investment object, a unit in a collective investment scheme or a savings & investment product is described as follows, before the end of the contract term meant in section 3:5, first subsection, and the interim term meant in section 3:5, third subsection, under the heading 'The risk that you will not recover your investment' or 'The risk that you will not recover your investment and are left with a residual debt' above the line and under the heading 'on early termination (... years)', specifying the contract term meant in section 3:5, third subsection, below the line to the left, and 'for the entire term (... years)' below the line, specifying the contract term meant in section 3:5, first subsection:
- a. 'very low', if the consumer is guaranteed of full payment of the sum paid in and the complex product guarantee is issued by an institution under capital adequacy supervision;
  - b. 'low', if the consumer is guaranteed of payment of eighty percent or more of the sum paid in, the guise amounts to 95 percent or more and the and the complex product guarantee is issued by an institution under capital adequacy supervision;
  - c. 'fairly high', if the guise amounts to ninety percent or more of the sum paid in and condition a or b does not apply;
  - d. 'high', if the guise amounts to seventy five to ninety percent of the sum paid in;
  - e. 'very high', if the guise amounts to less than seventy five percent of the sum paid in;
  - f. 'very high', if the consumer may be left with a residual debt, or
  - g. 'very high', if it concerns an investment object.
4. In a financial information leaflet the financial risk of an immediately effective annuity on a savings basis and an immediately effective payment on a savings basis is described as 'very low' under the heading 'risk that your payment is lower than expected'.

### **Section 3:7**

1. Under the subheading 'What are the risks?' the second part of a financial information leaflet contains information about other financial risks as meant in the second or third subsection.
2. Under the heading 'What may happen in the worst case?' a financial information leaflet for a loan product contains a description of the most negative financial result of the product for the contract term, stating:
  - a. 'bij de gehele looptijd ([...] jaar) wordt uw schuld volledig afgelost' ('*after the entire term ([...] years) your debt is fully redeemed*'), specifying the contract term

- as meant in section 3:5, first subsection, if the provider of the loan product guaranteed full redemption and the institution that issued the guarantee is under capital adequacy supervision;
- b. ‘bij de gehele looptijd ([...] jaar) kunt u met [...]% van uw schuld blijven zitten’ (*‘after the entire term ([...] years) you may be left with [...]% of your debt’*), specifying the contract term as meant in section 3:5, first subsection, and the applicable percentage, if the provider guaranteed the partial redemption of the debt and the institution that issued the guarantee is under capital adequacy supervision;
  - c. ‘bij de gehele looptijd ([...] jaar) kunt u met de volledige schuld blijven zitten’ (*‘after the entire term ([...] years) you may be left with the full debt’*), specifying the contract term as meant in section 3:5, first subsection, if the consumer may be left with the full debt, but the loan product does not concern a surplus value construction or additional income and condition a or b does not apply; or
  - d. ‘bij de gehele looptijd ([...] jaar) kunt u met een volledige schuld blijven zitten en uw inkomensaanvulling kan voor het einde van de looptijd wegvallen’ (*‘after the entire term ([...] years) you may be left with the full debt and your additional income may be lost before the end of the term’*), specifying the contract term as meant in section 3:5, first subsection, if it concerns a withdrawal from an investment trust or a surplus value construction and condition a or b does not apply.
3. Under the heading ‘What may happen in the worst case?’ a financial information leaflet for an accrued benefit product, an immediately effective annuity on an investment basis, an immediately effective payment on an investment basis, a unit in a collective investment scheme or a savings & investment product contains a description of the most negative financial result of the product for the contract term, stating:
- a. ‘bij een gehele looptijd ([...] jaar) ontvangt u uw inleg terug’ (*‘after the entire term ([...] years) your investment will be refunded’*), specifying the contract term as meant in section 3:5, first subsection, if the provider of the complex product guaranteed repayment to the consumer of the sum paid in and the institution that issued the guarantee is under capital adequacy supervision;
  - b. ‘bij een gehele looptijd ([...] jaar) ontvangt u (...)% van uw inleg terug’ (*‘after the entire term ([...] years) your investment will be refunded’*), specifying the contract term as meant in section 3:5, first subsection, if the provider of the complex product guaranteed more than repayment to the consumer of the sum paid in and the institution that issued the guarantee is under capital adequacy supervision, specifying the applicable percentage as far as said refund exceeds the sum of all paid in premiums;
  - c. ‘bij een gehele looptijd ([...] jaar) kunt u [...]% van uw inleg kwijtraken’ (*‘after the entire term ([...] years) you may lose [...]% of your investment’*), specifying the contract term as meant in section 3:5, first subsection, and the applicable percentage, if the provider of the complex product guaranteed payment to the

- consumer of the remaining part and the institution that issued the guarantee is under capital adequacy supervision;
- d. ‘bij een gehele looptijd ([...] jaar) kunt u uw inleg kwijtraken’ (*‘after the entire term ([...] years) you may lose your investment’*), specifying the contract term as meant in section 3:5, first subsection, if the consumer may lose his entire investment and conditions a and b do not apply, or
  - e. bij een gehele looptijd ([...] jaar) kunt u uw inleg kwijtraken en kunt u een schuld overhouden’ (*‘after the entire term ([...] years) you may lose your investment and may be left with a debt’*), specifying the contract term as meant in section 3:5, first subsection, if the consumer may lose his investment and may be left with a residual debt.
  - f. ‘bij een gehele looptijd ([...] jaar) kunt u 50% van uw inleg (uw beleggingsdeel) kwijtraken’ (*‘after the entire term ([...] years) you may lose 50% of your (part of the) investment’*), specifying the contract term as meant in section 3:5, first subsection, as far as the accrued benefit product concerns a savings & investment product.
4. Under the heading ‘What may happen in the worst case?’ a financial information leaflet for an accrued benefit product an immediately effective annuity on an investment basis, an immediately effective payment on an investment basis, contains a description of the most negative financial result of the product for the interim term, stating:
- a. ‘bij tussentijdse beëindiging ontvangt u uw inleg terug’ (*‘on early termination your investment will be refunded’*), if the provider of the complex product guaranteed to refund the sum paid in to the consumer on early termination and the institution that issued the guarantee is under capital adequacy supervision;
  - b. ‘bij tussentijdse beëindiging kunt u [...]% van uw inleg kwijtraken’ (*‘on early termination you may lose [...]% of your investment’*), specifying the percentage concerned, if the provider of the complex product guaranteed to pay the remaining part to the consumer on early termination and the institution that issued the guarantee is under capital adequacy supervision;
  - c. ‘bij tussentijdse beëindiging kunt u uw volledige inleg kwijtraken’ (*‘on early termination you may lose your entire investment’*), if the consumer may lose his entire investment and conditions a and b do not apply; or
  - d. ‘bij tussentijdse beëindiging kunt u uw inleg kwijtraken en kunt u een schuld overhouden’ (*‘on early termination you may lose your investment and may be left with a debt’*), if the consumer may lose his investment and may be left with a residual debt.
5. Under the heading ‘What may happen in the worst case?’ a financial information leaflet for an investment object contains the following statement: ‘u kunt uw volledige inleg kwijtraken’ (*‘you may lose your entire investment’*).
6. Directly below the risk indicator a financial information leaflet for an accrued benefit product that is an investment object contains a reference to the chapter of the

investment object prospectus concerned, which includes all the main risks as meant in section 108, first subsection under d, of the Decree. The text to be inserted reads: ‘voor alle risico’s van het beleggingsobject wordt verwezen naar hoofdstuk [x] van het beleggingsobjectprospectus’ (*‘for all the risks of the investment object reference is made to chapter [x] of the investment object prospectus’*).

### Section 3:8

1. Below the subheading ‘What are the costs?’ a financial information leaflet for an accrued benefit product, a loan product, an investment object, an immediately effective annuity on an investment basis and an immediately effective payment on an investment basis contains information in a table about the investment, insurance premium or investment premium, the costs, the return, the costs of early termination, what you have left [for redemption] [at life/at death] and the return after costs, as well as the following text: ‘De kosten bij een voorspelling op basis van een waardevermeerdering van de belegging/het kapitaal van 4%’ (*‘The expected costs on the basis of an increase in value of the investment/capital of 4%’*) [the costs are exclusive of due interest and inclusive of the commission for the loan], to be specified as applicable. In addition, the financial information leaflet for an investment object contains the following text below the table: ‘Het rendement wordt pas aan het einde van de looptijd weergegeven, omdat dit product niet eerder beëindigd kan worden.’ (*‘The return is only given at the end of the term, because this product cannot be terminated earlier.’*).
2. Under the subheading ‘What are the costs’ a financial information leaflet for an immediately effective annuity on a savings basis and an immediately effective payment on a savings basis contains the following text: ‘U kunt dit product vergelijken op inleg, uitkering en voorwaarden. De kosten zijn in de hoogte van de uitkering verwerkt. Hogere kosten leiden tot een lagere uitkering en andersom’ (*‘You compare this product on investment, payment and conditions. The costs have been incorporated in the level of the payment. Higher costs result in a lower payment and vice versa’*).
3. If it concerns an accrued benefit product, the sum of all the payments of the consumer to the financial services provider of a complex product is stated below the heading ‘Investment’ in the financial information leaflet. If it concerns an investment object, an immediately effective annuity on an investment basis or an immediately effective payment on an investment basis, the sum of all the payments of the consumer to the financial services provider of a complex product is stated below the heading ‘One-off investment’.
4. If it concerns a loan product, the sum of all the payments of the consumer to the financial services provider of the complex product, excluding interest payments, is stated below the heading ‘Investment’.

5. If it concerns a surplus value construction, the sum of € 25,000 plus all payments of the consumer to the provider of the complex product less the cumulative withdrawals from the investment trust is stated below the heading 'Investment' of the financial information leaflet.
6. If it concerns a loan product, an accrued benefit product, an immediately effective annuity on an investment basis or an immediately effective payment on an investment basis, the insurance premium for the terms of the complex product as meant in the fourteenth subsection is stated below the heading 'Insurance premium' in the financial information leaflet as the sum of all the premiums for life, disability and unemployment insurance cover and any other insurances that are part of complex products.
7. If it concerns an investment object, the investment premium for the terms of the complex product as meant in the fourteenth subsection is stated below the heading 'Investment premium' in the financial information leaflet as the sum of all the direct costs of the investment object, defined in the prospectus as handling or production costs.
8. If it concerns an accrued benefit product, a loan product, an investment object, an immediately effective annuity on an investment basis or an immediately effective payment on an investment basis, the costs for the terms of the complex product as meant in the fourteenth subsection is stated below the heading 'Costs' in the financial information leaflet as the balance of the total costs minus the insurance premium as meant in the sixth subsection and minus the costs of termination as meant in the tenth subsection.
9. If it concerns an accrued benefit product, a loan product, an investment object, an immediately effective annuity on an investment basis or an immediately effective payment on an investment basis, the value of the complex product is stated below the heading 'Return' in the financial information leaflet, based on an increase in value of the investment of 4% per year minus the contribution as meant in the third, fourth and fifth subsection.
10. If it concerns an accrued benefit product, a loan product, an investment object, an immediately effective annuity on an investment basis or an immediately effective payment on an investment basis, the costs of early termination as meant in the fourteenth subsection of the complex product are stated below the heading 'Costs at early termination' in the financial information leaflet as the amounts charged or passed on to the consumer by the provider of the complex product in connection with his termination of the complex product before the end of the contract term, excluding loss of interest costs.
11. The payment is stated in the financial information leaflet below the heading 'What you have left for redemption', if it concerns a loan product, or 'What you have left', if it concerns an accrued benefit product. The payment at life and at death is stated, as far as applicable. If the amount of the guarantee is stated, it is followed by the text:

‘(amount of the guarantee)’.

12. If it concerns an immediate annuity on an investment basis or an immediate benefit on an investment basis, the following is stated in the financial information leaflet below the heading ‘What you have left’:
  - a. at ‘payment’ the cumulative withdrawals made by the consumer prior to termination;
  - b. at ‘remaining sum to be paid in’ the deposit value minus withdrawals made by the consumer prior to termination.
13. The net return compared to the investment is stated in the financial information leaflet for an accrued benefit product, a loan product, an investment object, an immediately effective annuity on an investment basis or an immediately effective payment on an investment basis below the heading ‘return after costs’, expressed in percentages with one decimal, preceded by a plus sign in the case of a positive net return or a minus sign in the case of a negative net return.
14. The financial information leaflet states the value, the costs and the payment of the complex product, calculated for the following terms:
  - a. the contract term, if less than one year;
  - b. a one-year term and the contract term, if the contract term is more than one and less than or equal to four years;
  - c. a one-year term and a three-year term as well as the contract term, if the contract term is more than four and less than or equal to seven years;
  - d. a one-year term and a five-year term as well as the contract term, if the contract term is more than seven and less than or equal to fifteen years; or
  - e. a one-year and a ten-year term as well as the contract term, if the contract term is more than fifteen years.
15. If it concerns a loan product with a guaranteed payment or an accrued benefit product with a guaranteed payment, the financial information leaflet contains a block of text below the table stating: ‘Let op! Dit betreft een product met garantie. Aan de garantie zijn voorwaarden verbonden. Vraag er naar.’ (*‘Attention! This concerns a product with guaranteed payment. The guarantee is subject to terms and conditions. Ask for these’*).

### **Section 3:9**

1. Under the subheading ‘What can be the proceeds of [name product]?’ the financial information leaflet for an accrued benefit product, a loan product, an investment object, an immediately effective annuity on an investment basis or an immediately effective payment on an investment basis contains a graph of the value or the payment, calculated on the basis of:

- a. a historical returns scenario, below the heading ‘Historic scenario’ if sub 1° or sub 2° applies, or ‘Sample scenario’ if sub 3° applies, above the line and below the heading ‘The proceeds at an expected value increase of the investment of on average < > per year, specifying as applicable, below the line, based on:
    - 1°. the average return in the past twenty years, if a returns history of twenty years or more is available for the complex product;
    - 2°. the average return in twenty years, the own history being complemented by the applicable parameter or weighted average of parameters under ‘expected returns’, as meant in annex 5, table 0, for the missing period, if a history of four to twenty years is available; or
    - 3°. the applicable parameter or weighted average of parameters as meant under ‘expected returns’ in annex 5, table 0, if a history of less than four years is available.
  - b. four % annual return, below the heading ‘4% Scenario’ above the line, and below the heading ‘Proceeds to be expected on the basis of an increase in value of the investment of 4%’ per year, specifying as applicable, below the line, and
  - c. a pessimistic returns scenario by means of the guise, below the heading ‘Pessimistic forecast’ above the line and below the heading ‘Proceeds to be expected on the basis of an increase in value of the investment of on average < > per year below the line.
2. In addition to the first subsection, if it concerns an immediately effective annuity on an investment basis or an immediately effective payment on an investment basis, a financial information leaflet contains the text, as far as applicable: ‘De uitkering per jaar is € (...)’, ‘de uitkering is € (...)’, of ‘de uitkering wordt jaarlijks herberekend’ (*‘The payment per year is € (...)’, ‘the payment is € (...)’, or ‘the payment will be recalculated annually’*).
  3. If it concerns an immediately effective annuity on a savings basis or an immediately effective payment on a savings basis, a financial information leaflet contains two graphs outlining the payment at life and the payment at death below the subheading ‘What can be the proceeds of [[name of product]]?’ If it concerns an immediately effective annuity, the following text is also included ‘U krijgt een levenslange uitkering van € (...) per maand bij een inleg van € 20.000. Indien u overlijdt, krijgt uw partner een levenslange uitkering van € (...) per maand (*‘You will receive a lifetime payment of € (...) per month at a contribution of € 20,000. If you die, your partner will receive a lifetime payment of € (...) per month’*), and if it concerns an immediately effective payment the following text: ‘U krijgt tot uw 80ste een uitkering van € (...) per maand bij een inleg van € 20.000 Indien u overlijdt voor uw 80ste krijgen uw nabestaanden de resterende uitkeringen. (*‘Until you are eighty years old you will receive a payment of € (...) per month at a contribution of € 20,000. If you die before you are eighty years old, your surviving relatives will receive the remaining payments.’*)
  4. The financial information leaflet for an accrued benefit product, a loan product, an investment object, an immediately effective annuity on an investment basis and an

immediately effective payment on an investment basis specifies the value or the payment for the following terms:

1.
  - a. the beginning and the end of the contract term, if the contract term is less than one year;
  - b. one year and the end of the contract term, if the contract term is more than one and less than or equal to three years;
  - c. one year and three years and the end of the contract term, if the contract term is more than three and less than or equal to five years;
  - d. one year, three years and five years and the end of the contract term, if the contract term is more than five and less than or equal to twelve years; or
  - e. one year, five years and ten years and the end of the contract term, if the contract term is more than twelve years.

2.

If it concerns an accrued benefit product with a guaranteed payment or a loan product with a guaranteed payment, the financial information leaflet states the guaranteed proceeds at the end of the contract term, if these exceed the value at the end van the contract term.

5. A financial information leaflet specifies the value meant in the first subsection against a debt, as meant in section 3:5(5)a, if it concerns a loan product.
6. Contrary to the third subsection, if it concerns a savings-based mortgage or a bank savings mortgage, a financial information leaflet only specifies the value meant in the first subsection with a returns scenario as meant in the first subsection under b.
7. In addition to the third subsection, if it concerns a surplus value construction, a financial information leaflet only specifies the value meant in the first subsection, stating the year in which the investment trust is exhausted, if the investment trust is exhausted before the end of the contract term at the returns scenario used.
8. In addition to the first subsection, if it concerns a surplus value construction and the investment trust as meant in section 3:5(5)(b), a financial information leaflet states the following text: ‘Let op! Over (...) jaar stijgen uw lasten jaarlijks met € 1.630’ (*‘Attention! In (...) years your costs will increase annually by € 1,630’*), specifying as applicable.
9. If it concerns an accrued benefit product, a financial information leaflet specifies the payment meant in the first subsection against the investment meant in section 3:5, fourth subsection.

### **Section 3:10**

1. Below the subheading ‘What will happen on early termination?’ a financial information leaflet states the following texts

- a. below the heading ‘Consequences’ and at the heading ‘in the event of death’:
- if the complex product entitles the consumer to a payment under a life insurance: ‘uw nabestaanden krijgen een [(vast/onzeker) bedrag/periodieke uitkering]’ (*‘your surviving relative will receive a [(fixed/uncertain) amount / periodic payment]’*);
  - ‘uw nabestaanden krijgen [de resterende waarde] [de resterende uitkeringen]’ (*‘your surviving relatives will receive [the remaining value] [the remaining payments]’*) or ‘uw partner krijgt een vaste periodieke uitkering van [...] vraag naar de voorwaarden’ (*‘your partner will receive a fixed, periodic payment of [...], ask for the terms and conditions’*), specifying as applicable;
  - ‘het opgebouwde kapitaal vervalt [aan uw nabestaanden] [aan de verzekeraar]’ (*‘the accrued capital will fall to [your surviving relatives] [the insurer]’*), specifying as applicable;
  - ‘uw nabestaanden kunnen een schuld overhouden’ (*‘your surviving relatives may be left with a debt’*);
  - ‘u kunt een schuld overhouden’ (*‘you may be left with a debt’*), and: ‘Vraag naar de voorwaarden’ (*‘Ask for the terms and conditions’*);
- b. under the heading ‘Consequences’ and at the heading ‘on termination (for instance, in the case of divorce, loss of employment, occupation disability)’:
- in so far as it concerns an insurance that permits surrender: ‘u heeft afkoopkosten’ (*‘you have surrender costs’*);
  - in so far as it concerns an insurance that does not permit surrender: ‘u kunt volgens de voorwaarden niet opzeggen’ (*‘you cannot terminate under the terms and conditions’*);
  - in so far as it concerns a loan, savings or investment product: ‘u heeft kosten’ (*‘you have costs’*) and ‘vraag naar de bedragen’ (*‘ask for the amounts’*) if the provider of the complex product charges the consumer for costs, if the complex product is terminated before the expiry of the contract term for other reasons than death, or ‘u heeft geen kosten’ (*‘you have no costs’*), if the provider of the complex product does not charge the consumer for costs, if the complex product is terminated before the expiry of the contract term for other reasons than death;
  - in so far as it concerns an accrued benefit product: ‘u krijgt de opbrengst. Er worden wel/geen afkoopkosten verrekend. Uw garantie geldt niet’ (*‘you will receive the proceeds. Surrender costs will/will not be set off. Your guarantee does not apply’*), specifying as applicable;
  - in so far as it concerns a loan product for the termination of which the consumer is not charged for termination costs, except for the interest due: ‘u heeft mogelijk kosten voor het aflossen van de lening. Uw garantie geldt niet’ (*‘you may have costs for repaying the loan. Your guarantee does not apply’*), specifying as applicable.

2. If the first subsection does not apply, the provider of the complex product may request the Netherlands Authority for the Financial Markets for additions.

### **§ 3.2. Financial information leaflet concerning units in a collective investment scheme**

#### **Section 3:11**

The financial information leaflet for a unit in a collective investment scheme is prepared in accordance with sections 3:13 up to and including 3:28 and, as far as applicable, sections 3:5(3) and 3:6(3).

### **Section 3:12**

A financial information leaflet:

- a. is concise;
- b. is up-to-date;
- c. is clearly indicated and identifiable as financial information leaflet, as well as visually distinct from any other information carriers present;
- d. matches the average design and presentation quality of other information provided by a financial enterprise concerning the complex product; and
- e. states the last revision date.

### **Section 3:13**

A financial information leaflet consists of five parts:

- a. a brief description of the collective investment scheme as meant in section 3:14;
- b. investment information as meant in sections 3:15 up to and including 3:21;
- c. company information as meant in sections 3:22 up to and including 3:26;
- d. commercial information as meant in section 3:27; and
- e. additional information as meant in section 3:28.

### **Section 3:14**

The financial information leaflet provides a brief description of the collective investment scheme, including:

- a. the management company and the financial group to which the management company belongs;
- b. the date of formation of the collective investment scheme and the member state in which the management company has its registered office;
- c. the custodian to whom the assets of a collective investment scheme are entrusted and the responsibilities assigned to him;
- d. the external accountant of the investment firm; and as far as applicable:
- e. the main fund to which the sub-fund belongs; and
- f. the life expectancy of the collective investment scheme.

### **Section 3:15**

The financial information leaflet provides information about the objective of the collective investment scheme.

### **Section 3:16**

If an index is followed or used as a benchmark, the financial information leaflet states which index is followed or used as a benchmark for the results achieved by the collective investment scheme.

### **Section 3:17**

The investment policy of the investment firm is clearly described in the financial information leaflet, where applicable detailing at least the following aspects:

- a. the investment instruments used by the investment firm for achieving the investment objective;
- b. if an index is followed, the way in which the investment policy is tailored to this index;
- c. the countries and sectors in which investments are made;
- d. the type of bond (corporate bonds or government bonds), as well as the term and the rating requirements of the bonds in which investments are made;
- e. the investment strategy used, which may lead to a certain concentration of investments in a certain country or a certain sector;
- f. if investments are made in derivatives, whether these derivatives are used to increase the return, to cover the risks or a combination of both; and
- g. the guarantees related to the collective investment scheme, as well as any restrictions of these guarantees.

### **Section 3:18**

Concerning the risks the financial information leaflet contains the following text: ‘De waardeontwikkeling van de rechten van deelneming in de beleggingsinstelling is afhankelijk van ontwikkelingen op de kapitaal-, effecten-, valuta- en goederenmarkten’ (‘The value development of the units in a collective investment scheme depends on developments in the capital, stock, currency and commodity markets’) and ‘De mogelijkheid bestaat dat uw belegging in waarde stijgt; het is echter ook mogelijk dat uw belegging weinig tot geen inkomsten zal genereren en dat uw inleg bij een ongunstig koersverloop geheel of ten dele verloren gaat’ (*‘There is a possibility that your investment will increase in value; however, it is also possible that your investment will generate little or no income and that your paid in sum is wholly or partly lost, if the price trend is unfavourable’*).

### **Section 3:19**

1. If applicable, the financial information leaflet contains information about, for instance, the following general risks:

- a. the yield risk, including the fact that the risk may vary, depending on the choice of assets, as well as the existence or absence of, or limitations to, any third party guarantees;
  - b. risks if a change in value of the capital, including the potential risk of erosion caused by unit withdrawals and profit distributions that exceed the investment return;
  - c. the inflexibility inherent in the product itself, including the risk of premature surrender, and restrictions on switching to other providers;
  - d. the general risk of inflation, which also affects the returns of investment; and
  - e. the fact that financial and tax laws and regulations are subject to change and that a favourable circumstance may change for the worse at the time of entry.
2. If applicable, the financial information leaflet also contains information about the following product specific risks:
- a. the (temporarily) decreased marketability of units in a collective investment scheme;
  - b. the risk of the use of derivatives, if these are used to raise the return;
  - c. the risk of the entire market or an investment category falling, which will affect the price and value of the assets;
  - d. the risk that the value of an investment is affected by exchange rate fluctuations;
  - e. the risks attached to guarantees;
  - f. the risks attached to a strong concentration of investments in certain types of assets or on certain markets; and
  - g. other risks, such as credit risk, custody risk and settlement risk.
3. The general and the product specific risks are mentioned in one order, based on the extent of the risk and the likelihood that a certain risk manifests itself.
4. Where the risks are described as meant in the first and second subsection, reference is made in the financial information leaflet to the extensive risk description in the prospectus.

### **Section 3:20**

In a financial information leaflet the risk indicator for the accrued benefit product as meant in section 3:6(3) and information about other financial risks as meant in section 3:7(3) is included adjacent to the information about financial risks.

### **Section 3:21**

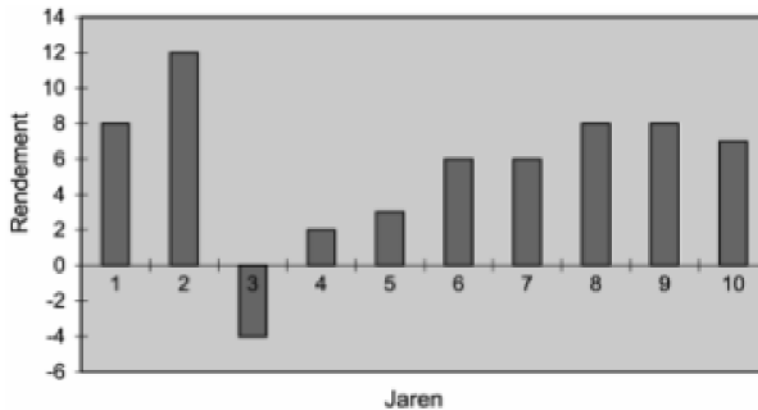
1. The investment results for the ten preceding, closed financial years are included in the financial information leaflet in the form of a bar chart. The returns achieved are expressed in percentages of the change in net asset value between the beginning and the end of the financial year.

2. If the collective investment scheme has been in existence for less than ten years and at least one year, the results for the period concerned are processed in the bar chart. If the collective investment scheme has been in existence for less than one year, the following text is included in the financial information leaflet: ‘Omdat de beleggingsinstelling korter dan één jaar bestaat, is in de financiële bijsluiter geen staafdiagram met gerealiseerde beleggingsresultaten opgenomen’ (*‘Because the collective investment scheme has been in existence for less than one year, a bar chart containing the investment results achieved has not been included in the financial information leaflet’*).
3. If the collective investment scheme follows a certain index or uses that index as a benchmark, the historical results of this index will be presented in the same bar chart. The results achieved by this index are calculated in the same way as the results of the collective investment scheme. The consequences of a possible change in the index to be followed will be included in the explanation to the bar chart.
4. The following text is included above the bar chart:

‘Het hieronder gegeven cijfervoorbeeld is alleen als voorbeeld bedoeld en geeft een weerspiegeling van in het verleden behaalde resultaten van de beleggingsinstelling. Op de jaarlijkse rendementen zijn belastingkosten en andere lasten reeds in mindering gebracht. De uiteindelijke, toekomstige beleggingsresultaten zijn niet te voorspellen. De waarde van uw beleggingen kan fluctueren. In het verleden behaalde rendementen bieden geen garantie voor de toekomst.’

*(‘The presentation below is only meant as an example and reflects the past results achieved by the collective investment scheme. Taxes and other charges have been deducted from the annual returns. The final, future investment results cannot be predicted. The value of your investments may fluctuate. Results achieved in the past do not offer any guarantee for the future.’)*

5. The bar chart is presented in the financial information leaflet as follows. The sample values in the bar chart below are notional, based on a collective investment scheme with a ten year history.



[Return                      Years]

### **Section 3:22**

1. The financial information leaflet contains information about the tax regime applicable to the collective investment scheme.
2. Subject to the provisions of the first subsection, the financial information leaflet includes the following text: ‘Zowel uw persoonlijke situatie als wijzigingen in de belastingregels van de lidstaat van herkomst of de lidstaat van ontvangst en de uitleg van deze regels kunnen een positieve of negatieve invloed hebben op uw persoonlijke fiscale positie. In geval van onduidelijkheden dient u contact op te nemen met een belastingadviseur’ (*‘Both your personal situation and changes to the tax rules of the member state of origin or the member state of reception and the explanation to these rules may have a positive or negative effect on your personal tax position. Contact a tax consultant, if you have any questions about your tax position’*).

### **Section 3:23**

1. The financial information leaflet contains the Total Expense Ratio of the previous year, which is calculated at least once a year ex-post and provided with an explanation. The financial information leaflet also contains a reference to the total expense ratio in the period meant in section 3:21(1) and (2).
2. The total expense ratio is rounded to two decimal places and is calculated by dividing the total expenses per year by the average net asset value of the collective investment scheme.
3. The average net asset value of the collective investment scheme is the sum of the net asset values divided by the number of measurements. The sum of the net asset values is based on the figures per 31 December of the previous financial year, 31 March, 30 June, 30 September and 31 December of the current financial year or comparable dates for a different financial year. The number of measurements is always five, unless it concerns a reduced or extended financial year. The measurements are seen as weighted averages, weighing said dates in the ratio 0.5:1:1:1:0.5 (at five measurements).
4. Total expenses include all costs deducted from the result and the equity capital in the reporting period. The costs of transactions in financial instruments and the interest costs, as well as the costs related to the admission and withdrawal of unit holders, in so far as these costs are covered from the received surcharges and discounts.
5. As soon as a collective investment scheme invests ten percent or more of its net asset value in collective investment schemes that publish a total expense ratio, a synthetic expense ratio is prepared. This synthetic expense ratio is equal to the total operating costs, including the admission and withdrawal costs passed on by the underlying

collective investment schemes (valued on the basis of the relative size of the investment) to the collective investment scheme, divided by the average net asset value of the collective investment scheme.

6. If the underlying collective investment scheme does not determine an expense ratio, the financial information leaflet states the following:
  - a. the maximum percentage of the management fees charged to the underlying collective investment schemes;
  - b. a synthetic total anticipated costs figure, calculated by adding a partially synthetic expense ratio, including the expense ratios of the underlying collective investment schemes with a known expense ratio, to the admission and withdrawal costs and the maximum estimate of the expenses of underlying collective investment schemes without a known expense ratio to be included in the expense ratio;
  - c. the impossibility of calculating a synthetic expense ratio for the collective investment scheme concerned.
7. The financial information leaflet contains the expected cost structure on the basis of previous cost structures. The cost structure figures are rounded to one decimal place, if the collective investment scheme has been in existence for at least one year. The cost structure is described qualitatively, if the collective investment scheme has been in existence for less than one year.

### **Section 3:24**

The financial information leaflet provides information about:

- a. the admission and withdrawal costs to be paid by unit holders for buying or selling units in the collective investment scheme, and
- b. all other costs not included in the expense ratio,

including an explanation.

### **Section 3:25**

1. The financial information leaflet contains the turnover factor.
2. The turnover factor is calculated by dividing the total number of transactions in financial instruments (purchases + sales of financial instruments=Total 1) minus the total number of unit transactions (issue + purchases =Total 2) by the average net asset value of the collective investment scheme (X) according to the formula:  $[(\text{Total 1} - \text{Total 2}) / X] * 100$ .
3. The average net asset value as meant in the second subsection is calculated in accordance with section 3:23(3).

### **Section 3:26**

1. As far as applicable, the financial information leaflet will mention the existence of return commissions and items received by or promised to the management company, directors, affiliated or third parties for executing orders for the benefit of the management company or the collective investment scheme.
2. The financial information leaflet includes a reference to the prospectus for a detailed overview of the arrangements meant in the first subsection.

### **Section 3:27**

As far as applicable, the financial information leaflet provides information on the following aspects:

- a. the frequency of pricings and where these pricings are published;
- b. the possibilities and, as far as applicable, the costs to switch to another sub-fund within a collective investment scheme;
- c. the dividend policy of the collective investment scheme; and
- d. the possibility of withdrawing from the collective investment scheme.

### **Section 3:28**

A financial information leaflet contains the following text: ‘Voor vragen kunt u de Toezichtlijn van de Autoriteit Financiële Markten bellen: 0900-5400 540 of kijken op de website [www.afm.nl](http://www.afm.nl)’ (*‘If you have any questions, please call AFM’s Financial Markets Information Line at: 0900-5400 540 or visit the website [www.afm.nl](http://www.afm.nl)’*).

## **Chapter 4. Additional rules on offering investment objects**

### **§ 4.1. Rules concerning the investment object prospectus**

#### **Section 4:1**

1. The investment object prospectus includes a summary of the key data of not more than 1,000 words. This summary contains at least the following data:
  - a. details about the provider of the investment object:
    - 1°. name, legal form, date of incorporation, registered office and principal place of business,
    - 2°. an overview of the business activities; and
    - 3°. a description of the group to which the provider of an investment object belongs;
  - b. information about the series of investment objects:
    - 1°. nature;
    - 2°. duration;

- 3°. an overview of the main risks; and
  - 4°. an overview of the main general special conditions;
  - c. financial information:
    - 1°. information about the investment object costs;
    - 2°. the expected value development if the investment object; and
    - 3°. the information referred to in section 110(1)j of the Decree;
  - d. if applicable: an overview of the important transactions with affiliated parties; and
  - e. if the investment object prospectus was amended: a brief explanation of the change(s) made to the investment object prospectus compared to the previous version.
2. If the investment object prospectus contains 7,500 words or less, the summary meant in the first subsection is optional.

#### **Section 4:2**

1. An investment object prospectus (*beleggingsobjectprospectus*) is prepared in accordance with annex 6.
2. The information about the investment objects – per series of investment objects – meant in section 110, subsection 1, sub i of the Decree, is included in the investment object prospectus in accordance with table 1 of annex 7, based on an average customary investment per investment object. The investment object costs must be included for the entire duration of the series of investment objects. If the investment object costs are the same for a number of years, these years and the associated investment object costs can be merged in a column as meant in table 1 of annex 7, based on an average customary investment per investment object.
3. The information concerning the data per series of investment objects, meant in section 110(1)j of the Decree, is included in the investment object prospectus in accordance with table 2 of annex 7.
4. The investment object costs and the data meant in section 110, subsection 1, sub i and j of the Decree are substantiated in the investment object prospectus by stating the underlying assumptions. The text in which the assumptions are stated and explained, is included immediately below the tables of annex 7.
5. The investment object prospectus is dated and provided with a version number. If a change is made to an investment object prospectus, an explanation of the change must be included in the amended investment object prospectus, including the consequence(s) of the change concerned. The explanation contains a reference to the previous, changed version of the investment object prospectus.

#### **Section 4:3**

When calculating the investment object costs, as meant in section 4.2, the returns and other benefits deducted from these costs.

## **§ 4.2. Rules concerning the annual accounts**

### **Section 4:4**

1. The administrative , management , production and selling costs are recognized in the explanatory notes to the annual accounts per series of investment objects per financial year, in accordance with the cross tabulation of annex 8. Any exchange rate differences must be recognized in said costs. The funds paid in per series of investment objects per financial year, as meant in section 67, subsection 1, sub a of the Decree, are mentioned separately in the explanatory notes to the annual accounts.
2. If the total of the costs recognized in a financial year is not equal to the total of the costs meant in the first subsection, this difference will be explained in the annual accounts.
3. When calculating the costs meant in the first subsection, returns and other benefits are not deducted.

## **Chapter 5. Additional rules on offering units in collective investment schemes**

### **§ 5.1. Rules concerning the prospectus**

#### **Section 5:1**

If the collective investment scheme has existed long enough, the costs section of the prospectus will detail the level of the costs of the collective investment scheme related to its average net asset value in the previous financial year by means of the expense ratio calculated in accordance with section 3:23, subsections 2 – 6.

### **§ 5.2. Rules concerning the explanatory notes to the balance sheet and the profit and loss account of a collective investment scheme**

#### **Section 5:2**

1. The explanatory notes to the balance sheet and the profit and loss account of the collective investment scheme will detail the level of the costs of the collective investment scheme related to its average net asset value by means of the expense ratio calculated in accordance with section 3:23, subsections 2 – 6.
2. The explanatory notes to the balance sheet and the profit and loss account of the collective investment scheme will specify the turnover rate of the assets by means of the turnover factor calculated in accordance with section 3:25, second and third subsection.

### **§ 5.3. Rules concerning risk control by undertakings for collective investment in transferable securities**

#### **Section 5:3**

In assessing the market risk of financial derivatives the derivative positions of the collective investment scheme are converted into the equivalent position in the underlying assets, taking for instance the following aspects into account:

- a. the current market value of the derivatives contract;
- b. the total derivatives risk of the collective investment scheme;
- c. the object, number and frequency of transactions in financial derivatives;
- d. the control methods used;
- e. in the case of options, the sensitivity of the option price to marginal changes in the price of the underlying assets; and
- f. in the case of forwards, futures and swaps, the exact nature of the underlying transactions.

#### **Section 5:4**

1. Contrary to section 5:3 the maximum potential loss of the total investment portfolio can be determined in assessing the market risk of financial derivatives, taking for instance the following aspects into account:
  - a. a reliability interval of at least 95 %;
  - b. a retention period of not more than one month; and
  - c. volatilities within a representative period.
2. If the method meant in the first subsection is used, regular checks are performed to check if extreme financial or economic events are also taken into account.

#### **Section 5:5**

The counterparty risk, meant in section 134(2) of the Decree, in financial derivatives transactions is calculated on the basis of the maximum potential loss for the collective investment scheme, if the other party remains in default.

#### **Section 5:6**

In calculating the counterparty risk assets as security can be taken into account, if these assets:

- a. are valued daily at market value and exceed the value of the risk amount;
- b. are only exposed to negligible risks and are liquid;

- c. are held by a third party (custodian) who is independent from the provider, or is legally protected against the consequences of the failure of a connected party; and
- d. can be fully converted into cash by the investment firm.

### **Section 5:7**

There is no counterparty risk, if:

- a. the transaction in financial derivatives takes place on a regulated market or another recognized market;
- b. the clearing house on this market is covered by a performance guarantee;
- c. the derivatives positions are valued daily at market value; and
- d. the level of the margin obligations is established at least once a day.

### **Section 5:8**

If the use of financial derivatives implies an obligation to deliver automatically, or at the choice of the counterparty, on the due date or execution date of the underlying financial instruments or an equivalent underlying instrument that can be used at any time, the assets serving as security for the delivery of the underlying financial instrument to be delivered are included in the investment scheme portfolio.

### **Section 5:9**

If financial derivatives are used that are automatically or at the choice of the collective investment scheme converted into cash, liquid assets are included in the investment scheme portfolio that can be converted into cash within seven working days at a price that closely matches the current value of the financial instrument on its market, or similar guarantees are given.

## **Chapter 6. Rules on providing investment services**

### **§ 6.1. Introductory provision**

#### **Section 6:1**

For the application of the regulations in this chapter a distinction is made between a management company that in the context of individual asset management:

- a. passes on financial instruments-related orders in the name and for the account of the client to another collective investment firm; or
- b. performs financial instrument-related transactions, or has these transactions performed, for the account of the client.

### **§ 6.2. Controlled conduct of the business**

## **Section 6:2**

The custodian administration concerning financial instruments of an investment firm complies with the provisions of 9.26 of annex 9.

### **§ 6.3. Supply of information by investment firms**

#### **Section 6:3**

1. An investment firm will comply with the rules concerning advertisements as included in annex 10.
2. The first subsection does not apply, if it concerns advertisements about complex products.

**Section 6:4 [Cancelled per 01-11-2007]**

**Section 6:5 [Cancelled per 01-11-2007]**

**Section 6:6 [Cancelled per 01-11-2007]**

**Section 6:7 [Cancelled per 01-11-2007]**

**Section 6:8 [Cancelled per 01-11-2007]**

**Section 6:9 [Cancelled per 01-11-2007]**

**Section 6:10 [Cancelled per 01-11-2007]**

### **§ 6.4. Other provisions regarding the level of care to be exercised by an investment firm in providing its services**

**Section 6:11 [Cancelled per 01-11-2007]**

**Section 6:12 [Cancelled per 01-11-2007]**

**Section 6:13 [Cancelled per 01-11-2007]**

### **§ 6.5. Rules concerning the protection of the rights, financial instruments or moneys of the client**

#### **Section 6:14**

1. Concerning the financial instruments and moneys of clients an investment firm will take such measures that the rights of those clients are adequately protected.

2. The measure meant in the first subsection serves to prevent that financial instruments and, insofar as it does not concern an investment firm which holds a licence granted by the Dutch Central Bank (de Nederlandsche Bank) to conduct the business of a bank or a supervisory status certificate granted by the Dutch Central Bank to conduct the business of a financial institution, moneys are used by the investment firm for own-account transactions.
3. Contrary to the second subsection, an investment firm may lend financial instruments of clients, provided that the client gives his express written permission to do so, the investment firm informs the client of the risks and provides sufficient guarantees for the protection of the client.

#### **Section 6:15**

1. An investment firm which renders the investment service meant under a) of the definition of providing investment services in section 1:1 of the Act or investment management as meant under a) of the definition of investment management in section 6:1, may comply with the requirement meant in section 6:14, if:
  - a. the moneys and financial instruments belonging to a client and to which the services of the investment firm pertain, are held on one or more credit institution accounts in name of the client;
  - b. no money accounts or financial instruments accounts of the investment firm are used for the transactions performed in name of and for account of the client; and
  - c. the written authorisation given by the client to the investment firm is expressly limited to the authority to dispose of the moneys and financial instruments meant under a), to the extent necessary for providing the investment services to the client.
2. ‘Written’ in the first subsection, under c), is also taken to mean ‘electronically’ as meant in section 15d(3), Book 6, of the Dutch Civil Code, if:
  - the agreement is accessible to the parties;
  - the authenticity of the agreement is sufficiently guaranteed;
  - the time of conclusion of the agreement can be established with sufficient certainty, and
  - the identity of the parties can be ascertained with sufficient certainty.
3. This section does not apply to investment firms which hold a licence granted by the Dutch Central Bank (de Nederlandsche Bank) to conduct the business of a bank or a supervisory status certificate granted by the Dutch Central Bank to conduct the business of a financial institution.

#### **Section 6:16**

1. An investment firm providing an investment service as meant under b) or c) of the definition of providing an investment service in section 1:1 of the Act, may comply

with the requirement meant in section 6:14 by concluding an agreement with the client that at least provides that:

- a. the moneys and financial instruments belonging to a client and to which the services of the investment firm pertain, are held on one or more credit institution accounts in name of the client;
  - b. the financial instruments account of the client is only credited or debited, if the amount to be received or paid pursuant to the financial instruments note is simultaneously debited or credited to the designated money account of the client; and
  - c. the investment firm is only authorised to dispose of the moneys and financial instruments meant under a) to the extent necessary for providing the investment services to the client.
2. This section does not apply to investment firms which hold a licence granted by the Dutch Central Bank (de Nederlandsche Bank) to conduct the business of a bank or a supervisory status certificate granted by the Dutch Central Bank to conduct the business of a financial institution.

## Section 6:17

An investment firm which provides an investment service as meant under a) of the definition of providing an investment service in section 1:1 of the Act, may comply with the requirement meant in section 6:14, if an agreement is concluded under which the account meant under d) of the definition of providing an investment service in section 1:1 of the Act, and the money account held for the client are managed by an investors giro service which complies with the following conditions:

- a. the investors giro service is a legal entity under Dutch law;
- b. any person who represents the giro service pursuant to its articles of association or regulations or determines its day-to-day policy, will be sufficiently knowledgeable in connection with the conduct of the business of the giro service and must be sufficiently independent from the directors of the investment firm mentioned in the opening lines. The reliability of the persons meant in the preceding sentence and of the persons who are directly or indirectly authorised to appoint or dismiss those persons must also be beyond doubt.
- c. persons who perform work for the giro service may not be employed by the business unit of the investment firm that performs transactions in financial instruments or has such transactions performed;
- d. the giro service performs no other activities than holding the moneys and financial instruments belonging to the clients and managing the accounts meant at the beginning of this section;
- e. the sum of all cash claims and financial instruments of all the clients collectively equals the sum of the balances of the accounts held for the clients as mentioned at the beginning;
- f. the moneys and financial instruments meant under d) are held in one or more accounts with a credit institution in name of the investors giro service, the giro service making a strict administrative distinction between the moneys meant at the beginning of this subsection and the moneys belonging to the giro service;
- g. transactions for the account of the client are only effected, if there is a sufficient balance on the account held in name of that client with the giro service;
- h. the Netherlands Authority for the Financial Markets may gather or order to gather all information from the giro service that is necessary for the proper performance of its statutory duties and powers;
- i. the giro service's compliance with the obligations is guaranteed by the investment firm.
- j. the giro service only acts in the interests of the clients of the investment firm on whose behalf financial instruments and moneys are held by the giro service;
- k. the investors' giro service is liable to the clients for any damage suffered by them, in so far as this damage was caused by imputable non-compliance with its obligations;
- l. the giro service provides for proceedings, should the giro service announce its intention to cease its operation;
- m. the giro service organises its operations in such a way that this guarantees a controlled and sound conduct of its business, in accordance with sections 31(1),

- (2) and (3), 31(b), 35(1), (2) and (4) and 165(1) a) to c) of the Supervision Decree;
- n. within six months of the end of the financial year the giro service will submit its annual accounts to the Netherlands Authority for the Financial Markets as meant in section 361(1), Book 2, of the Dutch Civil Code, accompanied by a statement concerning the fairness, issued by the auditor as meant in section 393(1), Book 2, of the Dutch Civil Code. The auditor is not in the employ of the giro service or the investment firm offering the accounts meant at the beginning;
  - o. the giro service has an equity capital of at least 125,000 euros;

### **Section 6:18**

An investment firm holding a licence granted by the Dutch Central Bank (*de Nederlandsche Bank*) to conduct the business of a bank, may comply with the requirement meant in section 6:14 by concluding an agreement with the client, stipulating at least that the financial instruments account of the client held with the credit institution is only credited or debited, if the amount to be received or paid pursuant to the financial instruments note is simultaneously debited or credited to the designated money account of the client and:

- a. the financial instruments are held and managed in accordance with the Securities Bank Giro Transactions Act, if the financial instruments are subject to the Securities Bank Giro Transactions Act and the investment firm is a member of Necigef, the Dutch Central Securities Depository; or
- b. the financial instruments are held by a depository and the following conditions have been met:
  - the depository firm is a legal entity under Dutch law;
  - any person who represents the depository firm pursuant to its articles of association or regulations or determines its day-to-day policy, will be sufficiently knowledgeable in connection with the conduct of the business of the depository firm. The reliability of the persons meant in the preceding sentence and of the persons who are directly or indirectly authorised to appoint or dismiss those persons must also be beyond doubt;
  - persons who perform work for the depository firm may not be employed by the business unit of the investment firm, holding a licence to conduct the business of a bank granted by the Central Dutch Bank, that performs transactions in financial instruments;
  - the depository firm performs no other activities than the safe keeping of financial instruments;
  - the depository firm has an equity capital of at least 125,000 euros;
  - the sum of the units in financial instruments held by clients equals the sum of the financial instruments held by the depository firm for clients;
  - the fulfilment of the obligations of the depository firm is guaranteed by the investment firm;
  - the Netherlands Authority for the Financial Markets can make all the enquiries at the depository firm, or have others make these enquiries, that in

the opinion of the Netherlands Authority for the Financial Markets are necessary for the proper performance of its statutory duties and powers;

- the depository firm only acts in the interests of the clients of the investment firm on whose behalf financial instruments and moneys are deposited with the depository firm;
- the depository firm is liable to the clients for any damage suffered by them, in so far as this damage was caused by imputable non-compliance with its obligations;
- the depository firm provides for proceedings, should the depository firm announce its intention to cease its operation; and
- The depository firm organises its operations in such a way that this guarantees a controlled and sound conduct of its business, in accordance with sections 31(1), (2) and (3), 31(b), 35(1), (2) and (4) and 165(1) a) to c) of the Supervision Decree

### **Section 6:19**

1. An investment firm offering clients the possibility of acquiring financial instruments by concluding a lease agreement for financial instruments, may comply with the requirement meant in section 6:14 by concluding an agreement pursuant to which the rights of clients under the lease agreement for financial instruments are guaranteed by means of a first right of pledge of these clients on the financial instruments concerned.
2. The right of pledge serves as security for:
  - a. payment of reliance damages, if the transfer of the financial instruments is not effected;
  - b. the claim the client may have on the investment firm in the event of dissolution of the lease agreement for financial instruments, if this dissolution was caused by an attributable failure of the investment firm.
  - c. payment of the interests and dividends due on the financial instruments; and
  - d. payment of the statutory interest on the claims, as meant under a), b) and c), for the period during which the investment firm fails to pay this interest.
3. If the lease agreement for financial instruments is dissolved, the calculation rule for determining the financial rights of the client towards the investment firm must sufficiently protect the rights of the client under the lease agreement for financial instruments.

### **Section 6:20**

In order to comply with the requirement meant in section 6:14 the investment firm may enter into other agreements than the agreements meant in sections 6:15 up to and including 6:19. These other agreements require the prior approval of the Netherlands Authority for the Financial Markets.

**§ 6.6. Rules concerning the avoidance of conflicts of interests between the investment firm and its clients and between its clients among themselves**

**Section 6:21 [Cancelled per 01-11-2007]**

**Section 6:22 [Cancelled per 01-11-2007]**

**Section 6:23 [Cancelled per 01-11-2007]**

**Section 6:24 [Cancelled per 01-11-2007]**

**Chapter 7. Final provisions**

**Section 7:1. Entry into force**

These regulations enter into force at the time the Act enters into force.

**Section 7:2. Official title**

These regulations will be cited as: Further Regulations on the Supervision of the Conduct of Financial Enterprises pursuant to the Act on Financial Supervision.

These regulations will be published in the Government Gazette together with the explanatory memorandum.

Amsterdam, 15 November, 2006

The Chairman,  
A.W.H. Docters van Leeuwen

Board Member,  
P.M. Koster RA

**Annex 1. Annex for the implementation of section 2:1, containing the model for the risk indicator in advertising**

*1. Written advertisement or Internet advertisement*

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*2. Television commercial*

[]

**Annex 2. Annex for the implementation of section 3:2, containing the model for the loan product**

*1. General*

*2. Surplus value construction*

**Annex 3. Annex for the implementation of section 3:2, containing the model for the accrued benefit product**

**2. Immediate annuity**

**Annex 4. Explanation to the calculation of the ‘GUISE’**

The GUISE is the Gemiddelde Uitbetaling In geval van Slechte Eventualiteiten (Average Payment in the Event of Bad Contingencies). This is defined as the average payment in the worst 10% of the cases. The worst 10% of the cases can be determined on the assumption of normally divided geometric returns with parameters  $\mu$  (average) and  $\sigma$  (standard deviation or volatility) for returns of the underlying values invested in. The parameters to be used for various underlying values and some rules for determining which underlying value class must be chosen in which cases can be found in Annex 5.

The method of determining the GUISE depends on the type of product for which the GUISE must be calculated. A distinction should be made between linear and non-linear products and between the methods of investment (one-off versus periodically). Linear products are products which exclude the use of derivatives (options and guarantees and such). Non-linear products are products of which derivatives do form part of the product or the construction. This leads to the following product categories:

- Linear product with one-off investment
- Linear product with periodic investment
- Non-linear product with one-off investment
- Non-linear product with periodic investment

For linear products the GUISE can be calculated using the following mathematical approach (three-point approach).

[formula]

Where

$X_{0.01}$  is the value of the 1% chance scenario

$X_{0.05}$  is the value of the 5% chance scenario

$X_{0.10}$  is the value of the 10% chance scenario

For non-linear products this approach cannot be used, so that simulation is required. The method for that is outlined below. A product with a fixed, guaranteed payment on the maturity date (this falls in the category non-linear product with one-off investment) is an exception. The three-point approach can be applied to this.

### **Linear product with one-off investment**

Using the following mathematical approach it is possible to calculate the values of the 1%, 5% and 10% chance scenarios:

[formulae]

where

I = Investment

H = number of years the product has been in existence

$\mu$  = expected return

$\sigma$  = volatility

dk = recurrent costs

UK = withdrawal costs

IK = admission costs

$Z_{0.01}$  = 1% fractile of the standard normal division

$Z_{0.05}$  = 5% fractile of the standard normal division

$Z_{0.10}$  = 10% fractile of the standard normal division

Table 1a gives the GUISE for a linear product with one-off investment without costs. For each of the investment classes of table 0, annex 5, the GUISE is given. The corresponding pessimistic return is given in table 1b. The GUISE of a linear product with one-off investment and with costs can be deduced from table 1b. This is done by using the return given for the term concerned for the correct investment class as the annual return. Deducting the costs directly results in the GUISE. It is important that the costs are correctly charged. One-off costs at the beginning, which cannot be invested, can be deducted directly from the one-off investment; One-off costs at the end, which are withheld from the accrued value, can be deducted from the resulting GUISE; Recurrent costs can be deducted from the average volume, which can be approached on the basis of the initial and the final volume. In addition to using table 1a and table 1b it is always possible to use formula 2.

### **Linear product with periodic investment**

There are two methods of calculating the GUISE of products with a periodic investment, namely using a simulation or an approach. Table 2a gives the GUISE of a product without costs on the basis of a simulation (on a monthly basis). This GUISE was 'translated' into a pessimistic return in Table 2b. The pessimistic return from this table can be used for calculating the GUISE of a product with recurrent costs. It is not possible to use this table for products with one-off costs. In order to calculate the GUISE of products with a periodic investment and one-off costs the investment firm itself must perform a simulation or use the following approach.

Alternatively, an approach can be used. In this approach the term is scaled to take into account that the full investment is not made at the start, but in several stages. The formula is as follows:

[formula]

where

EL = effective term

It = investment per year

Jaar = total term

IK = investment costs

Dk = recurrent costs

$\mu$  = expected return

$\sigma$  = volatility

$z_j$  = value standard normal division for point j (j=1%, 5%, 10%)

In addition to x0.01 the 5% and 10% ( $X_{0.05}$  and  $X_{0.10}$ ) must also be calculated. To calculate the GUISE the returns of the 1%, 5% and 10% ( $X_{0.01}$ ,  $X_{0.05}$  and  $X_{0.10}$ ) must then be averaged according to formula 1.

### **Non-linear product with one-off investment**

A non-linear product can sometimes be subdivided into linear and non-linear elements. The method of valuating the linear element is the same as the method for valuating a

linear product with one-off investment. This means that for the linear part tables 1a and 1b can be used.

For the contract term it is often easy to settle the non-linear element, as it concerns determining whether or not the option is ‘in the money’ and correcting the GUISE for this. The non-linear elements are valued in the same way as they are settled with the client. This means that it is only a non-linear product at interim terms, if the option value at early termination is actually settled with the client. If this is not the case, the simple calculation for linear products described above may suffice.

For products with a guaranteed payment on the maturity date it is allowed, for that matter, to carry over the guarantee and to only use the returns based on formula (1), as represented in table 1. The GUISE is somewhat underestimated here, however.

Non-linear products with other constructions than the guaranteed payment on the maturity date (a click fund, for instance) cannot be calculated in this way. If the non-linear part cannot lead to a lower payment, this part may be neglected. The simulation method may also be chosen. In that case the parameters of the underlying value and the conditions of the derivative should be used.

Furthermore, for calculating the GUISE guarantees may only be included, if the institution issuing the guarantees is under capital adequacy supervision or another, similar adequate economic supervision.

### **Non-linear product with periodic investment**

It is not possible to calculate the GUISE of non-linear products with periodic investment by using an approach. A simulation is required for this. If the non-linear element of the product does not lead to a lower payment, the non-linear element may be neglected, resulting in a linear product with periodic investment. In the case of simulation the parameters of the underlying value and the conditions of the derivative should be used.

Table 1a GUISE per investment category with one-off investment of EUR 1,000

	Without currency risk	With currency risk
Category	Deposit Bond Property Mix fund	Equity Emerging
Expected return		

Table 1b return per year for GUISE scenario per investment category with one-off investment

	Without currency risk	With currency risk
Category	Deposit Bond Property Mix fund	Equity Emerging
Expected return		

Table 2a GUISE per investment category with monthly investment of EUR 100

	Without currency risk	With currency risk
Category	Deposit Bond Property Mix fund	Equity Emerging
Expected return		

Table 2b return per month for GUISE scenario per investment category with periodic investment

	Without currency risk	With currency risk
Category	Deposit Bond Property Mix fund	Equity Emerging
Expected return		

## Annex 5. Determining the investment class and parameters

For calculating the GUISE and historical returns the parameters  $\mu$  (average) and  $\sigma$  (standard deviation or volatility) of the returns of the underlying values are used. The tables to be used for calculating the GUISE already include the parameter values of the various investment classes, of course. In those cases it is important to determine the right investment class (on the basis of the underlying investment values).

### 1. *Determining the investment class*

There are six investment classes:

1. investments in deposits and money-market funds;
2. investments in investment grade bonds/bond funds in OECD countries;
3. property funds/property investments;
4. mix funds/mixed investments;
5. widespread investments in equity/equities funds; widespread investments in bonds/bond funds as far as not classified in category 2, and
6. emerging country and emerging sector funds/investments; limitedly spread equity funds/investments; investments in illiquid equity; 'low grade' investments; limitedly spread investments in bonds/bond funds as far as not classified in category 2; investments in raw materials/natural products.

Category 1 mainly concerns investments in deposits, marketable money-market paper and short-term bonds. Category 2 comprises the funds and investments which predominantly invest in bonds and bond funds in OECD countries. This concerns 'investment grade' bonds, or investments that are given a high rating by agencies that, among other things, assess the creditworthiness of companies. Category 3 – property funds and property investments – mainly concerns investments in property, regardless of the OECD countries in which the property is located, not being an investment object as meant in section 1(d)(5) of the Decree. Category 4 concerns the 'mix funds', the so-called mixed funds or investments. Mixed funds or investments are spread among several different categories (possibly all five). Category 5 concerns the widespread investments in equity/equity funds. A fund is a widespread equity fund, if investments are predominantly made in several large companies in various sectors, based in OECD countries. For instance, a fund that invests in large companies in various sectors in the United States belongs to this category. Widespread investments in bonds and bond funds, as far as these bonds do not fall in category 2, are also classified as category 5. Category 6 concerns the investments with significantly higher risks than the investments in other

categories, such as the emerging market or emerging sector funds/investments and limitedly spread equity funds/investments. Emerging markets concern emerging countries with an equities market that is sometimes still emergent. This does not include OECD countries. Emerging sector funds are, for instance, funds that invest in often smaller companies, possibly in OECD countries. Examples of such companies are ICT, Internet, smaller telecommunications and biotechnology companies. Limitedly spread funds or investments concern, for instance, investments in one sector and (cumulatively) in one country or a limited number of countries. Investments in illiquid equity, 'low grade' investments (with a low rating from agencies that, among other things, assess the creditworthiness of companies) and investments in raw materials/natural products (such as teak funds) fall in category 6. Limitedly spread investments in bonds and bond funds, as far as these bonds don't come under category 2, are also classified as category 6.

A product is allocated to an investment class as follows:

- A fund or investment falls within a certain category, if more than 70% of investments are made in that category.
- A fund or investment is considered a mix fund (category 4), if investments are made in at least two and no more than five of the other categories. At least one investment must come under category 1, 2 or 3, and at least one investment under category 5 or 6. Allocation to category 4 also requires that no more than 70% of the investments are made in categories 1, 2 and 3 together – the 'low risk'-categories (at least 50% coming under category 1 or 2) – or in categories 5 and 6 together – the 'high risk'-categories (at least 50% in category 5).
- If the joint investment in the 'high risk' or the 'low risk' categories comprises more than 70% of the portfolio, investments are made predominantly in these categories. In that case it concerns mix fund/mixed investments that should be classified in the highest category of the categories concerned.
- If the fund or the investment cannot be classified as described above and if the categories of a fund or investment have fixed ratios and are 'closely related', a weighted average of the investment classes concerned must be used. If it concerns, for instance, a 50% investment in investment class 2 (investments in investment grade bonds/bond funds in OECD countries) and a 50% investment in investment class 3 (property funds/investments) the corresponding percentages in the tables must be used on the basis of a weighted average of the investment classes concerned (class 2 and 3). This 'fixed ratios'-rule also applies in the case of a small 'range' (for instance, a 40-50% investment in investment class 1 and a 50-60% investment in investment class 2).
- If the fund or the investment scheme invests in different categories according to fixed ratios and this fixed ratio changes during the term, the fund or investment is classified as a 'lifecycle product' (see the lifecycle products section). This concerns fixed ratios and a change in this ratio that is representative for the product. If the time of the change in the composition of investments and/or the change of the fixed ratio is not representative for the product concerned, it concerns a 'lifecycle product'.

- If there are no fixed ratios in the composition of the investment and the investment or the fund cannot be classified in the ‘mix’ category either, the investments or fund must be classified in the highest investment category in which investments are made. The possibility of switching does not imply that there are no fixed ratios. There are no fixed ratios in the composition of an investment, if the investment policy has strongly varying bandwidths within a fund or investment. An example to clarify this: an investment is composed as follows: 0–40% investment in category 1, 25–60% investment in category 2, 0–75% investment in category 3. This investment is classified as investment category 3. For the corresponding pessimistic annual returns the percentages stated in column 3 of the tables must be used in this example.
- In the case of doubt, an investment or fund is classified in the category with the highest grade number. If there is any doubt about whether a fund or investment is a spread equity fund or a mix fund, the fund or investment therefore falls in the spread equity funds category and is given the corresponding sample returns.

### Currency risk

A fund is deemed to have a currency risk, if it has significant positions (receipts/possessions) in other currencies than the euro. A percentage of more than 15% is deemed significant.

For all categories the underlying investment is taken into account. A fund or investment scheme that predominantly invests in equity of property funds, therefore, falls in category 3 (property funds) and not in category 5.

The parameters for the investment categories concerned are as follows:

**Table 0**

Investment class	Expected return	Volatility	Vol. incl. currency risk
1. Deposit	3.7%	0.6%	10.4%
2. Bond	4.2%	4.4%	11.3%
3. Property	6.7%	11.8%	15.7%
4. Mix fund	6.2%	12.9%	16.6%
5. Equity	8.3%	25.5%	27.5%
6. Emerging	8.3%	30.5%	32.2%

A clarification of the investment class chosen at the time of preparing the financial information leaflet, must be included in the information leaflet. In other words, the basic assumptions must be included in the introduction of the financial information leaflet.

Tables 1 and 2 below specify which choice must be made for each investment class, as prescribed in section 3.3.

**Table 1**

Investment class	Prescribed sentence
1	, with 100% investments in deposits
2	, with 100% investments in bonds
3	, with 100% investments in property
4	, with 50% investments in equity and 50% investments in bonds
5	, with 100% investments in equity
6	, with 100% investments in emerging markets

**Table 2**

Investment class	Prescribed sentence
1	, with 100% investments in deposits
2	, with 100% investments in bonds
3	, with 100% investments in property
4	and with investments in a mix of equities and bonds, based on 50% investments in equity and 50% investments in bonds
5	and with 100% investments in equity.
6	and with 100% investments in emerging markets

**Derivatives**

As soon as derivatives are used in a product, the standard allocation to investment classes can no longer be applied. Annex 4 describes how the GUISE of products containing derivatives must be calculated. The parameters to be used here are the parameters of the investment class to which the derivatives apply. If a product uses, for instance, share options, the parameters of investment class 5 should be chosen. If it cannot be determined to which investment class the derivatives apply, the parameters of investment class 6 must be chosen.

**Lifecycle products**

If a product does not fall in one of the above six investment classes, because the composition of the investment portfolio varies during the term of the complex product, a weighted average of the various investment classes should be used. This only applies to so-called 'lifecycle' products, for which the investment portfolio is composed in such a way that the investment risk decreases as the product's maturity date approaches. For the 'lifecycle' products the following formulae should be used:

[formula]

where

$VR_i$  = expected return in period  $i$

$g_i$  = period  $i$  portion of the entire term

Volatility  $i$  = volatility for the period  $i$

$n$  = number of periods

For example: a product has a term of 20 years. The first five years the product falls in investment class 5, followed by ten years in investment class 2 and the last five years in investment class 1. The weighted average of the three periods with different investment classes should be used. Applying the formulae results in the following parameters:

[parameters]

## 2. Determining fund-specific parameters

As soon as a product uses a fund that has been in existence for four years or more, fund-specific parameters must be used. This applies to both the calculation of the risk indicator (GUISE) and the calculation of the historical returns. The parameters are then determined as follows, depending on the number of years.

---

$\mu$	= $\mu_{FB}$ in year 1 to 3 = $\mu_{FB} * (20-i)/20 + \mu_F * i/20$ in year $i$ , with $i = 4, \dots, 19$ and = $\mu_F$ in years 20 and more, and
$\sigma$	= $\sigma_{FB}$ if fund exists less than four years = $\sigma_F$ if fund exists four years or more.

---

where:

$\mu_{FB}$ ,  $\sigma_{FB}$  are the standard parameters as used for the financial information leaflet, and  $\mu_F$  stands for the average fund return and  $\sigma_F$  for the standard deviation of the fund return. The fund parameters are determined as follows:

[formulae]

where:

$r_j$  = the *geometric* monthly return in history month  $j$ ,

$n$  = the number of history months, with a maximum of  $12 * 20 = 240$ ,

$m = 12$  (months a year) \* 4 (years) = 48 months

For determining the fund-specific parameters the most recent history should always be used. The parameters must also be updated at least once every 24 calendar months, or more often, if the parameters used are no longer representative due to circumstances or changes.

## Annex 6. Annex for the implementation of section 4:2, containing the model for the investment object prospectus

The information that should be contained in an investment object prospectus pursuant to section 10:2 of the Decree, is included in the following order. The following chapter titles

should be used. The summary below indicates per chapter which minimum information must be included in the chapter concerned.

## **Summary**

- I. General information about the provider of an investment object
- II. Information about the characteristics of a series of investment objects
- III. Information about the risk profile of the series of investment objects
- IV. Information about the investment object costs, gross value and withdrawals
- V. Information about the investment policy and the activities
- VI. Information about changes to the terms and conditions

## **Summary**

See section 4:1.

### *I. General information about the provider of the investment object*

- The legal for of the provider of the investment object.
- The name, registered office and principal place of business of the provider of the investment object, as well as the date of incorporation.
- A description of the group to which the provider of the investment object belongs and the parties associated with the group.

### *II. Information about the characteristics of the series of investment objects*

- The nature, duration and main characteristics of the series of investment objects concerned.
- A description of the general and special conditions of the series of investment objects.

### *III. Information about the risk profile of the series of investment objects*

- A description of all the risks consumers may run with their investments and the (possible) consequences of that for the return. All this in so far as these risks are relevant in view of the consequences and their probability. This description should include a clear explanation of each specific risk resulting from the investment policy or related to specific markets that are relevant to the series of investment objects concerned. The risk indicator in the financial information leaflet also serves to explain the risks attached to the series of investment objects.

### *IV. Information about the investment object costs, gross value and withdrawals*

- Insert table 1 of annex 7: overview of the investment object costs per series of investment objects on a yearly basis, based on an average investment that is customary for the investment object concerned. All this for the entire life span of

the investment object. Insert a text directly below the table, stating and explaining the assumptions underlying the investment object costs concerned.

Insert table 2 of annex 7: overview of the details meant in section 10:2(3) j of the Decree per series of investment objects on a yearly basis, based on an average investment that is customary for the investment object concerned. All this for the entire life span of the investment object. Insert a text directly below the table, stating and explaining the assumptions underlying the information concerned.

#### *V. Information about the investment policy and the activities*

- A description of the activities of the provider of the investment object per series of investment objects, if possible to be distinguished into:
  - a. operational activities of the provider of the investment object and where they are performed;
  - b. financing activities. If applicable: making a distinction between entering into loan agreements as a borrower and providing loans as a lender; and
  - c. outsourcing activities and the policy concerning the possible subcontracting of activities to third parties.
- If a third party has been or will be contracted to perform one or more activities in connection with the management of custody of the series of investment objects, at least the following information:
  - a. a description of the contracted activities;
  - b. if known, the name and registered office of the contracted third party; and
  - c. if applicable: the notification that the third party concerned is an associated party.
- The method used to determine of the (interim) returns of an investment object will be paid.
- If applicable: a description of the guarantees promised to consumers and to be provided by the provider of the investment object.
- If transactions with associated parties are performed:
  - a. if the transactions with associated parties are performed in accordance with market conditions, and if this is not the case, why.
- If transactions with associated parties are performed outside a regulated market or another controlled, regularly functioning, recognized open market, indicate:
  - a. if an independent valuation underlies the transaction in all cases, or if a valuation by one or more parties involved in the transaction is also possible.

#### *VI. Information about changes to the terms and conditions*

- If applicable: the way in which conditions that apply between the provider of the investment object and the consumers can be changed.
- The way in which a change in the conditions of the provider of the investment object is announced.

**Annex 7. Annex for the implementation of section 4:2, containing the tables  
Overview of investment object costs, Gross value and Withdrawals concerning the  
investment object**

**Table 1: based on the average investment customary for the investment object  
concerned [amount concerned to be stated in euros]**

Investment object costs	till year 1	till year 2	till year 3	till year 4	till year 5	Other years <sup>1)</sup>	Total costs
1 Administrative costs							
2 Management costs							
3 Production costs							
4 Selling expenses							
5 Interest expenses							
Total investment object costs							

**Table 2: based on the average investment customary for the investment object  
concerned [amount concerned to be stated in euros<sup>2)</sup>**

Value development and withdrawals <sup>3)</sup>	till year 1	till year 2	till year 3	till year 4	till year 5	Other years <sup>4)</sup>
5 Gross value						
6 Interest income						
7 Loans						
8 Performance fees						
Net value						

**Explanation to the above items**

The purpose of the above tables is to provide the consumers insight into the anticipated and possibly already incurred costs/payments made by the provider of the investment object related to the series of investment objects at an average investment customary to the series of investment objects concerned. The tables present the information for the entire life span of the investment object.

In addition, the above tables serve to provide the consumer insight into the forecast value development of a series of investment objects, so that the consumer can relate the investment object costs to the forecast value development of a series of investment objects. In this way a consumer can form a better picture of the return that may be achieved. On the basis of this information, among other things, the consumer will be able to make an informed decision about whether or not to invest in a certain series of

<sup>1)</sup> The table should provide an overview of the forecast and possibly already incurred costs for the entire life span of the investment object. In the column 'other years' should not contain the sum of the forecast and possibly already incurred costs for the remaining part of the lifespan of the investment object, unless the costs concerned are the same for the other years (also see section 4:2)

<sup>2)</sup> The amount of the average investment is the same for both tables.

<sup>3)</sup> The amounts to be included at the items interest income, loans and performance fees in table 2 also concern forecast and/or already paid amounts.

<sup>4)</sup> See footnote 1.

investment objects. An explanation to the items in the above tables is given below. All this in so far as it concerns concepts that have not been defined already.

## **Costs**

Interest expenses: the anticipated costs to be paid for making a certain loan available, as well as other related costs.

## **Gross value withdrawals**

Gross value: the forecast gross value of an investment object.

Loans: the forecast loans a provider of an investment object contracts or expects to contract and/or has contracted in the capacity of debtor for financing an investment object, the repayment(s) of the loans to be deducted from the revenues from the investment object concerned.

Performance fees: forecast fees, in whatever form, for the management or safe custody of the investment object in so far as these are directly deducted from the value of the investment object.

Interest income: any (forecast) benefits that arise, because part of the moneys attached to the investment object is not immediately invested in the investment object.

## **Annex 8. Annex for the implementation of section 4:2, containing the cross tabulation Overview of costs per series of investment objects**

Cost categories	Series investment objects I	Series investment objects II	Series investment objects III	Series X	Total costs
Administrative costs					
Management costs					
Production costs					
Selling costs					
Total Costs					

## **Annex 9. Annex for the implementation of section 6:2, containing further rules for the conduct of business**

### **9.1.**

[Cancelled.]

### **9.2.**

[Cancelled.]

### **9.3.**

[Cancelled.]

**9.4.**

[Cancelled.]

**9.5.**

[Cancelled.]

**9.6.**

[Cancelled.]

**9.7.**

[Cancelled.]

**9.8.**

[Cancelled.]

**9.9.**

[Cancelled.]

**9.10.**

[Cancelled.]

**9.11.**

[Cancelled.]

**9.12.**

[Cancelled.]

**9.13.**

[Cancelled.]

**9.14**

[Cancelled.]

**9.15.**

[Cancelled.]

**9.16.**

[Cancelled.]

**9.17.**

[Cancelled.]

**9.18.**

[Cancelled.]

**9.19.**

[Cancelled.]

**9.20.**

[Cancelled.]

**9.21.**

[Cancelled.]

**9.22.**

[Cancelled.]

**9.23**

[Cancelled.]

**9.24**

[Cancelled.]

**9.25**

[Cancelled]

## **9.26. Custodian administration concerning financial instruments**

1. A legal entity who keeps financial instruments of clients of investment firms in custody in accordance with section 6:17 or 6:18, provides for a systematic and accessible administration of the financial instruments taken in custody and, as far as applicable, moneys, providing daily insight into the financial instruments held for the benefit of that client, subdivided by:
  - the financial instruments in open or closed custody;
  - the financial instruments serving as collateral or otherwise as security for obligations assumed;
  - the financial instruments lent out by order of the client concerned.
2. The administration meant in 9.26.1 also provides in recording the rights attached to the financial instruments taken into custody, including dividends and coupons.
3. The institution meant in 9.26.1 will provide for proceedings based on which the method of reconciling the custodian administration with the relevant external documents is recorded, explaining and documenting any possible differences, including any corrective measures to be taken in connection with the differences found.
4. [Cancelled.]

## **9.27.**

[Cancelled.]

## **Annex 10. Annex for the implementation of section 6:3, containing regulations concerning advertisements of investment firms**

### **10.1.**

[Cancelled.]

### **10.2.**

[Cancelled.]

### **10.3.**

[Cancelled.]

#### **10.4. Expectations and results**

- 1.** In the advertisement in which future expectations are expressed or reference is made to results achieved in the past, the following two sentences are included: ‘The value of your investments may fluctuate. Results achieved in the past do not offer any guarantee for the future.’
- 2.** The two sentences meant in subsection 1 will be included in the advertisement in a clearly visible, legible way, separated from the other text. The two sentences must also be included directly adjacent to the location where reference is made to results achieved in the past or the future expectations, the letter used having at least the same size as the letter in the adjacent text.
- 3.** If mention is made of results achieved in the past or future expectations on several locations in the advertisement, the two sentences meant in the first subsection are included in the text directly adjacent to the first occurrence.
- 4.** Contrary to subsections 2 and 3, for radio and television commercials the two sentences can be applied in the spirit of the first and second subsections.

#### **10.5**

[Cancelled.]

#### **10.6.**

[Cancelled.]