



**Financial Services
Commission**

Notes for Completion Electronic Money Supervisory Return

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Introduction

These notes for completion are meant to provide clarification on the completion of the return. They are not a replacement for legislative or other requirements that may apply, from time to time.

These reporting instructions cover the Supervisory Return for electronic money firms authorised under the Financial Services (Banking) Act and include the regulatory requirements set out in the Financial Services (Electronic Money) Regulations 2011 and the Capital Requirements Directive (Basel II).

The return provides a snap-shot of the financial position, and related financial information, of an entity.

The main purpose of the return, for locally incorporated subsidiaries, is to arrive at an 'Own Funds' figure in order to assess compliance with Basel II capital requirements and from there, establish whether a firm is meeting its prudential requirements.

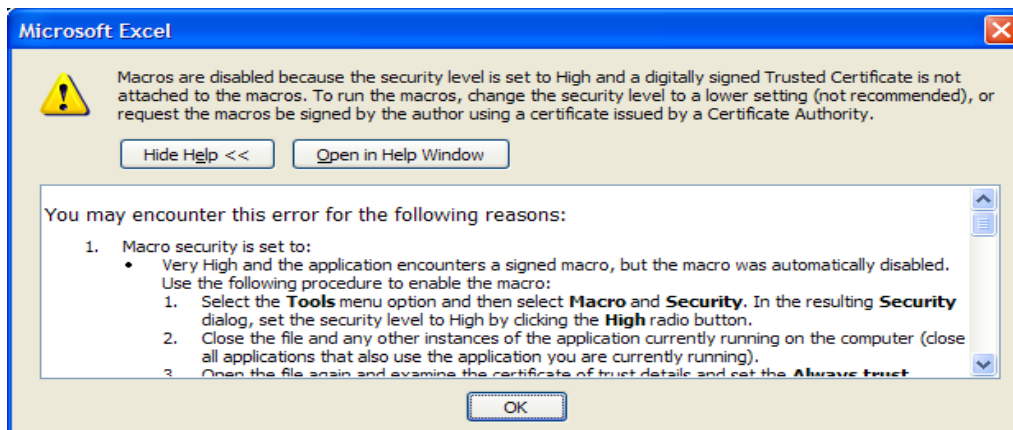
The return must be:

- Original
- Submitted within 14 days of the quarter end
- Signed by Senior Management (two signatures required)

Security Settings

Upon first using the template, you may be alerted by a Microsoft Excel Macros security setting alert screen as illustrated below:

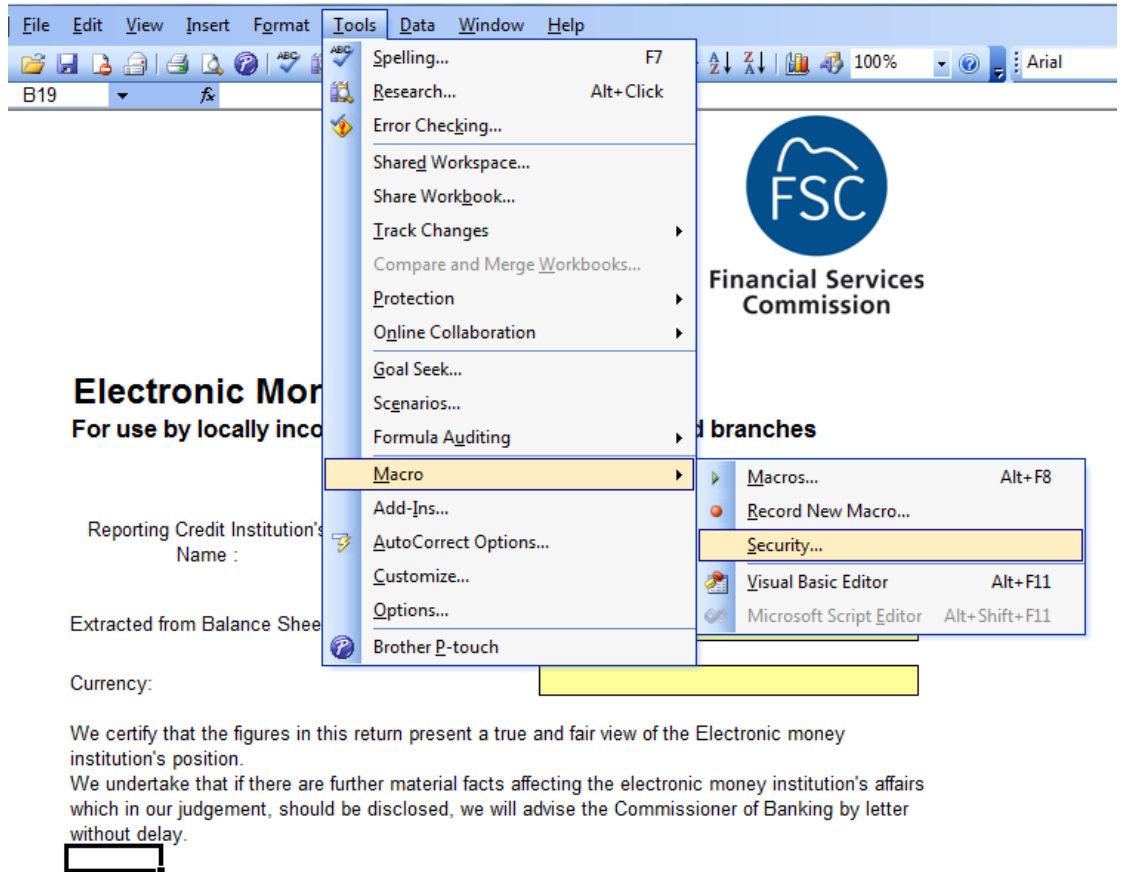
Fig. 1



This is because the Macro security on your PC has been set high and therefore the Macro has been automatically disabled. The system gives you a number of options, however the recommended course of action is to use the following procedure to enable the Macro:

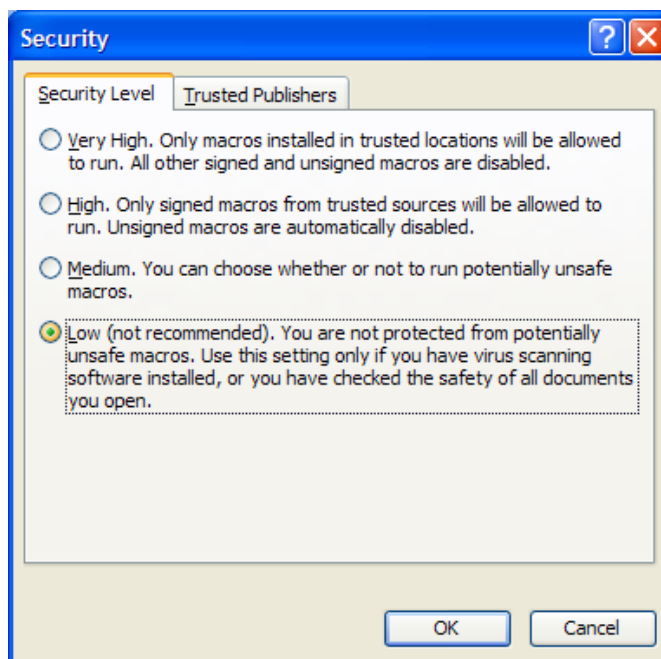
1. Select the **Tools** menu option and then select **Macro and Security**. In the resulting **Security** dialog (see illustrations below):

Fig. 2



2. Set the security level to Low by clicking the **Low** button.

Fig. 3



These notes for completion refer to the return as a whole.

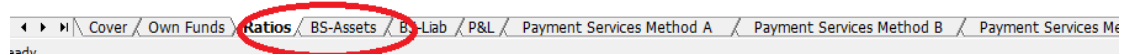
Upon opening the Electronic Money Return template, you will be prompted to provide certain information.

The firm will be prompted to provide the name of the firm; reporting period; reporting currency and advise whether the firm carries out any Payment Services. If the firm carries out any Payment Services it will be required to state which ongoing own funds method the firm has been set for calculating the payment services own funds. This will be one of either Method A, Method B or Method C. This will be determined by the scope and range of the payment services activities that the firm carries out. The relevant return will then be produced on screen in accordance with the information provided.

Excel Templates

The return is made up of a number of sheets and is dependant on the approach undertaken. Each tab along the bottom left-hand corner of the page enables the user to navigate from sheet to sheet.

Fig. 4



The cells in each sheet are protected and cannot be altered. The only cells that can be typed into or moved to are shaded in yellow. The results fields, which are automatically calculated by the spreadsheet, are shaded in blue. Cells that are shaded in grey represent figures which the sheet automatically picks up from another sheet or another cell belonging to that sheet.

Some sheets are enabled with validation checks. If a figure has been calculated incorrectly, or does not conform with the relevant capital requirements (i.e. Own Funds) this will be highlighted in red and needs to be reviewed and addressed by senior management before the return is submitted to the FSC.

For ease of reference each sheet has numbered rows, with some sheets also incorporating column headings. These references should be used where possible when communicating with the FSC. This referencing is also used in the guidance at Appendix A.

Specific Guidance - Appendix A

The table at Appendix A provides a comprehensive guide through the return and describes what information is required.

These notes mostly make reference to the sections in one or more of; Legislation, Regulations, Guidance Notes or Directives. A number of fields will require consideration of whole sections of legislation/regulation etc.

For the purposes of Appendix A the following abbreviations have been used:

- BCACI Regulations = Banking (Capital Adequacy of Credit Institutions) Regulations 2006
- E-money Regulations = Financial Services (Electronic Money) Regulations 2011
- Administrative Notice No 9 = Guidance Note for Electronic Money

When printing up the return please ensure that this is printed as a workgroup.

Appendix A

<u>Section</u>	<u>Subsection</u>	<u>Reference</u>	<u>Notes</u>	
Version 3.0				
Own Funds Calculations				
1.00	Own Funds			
	1.02	Capital - Ordinary Share Capital	FSCACI Regulations 7(1)(a) - Article 22 of Directive 86/635/EEC (Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions) has been used to expand on this paragraph	Calculated automatically by the sheet
	1.03	Capital - Share Premium Account	FSCACI Regulations 7(1)(a) - Article 22 of Directive 86/635/EEC (Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions) has been used to expand on this paragraph.	Calculated automatically by the sheet
	1.04	Total	FSCACI Regulations 7(1)(a) - Article 22 of Directive 86/635/EEC (Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions) has been used to expand on this paragraph	Calculated automatically by the sheet
	1.06	Reserves	FSCACI Regulations 7(1)(b) - Article 23 of Directive 86/635 (Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions) has been used to expand on this paragraph	Calculated automatically by the sheet
	1.07	Minority Interest	FSCACI Regulations 7(1)(b) - Article 23 of Directive 86/635 (Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions) has been used to expand on this paragraph	Calculated automatically by the sheet
	1.08	Interim Profits	FSCACI Regulations 7(1)(b) - Article 23 of Directive 86/635 (Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions) has been used to expand on this paragraph.	Calculated automatically by the sheet
	1.09	(-) Net gains from securitisation	FSCACI Regulations 7(1)(b) - Article 23 of Directive 86/635 (Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions) has been used to expand on this paragraph	Calculated automatically by the sheet
	1.10	Valuation differences eligible as original own funds	FSCACI Regulations 7(1)(b) - Article 23 of Directive 86/635 (Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions) has been used to expand on this paragraph	
	1.12	General Provisions	FSCACI Regulations 7(1)(c) within the meaning of Article 38 of Directive 86/635/EEC	Calculated automatically by the sheet
	1.14	Revaluation Reserves	FSCACI Regulations 7(1)(d) - as specified in article 33 of Directive 78/660/EEC of 25 July 1978 based on Article 54 (3) (g) of the Treaty on the annual accounts of certain types of companies	Calculated automatically by the sheet

1.15	Value Adjustments	FSCACI Regulations 7(1)(e) - as specified in article 37 of Directive 86/635/EEC (Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions)	
1.16	Other securities and instruments	FSCACI Regulations 7(1)(f)	
1.17	Preference Shares & Subordinated Debt	FSCACI Regulations 7(1)(g)	Calculated automatically by the sheet
1.19	Own Shares at book value	FSCACI Regulations 7(1)(h)	Calculated automatically by the sheet
1.2	Intangible assets	FSCACI Regulations 7(1)(i) - as specified in article 4(9) of Directive 86/635/EEC (Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions)	Calculated automatically by the sheet
1.21	Material losses in current financial year	FSCACI Regulations 7(1)(j)	Calculated automatically by the sheet
1.30	Other deductions	FSCACI Regulations 7(1)(s)	Please enter without negative sign. E-money institutions should include deductions which relate to a firm paying up electronic money it issues.
1.31	Total Tier 1	FSCACI Regulations 15(2)(a)	Calculated automatically by the sheet
1.32	Total Tier 2	FSCACI Regulations 15(2)(b)	Calculated automatically by the sheet
1.33	Other deductions		Calculated automatically by the sheet
1.34	Own Funds of Firm		Calculated automatically by the sheet
2.01	E-money ongoing own funds i.e. 2%	E-money Regulations Schedule 2 Regulation 23	Calculated automatically by the sheet
2.02	Method A calculation	E-money Regulations Schedule 2 Regulation 20	Calculated automatically by the sheet
2.03	Method B calculation	E-money Regulations Schedule 2 Regulation 21	Calculated automatically by the sheet
2.04	Method C calculation	E-money Regulations Schedule 2 Regulation 22	Calculated automatically by the sheet
3.00	Minimum Level of Own Funds required	E-money Regulations 19(1)	Calculated automatically by the sheet. This also includes the additional 20% of funds over and above the minimum required under the E-Money Regs, as imposed by the FSC under Schedule 2 Paragraph 15 of the E-Money Regs.
Supervisory Ratios			
2.00	Solvency Ratio		
2.01	Own Funds		Picks up figures calculated in the Own Funds Sheet
2.02	Own Funds Required		Picks up figures calculated in the Own Funds Sheet
2.03	Capital Buffer		This figure should represent additional funds above the minimum own funds requirement and should at least be the equivalent of three months expenditure.
2.04	Own funds surplus		Calculated automatically by the sheet
2.05	Solvency Ratio		Calculated automatically by the sheet
3.00	Subordinated debt ratio		
3.01	Amount of Subordinated debt		Calculated automatically by the sheet
3.02	Original Own Funds		Calculated automatically by the sheet
4.00	Minimum Own Funds Requirement ratio		
4.01	Own Funds		Picks up figure from 2.01 above
4.02	Minimum Capital requirement in Euros		Input Eur minimum capital requirement as set by the directive (i.e. 5 million Euros for Banks and 1 million Euros for E-money institutions) N.B. figures are in 000's.

4.03	Exchange rate		Please input exchange rate stipulated by Commission
4.04	Minimum Capital Requirement reporting currency		Calculated automatically by the sheet
5.00	E-money own funds requirements		
	5.01	E-money outstandings at period end	Picks up figure automatically
	5.02		Average e-money outstandings for each day of the preceding 6 month period. If the firm has not been an e-money institution for the preceeding 6 months it must calculate the projected amounts of its daily e-money outstandingd for the first 6 months of trading contained in the business plan supplied by the firm to the FSC as part of its application.
		Average e-money outstandings for 6 mths	
	5.03	Proportion of own funds - 5.01 & 5.02	The higher of 5.01 or 5.02 must be higher or equal to 2%, as per Administrative Notice number 9.
7.00	E-money Proportion of total own funds		This must be greater or equal to 5%, please refer to Admin Notice 9. Calculated automatically by the sheet.
Balance Sheet - Assets			
1.00	Cash		Notes and coins, including gold bullion and cash. The treatment of other precious metals (silver, platinum and palladium) should be discussed with the Banking Supervisor.
2.00	Balances with/and Governments and Central Banks		To be completed in line with the information required in subsections
3.00	Balances with Multilateral Development Banks and International Organisations		To be completed in line with the information required in subsections
4.00	Balances with credit institutions (inc Bank CDs over 1 year duration)		To be completed in line with the information required in subsections
5.00	Short Term Claims on credit institutions and corporate		To be completed in line with the information required in subsections
7.00	Other Funding		To be completed in line with the information required in subsections
8.00	Investments	FSCACI Regulations in line with some components required by own funds calculation	To be completed in line with the information required in subsections
9.00	Insurance Undertakings	FSCACI Regulations in line with some components required by own funds calculation	To be completed in line with the information required in subsections
10.00	Premises		Enter amount
11.00	Other Property		Enter amount
12.00	Plant & Equipment		Enter amount
13.00	Intangible Assets	FSCACI Regulations in line with some components required by own funds calculation	Enter amount
14.00	Other Assets		Enter amount
15.00	Total Assets		Calculated automatically by the sheet
Balance Sheet - Liabilities			
1.04	E-money outstanding		To be completed in line with the information required in subsections
3.00	Promissory Notes, Bills, CD's, Etc		
4.00	Capital & Other Funds	FSCACI Regulations in line with some components required by own funds calculation	To be completed in line with the information required in subsections (note some items will not appear for branches)
5.00	Non-eligible capital instruments		To be completed in line with the information required in subsections

6.00	Provisions			To be completed in line with the information required in subsections
7.00	Other Liabilities			To be completed in line with the information required in subsections (7.02 should not include current year losses, because 7(j) of FSCACI Regulations requires current year losses to be eligible capital)
8.00	Total Liabilities			Calculated automatically by the sheet
Profit and Loss account, Quarterly Results				
1.00	Income			
	1.01	Interest receivable and similar income	Banking (Accounts Directive) Regulations 1997 (Part IV & V)	This item includes all income arising out of banking activities including income from assets included in Assets items (in the balance sheet), income resulting from covered forward contracts spread over the actual duration of the contract and similar in nature to interest; and fees and commissions receivable similar in nature to interest and calculated on a time basis or by reference to the amount of the claim (but not other fees and commissions receivable).
	1.02	Interest payable and similar charges	Banking (Accounts Directive) Regulations 1997 (Part IV & V)	This item includes all expenditure arising out of banking activities including charges arising out of liabilities included in Liabilities items in the balance sheet, charges resulting from covered forward contracts, spread over the actual duration of the contract and similar in nature to interest and fees and commissions payable similar in nature to interest and calculated on a time basis or by reference to the amount of the liability (but not other fees and commissions payable).
	1.03	Total net interest income		Calculated automatically by sheet
	1.04	Income from shares and other variable/fixed-yield securities		
	1.05.1	Commissions/fees receivable from Bin Sponsorships		This item comprises income received from Bin Sponsorships
	1.05.2	Commissions/fees receivable from Program Management		This item comprises income received from Program Management
	1.06	Commissions/fees payable	Banking (Accounts Directive) Regulations 1997 (Part IV & V)	This item comprises charges for all services rendered to the company by third parties but not fees or commissions required to be included under interest payable. In particular the following fees and commissions payable shall be included (unless required to be included under interest payable) – (a) fees and commissions for guarantees, loan administration and securities transactions; (b) fees, commissions and other charges in respect of payment transactions, account administration charges and commissions for the safe custody and administration of securities; (c) fees and commissions for foreign currency transactions and for the sale and purchase of coin and precious metals; and (d) fees and commissions for brokerage services in connection with savings and insurance contracts and loans.
	1.11	Total		Calculated automatically by the sheet
2.00	Expenditure			

2.01	Remuneration to Staff		Include salary costs, employer's social security contributions, the employer's contribution to any pension scheme and the costs of staff benefits paid on a per capita basis such as private medical insurance, staff travel concessions etc. General staff benefits should be included under "other expenses" as appropriate.
2.02	Administration		Normal business expenses
2.03	Provisions for bad/doubtful debts	Banking (Accounts Directive) Regulations 1997 (Part IV & V)	Enter here the net charge for specific and general bad debt provision.
2.04	Other Expenses (inc. current year dividends)		This comprises all other expenditure not included in any other heading, including depreciation. The audit fee should be included here.
2.05	Taxes		The taxation charge should be estimated by applying a reasonable estimate of the institution's tax liability applicable for the year in question.
2.06	Total Expenses		Calculated automatically by the sheet
3.00	a. Profit (Loss) for the reporting period		These figures will later be compared to the figures submitted in the annual accounts
4.00	b. Cumulative Profit (Loss) for the year		This should include figures for the quarters from the last year end until the quarter end
5.00	Interest held in suspense		These figures will later be compared to the figures submitted in the annual accounts
Payment Services Own Funds - Method A			
	Based on the preceeding financial year figures	where a start up firm the projected figures for the year	
1.01	Rent		Amount for the preceding year
1.02	Insurance		Amount for the preceding year
1.03	Office expenses		Amount for the preceding year
1.04	Staff remuneration		Amount for the preceding year
1.05	Association / Membership fees		Amount for the preceding year
1.06	Advertising		Amount for the preceding year
1.07	Research and Development		Amount for the preceding year
1.08	Depreciation		Amount for the preceding year
1.09	Other costs		Amount for the preceding year
1.10	Total		Calculated automatically by the sheet
1.11	Own funds Calculation	E-money Regulations Schedule 2 Regulation 20	Calculated automatically by the sheet
Payment Services Own Funds - Method B			
	Based on the preceeding financial year figures	where a start up firm the projected figures for the year	
1.00	Payment volume as at the preceding financial year	E-money Regulations Schedule 2 Regulation 21	Enter the figure for the payment volume amount for the total amount of payment services carried out in the preceding financial year
2.00	Own funds based on the payment volume	E-money Regulations Schedule 2 Regulation 21	Calculated automatically by the sheet
3.00	Does the firm provide any payment services as specified in paragraph 6 of Schedule 1 to the PSR 2009	E-money Regulations Schedule 2 Regulation 21(4)	Calculated automatically by the sheet
3.01	Does the firm provide any payment services as specified in paragraph 7 of Schedule 1 to the PSR 2009	E-money Regulations Schedule 2 Regulation 21 (4)	Calculated automatically by the sheet
3.02	Does the firm provide any other payment services?	E-money Regulations Schedule 2 Regulation 21 (4)	Calculated automatically by the sheet
4.00	Total own funds required	E-money Regulations Schedule 2 Regulation 21	Calculated automatically by the sheet

Payment Services Own Funds - Method C refer to *Financial Services (Electronic Money) Regulations 2011*

1.00	Relevant income	E-money Regulations Schedule 2 Regulation 22	
1.01	Interest income	E-money Regulations Schedule 2 Regulation 22	
1.02	Interest Expenses	E-money Regulations Schedule 2 Regulation 22	
1.03	Gross commissions and fees received	E-money Regulations Schedule 2 Regulation 22	
1.04	Gross other operating income	E-money Regulations Schedule 2 Regulation 22	
1.05	Total		Calculated automatically by the sheet
1.06	Own funds Calculations	E-money Regulation Schedule 2 Regulation 22	Calculated automatically by the sheet

Further Analysis - refer to *Bank (Accounts Directive) Regulations 1997*

1.00	Provisions (Bad/doubtful debts)		
1.01	Acquisitions/Disposals		Enter any provisions made as a result of an acquisition or disposal of a subsidiary company the balance sheet of which includes specific or general provisions and is included in the consolidation for the particular return. Where the net adjustment is negative, report the amount in brackets.
1.02	Exchange rate Movements		Enter any provisions made for exchange rate movements in respect of provisions denominated in currencies other than sterling. Where the adjustment is negative, report the amount in brackets.
1.03	Amounts Written Off, not previously provided for		Enter the gross amount written off and not previously provided for (before recoveries) (enter negative value)
1.04	Recoveries		Enter the total amount of loans recovered which have previously been written-off.
1.05	Other		Enter any other items, including exceptional provisions and transfers between general and specific provisions.
1.06	Charge/credit to P&L		Enter the total net charge or credit to the profit and loss account in respect of provisions; this should equal item 27. A net credit should be shown in brackets. The gross charge for new provisions should be offset by other items including any provisions made in earlier years but now released in the current year's profit and loss account. The charge or credit for specific provisions should include the charge or credit for provisions in respect of suspended interest where it is the practice of the reporting institution to show suspended interest as interest receivable in the profit and loss account.
1.07	Previous Balance		Show the balance outstanding on the specific and general provisions account at the end of the previous accounting year relating to debts considered bad or doubtful. Do not include provisions made against the value of investments.
1.08	Current Balance		The current balance should be the sum of 1.06 and 1.07
2.00	Staff Numbers		
2.01	Staff numbers: employed directly by the licensee		Total number of employees directly employed by the licensee
2.02	Staff numbers: employed by a group service company		Total number of employees that provide employment services to the licensee but are employed by another group company.

3.00	Total number of card holder accounts held		Enter the total number of card holder accounts held at the end of the reporting period.
3.01	Number of new card holder accounts opened in the reporting period		Enter the total number of card holder accounts opened during the reporting period
3.02	Number of card holder accounts closed in the reporting period		Enter the total number of card holder accounts closed during the reporting period
4.00	Total number of Live Bin Sponsorships in place		Enter the total number of live Bin Sponsorships in place at the end of the reporting period
4.01	Number of new Bin Sponsorships set up in the reporting period		Enter the total number of bin sponsorships that went live during the reporting period
4.02	Number of Bin Sponsorships ended in the reporting period		Enter the total number of bin sponsorships that ended during the reporting period
5.00	Total number of White Labelling		Enter the total number of White Labelling agreements in place
5.01	Number of new white labelling agreements set up in the reporting period		Enter the total number of white Labelling agreements set up during the reporting period
5.02	Number of white labelling agreements cancelled in the reporting period		Enter the total number of white Labelling agreements cancelled during the reporting period
6.00	Total number of Program Management Agreements in place		Enter the total number of Program Management agreements in place at the end of the reporting period
6.01	Number of new Program Management agreements set up in the reporting period		Enter the total number of Program Management agreements set up during the reporting period
6.02	Number of Program Management agreements cancelled in the reporting period		Enter the total number of Program Management agreements cancelled during the reporting period
7.00	Number of Agency Agreements in place		Enter the total number of agency agreements in place at the end of the reporting period
7.01	Number of new Agency Agreements in the reporting period		Enter the total number of agency agreements set up during the reporting period
7.02	Number of cancelled Agency Agreements in the reporting period		Enter the total number of agency agreements cancelled during the reporting period
8.00	Number of Distributors in place		Enter the total number of distributors in place at the end of the reporting period
8.01	Number of new Distributors in the reporting period		Enter the total number of distributors set up during the reporting period
8.02	Number of cancelled Distributors in the reporting period		Enter the total number of distributors cancelled during the reporting period
9.00	Method of Safeguarding Client Assets	E-money Regulations Regulation 20, 21 and 22	Mark with a cross the method of safeguarding used for both Electronic money and unrelated payment services together with details of the name of the Institution with whom the funds are held.
Analysis of Large Exposures			

Column A	Counterparty - Identification of the client or the group of clients.	The identity of a counterparty will generally be one of the following: (i) the borrower (customer); (ii) the person guaranteed (where the reporting firm is providing such guarantee); (iii) in the case of a security held, the issuer of a security; (iv) or in the case of a derivatives contract the party with whom the contract was made. To note - items added in this field must fit into the box provided and if needed, should be abbreviated and a supporting note advising the Key should be supplied.
Column AA	Connected Counterparty	To select yes or no from the drop down box to confirm if the counterparty is connected to the firm.
Column F	Specific Bad Debt Provisions at Reporting Date	Enter here the net charge for specific and general bad debt provision as at reporting date
Column G	Arrears on interest payments at reporting date	Enter the arrears on interest payments as at reporting date
Column H	Date interest last paid	
Column I	State whether fully paid up to date	Answer Yes or No, please select from drop down box.
Column J/K/L/M	Security (2) F/C/S/G	F = Foreign Currency. C = Secured on Cash. S = OECD Government Stock. G = Parent Bank Guarantee
Column N	Counterparty Type (3)	As per the footnote (3) on the sheet of the return

Loss Details - Major operational losses recorded in the last year or still open

The reporting threshold is set as 5,000 Euros or equivalent.

Column A	Internal reference number	Internal code used by the firm in its internal database in order to identify each loss
Column C	Of which: unrealised	The part of the gross loss amount not yet accounted for
Column D	Status ended? Y or N	Yes, if the loss amount is finally determined and there is no expectation on additional losses
Column E	Loss already recovered	Any amount recovered by the firm in the course of its activities trying to revert the impact of a loss event. Accordingly, no recovery from insurance is to included
Column F	Loss already recovered from risk transfer mechanisms	Payments received in compensation of operational risk losses which were covered by risk transfer mechanisms
Column G	Loss potentially to be recovered directly or from risk transfer mechanisms	Any amount that is expected yet to be recovered by, either the firm in the course of its activities trying to revert the impact of a loss event, or as a compensation of operational risk losses covered by the risk transfer mechanisms

Asset-Liability Management - only for e-money institutions

List derivative instruments held to hedge market risks associated with assets that form part of the e-money float. Indicate type, maturity, nominal value, market value (if available) and hedged asset(s) in the

Asset-Liability Management - only for e-money institutions

1	Cash		Calculated automatically by the sheet
2.00	Securities issued by and representing a claim on or fully guaranteed by:		
	2.01	A central government or central bank of a Zone A country	Administrative Notice Number 9 Only include zero weighted assets
	2.02	The European Central Bank	Administrative Notice Number 9 Only include zero weighted assets
	2.03	The European Communities	Administrative Notice Number 9 Only include zero weighted assets
	2.04	Sub-total of zero weighted assets	Calculated automatically by the sheet
3	Sight deposits held with Zone A credi institutions	Administrative Notice Number 9	Only include qualifying liquid assets

3.01	Qualifying debt securities	Administrative Notice Number 9	Only include qualifying liquid assets
3.02	Total of qualifying liquid assets		Calculated automatically by the sheet
4	E-money outstandings		Calculated automatically by the sheet
5.00	Total of qualifying liquid assets less e-money outstandings		Calculated automatically by the sheet, must be greater or equal to zero.
Questions for e-money returns			
E-money institutions should ensure that it confirms that the various requirements have been met, if not an explanation is required in a letter.			