IREFI-IRAIF

Diegem, 9 January 2026

NOTICE TO THE ACCREDITED AUDITORS
NOTICE 2026 / 01

Dear members,

On behalf of all Board members and the scientific secretariat, I wish you and your families a prosperous and peaceful 2026!

We hereby provide you with an overview of the attention points that could influence your audit procedures as of 31 December 2025. These attention points have been compiled in the context of the cooperation of the accredited auditors to the prudential supervision by the FSMA and the NBB.

The supervisory authorities and the chairs of the different working groups, supported by the scientific secretariat, have contributed to this letter.

The templates of the model reports for prudential reporting as of 31 December 2025 to the NBB and the FSMA are currently being reviewed. The updated versions will be communicated in due course.

On Tuesday 3 February 2026, NBB representatives will present the conclusions of their post implementation review of the first year of application of circular NBB_2024_12 on "*The accreditation of auditors and audit firms and the cooperation of the accredited auditors*" during an online workshop.

Should you have any questions regarding this document, please do not hesitate to contact me, any member of the Board or Veerle Sablon.

Yours sincerely,

DocuSigned by:
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Damien Walgrave
Chairman

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INTRODUCTION

The matters for attention presented in italics have been provided by the supervisory authorities (National Bank of Belgium (NBB) or the FSMA), and should be addressed specifically (see however the next paragraph).

The matters that have already been discussed in previous attention points letter(s), are marked with an asterisk (*). As the purpose of the attention points letter, as agreed upon with senior officials of the supervisory authorities, is to allow the supervisory authorities to point us to specific matters for which they wish a one-time transversal view, or to address topics of interest which have emerged recently, the matters marked with an asterisk should only be addressed specifically if significant changes have occurred since your previous reporting. If no such changes have been identified, we recommend mentioning this.

The other matters have been identified by the members of the respective working groups, and are to be addressed upon discretion of the accredited auditors.

All of the above requires professional judgement and a sound knowledge of the specifics of the audited institution, taking into account the role of the accredited auditor in the prudential supervision.

It is to be noted that the attention points with respect to credit institutions and insurance companies need to be included in the comprehensive report.

1. ATTENTION MATTERS APPLICABLE TO ALL FINANCIAL INSTITUTIONS

1.1. THE IMPACT OF THE MACRO-ECONOMIC CONDITIONS ON THE FINANCIAL INSTITUTIONS

Considering the recent evolution in the macro-economic environment, characterized by uncertainty in cash flows and volatility in inflation and interest rates, the accredited auditors are recommended to pay particular attention to the valuation of private assets and unlisted investments.

2. CREDIT INSTITUTIONS

In addressing the below attention points in relation to the audit of credit institutions, we remind the accredited auditors of the specific requirements on the scope of the procedures to be performed on internal models, as detailed in circular NBB_2024_12.

2.1. AREAS FOR ATTENTION

Issues have been identified in the areas mentioned below. Accredited auditors are therefore invited to pay particular attention to these aspects when confronted with them as part of their audit procedures:

- *IFRS 9 models back-testing:*
  Data quality of back-testing inputs, risk controls and governance around back-testing process, calibration of IFRS 9 models following back-testing exercise, 2LoD role and performance within the back-testing process;
- *Commercial Real Estate (CRE) portfolio:*
  Governance around the loans' origination, collateral valuation, provisions (the adequacy of PDs and LGDs estimated), forbearance identification and classification;
- *Significant Risk Transfers (SRT) transactions:*
  Adequacy of accounting and prudential reporting, underlying pledged portfolio, RWA treatment;
- ** Liquidity reporting:*
  Data quality inputs, computation accuracy of liquidity components and ratios, reporting quality. Several issues have been observed on the liquidity reporting warranting particular attention from the accredited auditors:
    - *Discrepancies between NSFR/LCR/ALMM (Additional Liquidity Monitoring Metrics) on the full coverage of loans, impairments, customers, other assets and liabilities, and off-balance-sheet items (a.o. derivatives, commitments);*
    - *Justification of residual maturities;*
    - *Accuracy of counterparty classification for counterparties with a more favorable treatment, in particular on distinction between Article 24 and Article 25 of the Commission Delegated Regulation (EU) 2015/61 for stable retail deposits and higher outflow conditions; and*
- *AI use for accounting and prudential reporting:*
  Robustness of the implemented governance and risk controls to manage the underlying risks.

2.2. CAPITAL REQUIREMENTS REGULATION

The Capital Requirements Regulation version 3, commonly known as CRR3, is effective since January 2025 and introduces significant adjustments for banks across regulatory reporting on credit risk, market risk and operational risk. Credit Institutions must adapt to revised methodologies, address increased data requirements and adjust their reporting production processes.

The December 31th 2025 situation will be the first reporting under the new regulation that is subject to audit procedures. We recommend the accredited auditors to carefully consider these developments and incorporate these changes into their assessments in the context of the 31 December 2025 audit procedures.

3. STOCKBROKING FIRMS

3.1. DATA QUALITY

Repeated data quality issues have been observed in the reporting of stockbroking firms. Therefore, the NBB would like to remind the role of the accredited auditor, as described in circular NBB_2017_27, in verifying the stockbroking firms' compliance with the requirements on the quality of the prudential and financial data.

Specific attention must be given to the correct and complete implementation of the prudential reporting requirements in line with Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms, the Investment Firm Regulation (IFR), and its Implementing Regulation (EU) 2021/2284 of the Commission of 10 December 2021 laying down Implementing Technical Standards (ITS).

In this regard, accredited auditors should pay particular attention to the adequacy of the internal control measures implemented by the institutions to ensure the quality of the reporting.

3.2. PROTECTION AND SEGREGATION OF CLIENT FUNDS AND ASSETS

Issues have been observed in the adequacy of the measures taken by the stockbroking firms to safeguard clients' funds and assets (in accordance with Articles 69, 70 and 82 of the Law of 20 July 2022 and Articles 14 to 18 of the Royal Decree of 19 December 2017).

Due consideration should be given in particular to the continuous and permanent nature of the corresponding obligations. These aspects will usefully and specifically be addressed by the accredited auditors in their report foreseen by Article 198, §1, 5° of the aforementioned Law and Article 20 of the Royal Decree.

4. INSURANCE SECTOR

4.1. * MARK-TO-MODEL AND ALTERNATIVE VALUATION MODELS

The accredited auditors are expected to give due consideration to the impact of the economic environment on the valuation aspects, impairment testing, and the risks associated.

The parameters used in marked-to-model or alternative valuation methods and the results of such valuation should be adequately scrutinized for the items on both sides of the balance sheet. The NBB draws particular attention from the accredited auditors:

- *On the assets side, to the valuation of private assets (private credit, private equity, private funds, etc.); and*
- *On the liabilities side, to the adequate consideration of overheads and general expenses in the computation of the best estimate liabilities.*

4.2. SCR CALCULATION LINKED TO CIU'S

The accredited auditors are expected, for the undertakings presenting significant exposures, to verify the SCR calculation linked to the investments in collective investment undertakings (CIUs). In particular, the auditors should identify potential inconsistencies/specificities in the approach followed (full, simplified, type 2) and address possible reporting issues and/or overuse of grouping under the simplified look-through.

4.3. LONG-TERM EQUITY

A subset of equity investment may be treated as long-term equity (LTE) if the insurance or reinsurance undertaking demonstrates that specific conditions, set in Article 171.a of the Regulation, are met.

Transversal analysis performed at European level demonstrates that the Belgian insurance sector makes a wider use of the long-term equity module. The NBB expects the accredited auditors to verify that the current conditions are fulfilled at year-end 2025 (although some criteria may be modified in the context of the revision of Solvency II review).

4.4. * PRUDENTIAL RETURNS – THE IMPORTANCE OF DATA QUALITY

In the course of its analyses, the NBB still regularly spots material errors or incoherencies in different prudential reporting submitted by the (re)insurance undertakings. The NBB reminds that it is of prime importance that (re)insurance undertakings submit highly accurate and reliable data so that the NBB can fulfill its supervisory tasks. For the reporting as of 31 December 2025, the NBB draws in particular the attention of the accredited auditors on the data quality of the reporting linked to the internal models and to the permanent inventory.

4.5. * Circular NBB_2022_27 on the valuation of DTA and the adjustment for LAC DT

We would like to remind the accreditor auditors of circular NBB_2022_27 on *"The valuation of deferred tax assets (DTA) and the adjustment for the loss-absorbing capacity of deferred taxes (LAC DT)"*, that has entered into force for the first time to the SCR calculation as of 31 December 2023.

This circular does not only clarify certain concepts and principles of Article 207 of the Delegated Regulation 2015/35 on the adjustment for the loss-absorbing capacity of deferred taxes, it also introduces proportionality.

Accredited auditors are reminded to discuss with management, in the context of the year-end audit procedures, the impact of the application of this circular on the SCR calculation of the undertaking.

4.6. Circular NBB_2025_06 on the valuation of mortgage loans under Solvency II – agreed-upon procedures

In line with circular NBB_2025_06 on *"The valuation of mortgage loans under Solvency II"*, a selection of insurance companies that have opted to use either the "top-down" or the "bottom-up" valuation methods are required to re-evaluate a sample of their portfolio using the alternative method. This exercise will be based on the valuation as of 31 December 2025.

The accredited auditors of the said insurance companies will need to perform agreed-upon procedures on this exercise and report factual findings in a separate and concise special report to the NBB.

As the agreed-upon procedures will to be performed in the coming months and reported upon by 20 May 2026, we encourage the accredited auditors to proactively discuss the planning with senior management of the respective institutions.

5. INSTITUTIONS OF OCCUPATIONAL RETIREMENT PROVISION (IORPS)

5.1. GENERAL ATTENTION POINTS

The FSMA wishes to draw the attention of accredited auditors to the following points:

- *the new EU reporting as from March 31, 2025 for the IORPs larger than 100 million EUR and from December 31, 2025 for the smaller IORPs. The FSMA published a Practical Guide on the website concerning these (new) reporting requirements;*
- *the prudence of the calculation of the technical provisions, especially the discount rate(s) used and the stochastic continuity test (safety buffer). The FSMA draws the attention on the volatility of financial markets and expects IORPs to remain cautious with regard to their financial assumptions;*
- ** the valuation of unlisted investments;*
- ** the codification of the investments according to the reporting instructions;*
- *the use of correct ISIN/CUSIP/SEDOL/CIC codes, since EIOPA became stricter on the reporting data quality as of the new reporting requirements;*
- *the use of LEI codes for issuers of financial instruments and custodians should improve drastically;*
- ** the verification of the total market value of the List of Assets reporting with the balance sheet total;*
- ** the compliance of the asset allocation with the boundaries foreseen for each investment category in the strategic asset allocation of the SIP;*
- ** the identification of new funding shortfalls and this independently of any materiality threshold (also with regard to the reporting of covering assets, solvency margin, sponsoring undertaking, …);*
- ** if so, the follow-up of the existing recovery measures (financing of the minimum targets set out in the recovery measures);*
- *confirming, if applicable, the payment of recovery contributions that took place before 31 January 2026;*
- ** regarding the SFDR obligations, greenwashing is not allowed;*
- *regarding DORA, the establishment of the register of information (ROI) in relation to the ICT third-party service providers of the IORP and of the incident register;*
- *in the context of DC plans, it is important to ensure that deducted direct and indirect costs are correctly calculated and transparent, and that the asset allocation provides an optimized return within the framework of the IORP's risk appetite; and*
- ** any infringements of the social legislation on supplementary pensions (signal function in the social legislation on occupational pensions, cf. Article 51 of the Law of 28 April 2003).*

Accredited auditors are requested to consider the above points in their year-end audit procedures and to include relevant findings, if any, in their reporting to the FSMA.

5.2. Recent changes and evolutions

The following changes came into force in the year 2025 in the sector of the IORPs:

- The increase of the minimum return guarantee from 1,75% to 2,5%, in application of Article 24, §3 of the law of 28 April 2003 on supplementary pensions (the "WAP"/"LPC"); and
- The increase of the legal retirement age from 65 years to 66 years.

The accredited auditors are expected to consider the impact of the above changes on the technical provisions and the pension schemes in the context of the audit procedures as per 31 December 2025.

6. Regulated real estate investment companies (GVV – SIR)

6.1. Publication of the European common enforcement priorities for the 2025 annual financial reports

On 14 October 2025, the ESMA published its annual Public Statement setting out the European common enforcement priorities (ECEP) for the 2025 annual financial reports of issuers admitted to trading on EAA regulated markets.

In 2026, the ESMA and European enforcers will focus on the following topics:

- *International Financial Reporting Standards (IFRS) financial statements: segment reporting, geopolitical risks and uncertainties;*
- *Sustainability statements: materiality considerations in reporting under the European Sustainability Reporting Standards (ESRS) and scope and structure of the sustainability statements; and*
- *European Single Electronic Format (ESEF) digital reporting[1]: common filing errors found in the Statement of Cash Flows.*

The ESMA emphasizes the importance of these topics and the detailed recommendations included in this Public Statement. Auditors should pay particular attention to these topics when relevant for their audit work.

6.2. The Omnibus reform of the CSRD

In the attention points letter as at 31 December 2024, the attention was drawn to the fact that the regulated real estate investment companies (REIT) would have to publish sustainability reports in accordance with CSRD and ESRS as from 2026 (on financial year 2025) or 2027 (on financial year 2026) onwards, depending on their size.

However, early 2025, the European Commission published its "Omnibus I" proposal, which aims at simplifying the CSRD legal framework to reduce the administrative burden for the European companies[2]. One of the objectives of the reform is a reduction of the CSRD scope to very large companies. As a result of the negotiations between the European co-legislators, all companies with fewer than 1.000 employees on average or EUR 450 million net turnover will fall out of scope.

As a first step in the Omnibus legislative process, a "stop the clock" directive has been adopted (Directive (EU) 2025/794). It delays by two years the entry into application of the CSRD requirements for large companies that have not yet started reporting, as well as for listed SMEs. This has provided the European co-legislators with time to agree on the substantive changes to the CSRD (e.g. on the new thresholds defining the CSRD scope). The Belgian law transposing this directive has been adopted.

[1] The Belgian standard on the audit of the Compliance of the Annual Report with the European Single Electronic Format (ESEF) and the related amendments to the Additional Standard to the ISAs applicable in Belgium will enter into force for financial years ending on or after 12 November 2025.

[2] Omnibus I package - Commission simplifies rules on sustainability and EU investments, delivering over €6 billion in administrative relief - Finance.

With this Omnibus reform, the regulated real estate investment companies will never be required to report under the CSRD.

Out-of-scope companies will nevertheless be encouraged to report on a voluntary basis. A dedicated set of reporting standards will be at their disposal if they opt for voluntary reporting.

The FSMA will update the communications on sustainability reporting on its website once the relevant texts have been adopted.

Acronyms	
2LoD	Second Line of Defence
AICB	Alternative Undertakings for Collective Investments
ALMM	Additional Liquidity Monitoring Metrics
CIC	Complementary Identification Code
CIU	Collective Investment Undertakings
CRE	Commercial Real Estate
CRR	Capital Requirements Regulation
CSRD	Corporate Sustainability Reporting Directive
CUSIP	Committee on Uniform Security Identification Procedures
DC	Defined Contribution
DORA	Digital Operational Resilience Act
DTA	Deferred Tax Assets
DTL	Deferred Tax Liabilities
ECEP	European Common Enforcement Priorities
EIOPA	European Insurance and Occupational Pensions Authority
ESEF	European Single Electronic Format
ESMA	European Securities and Markets Authority
ESRS	European Sustainability Reporting Standards
FSMA	Financial Services and Markets Authority
GVV	Gereglementeerde Vastgoed Vennootschap
ICB	NL: Instelling voor Collectieve Belegging (Undertakings for Collective Investment (UCI))
ICT	Information and Communication Technology
IFR	Investment Firm Regulation

IFRS	International Financial Reporting Standards
IORP	Institutions for Occupational Retirement Provision
IRAIF/IREFI	FR : Institut des Réviseurs Agréés pour les Institutions Financières NL: Instituut van de Revisoren Erkend voor de Financiële Instellingen
ISIN	International Securities Identification Number
ITS	Implementing Technical Standard
LAC DT	Loss Absorbing Capacity of Deferred Taxes
LCR	Liquidity Coverage Ratio
LEI	Legal Entity Identifier
LGD	Loss Given Default
LTE	Long-term Equity
NBB	National Bank of Belgium
NSFR	Net Stable Funding Ratio
OPC	FR: Organisme de Placement Collectif (Undertakings for Collective Investment (UCI))
PD	Probability of Default
REIT	Real Estate Investment Trust (see also GVV and SIR)
ROI	Register Of Information
RWA	Risk Weighted Asset
SCR	Solvency Capital Requirement
SEDOL	Stock Exchange Daily Official List
SFDR	Sustainable Finance Disclosure Regulation
SIP	Statement of Investment Principles
SME	Small and Medium-sized Enterprise
SRT	Significant Risk Transfers
UCI	Undertakings for Collective Investment

UCITS	Undertakings for Collective Investment in Transferable Securities
WAP/LPC	NL: wet betreffende de aanvullende pensioenen (28 april 2003) FR: loi relative aux pensions complémentaires (28 avril 2003)