

Question ID	2022_6362
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	430
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2021/451 - ITS on supervisory reporting of institutions
Article/Paragraph	Annex V. Part 2.307, related validation rules of DPM 3.0
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	F 44.01 - validation rule v3985_s
Question	How to inform in template F 44.01 of the fair value of certain components (liabilities) of net defined benefit plan assets.
Background on the question	The Group has covered certain employee benefits through several employee benefit entities (EPSVs) that meet the definition of Plan Assets. For those entities in F 44.1 template, rows 0030 to 0060, we are including the fair value of the different elements in which the net equity of those entities is invested. At 31 December 2021 their equity is partially invested in some derivatives instruments whose fair value is negative. According to validation rule V3985_S, all the amounts informed in that rows should be positive. We need some clarification about how to inform of the value of these liabilities that are part of the net equity of the defined benefit plan assets of the Group.
Final answer	<p>Validation rule v3985_s should be revised in order to allow also negative values in row 0060 (“Other defined benefit assets”) of template F 44.01 of Annexes III and IV to Regulation (EU) 2021/451 (ITS on Supervisory Reporting).</p> <p>According to IAS 19.142 “an entity shall disaggregate the fair value of the</p>

	<p>plan assets into classes that distinguish the nature and risk of those assets”. Moreover, IAS 19.142 suggests distinguishing the fair value of the defined benefit plan assets between equity instruments (IAS 19.142 b)), debt instruments (IAS 19.142 c) and derivatives (IAS 19.142 e)), among others.</p> <p>As template F 44.01 currently does not include a separate row for derivatives, the fair value of these assets would have to be reported as “other defined benefit plan assets” in row 0060 of template F 44.01. Since the fair value of derivatives can be negative, row 0060 should be removed from validation rule v3985_s.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2022_6362

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