

Question ID	2013_184
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	99
Paragraph	2
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	Annex V, Part 1/Paragraph 35 (f)
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	FINREP: Counterparty breakdown - hospitals, schools, social secretaries
Question	As what counterparty shall hospitals, schools and social secretaries be reported? Are there any thresholds (e.g. turnover) which when exceeded then the entity shall be reported as different counterparty (e.g. in current FINREP hospitals are treated households, when turnover exceed the limit then the hospital is reported as corporate)?
Background on the question	Based on available information (EBA FINAL draft implementing Technical Standards, ECB regulation, Regulation (EU) No 549/2013) it is not clear as what counterparty hospitals, schools and social secretaries be reported, because it is not explicitly mentioned here. The answer is important for counterparty breakdown for FINREP purposes.
EBA answer	<p>The sector breakdown used in FINREP templates follows, as much as possible, the sector breakdown in the ECB BSI Regulation, which is based on the ESA95.</p> <p>As described in Annex V, Part 1, paragraph 35(b) of the <u>Regulation (EU) No 680/2014</u> <u>13 ITS on supervisory reporting of institutions</u> Draft ITS on Supervisory reporting, public and private companies held by public</p>

administrations that have a commercial activity shall be reported under '**non-financial corporations**'. This sector comprises private companies held by the private sector as well. Consequently, if hospitals, schools and social secretaries are organized in public or private companies with a commercial purpose, it shall be reported under 'non-financial corporations'.

If they are organized in public and private companies but do not have a commercial purpose, they are "non-profit organizations serving households" and shall therefore be reported under "**households**". Namely, a company does not have a commercial purpose when its principal resources, apart from those derived from occasional sales, are derived from voluntary contributions in cash or in kind from households, from payments made by general government (provided that they are not controlled and mainly financed by general government since, if they are, they will be included in this latter sector), and from property income.

If they are not organized in separate companies and are included in the public budget, it shall be reported under "**general governments**".

For further information, chapter 2 of the following link discusses in detail issues on the definition of sectors in ESA 95:

http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BE-02-004/EN/KS-BE-02-004-EN.PDF.

**As of 1/8/2014 the content of this answer was modified to reflect the publication of the final ITS on supervisory reporting of institutions in the Official Journal of the European Union. As a result, the references to the ITS were updated and the disclaimer deleted. For reasons of transparency, revisions are highlighted in track changes.*

Link

https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_184

European Banking Authority, 21/01/2022
www.eba.europa.eu