Single Rulebook Q&A

Question ID	2013_423
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - COREP (incl. IP Losses)
Article	36
Paragraph	1b
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	Row 350
Date of submission	23/10/2013
Published as Final Q&A	21/03/2014
Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Gross amount of intangible assets
Question	Should the institution report in COREP other intangible assets in gross amount not net as today it's reported?
Background on the question	Today the amount of intangible assets that lowers Own funds is reported in net amount. This approach seems reasonable, while the difference between net and gross is amortization. Changing from net to gross amount lowers in material way the total own funds and from this point of view also CAD. This would be crucial change comparing to todays approach. Moreover CRR does not describe which amount (net or gross) of intangible assets should be taken to reporting. As long as it's described only in draft technical standard and does not have any background in legal regulation, we would like to get to know the justification of changing the approach.
Final answer	According to Article 4 (115) CRR 'intangible assets' has the same meaning as under the applicable accounting framework and includes goodwill. Intangible assets are deducted from own funds according to Article 36 (1) (b) CRR considering Article 37 (a) CRR. Distinguishing between goodwill (reported in rows 300 to 330) and other

	intangible assets (reported in rows 340 to 360), template C 01.00 (CA1) reflects those requirements of CRR. The instructions of rows 340 to 360 refer to the legal references mentioned above. Moreover the instructions of row 350 clarify that the amount of intangible assets reported is the amount under the applicable accounting standard and reported in the balance sheet, minus goodwill. According to Article 37 (a) CRR the deducted amount of intangible assets shall be reduced by the amount of associated deferred tax liabilities. So the titles of rows 340 and 350 intend to distinct between intangible assets before consideration of Art. 37 (a) CRR, and intangible assets after consideration of Article 37 (a) CRR.
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_423

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