

Single Rulebook Q&A

Question ID	2013_513
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	Article 99 (4)
Paragraph	Article 99 (4)
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Draft ITS on Supervisory Reporting of Institutions
Article/Paragraph	2.145-2.183
Date of submission	07/11/2013
Published as Final Q&A	21/03/2014
Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Application of definition of forborne items, described in the EBA final draft ITS on supervisory reporting on forbearance and non-performing exposures under article 99(4) of Regulation (EU) No 575/2013
Question	<p>When do the reporting institutions have to start utilizing and identifying the forborne exposures? In accordance with the EBA final draft ITS on supervisory reporting on forbearance and non-performing exposures under article 99(4) of Regulation (EU) No 575/2013, the definitions of forbearance and non-performing are expected to enter into force in September 2014 (reference date), with remittance date of 31 December 2014. Applying the statement above, starting September 30, 2014, the reporting institutions will begin tracking and identifying the forborne exposures. This will imply a prospective application of the requirement (after September 30, 2014). Would that interpretation be correct?</p>
Background on the question	<p>When do the reporting institutions have to start utilizing and identifying the forborne exposures? In accordance with the EBA final draft ITS on supervisory reporting on forbearance and non-performing exposures under article 99(4) of Regulation (EU) No 575/2013, the definitions of forbearance and non-performing are expected to enter into force in September 2014 (reference date), with remittance date of 31 December 2014. Applying the</p>

	<p>statement above, starting September 30, 2014, the reporting institutions will begin tracking and identifying the forbore exposures. This will imply a prospective application of the requirement (after September 30, 2014). If the interpretation above is correct, the reporting institutions will report table 19 blank as of September 30, 2014, and going forward track and report the forbore amounts.</p>
Final answer	<p>According to the ITS on supervisory reporting on forbearance and non-performing exposures submitted by the EBA to the European Commission (https://www.eba.europa.eu/regulation-and-policy/supervisory-reporting/draft-implementing-technical-standards-on-supervisory-reporting-forbearance-and-non-performing-exposures), the new information on forbearance and non-performing exposures, based on a reference date of 30 September 2014, shall be submitted for the first time with a remittance date of 31 December (see new paragraph inserted in Art 18 of the ITS on Supervisory Reporting by Art 1.1 of the Final draft ITS on supervisory reporting on forbearance and non-performing exposures). It is worth noting that the rest of the FINREP package maintains the reference date of 30 September 2014 and the first remittance date of 11 November 2014 (see article 3.1 (b) ITS on supervisory Reporting).</p> <p>Therefore, till 31 December 2014, reporting institutions shall have gone through all the exposures existing on the reference date 30 September 2014 subject to the definitions of forbearance and non-performing and be ready to report them accordingly in the templates. All the exposures must be tracked on a retrospective basis. In other words, there is no prospective application allowed.</p> <p>Note: The practical effect of the delay in the remittance date for templates other than 18 and 19 which refer to forbore and non-performing exposures means that the new cells in these templates should be left blank when institutions submit FINREP templates by 11 November 2014. By 31 December 2014, the whole information within the affected templates must have been submitted to National Competent Authorities.</p> <p>The cells that have been removed throughout FINREP by this amendment of the ITS shall never be reported.</p> <p>DISCLAIMER: The present Q&A on Supervisory reporting is provisional. It will be reviewed after the respective Implementing Regulation is in force and published in the Official Journal, which may differ from the text of the relevant draft ITS to which it relates.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_513</p>

European Banking Authority, 21/05/2022
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