

Question ID	2013_612
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - COREP (incl. IP Losses)
Article	99
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (repealed)
Article/Paragraph	F01.01 vs. C04.00
Date of submission	03/12/2013
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Disclose name of institution / entity	No
Type of submitter	Consultancy firm
Subject matter	Validation Rules FINREP - COREP
Question	<p>CRR states that certain balance sheet items shall be used for COREP reporting only, if they have been reviewed by an auditor. The last reviewed or audited values have to be used for COREP purposes until auditor's review or audit of the current values have been carried out (so called "static principle"). For example some interim financial statements are not published and/or not reviewed by auditors (e.g. as of March 31st). In this case the last audited deferred tax assets or liabilities - i.e. as of December 31st of the preceding year- have to be used for all COREP reporting (e.g. March 31st, June, 30th, etc) until the next financial statement is reviewed or audited by the auditor. For FINREP reporting the most recent accounting values would be used for preparation of the quarterly reporting- e.g. even if no auditor's review is conducted as of March 31st, 2014 current accounting values would be submitted for FINREP reporting. Because of this static principle for COREP reporting, COREP values may not equal FINREP accounting values for specific positions and specific reporting dates. However, according to EBA validation rules specific balance sheet positions (e.g. deferred tax assets or liabilities) shall equal in the FINREP and COREP templates. These validations do not appear to be valid because of the difference in principles in preparing COREP and FINREP numbers. For example validation rule</p>

	v1780_h states that {F 01.01 , r330} = +{F 01.01 , r340} +{C 04.00 , r010}). COREP- FINREP validation rules are applicable for share premium and accumulated other comprehensive income too. These validations do not appear to be valid for all reporting dates. Which numbers are required for deferred tax assets and liability reporting in the COREP and FINREP tables respectively?
Background on the question	Validation Rules
Final answer	<p>One of the objectives of validation rules is to ensure a correct implementation of the different frameworks under Article 99 of Regulation (EU) No. 575/2013 (CRR), be it CRR or accounting provisions. But due to differing principles of the use of audited, verified and unaudited figures, it is possible that amounts of FINREP and COREP are not equal, though they are correct within each framework. In order to take account of this, all validation rules which require cross checks between FINREP and COREP will be deleted in Annex XV of the next available version of the ITS on Reporting.</p> <p><i>*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.</i></p>
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_612

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