

<b>Question ID</b>	2014_709
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Supervisory reporting - FINREP (incl. FB&NPE)
<b>Article</b>	99
<b>Paragraph</b>	-
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (repealed)
<b>Article/Paragraph</b>	N/A
<b>Date of submission</b>	08/01/2014
<b>Published as Final Q&amp;A</b>	23/05/2014
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Credit institution
<b>Subject matter</b>	Validations
<b>Question</b>	<p>There appears to be several prior year validations that do not work in FINREP. v1321_m {F 46.00, r010, c080} = {F 01.03, r210, c010} t-1  v1233_m {F 46.00, r010, c080} = {F 46.00, r210, c080} t-1 v1231_m {F 46.00, r010, c060} = {F 46.00, r210, c060} t-1 v1318_m {F 46.00, r010, c060} = {F 01.03, r190, c010} t-1</p>
<b>Background on the question</b>	<p>Per ITS guidelines prior year profits for associates, JV's and subsidiaries are included in line 220 Other reserves in table 1.3 (column 080 in table 46). Guidance is as per ITS: 19. "Other reserves" are split between "Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates" and "Other". "Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates" include the accumulated amount of income and expenses generated by the aforementioned investments through profit or loss in past. Current year profit for subsidiaries, JV's and associates will be included in line 250 in table 1.3 (column 100 in table 46). The year-end closedown process would require the profit from the year for associates be included in the Other Reserves brought forward balance in the following year. Hence v1321_m and v1233_m will not work. This would have knock on effects on profit or loss validations for the P&amp;L that does not relate</p>

	to associates, JV's and subsidiaries (v1231_m and v1318_m).
<b>Final answer</b>	<p>The share of the profits or loss of subsidiaries, associates and joint ventures must be reported in row 590 of the profit or loss account in FINREP (F 02.00 template). Therefore, these profits or losses are part of the profit or loss for the period, which is reported in row 250 of F 01.03 template. Profit or loss for the period is also reported in row 010, column 100 of F 46.00 template.</p> <p>The distribution of the profit or loss of a period would then happen in the next period. As per the rows not greyed in F 46.00 template, only capital reductions, transfers to other items of equity and other increases or decreases are possible. In the case of the share of the profit or loss from subsidiaries, associates and joint ventures, that amount should be reclassified to "other reserves" via row 190.</p> <p>In conclusion, as per the explanation above, the four validation rules mentioned in the question are correct and there is no need to correct them.</p>
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_709">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_709</a>

European Banking Authority, 29/05/2023  
[www.eba.europa.eu](http://www.eba.europa.eu)