

<b>Question ID</b>	2014_834
<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>	2
<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 (as amended)
<b>Article/Paragraph</b>	Article 3 (4)
<b>Date of submission</b>	11/02/2014
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<b>Disclose name of institution / entity</b>	Yes
<b>Name of institution / submitter</b>	National Bank of Romania
<b>Country of incorporation / residence</b>	Romania
<b>Type of submitter</b>	Competent authority
<b>Subject matter</b>	Audit of the FINREP figures
<b>Question</b>	1) As regards FINREP reports, audited figures shall mean: - audited FINREP reports (i.e. the external auditor expressing an audit opinion on the FINREP reports as a whole) OR - building the FINREP reports based on final, audited figures existent in the accounting (i.e. based on the information from the annual published consolidated financial statements)? 2) What is the frequency of the auditing obligation in the case of FINREP information?
<b>Background on the question</b>	According to the provisions of art.3(4) of the ITS on supervisory reporting, the institutions may submit to the competent authorities unaudited figures (for the information covered by the ITS). Where audited figures deviate from submitted unaudited figures, the revised, audited figures shall be submitted without undue delay. Unaudited figures are figures that have not received an external auditor's opinion whereas audited figures are figures audited by an external auditor expressing an audit opinion. These provisions are not very

	<p>clear to us as regards the meaning of “audited figures” in the case of FINREP reports. Moreover, according to art.9(2) of the ITS on supervisory reporting, the main part of the FINREP information shall be reported to the competent authorities with a quarterly frequency. We would like to receive clarifications on whether the frequency of the auditing obligation (in case of FINREP information) should follow the reporting frequency.</p>
<b>Final answer</b>	<p>Article 3(4) of the Regulation (EU) No 680/2014 13 ITS on Supervisory Reporting of institutions states that institutions may submit unaudited figures but where audited figures deviate from submitted unaudited figures, the revised audited figures shall be submitted without undue delay. It further states that unaudited figures are figures that have not received an external auditor's opinion whereas audited figures are figures audited by an external auditor expressing an audit opinion.</p> <p>This means that FINREP figures shall be based on the annual accounting data that have to receive an auditor's opinion under IFRS scope of consolidation, but the FINREP templates themselves (CRR scope of consolidation) do not need to be explicitly audited.</p> <p>Also, since accounting financial statements are generally to be audited on an annual basis and FINREP requires the submission of information also on a quarterly and half-annually basis, Article 3(4) of the ITS envisages the use of unaudited data to fill in FINREP templates.</p> <p>Furthermore, even in case of audited financial statements, the audited figures could still not be available at the date FINREP templates are submitted because the audit process of the accounting financial statement is not concluded yet. In such a case, given the lack of audited figures, institutions may submit unaudited figures by the relevant deadline and then replace them with the audited figures if the latter deviate from the submitted unaudited ones.</p>
<b>Link</b>	<p><a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_834">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_834</a></p>

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