

Single Rulebook Q&A

Question ID	2014_939
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	CRR Art 392-395
Paragraph	CRR Art 392-395
Subparagraph	CRR Art 392-395 (Reporting of Large Exposures)
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (repealed)
Article/Paragraph	CRR Art 392-395
Date of submission	13/03/2014
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Disclose name of institution / entity	No
Type of submitter	Consultancy firm
Subject matter	Additional Reporting templates for FINREP (large exposures)
Question	<p>On January 8, 2014 European Commission published an updated Draft Implementing Technical Standards with regard to supervisory reporting of institutions according to regulation (EU) No 575/2013 (attached). Per the article 9 of the document, paragraph (g) as well as article 11 paragraph (g), European Commission stated the following: (g) the information specified in Annex VIII for exposures whose exposure value is larger than or equal to 300 million EUR but less than 10 % of the institution's eligible capital with a quarterly frequency. Questions: 1) The specification above deviates from the current requirements for large exposures, as described per the instructions in Annex IX (ITS), as paragraph (g) requires the reporting of exposures less than 10 % of the institution's eligible capital. (Whereas Annex IX requires reporting of exposures equal to or exceeding 10% of the institution's eligible capital (Article 392 CRR). Does this imply that the templates specified in Annex VIII of ITS, which currently refer to Large Exposures, and which are reported under COREP, should be also included in the FINREP financial reporting? 2) As the templates currently specified in Annex VIII of ITS have some of the same references already reported in FINREP (for example, tables 30-31), will EBA be issuing an updated Annex VIII only as applicable for FINREP. If yes, when these templates will be available/when are the</p>

	institutions expected to report them?
Background on the question	On January 8, 2014 European Commission published an updated Draft Implementing Technical Standards with regard to supervisory reporting of institutions according to regulation (EU) No 575/2013 (attached). Per the article 9 of the document, paragraph (g) as well as article 11 paragraph (g), European Commission stated the following: (g) the information specified in Annex VIII for exposures whose exposure value is larger than or equal to 300 million EUR but less than 10 % of the institution's eligible capital with a quarterly frequency. Currently Annex VIII and the applicable instructions (Annex IX) are reported within COREP scope, and will be submitted by the reporting institutions in 1Q 2014. The paragraph above indicates that similar (but with some deviations) reporting is to be submitted withing FINREP.
Final answer	<p>The reporting requirement for exposures larger than or equal to 300 million EUR but less than 10% of the institution's eligible capital was originally based on the reporting requirement according to Article 394 of CRR (large exposures). The reporting requirement is now based on Article 99 (2) of CRR. This clarifies that from a purely legal point of view the reporting of these exposures is part of FINREP and not part of the large exposures regime and large exposures reporting. As a consequence data for exposures larger than or equal to 300 million EUR but less than 10% of the institution's eligible capital have to be provided on a consolidated basis only (see Article 9 (2)(g) of Regulation (EU) No 680/2014 13 ITS on Supervisory Reporting of institutions (ITS)).</p> <p>However, in spite of the change of the legal basis the reporting of exposures large than 300 million EUR but less than 10% of institution's eligible capital will be processed solely via the large exposures reporting templates as originally envisaged. This ensures that the change of legal basis does not cause a change for reporting institutions from a practical point of view and helps avoiding additional switching costs on the side of both, institutions and competent authorities.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_939