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| <b>Question ID</b>  | 2014_1012  |
| <b>Status</b>   | Final Q&A  |
| <b>Legal act</b>  | Regulation (EU) No 575/2013 (CRR)  |
| <b>Topic</b>  | Supervisory reporting - Other  |
| <b>Article</b>  | 99   |
| <b>Paragraph</b>  | 4  |
| <b>Subparagraph</b>   | -  |
| <b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b> | Draft ITS on Supervisory Reporting of Institutions   |
| <b>Article/Paragraph</b>  | 168  |
| <b>Date of submission</b>   | 26/03/2014   |
| <b>Published as Final Q&amp;A</b>                                     | 25/07/2014   |
| <b>Disclose name of institution / entity</b>                          | No   |
| <b>Type of submitter</b>  | Consultancy firm   |
| <b>Subject matter</b>   | Accounting Scope of Consolidation  |
| <b>Question</b>   | Do you agree that the term “within the accounting scope of consolidation” refers to the debtor’s accounting scope of consolidation? Do you agree that the group of connected clients according to large exposure methodology is an adequate approach?  |
| <b>Background on the question</b>                                     | Consideration of the debtors accounting scope of consolidation would require a very wide perspective in judging financial difficulties and forbearance measures. Currently, institution apply the concept for group of connected clients (according to large exposure methodology) to assess financial linkages of the debtor. The consideration of the debtors’ accounting scope of consolidation would therefore be a new concept which had to be implemented. |
| <b>Final answer</b>   | According to Paragraph 168 of the EBA FINAL draft Implementing Technical Standards on Supervisory reporting on forbearance and non-performing exposures under Article 99(4) of Regulation (EU) No 575/2013, for the purposes of Template 19, "debtor" includes all the natural and legal entities in the debtor's group which are within the accounting scope of consolidation. The term "accounting scope of consolidation" refers to all entities included in  |

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|             | <p>the debtor's scope of consolidation for accounting purposes. The draft ITS does not provide for the use of a group of connected clients as a proxy in this regard.</p> <p><b>DISCLAIMER:</b></p> <p>The present Q&amp;A on Supervisory reporting is provisional. It will be reviewed after the Implementing Regulation is in force and published in the Official Journal, which may differ from the text of the draft ITS to which this Q&amp;A relates.</p> |
| <b>Link</b> | <a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1012">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1012</a>   |

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