

✘ Single Rulebook Q&A

Question ID	2020_5167
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 (CRR2)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	99
Paragraph	2
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	Annex V. Part 2, paragraph 88 (a)
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Credit for consumption
Question	How should "Credit for consumption" be interpreted for reporting in FINREP templates 5.1, 7.1, 18, 19 and 20.4? There appears to be two plausible and defensible means of determining the intended scope.
Background on the question	The ITS reference in Annex V.Part2.88(a) states that 'Credit for consumption' shall include loans granted mainly for the personal consumption of goods and services, and references the ECB BSI Regulation. Within the BSI Regulation, the table on Instrument categories lists Loans as category 2, which is further split out into a number of items such as 1.(a) loans granted to households and non-profit institutions serving households; 1.(b) credit card debt; and 1.(c) revolving loans and overdrafts etc. Credit for consumption is defined in 1.(a)(i) of the Loans category, but what is not clear is whether Credit for consumption is also applicable to other items within the broader category of Loans, and if so, to what extent. Arguably, whilst not directly acknowledged as part of a further breakdown, one could reasonably deduct that Credit card debt, and Revolving loans and facilities are also in part made up of Credit for consumption, as per the definition. As such, is it the intention of the regulator to limit Credit for consumption to: i) Loans granted to households and non-profit institutions serving households only (Category

	<p>2, item 1 (a)) (narrower scope); ii) Loans granted to households and non-profit institutions serving households, Credit card debt, and Revolving loans and overdrafts (Category 2, items 1 (a) - (c)) (broader scope); or iii) All items in Category 2 (a) - (k) (broadest scope)? The current validation rules support all three interpretations. For example, in template F:05, the total of Loans and advances should be \geq the sum of the two of which purposes.</p>
EBA answer	<p>The BSI Regulation (regulation (EU) No 1071/2013 of the ECB) in its table Instrument categories lists the different categories of loans in its point 2. The BSI manual further elaborates that the total loans to households split by purpose (including for the purpose of consumption) includes credit card debt and revolving loans.</p> <p>In accordance with the BSI Regulation, the definition of Credit for consumption shall be limited to the narrow definition of in 1(a)(i) of the Loans category (“loans granted for the purpose of mainly personal use in the consumption of goods and services”). The items listed from 1.(b) to 1.(k) shall not be part of the definition to use for Credit for consumption for the purpose of the FINREP reporting.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2020_5167</p>

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