



Single Rulebook Q&A

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Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	99
Paragraph	-
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	FINREP guidance
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	FINREP Payment services Template 22.2
Question	The definition of Payment services has been updated in the FINREP DPM 2.9.2. Can the information asked in template 22.2 row 120 Payment services be removed?
Background on the question	Under the framework 2.8 as applicable for F22.02, Annex V. part 2.285: (e) 'Payment services' shall refer to the collection on behalf of customers of payments generated by debt instruments that are neither recognised on the balance sheet of the institution nor originated by it; Under the framework

2.9.2 as applicable for F22.01 and F22.02, Annex V. part 2.284 (k) 'Payment services' shall include fee and commission income (expenses) generated by (charged to) the institution where it provides (receives) payment services as referred to in Annex I of the Directive (EU) 2015/2366. Information on the fee and commission income shall be reported separately for current accounts, credit cards, debit cards and other card payments, transfers and other payment orders as well as other fee and commission income in relation to payment services'. 'Other fee and commissions income in relation to payment services shall include, among others, charges for the use of the institution's ATM network by cards not issued by the institution. Information on fee and commission expenses on credit, debit and other cards shall be reported separately as well; Additional guidance for template F22.02.; Annex V Part 2:285(g) (g) 'Amount of the assets involved in the services provided' shall include the amount of assets in relation to which the institution is acting, using the fair value. Other measurement bases including nominal value may be used where the fair value is not available. Where the institution provides services to entities such as collective investment undertakings, pension funds, the assets concerned may be shown at the value at which these entities report the assets in their own balance sheet. Reported amounts shall include accrued interest, where appropriate. Based on the definition as applicable for framework 2.8 it was logical to request the 'Payment services' also in template F22.02 and it aligned conceptually with the other rows in template. Meaning that it were assets that were not on the institution's balance sheet to which the institution was acting. We believe that keeping row 120 Payment services in template 22.2 with the payment services definition is not fitting. Information in template F22.02 is effectively on "assets" not reported in the balance sheet nor as off-balance sheet exposures by the bank. Payment services based on the new definition as applicable for EBA framework 2.9, is mainly related to on balance sheet exposures, which are already part of the reported FINREP. It therefore seems misaligned with the other content in template F22.02. If we should report the information, based on the new definitions you could say that for example current account balances are what the institution is acting to. If those balances should be reported, should debit and credit amounts then be simply aggregated, or should an absolute value be reported?

EBA answer

According to Annex V, Part 2, Part 285 e) of Regulation (EU) No 680/2014 (ITS on Supervisory Reporting) Payment services' shall refer to the payment services listed in Annex I of the Directive (EU) 2015/2366 (PSD 2). In line with the overall structure of template F 22.02 and consistent with the previous definition, this refers to payments collected on the behalf of customers in the course of providing the services listed in Annex I of PSD 2. The debt instruments by which the payments are generated shall be neither recognised on the balance sheet of the institution nor originated by it. The amount to be reported refers to the assets, to be intended as amount involved in the transactions (linked to payment services) during the period.

	Therefore, row 120 of the template F 22.01 shall be kept and Annex V, Part 2, paragraph 285 e) of the ITS on Supervisory Reporting will be amended in order to clarify this aspect.
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2020_5399

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