



**Single
Rulebook
Q&A**

Question ID	2014_1528
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	Annex V, par. 17.107 Geographical breakdown
Date of submission	09/10/2014
Published as Final Q&A	05/03/2021
Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Definition of "location"
Question	Does the definition of "locations" pertains to the location of the reporting institution itself or to location of its customers, eg. debtors?
Background on the question	According to the ITS on Supervisory Reporting 'Location' means the jurisdiction of incorporation of the legal entity which has recognized the corresponding asset or liability; for branches, it means the jurisdiction of its residence." Does this definition pertain to the location of the reporting institution itself or to location of its customers? Example: if a bank (the

reporting institution) is located in country X and operates only in this country, but has also borrowers from other countries, should the loans granted to the borrowers from other countries be reported as "domestic activity" or "non-domestic activities"?

EBA answer

Paragraph 270, Annex V, Part 2 of Commission Implementing Regulation (EU) No 680/2014 (ITS on Supervisory Reporting) states that, for the purposes of templates from F 20.01 to F 20.03:

[...] location' means the jurisdiction of incorporation of the legal entity which has recognised the corresponding asset or liability; for branches, it means the jurisdiction of its residence. For these purposes, 'domestic' shall include the activities recognised in the Member State where the reporting institution is located.

The definition above thus stipulates that location shall mean the jurisdiction of incorporation of the (non-branch) legal entity which has recognised the corresponding asset or liability.

This means that, in a cross-border banking group, a reporting institution shall recognise as "domestic":

- all assets and liabilities pertaining to its own non-consolidated accounts; and
- all assets and liabilities pertaining to the non-consolidated accounts of its controlled institutions incorporated within the same jurisdiction.

Conversely, the reporting institution shall recognise as "non-domestic" all assets and liabilities pertaining to the non-consolidated accounts of its controlled institutions incorporated in different jurisdictions.

For branches, the jurisdiction of incorporation is substituted with the jurisdiction of its residence for the purposes of the determination of the "location".

In the example provided, if the bank is an institution incorporated in jurisdiction X, it shall recognise as domestic the loans granted to the borrowers from other countries.

	It should be noted that, for the purposes of templates from 20.04 to 20.07, information country-by-country shall be reported on the basis of the residence of the immediate counterparty (paragraphs 271, Part 2 and 43, Part 1, Annex V of ITS on Supervisory Reporting).
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1528

European Banking Authority, 12/05/2021
www.eba.europa.eu