

Template for comments

Consultation on the draft ECB Regulation on reporting of supervisory financial information

Please enter all your feedback in this list.

When entering your feedback, please make sure:

- that each comment only deals with a single issue;
- to indicate the relevant article(s)/page(s)/paragraph, where appropriate;
- to indicate whether your comment is a proposed amendment, clarification or deletion.

Deadline:

ID	Article of the draft amending regulation	Page	Type of comment	Detailed comment	Concise statement why your comment should be taken on board
	Art. 6(7), Art. 6(2) and (4), Template 17, Template 40.1, Template 40.2	8	Clarification	Point 3.1 of the consultation document and Article 6(7) of the ECB Regulation clarify that significant institutions that are not part of a supervised group within the SSM and do not produce consolidated financial statements for prudential purposes, but are required to produce consolidated financial statements for accounting purposes, have to submit Templates 17 and 40.2. By contrast, Article 6(2) and (4) requires all significant institutions that are neither a branch nor part of a supervised group to submit Template 40.1. Based on the above statements, our understanding is that Templates 17 and 40.2 do not apply to significant SSM institutions that do not produce consolidated financial statements for both prudential and accounting purposes. However such institutions would be required to submit Template 40.1. We are asking for clarification in this respect.	
2	Art. 11(7)	11	Amendment	We are proposing the following amendment: 'Less significant credit institutions shall start reporting information in accordance with paragraphs 4 and 5 from the next reporting reference date for quarterly reporting where the total value of the assets of a less significant institution exceeds, on a consolidated basis, EUR 3 billion, on four consecutive reporting reference dates for quarterly reporting.'	If an nGAAP institution exceeds the total asset threshold of EUR 3 billion, it currently has to transition to the increased scope of reporting applicable to these institutions at the first reporting reference date that happens 18 months after publication of an updated list of supervised institutions. The proposed new requirements considerably reduce this transitional period. We believe that this reduction goes significantly too far. The scope of reporting (data points) for nGAAP institutions with total assets of EUR 3 billion or lower will in future comprise around 680 data points. The scope of reporting to be submitted by nGAAP institutions with total assets of more than EUR 3 billion (simplified supervisory financial reporting) comprises up to 3,000 data points. The additional reporting requirement is thus considerable. Moreover, the additional data relates to granular breakdowns of the totals to be reported in the data point report. Collecting this granular data poses considerable challenges, especially for smaller banks. A transitional period of only two reporting reference dates, and hence only six months, is far too short to allow this granular data to be determined for the first time. We therefore believe that a transitional period of at least four reporting reference dates is necessary, in line with the transitional period from less significant institutions (LSIs) to significant institutions (SIs) (the proposal here is 12 months). This also applies in particular to the obligation to report a greater number of data points when the reporting thresholds have been exceeded because two smaller institutions have merged. In our opinion, the reasons advanced by the ECB for harmonising the transitional periods in the ECB FNRREP Regulation with Implementing Regulation (EU) No 680/2014 are not compelling because Implementing Regulation (EU) No 680/2014 was developed so as to apply to the category of preparers designated in Article 99 of the CRF (IFRS institutions at group level), and thus does not focus on the needs of smaller institutions. In addition, LSIs are disadvantaged compared with SIs by the adoption of the transitional periods contained in Article 4 of Implementing Regulation (EU) No 680/2014 in Article 11(7) of the ECB FNRREP Regulation, because a period of 12 months is allowed for the transition from an LSI to an SI. In most cases, this transition from LSI to SI happens because the total asset threshold of EUR 30 billion is exceeded. This is also a case where a threshold has been exceeded that is likely to fall within the scope of Article 4 of Implementing Regulation (EU) No 680/2014. In this case, however, the ECB's proposed transitional period deliberately departs from the requirements of Article 4 of Implementing Regulation (EU) No 680/2014. We therefore take the view that a departure from the requirements of Implementing Regulation (EU) No 680/2014 is both possible and necessary in the case of the transitional periods applying to the scope of reporting within the LSI group of institutions. Under no circumstances should there be shorter transitional periods for LSIs compared with SIs.
3	Art. 13	12	Amendment	Article 13(7a): replace 'value of less than' by 'value equal to or less than'.	Compare Article 11(7) and Article 13(9), where the case of 'equal to EUR 3 billion' is categorized as data points.
4	Art. 13	12	Amendment	Article 13(7b): replace 'below' by 'below or equal to'.	Compare Article 11(7) and Article 13(9), where the case of 'equal to EUR 3 billion' is categorized as data points.
5	Art. 13(9)	13	Amendment	We are proposing the following amendment: 'Less significant credit institutions and less significant branches shall start reporting information in accordance with paragraphs 2, 3, 5 and 6 from the next reporting reference date for quarterly reporting where the total value of the assets of a less significant institution or a less significant branch exceeds EUR 3 billion on four consecutive reporting reference dates for quarterly reporting.'	The statement on ID 2 applies.
6	Art. 14	15	Amendment	Article 14(7): replace 'value of less than' by 'value equal to or less than'.	Compare Article 11(7) and Article 14(8), where the case of 'equal to EUR 3 billion' is categorized as data points.
7	Art. 20	17	Amendment	The following paragraph should be added to Article 20: 'For reporting purposes on an individual basis, it shall apply to subsidiaries that are part of a supervised entity applying IFRS under Regulation (EC) No 1606/2002 at a group level, but that are subject to national accounting frameworks for reporting on an individual basis from 1 January 2019.'	There are subsidiaries that are members of groups of significant institutions that apply IFRS and at the same time report under nGAAP on an individual basis. Based on the proposed Article 20 requirements, we are currently assuming that these subsidiaries will also have to comply with the 1 January 2019 initial application date for their nGAAP report on an individual basis, and will thus have to submit the amended templates for entities applying nGAAP a year earlier than other nGAAP preparers. This would render impossible the centralised, consistent implementation of the new reporting requirements within the group of institutions. The prolongation of the implementation period for groups of institutions that include both less significant supervised entities applying nGAAP and subsidiaries – that apply nGAAP on an individual basis – of supervised entities that generally have to apply IFRS at group level would come to nothing. We are therefore requesting the addition of a requirement that will harmonise the initial application date for the designated subsidiaries with the other entities applying nGAAP. The data supplied by subsidiaries for IFRS group reporting would not be affected by this postponement of initial application and would be submitted as from 1 January 2018.
8	Annex I, Art. 24(c)	18	Clarification	Article 2a has been added to Annex I. It allows national competent authorities (NCAs) to designate the entities that will report the information specified in certain templates. Under Article 24(c), the NCA can now decide whether the information specified in Template 12 or Template 12.1 has to be reported. We believe that there is a need for the Regulation to clarify whether '12' means Templates '12.0', '12.1' and '12.2' – in other words all templates under 12. – or (only) the information specified in '12.0'.	
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