



EUROPEAN CENTRAL BANK

BANKING SUPERVISION

Feedback statement

Responses to the public
consultation on the draft
European Central Bank
regulation on reporting of
supervisory financial
information

March 2015

BANKING SUPERVISION

This document consists of the sections listed below.

- A. Overview and analysis of responses
- B. Rationale for and scope of the European Central Bank (ECB) Regulation on reporting of supervisory financial information
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- F. Amendments to the draft ECB regulation on reporting of supervisory financial information

This document is intended to give an overview of the comments received during the public consultation from 23 October to 4 December 2014 on the draft ECB regulation on reporting of supervisory financial information and to present an assessment of those comments. It explains the amendments made to the draft regulation as a result of the consultation. As such, this document does not prejudge the future interpretation of the provisions laid down in the ECB Regulation on reporting of supervisory financial information.

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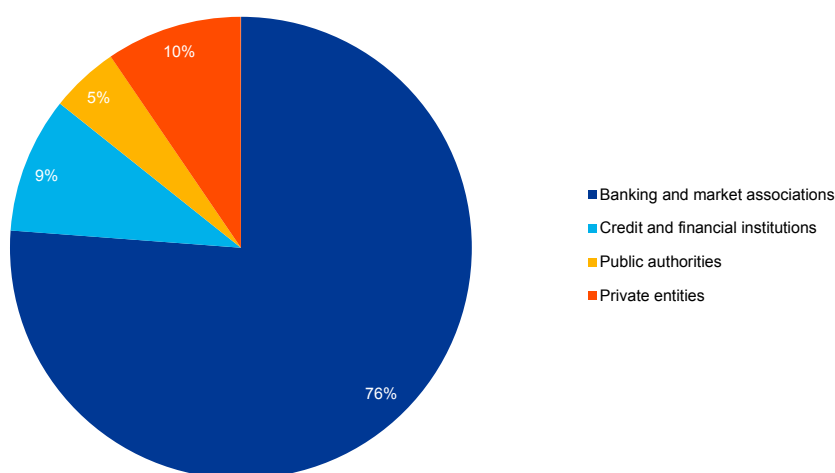
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A Overview and analysis of responses

1. On 23 October 2014, the ECB launched a public consultation on a draft ECB regulation on reporting of supervisory financial information that lays down the rules and procedures concerning reporting of supervisory financial information. The consultation ended on 4 December 2014. Besides inviting written comments, the ECB gave the general public an opportunity to provide input at a public hearing held in Frankfurt on 13 November 2014. Building on the feedback received from all respondents, the ECB has amended a number of features in its proposal.
2. A total of 21 responses were received, mostly in English. The comments are available on the ECB's website:
<https://www.bankingsupervision.europa.eu/legalframework/publiccons/html/reporting.en.html> Responses were submitted by credit and financial institutions, market and banking associations, public authorities and private entities, constituting a broad representation of relevant stakeholders. Table 1 shows the breakdown of responses by type of respondent.

Table 1

| Type of contributor | Number |
|-----------------------------------|--------|
| Banking and market associations | 16 |
| Credit and financial institutions | 2 |
| Public authorities | 1 |
| Private entities | 2 |
| Total contributions | 21 |



3. Following the closure of the consultation, the ECB analysed and gave due consideration to all comments received. This feedback statement presents an assessment of these comments. In the sections below, for each topic, short summaries of the comments received (presented in italics) precede the ECB's

assessment. For ease of understanding, references to specific provisions of the ECB Regulation on reporting of supervisory financial information are based on the draft published for public consultation on 23 October 2014. In completing the ECB Regulation on reporting of supervisory financial information, the ECB gave due consideration to all comments received, also taking further input from within the SSM into account. A table summarising those amendments is included in Section F.

4. Following the analysis, the feedback statement and an amended draft regulation were forwarded to the Governing Council of the ECB. On 17 March 2015 the Governing Council adopted the ECB Regulation on reporting of supervisory financial information. The Regulation was published on the ECB's website on 26 March 2015 together with this feedback statement.

B Rationale for and scope of the ECB regulation on reporting of supervisory financial information

5. The Single Supervisory Mechanism (SSM) was established by Council Regulation (EU) No 1024/2013¹ that entered into force on 3 November 2013. The ECB assumed its SSM-related tasks on 4 November 2014.
6. At present, supervisory financial reporting is only mandatory for institutions applying International Financial Reporting Standards (IFRS) at the consolidated level. The ECB Regulation on reporting of supervisory financial information extends the regular reporting of supervisory financial information to the consolidated reports of banks under national accounting frameworks ('nGAAPs'), as well as to reports compiled on an individual basis. This extension covers all supervised entities subject to own funds requirements pursuant to Regulation (EU) No 575/2013² (the Capital Requirements Regulation (CRR)). However, in accordance with the proportionality principle,

¹ Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63).

² Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

less significant supervised entities³ will be subject to reduced reporting requirements and be given more time for implementation.

7. It is important to recall that, within the SSM, the ECB is responsible for the direct supervision of significant supervised entities, whereas the national competent authorities (NCAs) are responsible for the direct supervision of less significant supervised entities. However, the ECB is able to issue general instructions to the NCAs with regard to the supervision of less significant supervised entities and has investigatory powers over all supervised entities.
8. In order to carry out its supervisory tasks effectively, the ECB must collect adequate, regular (i.e. at recurring intervals) and standardised (i.e. in specified formats) data, in particular regarding financial information.
9. The ECB and the NCAs have the ability to exercise their supervisory powers concerning reporting of information not covered by Regulation (EU) No 680/2014.⁴ The purpose of the ECB Regulation on reporting of supervisory financial information is to address these data needs.
10. Regulation (EU) No 680/2014 on supervisory reporting consists of the following components:
 - common reporting ('COREP') covering own funds, capital requirements, large exposures, liquidity and stable funding, as well as leverage and losses stemming from lending collateralised by immovable property,
 - financial reporting ('FINREP') for institutions applying IFRS at the consolidated level, including forbearance and non-performing exposures reporting.
 - asset encumbrance,
11. Under Regulation (EU) No 680/2014, financial reporting is mandatory for significant and less significant supervised groups (i.e. supervised entities reporting on a consolidated basis) applying IFRS. In this regard, the extension by the ECB Regulation on reporting of supervisory financial information of the reporting requirements for such information developed by the European Banking Authority (EBA) should ensure consistency and comparability among the supervised entities established in the participating Member States.
12. The ECB Regulation on reporting of supervisory financial information seeks to:

³ 'Supervised entities' comprise credit institutions established in the participating Member States and branches established in a participating Member State by a credit institution established in a non-participating Member State. The distinction between 'significant' and 'less significant' supervised entities is laid down in Article 6(4) of the SSM Regulation and Part IV of the SSM Framework Regulation (Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (SSM Framework Regulation) (ECB/2014/17) (OJ L 141, 14.5.2014, p. 1)).

⁴ Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 191, 28.6.2014, p. 1).

- extend the uniform supervisory financial reporting requirements to significant supervised groups applying nGAAPs,⁵
 - specify the supervisory financial information to be provided to the ECB by significant supervised entities reporting on an individual basis under either IFRS or nGAAPs,⁶ including branches of non-SSM credit institutions established in a participating Member State and subsidiaries of significant supervised groups in non-participating Member States or third countries,
 - specify the supervisory financial information to be provided to the ECB regarding less significant groups under nGAAPs and less significant supervised entities.⁷
13. The ECB Regulation on reporting of supervisory financial information covers reporting requirements for supervised entities and sets out rules relating to the submission of information by the NCAs to the ECB.
14. In describing the requirements of the ECB Regulation on reporting of supervisory financial information, the following should be noted:
- (a) A distinction needs to be made between significant and less significant supervised entities.
 - (b) It is important to consider the level of application of the requirements – whether they apply at the consolidated level, at the solo level (i.e. on an individual basis when the report refers to a single legal entity), or at the branch level (i.e. the report includes the activities of a branch that is a part of a legal entity).
 - (c) (c) A distinction needs to be made between reporting that applies IFRS and reporting that applies nGAAPs.
15. Furthermore, it is important to specify whether or not the entity reporting at the solo level (on an individual basis) is already included in consolidated reports. Supervised entities that are part of supervised groups are referred to as 'separate parents' or 'separate subsidiaries' when reporting at the solo level; supervised entities that are not part of supervised groups are referred to as 'stand-alone' entities.⁸
16. The ECB Regulation on reporting of supervisory financial information defines different groups of reporting agents based on their characteristics as laid down above. Each of these groups is subject to specific reporting requirements in terms of data content and the first remittance date. The table below summarises the resulting requirements in the Regulation.

⁵ See Chapter I of Title II of the ECB Regulation on reporting of supervisory financial information.

⁶ See Chapters II and III of Title II of the ECB Regulation on reporting of supervisory financial information.

⁷ See Title III of the ECB Regulation on reporting of supervisory financial information.

⁸ 'Stand-alone' entities refers to credit institutions that do not have a parent (or have a parent that is established in a non-participating Member State) nor subsidiaries (in any country, irrespective of whether it is a participating Member State, a non-participating Member State or a third country).

17. 'Waived' institutions which are not required to comply with own funds requirements on an individual basis are also excluded from the requirements of the Regulation.⁹

Table 2

ECB supervisory financial reporting requirements for SSM-supervised groups and entities

| Reporting population | | Full FINREP | Simplified supervisory financial reporting | Over-simplified supervisory financial reporting | Supervisory financial reporting data points | First reference date ECB |
|--|---|-------------|--|---|---|-----------------------------------|
| Significant | | | | | | |
| Consolidated (ultimate parent) or sub-consolidated (intermediate parent) | IFRS | X | | | | 9/2014 (sub-consolidated 12/2014) |
| | nGAAP | X | | | | 12/2015 |
| Branch | SSM branches of non-SSM credit institutions IFRS or nGAAP | X | | | | 12/2015 |
| Solo** | SSM stand-alone IFRS or nGAAP | X | | | | 12/2015 |
| | Non-waived SSM separate parents/subsidiaries IFRS or nGAAP | | X | | | 6/2016 |
| | Non-SSM separate subsidiaries IFRS or nGAAP above threshold* | | | X | | 6/2016 |
| Less significant | | | | | | |
| Consolidated (ultimate parent) or sub-consolidated (intermediate parent) | IFRS | X | | | | 12/2014 |
| | nGAAP above threshold* | | X | | | 6/2017 |
| | nGAAP below threshold* | | | | X | 6/2017 |
| Branch | SSM branches of non-SSM credit institutions IFRS or nGAAP above threshold* | | X | | | 6/2017 |
| Solo** | SSM stand-alone IFRS or nGAAP above threshold* | | X | | | 6/2017 |
| | SSM stand-alone IFRS or nGAAP below threshold* | | | | X | 6/2017 |
| | Non-waived separate SSM parents/subsidiaries IFRS or nGAAP above threshold* | | | X | | 6/2017 |
| | Non-waived separate SSM parents/subsidiaries IFRS or nGAAP below threshold* | | | | X | 6/2017 |

* €3 billion asset-value threshold is applied on an individual basis.

** reporting on an individual basis.

18. The ECB Regulation on reporting of supervisory financial information defines different datasets – 'full FINREP', 'simplified supervisory financial reporting', 'over-simplified supervisory financial reporting', and 'supervisory financial reporting data points' – to implement the proportionality principle across reporting agents.

- 'Full supervisory financial reporting' comprises the 'full' set of FINREP templates, as provided for in Regulation (EU) No 680/2014.
- 'Simplified supervisory financial reporting'¹⁰ comprises a reduced set of templates.

⁹ 'Waivers' concern whether the solvency ratios need to be met by the institutions within a group. If an institution is 'waived' from the solvency ratios this means that the institution does not have to comply with the solvency ratios.

- 'Over-simplified supervisory financial reporting'¹¹ is an even further reduced set of templates.
 - 'Supervisory financial reporting data points'¹² is the most reduced dataset, as it includes only selected data points taken from the templates of the 'over-simplified supervisory financial reporting' subset.
19. The ECB Regulation on reporting of supervisory financial information does not affect the accounting standards applied by supervised groups and entities in their consolidated financial statements, nor does it change the accounting standards applied for supervisory reporting. Supervised groups and entities have to submit financial information in accordance with the accounting standards applied in their annual accounts (IFRS under Regulation (EC) No 1606/2002 or nGAAP) or according to IFRS if required pursuant to Article 24(2) of Regulation (EU) No 575/2013 in order to align supervisory financial reporting with reporting on own funds requirements.
 20. Information compiled in accordance with Regulation (EU) No 680/2014 is collected by the NCAs and reported to the ECB under Decision ECB/2014/29.¹³ Under Regulation (EU) No 680/2014, consolidated FINREP is mandatory for credit institutions (both significant and less significant) applying IFRS.
 21. Regarding consolidated supervisory financial reporting of significant supervised groups applying nGAAPs, the ECB Regulation on reporting of supervisory financial information requires completion of a 'full' set of FINREP templates, in accordance with Annex IV of Regulation (EU) No 680/2014.
 22. Regarding supervisory financial reporting at the solo level of significant supervised entities (applying either IFRS and nGAAPs), the ECB will require the completion of the 'full' set of FINREP templates for significant 'stand-alone' entities, and the more reduced set of templates of the 'simplified supervisory financial reporting' for 'non-waived' separate parents and subsidiaries of significant groups.
 23. The ECB Regulation on reporting of supervisory financial information also specifies the supervisory financial information to be reported to the ECB regarding less significant groups under nGAAPs and less significant individual entities (under both IFRS and nGAAPs). For these groups and entities, different subsets of supervisory financial reporting templates – namely 'simplified supervisory financial reporting' and 'over-simplified supervisory financial reporting' will be collected and in some cases no reporting will be required at all. Furthermore, an asset-value threshold of €3 billion has been incorporated,

¹⁰ See Annex I of the ECB Regulation on reporting of supervisory financial information.

¹¹ See Annex II of the ECB Regulation on reporting of supervisory financial information.

¹² See Annex III of the ECB Regulation on reporting of supervisory financial information.

¹³ Decision ECB/2014/29 of the European Central Bank of 2 July 2014 on the provision to the European Central Bank of supervisory data reported to the national competent authorities by the supervised entities pursuant to Commission Implementing Regulation (EU) No 680/2014 (OJ L 214, 19.7.2014, p. 34).

meaning that even simpler reporting is envisaged for groups and entities below this threshold.

24. Branches of credit institutions established in non-participating Member States that are located in participating Member States are supervised – either directly or indirectly – by the ECB. They may be categorised as either significant or less significant supervised entities¹⁴. The data content of the regular reporting of supervisory financial information by branches of credit institutions established in non-participating Member States that are located in participating Member States is aligned with that of the category of supervised entities to which they belong (significant or less significant). The only exception is that of less significant non-material (i.e. below the asset-value threshold of €3 billion) branches in participating Member States of credit institutions established in non-participating Member States, which are exempted from the reporting requirements.
25. Finally, to obtain a comprehensive evaluation of a significant banking group, the ECB will collect supervisory financial information about material (i.e. above the asset-value threshold of €3 billion) subsidiaries of significant banking groups subject to the SSM that are located in non-participating Member States or third countries.

C Analysis of costs and benefits

26. The ECB Regulation on reporting of supervisory financial information is an important step forward in making supervised entities established in different participating Member States report a common set of supervisory financial information; it also ensures comparability.
27. The collection of common templates for significant supervised groups – while maintaining the flexibility related to the use of different accounting frameworks – allows for the consistent collection of the main items and further breakdowns of balance sheets and profit and loss statements.
28. Furthermore, the collection of supervisory financial information from less significant supervised institutions fulfils the data needs arising from the provisions of the SSM Regulation dealing with the ECB's power to assume direct supervision of supervised entities. The collection of supervisory financial reporting on an individual basis allows the ECB to obtain consistent data to run a centralised risk assessment system, is consistent with the need to perform supervision at both the consolidated and solo level, as envisaged in the Core Principles for Effective Banking Supervision of the Basel Committee on Banking

¹⁴ See Articles 40 and 41 of the SSM Framework Regulation.

Supervision, and is a key step towards common reporting requirements within the SSM.

29. The requirements in the ECB Regulation on reporting of supervisory financial information have been informed by the principle of proportionality and envisage the NCAs making as much use as possible of their existing reporting systems.
30. To further strike a balance between the availability of complete, consistent and regular reporting and the need to avoid imposing an undue reporting burden, the extension of the supervisory financial reporting requirements incorporates provisions to effectively implement the principle of proportionality.
31. For instance, the reporting requirements for entities that are part of significant supervised groups and those for less significant supervised groups are less stringent in terms of data content; a €3 billion threshold for total assets has been set in order to further reduce data content for non-material credit institutions and less significant institutions have been given more time for the implementation of the reporting requirements.
32. See Appendix 1 for a comparison of the content of the different datasets ('supervisory financial reporting data points', 'over-simplified supervisory financial reporting', 'simplified supervisory financial reporting' and full FINREP reports).
33. The ECB carried out a cost assessment including a tentative estimation of costs for NCAs associated with implementing the ECB Regulation on reporting of supervisory financial information. According to the responding NCAs, the implementation of the reporting requirements under the Regulation would require significant changes in IT systems and in workload (including training) together with significant increases in workload on an ongoing basis.

D Legal basis

34. In accordance with Article 4(1)(d) of the SSM Regulation, the ECB must ensure compliance with relevant Union law imposing prudential requirements on credit institutions in the area of own funds requirements and reporting on those matters. In accordance with Article 6(4) thereof, the ECB is exclusively competent to carry out this task in relation to significant credit institutions.
35. Article 99(3) and (6) of the CRR provides the competent authorities with the option to extend the reporting requirements of financial information on a consolidated basis to (a) credit institutions applying international accounting

standards as applicable under Regulation (EC) No 1606/2002¹⁵ for the reporting of own funds on a consolidated basis pursuant to Article 24(2) of the CRR; and (b) institutions that are subject to an accounting framework based on Directive 86/635/EEC.¹⁶

36. According to Articles 6(4), 6(5)(b) and 4(3) first paragraph of the SSM Regulation, the ECB must apply all relevant Union law in respect of significant supervised entities. Article 9(1) second paragraph of that Regulation provides that *'it [the ECB] shall also have all the powers and obligations, which competent and designated authorities shall have under the relevant Union law, unless otherwise provided for by this Regulation'*. Therefore, the ECB is competent to exercise the options under Article 99(3) and (6) of the CRR.
37. Furthermore, on the basis of Articles 6(5)(d) and 10 of the SSM Regulation, and Article 141(1) of the SSM Framework Regulation, and subject to Article 4 of the SSM Regulation, the ECB is competent to require institutions to report any information that is necessary to carry out the tasks conferred on it, including information to be provided at recurring intervals and in specified formats for supervisory and related statistical purposes.
38. Regulation (EU) No 680/2014 on supervisory reporting does not apply to the reporting of financial information on an individual level. In areas not covered by Regulation (EU) No 680/2014 (such as data at solo level) the supervisory powers of the competent authorities are not restricted and therefore competent authorities have discretion, including as regards the submission of additional reporting for purposes other than those covered by Regulation (EU) No 680/2014. A competent authority may therefore determine the content, frequency and reporting dates of FINREP by institutions at solo level.
39. Article 6(5)(d) of the SSM Regulation provides that with regard to credit institutions referred to in paragraph 4 and within the framework defined in paragraph 7, the ECB may at any time directly make use of the powers referred to in Article 10 of the SSM Regulation.
40. In cases where the ECB requires legal or natural persons as specified in Article 10(1) of the SSM Regulation to provide information at recurring intervals, Articles 140(3) and (4) and 141(2) of the SSM Framework Regulation apply accordingly (Article 141(2)). Thus, as a general rule, information reported by significant supervised entities is submitted to the NCAs.

¹⁵ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p. 1).

¹⁶ Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).

E Comments on specific parts of the draft ECB regulation on reporting of supervisory financial information

E.1 Scope of application and threshold for different reporting

E.1.1 Scope of reporting requirements for sub-groups, financial holdings and mixed financial holding companies

41. *Four respondents asked for further clarification regarding the scope of reporting requirements for sub-groups, financial holdings and mixed financial holdings companies. They also asked whether sub-consolidated reporting is to be collected only at the highest national level of sub-consolidation.*
42. We updated the draft ECB regulation to clarify that reporting requirements of supervisory financial information should be consistent with the capital requirements of the CRR and the COREP capital adequacy reporting requirement of the Regulation (EU) No 680/2014.
43. In line with the draft ECB regulation on reporting of supervisory financial information, parent financial holding companies and mixed financial holding companies of supervised credit institutions will remain subject to the ECB Regulation on reporting of supervisory financial information reporting requirements on an individual basis. Financial information on an individual basis of these holding companies will provide supplementary information on the risks involved in the relevant groups in addition to the consolidated reporting requirements set out in Articles 11 and 18 of the CRR.
44. The draft ECB regulation on reporting of supervisory financial information did not specify whether subsidiaries of significant supervised groups established in a non-participating Member State or a third country have to fulfil their financial reporting obligation on an individual or on a sub-consolidated basis. The draft ECB regulation on reporting of supervisory financial information has clarified that these subsidiaries report on an individual basis.

E.1.2 Threshold that triggers reporting or more extensive reporting

45. *Eight of the respondents proposed to increase the €1 billion total asset threshold that triggers more extensive reporting to values between €2 and €10 billion. Some of the respondents also noted that a threshold of €3 billion in total assets would be in line with the definition of small institutions for the purposes of the Single Resolution Fund, as set out in the Commission Implementing*

Regulation (EU) 2015/63 on ex ante contributions to the resolution financing arrangements under the Bank Recovery and Resolution Directive.¹⁷

- 46. *Some respondents also expressed a preference for determining the threshold for separate parents and subsidiaries as a proportion compared to the size of the group e.g. in proportion to the consolidated balance sheet of the group, or for setting the threshold on the basis of an entity's contribution to the balance sheet of the parent company, or to the balance sheet of the consolidated financial statements.*
- 47. In order to ease the reporting burden and to be consistent with other European regulations, the threshold has been increased to €3 billion. The change will only affect less than one fifth of the number of less significant institutions and their total assets.
- 48. The proposed use of proportions in defining the threshold would unnecessarily complicate the regulation.
- 49. *One respondent proposed that in line with the methodology for calculating the leverage ratio, funds provided on a fiduciary basis should be disregarded from the calculation of the total assets of public sector development banks.*
- 50. No change has been applied in order to maintain consistency with the reporting requirements applied by the institution (IFRS or nGAAP).

E.2 Content of the reporting requirements

E.2.1 Option between IFRS and nGAAPs

- 51. *Five respondents proposed to allow to all nGAAP reporters (or members of IFRS reporting groups) the choice of fulfilling reporting obligations based on IFRS templates rather than using the nGAAP reporting templates. Some respondents found that having the option of applying the IFRS reporting templates could significantly reduce the reporting burden of subsidiaries of parent institutions applying IFRS on a consolidated basis, even if local accounting principles differed from IFRS.*
- 52. A choice of the accounting framework for reporting will not be allowed in order to align it with the accounting framework underlying the capital requirements of the CRR and the COREP capital adequacy reporting requirement of Regulation (EU) No 680/2014.
- 53. However, the draft regulation has been updated to clarify which accounting framework has to be used for reporting of non-SSM separate subsidiaries.

¹⁷ Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190).

As there are no own funds reporting requirements for non-SSM separate subsidiaries, their reporting framework will follow the reporting framework of the highest level parent within a participating member state on a consolidated basis.

54. Please also note that competent authorities have the choice of requiring the application of IFRS reporting based on Article 24(2) of the CRR.

E.2.2 Mapping from nGAAPs to the reporting requirements

55. *Twelve respondents asked for support in mapping nGAAP requirements to the reporting templates of the ECB Regulation on reporting of supervisory financial information based on Annex IV of the ITS. They also indicated that some of the data required in the nGAAP templates might not be available under nGAAP and asked whether these data fields were not mandatory. It was also noted that nGAAP reporting reorganised to an IFRS structure might not lead to information comparable to that reported by entities applying IFRS.*
56. The need for mapping nGAAP information to the relevant reporting templates of Annex IV of Regulation (EU) No 680/2014 is acknowledged. The ECB will support such efforts with a view to fostering harmonisation. The use of reporting templates already developed as part of Regulation (EU) No 680/2014 is also justified, in particular for two reasons: a) these templates have been endorsed as part of Regulation (EU) No 680/2014 developed by the EBA; and b) their use avoids further inconsistencies of data collections.

E.3 The timeline and method for the reporting requirements

E.3.1 First reporting date

57. *Nine respondents asked for postponement of the first reporting dates, referring to the reporting burden which they considered high. Some of the respondents also proposed that the implementation date of the Regulation should be in line with the application date of IFRS9 which would lead to substantial changes in the classification and measurement of financial instruments. Respondents also asked the ECB to consider the reporting burden related to other new data collections initiated by the ECB such as the AnaCredit project and to the implementation of the changes required under the EBA's ITS and Regulatory Technical Standards.*
58. The first reporting dates will not be postponed as the implementation time is deemed to be sufficient. To duly take into account the principle of proportionality the first reporting reference date is in mid-2017 for less significant institutions.

E.3.2 Timeline and method of transmission of the reporting requirements

- 59. *The ECB Regulation on reporting of supervisory financial information does not impose timelines within which banks are required to transmit the data to the NCAs. According to some respondents, this may distort competition between jurisdictions. One respondent proposed that the Regulation should impose timelines for banks to send information to NCAs, consistent with the COREP timeframe.*
- 60. NCAs are bound by the date for submission to the ECB as laid down in the ECB Regulation on reporting of supervisory financial information. Each NCA should be allowed to set timelines within its jurisdiction in accordance with its experience and resources in order to foster harmonised data collections.
- 61. *The ECB Regulation on reporting of supervisory financial information requires data transmission using XBRL taxonomy. Some of the respondents prefer the supposedly less severe XML format or other formats they currently use.*
- 62. The Regulation only requires the submission of data in XBRL format from NCAs to the ECB. NCAs are free to decide the format in which they collect data from supervised institutions (i.e. banks could report using XML format or other reporting languages if allowed by NCAs).

E.3.3 Clarification on responsibilities for reporting requirements

- 63. *With regard to subsidiaries in non-SSM countries, clarification has been sought as to whether the responsibility for reporting data lies with the immediate or the top-level SSM parent.*
- 64. The highest level parent within a participating member state will be responsible for reporting. The draft ECB regulation has been clarified in this respect.
- 65. *According to some respondents, currently the majority of the branches established in a participating Member State by a credit institution established in a non-participating Member State lack the technical infrastructure to collect and send financial information to their host NCAs. For this reason they proposed that, for the sake of efficiency, the head office of the branch should be allowed to send the information to the host NCA instead.*
- 66. Based on the comments received, the draft ECB regulation has been amended to clarify that the branches can discharge its reporting obligation by means of a submission by the credit institutions by which they were established.

E.4 Relationship with other data collections and harmonisation of reporting requirements

67. *Twelve respondents commented that the data requirements included in the draft ECB regulation overlapped with the statistical data which banks are required to submit to the ECB. According to them this situation is not in line with the ECB's objective of not asking for specific information more than once. Respondents also asked for a limitation of the NCAs' ability to set additional requirements within the framework of integrated reporting.*
68. *Some of the respondents stated that the ambition to move towards integrated data collection frameworks should result in a reduced reporting burden for banks. The work of the Joint Expert Group on reconciliation of credit institutions' statistical and supervisory reporting requirements was appreciated and should move to a new level by actually reducing the reporting burden not only by harmonising the definitions and concepts but also by recognising data duplications and eliminating them.*
69. As already commented above, the reporting requirements of supervisory financial information have been determined in line with the principle of proportionality and envisage the NCAs making as much use as possible of the existing reporting systems. This should help to avoid duplicate reporting in practice. Nevertheless, the ECB welcomes further harmonisation between prudential and statistical reporting.

E.5 Need for clarification

E.5.1 Definition of 'solo' reporting and 'sub-consolidated' reporting

70. *Clarification has been requested in respect of the term 'solo' reporting and 'sub-consolidated' reporting*
71. In order to clarify the draft regulation in respect of 'solo' reporting, it was updated to refer to reporting on an individual basis in line with the CRR. Reference was also made to reporting on a sub-consolidated basis in Article 2 of the Regulation, clarifying that it has the same meaning as under Article 4(1)(49) of the CRR.

E.5.2 Scope of consolidation

72. *Clarification has been requested as to whether the scope of consolidation is based on supervisory standards (i.e. the consolidation approach of the CRR).*
73. The draft regulation has been updated to clarify that the scope of consolidation is based on prudential consolidation requirements of the CRR.

E.5.3 Reporting requirements following a change in status of significance

- 74. *The draft ECB regulation did not address how the change in the status of an entity or group from significant to less significant and vice versa triggered a change in the reported datasets.*
- 75. The draft regulation has been changed to reflect this issue and clarifies that similar provisions apply as for the changes in reporting requirements caused by the crossing of the €3 billion threshold of total assets.

E.5.4 Language barrier

- 76. *The issue of the language regime has been quoted as a major barrier especially for less significant institutions.*
- 77. The Regulation will be issued in all SSM languages simultaneously.

E.5.5 Intra-year reports

- 78. *Some comments questioned the introduction of the interim closure requirements for non-listed banks, taking into account the compliance with the rules for annual statutory accounts.*
- 79. It should be noted that no external audit is needed for supervisory financial information requested on a quarterly basis by Regulation (EU) No 680/2014 either.

E.5.6 Threshold for geographical breakdown

- 80. *One respondent requested clarification regarding the threshold mentioned in Part 2 of Tables 1 and 2 (Annex I to the Regulation), i.e., the threshold for reporting the geographical breakdown.*
- 81. According to EBA reporting instructions, the threshold for this geographical breakdown reporting is the one mentioned in Article 5(a)(iv) of Regulation (EU) No 680/2014 on supervisory reporting. The draft ECB regulation has been amended to include this reference.

E.5.7 Other requests for clarification

- 82. A number of drafting suggestions were provided to the ECB, aimed at clarifying the text of the draft ECB regulation without changing its content. Those suggestions have been duly assessed and implemented whenever beneficial.

F Amendments made to the draft regulation on reporting on financial information

83. Changes to the draft ECB regulation on reporting of supervisory financial information were incorporated in the ECB Regulation on reporting of supervisory information as adopted on 17 March 2015 as a result of the comments received during the public consultation period. The following table explains those amendments. Purely editorial changes are not listed.

Table 3

Amendments to the draft ECB Regulation on reporting of supervisory financial information

| Provision in the draft regulation | Heading | Amendment |
|-----------------------------------|---|--|
| Article 1 | Subject matter | Article 1(1) has been amended to clarify the reporting scope. |
| Article 1 | Subject matter | A new paragraph 3 has been added to clarify the obligations on a sub-consolidated basis. New subparagraph has been added – Article 1(3) – to clarify the obligations on a sub-consolidated basis. |
| Article 1 | Subject matter | A new paragraph 6 has been added to clarify the responsibility for submission of reports for branches established in a non-participating Member States. |
| Article 2 | Definitions | Three new paragraphs 3, 4 and have been added to define sub-group, consolidated basis and sub-consolidated basis. |
| New Article | Change of status of a supervised entity or a supervised group | A new article has been added — Article 3 — to clarify the reporting requirements when the status of significant or less significant has changed. |
| Article 3 | Format and frequency of reporting and reference dates and remittance dates for significant supervised groups applying IFRS for supervisory reporting pursuant to Article 24(2) of Regulation (EU) No 575/2013 | The number of the article (now Article 4) has changed due to the insertion of an additional article. 'On a consolidated basis' has been inserted in order to clarify the subject matter of Article 4 . |
| Article 4 | Format and frequency of reporting and reference dates and remittance dates for significant supervised groups applying national accounting frameworks based on Directive 86/635/EEC | The number of the article (now Article 5) has changed due to the insertion of an additional article. 'On a consolidated basis' has been inserted in order to clarify the subject matter of Article 5 . |
| Article 4 | Format and frequency of reporting and reference dates and remittance dates for significant supervised groups applying national accounting frameworks based on Directive 86/635/EEC | The number of the article (now Article 5) has changed due to the insertion of an additional article. Article 5 has been amended to clarify the scope. |
| Article 5 | Format and frequency of reporting for entities which are not part of a significant supervised group | The number of the article (now Article 6) has changed due to the insertion of an additional article. 'On an individual basis' has been inserted in order to clarify the subject matter of Article 6 . |
| Article 5 | Format and frequency of reporting for entities which are not part of a significant supervised group | The number of the article (now Article 6) has changed due to the insertion of an additional article. Article 6(3) has been amended to clarify the scope. |
| Article 6 | Format and frequency of reporting for entities which are part of a significant supervised group | The number of the article (now Article 7) has changed due to the insertion of an additional article. 'On an individual basis' has been inserted in order to clarify the subject matter of Article 7 . |
| Article 6 | Format and frequency of reporting for entities which are part of a significant supervised group | The number of the article (now Article 7) has changed due to the insertion of an additional article. Article 7(1) and 7(3) have been amended to clarify the scope. |
| Article 7 | Reference dates and remittance dates for significant supervised entities. | The number of the article (now Article 8) has changed due to the insertion of an additional article. |
| Article 8 | Format and frequency of reporting for subsidiaries of significant supervised groups established in a non-participating Member State or a third country | The number of the article (now Article 9) has changed due to the insertion of an additional article. The heading and Article 9(1) have been rephrased to clarify the responsibility for submission. |
| Article 8 | Format and frequency of reporting for subsidiaries of significant supervised groups established in a non-participating Member State or a third country | The number of the article (now Article 9) has changed due to the insertion of an additional article. 'On an individual basis' has been inserted in order to clarify the subject |

| | | |
|-------------------|--|--|
| | | matter of Article 9 .. |
| Article 8 | Format and frequency of reporting for subsidiaries of significant supervised groups established in a non-participating Member State or a third country | The number of the article (now Article 9) has changed due to the insertion of an additional article. Article 9(1)(a) and (b) have been updated to the reporting requirements of non-SSM separate subsidiaries. |
| Article 8 | Format and frequency of reporting for subsidiaries of significant supervised groups established in a non-participating Member State or a third country | The number of the article (now Article 9) has changed due to the insertion of an additional article. Article 9(2) and (3) has been amended to reflect the change of the threshold from €1 to €3 billion. |
| Article 8 | Format and frequency of reporting for subsidiaries of significant supervised groups established in a non-participating Member State or a third country | The number of the article (now Article 9) has changed due to the insertion of an additional article. Article 10(2) and the heading have been amended to clarify the responsibility for submission. |
| Article 9 | Reference dates and remittance dates for subsidiaries of significant supervised groups established in a non-participating Member State or a third country. | The number of the article (now Article 10) has changed due to the insertion of an additional article. Article 10(2) and the heading have been amended to clarify the responsibility of submission. |
| Article 10 | Format and frequency of reporting and reference dates for less significant supervised groups | The number of the article (now Article 11) has changed due to the insertion of an additional article. 'On a consolidated basis' has been inserted in order to clarify the subject matter of Article 11 . |
| Article 10 | Format and frequency of reporting and reference dates for less significant supervised groups | The number of the article (now Article 11) has changed due to the insertion of an additional article. Article 11(4) has been modified to clarify the scope. |
| Article 10 | Format and frequency of reporting and reference dates for less significant supervised groups | The number of the article (now Article 11) has changed due to the insertion of an additional article. Article 11(6) and (7) has been amended to reflect the change of the threshold from €1 to €3 billion. |
| Article 10 | Format and frequency of reporting and reference dates for less significant supervised groups | The number of the article (now Article 11) has changed due to the insertion of an additional article. Article 11(6) has been amended to exclude the groups applying IFRS from the exception.. |
| Article 11 | Reference dates and remittance dates for less significant supervised groups. | The number of the article (now Article 12) has changed due to the insertion of an additional article. Article 12(4) has been modified to clarify the subject matter and the scope. |
| Article 12 | Format and frequency of reporting for less significant entities which are not part of a group | The number of the article (now Article 13) has changed due to the insertion of an additional article. 'On an individual basis' has been inserted in order to clarify the subject matter of Article 13 . |
| Article 12 | Format and frequency of reporting for less significant entities which are not part of a group | The number of the article (now Article 13) has changed due to the insertion of an additional article. Article 13(1) and 13(4) have been modified to clarify the scope. |
| Article 12 | Format and frequency of reporting for less significant entities which are not part of a group | The number of the article (now Article 13) has changed due to the insertion of an additional article. Article 13(7) and (9) has been amended to reflect the change of the threshold from €1 to €3 billion. |
| Article 13 | Format and frequency of reporting for entities which are not part of a less significant supervised group | The number of the article (now Article 14) has changed due to the insertion of an additional article. 'On an individual basis' has been inserted in order to clarify the subject matter of Article 14 . |
| Article 13 | Format and frequency of reporting for entities which are part of a less significant supervised group | The number of the article (now Article 14) has changed due to the insertion of an additional article. Article 14(1) and 14(4) have been modified to clarify the scope. |
| Article 13 | Format and frequency of reporting for entities which are not part of a less significant supervised group | The number of the article (now Article 14) has changed due to the insertion of an additional article. Article 14(7) and (8) has been amended to reflect the change of the threshold from €1 to €3 billion |
| Article 14 | Reference dates and remittance dates for less significant supervised entities | The number of the article (now Article 15) has changed due to the insertion of an additional article. Article 15(4) has been amended to clarify the scope. |
| Article 15 | Data quality checks | The number of the article (now Article 16) has changed due to the insertion of an additional article. |
| Article 16 | IT language for the transmission of information from national competent authorities to the ECB. | The number of the article (now Article 17) has changed due to the insertion of an additional article. |
| Article 17 | First reporting reference dates | The number of the article (now Article 18) has changed due to the insertion of an additional article. Article 18(2) has been amended to clarify the responsibility for submission.. |
| Article 18 | Transitional provisions | The number of the article (now Article 19) has changed due to the insertion of an additional article. |
| Article 19 | Final provision | The number of the article (now Article 20) has changed due to the insertion of an additional article. |
| Annex I | Annex I Simplified supervisory financial reporting | A new point 5 has been added to clarify the threshold applicable for geographical breakdown reporting. |

Annex I

Examples of reported FINREP data points

| | Data points | | | Oversimplified FINREP | | Simplified FINREP | | Full FINREP | | |
|---|-------------|------|--|-----------------------|-------|-------------------|-------|-------------|-------|---|
| | 549 | 568 | | 3,111 | 2,992 | 3,634 | 3,297 | 5,106 | 4,643 | |
| TEMPLATES | BAD (1) | IFRS | Examples of FINREP data points | BAD (1) | IFRS | BAD (1) | IFRS | BAD (1) | IFRS | Examples of full FINREP data points |
| PART 1 [QUARTERLY FREQUENCY] | | | | | | | | | | |
| Balance sheet statement [statement of financial position] | 69 | 76 | *Cash and cash balances at central banks *Trading financial assets, *Provisions *Capital *Accumulated other comprehensive income | 135 | 103 | 135 | 103 | 135 | 103 | *Breakdown of accumulated other comprehensive income: Actuarial gains or losses on defined benefit pension plans Non-current assets and disposal groups held for sale Hedge of net investments in foreign operations (effective portion) Cash flow hedges (effective portion) |
| Statement of profit or loss | 35 | 36 | *Interest income, *Depreciation | 48 | 69 | 48 | 69 | 48 | 69 | *Breakdown of interest income by portfolio *Breakdown of depreciation (PP&E, investment properties, etc.) |
| Statement of comprehensive income | | | | | | | | | 36 | *Valuation gains or losses taken to equity from assets in available for sale portfolio *Income tax relating to items that may be reclassified to profit or loss |
| Breakdown of financial assets and liabilities | 32 | 43 | *Breakdown of only reverse purchase loans by counterparty *Breakdown of only deposits by counterparty | 788 | 513 | 826 | 551 | 826 | 551 | *Breakdown of credit card debt, trade receivables, finance leases, etc. by counterparty *Breakdown of assets by collateral (mortgage loans, etc.) and counterparty *Breakdown of assets by purpose (consumption, house purchase) and counterparty *Breakdown of deposits by type of deposit (overnight, agreed maturity...) and counterparty *Detail of other liabilities (covered bonds issued, non-convertible debt securities issued...) |
| Information on impairment | | | | 457 | 285 | 457 | 285 | 771 | 557 | *Carrying amount of impaired loans and advances granted to households *Increases in specific allowances for collectively assessed financial assets due to amounts set aside for estimated loan losses during the period |
| Off-balance sheet, derivatives and collateral/guarantees | 16 | 16 | *Derivatives of which OTC broken down by counterparty (credit institutions, other financial corporations and rest), for trading and hedging purposes | 180 | 334 | 228 | 382 | 228 | 382 | *Loan commitments given to non-financial corporations *Collateral (investment property) obtained by taking possession during the period and held at the reporting date *Breakdown by type of equity derivatives held for trading (OTC options, etc.) *Breakdown by type of credit derivatives for hedge accounting (credit default swaps, etc.) |
| Other information | | | | | 185 | 337 | 304 | 682 | 565 | *Change in fair value for the period in equity instruments held for trading classified as level 3 assets *Loans and advances transferred, of which, securitizations *Income from debt securities from non-financial corporations *Carrying amount in the accounting scope of consolidation of debt securities held to maturity |
| Performing and non-performing exposures | 363 | 363 | *Accumulated impairment on performing exposures, in debt securities | 891 | 891 | 891 | 891 | 891 | 891 | *Accumulated impairment on performing exposures, in debt securities (broken down by maturity) *Collateral received on non-performing exposures in loans and advances |

| | | | | | | | | | | |
|--|----|----|---|-----|-----|-----|-----|-----|-----|---|
| Forborne exposures | 34 | 34 | *Gross carrying amount of exposures with forbearance measures by type of product (debt securities, loans and advances), broken down by counterparty | 612 | 612 | 612 | 612 | 612 | 612 | *Gross carrying amount of exposures with forbearance measures by type of product (debt securities, loans and advances), broken down by counterparty, broken down by performing/non-performing. *Collateral received on exposures with forbearance measures in loans and advances |
| PART 2 [QUARTERLY WITH THRESHOLD: QUARTERLY FREQUENCY OR NOT REPORTING] | | | | | | | | | | |
| Geographical breakdown | | | | | | 80 | 80 | 340 | 286 | *Loans and advances, non-domestic activities *Accumulated impairment on debt securities from general governments, broken down by country |
| Others | | | | | | | | 48 | 54 | *Carrying amount of investment property valued through the fair value model *Fee and commission income from servicing of securitization activities |
| PART 3 [SEMI-ANNUAL] | | | | | | | | | | |
| Off-balance sheet activities: interests in unconsolidated structured entities, and related parties | | | | | | | | 131 | 138 | *Fair value of liquidity support drawn *Outstanding balances with subsidiaries and other entities of the same group of impaired amounts of financial assets |
| PART 4 [ANNUAL] | | | | | | | | | | |
| Group structure | | | | | | 20 | 20 | 28 | 28 | *Entity LEI code xxx, sector of investee, share capital |
| Others | | | | | | | | 139 | 171 | *Separable hybrid contracts not designated at fair value through profit and loss in portfolio held for trading *Additions to provisions for pending legal issues and tax litigation *Share based payments (memo item) |
| Statement of changes in equity | | | | | | | | 227 | 200 | *Changes in capital due to reclassification of financial instruments from equity to liability |
| (1) 'BAD' refers to the EU Bank Accounts Directive 86/635/EEC. | | | | | | | | | | |