Regulation (EU) 2017/1538 of the European Central Bank of 25 August 2017 amending Regulation (EU) 2015/534 on reporting of supervisory financial information (ECB/2017/25)

REGULATION (EU) 2017/1538 OF THE EUROPEAN CENTRAL BANK

of 25 August 2017

amending Regulation (EU) 2015/534 on reporting of supervisory financial information *(ECB/2017/25)*

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to 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[(1)], and in particular Article 4(1) and (3), Article 6(2), Article 6(5)(d) and Article 10 thereof,

Having regard to 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)[(2)], and in particular Article 21(1), Article 140 and Article 141(1) thereof,

Having regard to the public consultation pursuant to Article 4(3) of Regulation (EU) No 1024/2013,

Whereas:

(1) Regulation (EU) 2015/534 of the European Central Bank (ECB/2015/13)[(3)] lays down reporting requirements concerning the supervisory financial information to be submitted by supervised entities to national competent authorities (NCAs).

(2) Regulation (EU) 2015/534 (ECB/2015/13) requires supervised entities to report supervisory financial information based on the templates developed by the European Banking Authority (EBA) and laid down by Commission Implementing Regulation (EU) No 680/2014[(4)].

(3) In July 2014 the International Accounting Standards Board (IASB) released International Financial Reporting Standard 9 ‘Financial Instruments’ (hereinafter ‘IFRS 9’) which will replace the current reporting standard for financial instruments International Accounting Standard 39 ‘Financial Instruments: Recognition and Measurement’.

(4) IFRS 9 was incorporated in Union law by Commission Regulation (EU) 2016/2067[(5)].

(5) In order to take into account the provisions of IFRS 9, Implementing Regulation (EU) No 680/2014 has been amended by Commission Implementing Regulation (EU) 2017/1443[(6)]. The amendments include, inter alia, changes to the templates and instructions regarding the reporting of supervisory financial information.

Changes to legislation: *There are outstanding changes not yet made to Regulation (EU) 2017/1538 of the European Central Bank. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(6) It is necessary to align Regulation (EU) 2015/534 (ECB/2015/13) with the amended accounting framework and Implementing Regulation (EU) 2017/1443. Furthermore, minor technical and terminological amendments need to be made to Regulation (EU) 2015/534 (ECB/2015/13).

(7) Therefore, Regulation (EU) 2015/534 (ECB/2015/13) should be amended accordingly in line with the procedure of Articles 26(7) and 26(8) of Regulation (EU) No 1024/2013,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments

Regulation (EU) 2015/534 (ECB/2015/13) is amended as follows:

(1) Article 1 is replaced by the following:

Article 1

Subject matter and general principles

1 This Regulation lays down requirements concerning reporting of supervisory financial information to be submitted to NCAs by:

- a significant credit institutions applying international accounting standards in accordance with Regulation (EC) No 1606/2002 for supervisory reporting on a consolidated basis pursuant to Article 24(2) of Regulation (EU) No 575/2013;
- b significant credit institutions, other than those referred to in point (a), which are subject to national accounting frameworks on a consolidated basis based on Directive 86/635/EEC;
- c significant credit institutions on an individual basis and significant branches;
- d significant credit institutions regarding subsidiaries established in a non-participating Member State or a third country;
- e less significant credit institutions applying international accounting standards in accordance with Regulation (EC) No 1606/2002 for supervisory reporting on a consolidated basis pursuant to Article 24(2) of Regulation (EU) No 575/2013;
- f less significant credit institutions, other than those referred to in point (e), which are subject to national accounting frameworks on a consolidated basis based on Directive 86/635/EEC;
- g less significant credit institutions on an individual basis and less significant branches.

2 As an exception to Articles 7 and 14, credit institutions that have been given a waiver regarding the application of prudential requirements on an individual basis, in accordance with Article 7 or 10 of Regulation (EU) No 575/2013, shall not be required to report supervisory financial information on an individual basis in accordance with this Regulation. Where credit institutions do not report supervisory financial information on an individual basis in accordance with this paragraph, NCAs

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shall submit to the ECB any template specified in Annex III or IV of Implementing Regulation (EU) No 680/2014 that they collect in relation to these credit institutions.

3 Where competent authorities, including the ECB, require institutions to comply with the obligations laid down in Parts Two to Four and Parts Six to Eight of Regulation (EU) No 575/2013 and in Title VII of Directive 2013/36/EU on a sub-consolidated basis in accordance with Article 11(5) of Regulation (EU) No 575/2013, those institutions shall comply also on a sub-consolidated basis with the requirements laid down in this Regulation on a consolidated basis.

3a Where parent institutions apply an individual consolidation method in accordance with Article 9(1) of Regulation (EU) No 575/2013, those institutions shall comply with the requirements laid down in this Regulation on an individual basis applying only the individual consolidation method.

4 NCAs and/or national central banks may use the data collected pursuant to this Regulation for any other tasks.

5 This Regulation shall not affect the accounting standards applied by supervised entities in their consolidated accounts or annual accounts, nor change the accounting standards applied for supervisory reporting. As supervised entities apply different accounting standards, only information related to valuation rules, including methods for estimation of credit risk losses, which exist under the relevant accounting standards and are applied by the corresponding supervised entities on an individual or consolidated basis shall be submitted. For these purposes, specific reporting templates are provided for supervised entities applying national accounting frameworks based on Directive 86/635/EEC. Data points within the templates which are not applicable to the respective supervised entities do not have to be reported.

6 Significant and less significant branches may submit the information that they are required to provide under this Regulation to the relevant NCA through the credit institution by which they were established.;

(2) Article 2 is amended as follows:

(a) point 3 is deleted;

(b) the following points (6) to (9) are inserted:

(6) “significant credit institution” means a credit institution which has the status of a significant supervised entity;

(7) “less significant credit institution” means a credit institution which does not have the status of a significant supervised entity;

(8) “significant branch” means a branch which has the status of a significant supervised entity which is not part of a supervised group and is established in a participating Member State by a credit institution established in a non-participating Member State;

(9) “less significant branch” means a branch which does not have the status of a significant supervised entity which is not part of a supervised group and is established in a participating Member State by a credit institution established in a non-participating Member State.;

(3) Article 3 is replaced by the following:

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Article 3

Change of status of a supervised entity

1 For the purposes of this Regulation, a supervised entity shall be classified as significant 12 months after a decision as referred to in Article 45(1) of Regulation (EU) No 468/2014 (ECB/2014/17) has been notified to it. It shall report information in accordance with Title II of this Regulation as a significant supervised entity on the first reporting reference date which occurs after it has been classified as significant.

2 For the purposes of this Regulation, a supervised entity shall be classified as less significant when a decision as referred to in Article 46(1) of Regulation (EU) No 468/2014 (ECB/2014/17) has been notified to it. Thereafter, it shall start to report information in accordance with Title III of this Regulation.;

(4) the heading of Title II is replaced by the following:
TITLE II**REPORTING BY SIGNIFICANT CREDIT INSTITUTIONS ON A CONSOLIDATED AND ON AN INDIVIDUAL BASIS AND BY SIGNIFICANT BRANCHES ON AN INDIVIDUAL BASIS;**

(5) Chapter I of Title II is replaced by the following:

CHAPTER I

Reporting on a consolidated basis

Article 4

Format and frequency of reporting on a consolidated basis and reporting reference dates and remittance dates for significant credit institutions applying IFRS for supervisory reporting on a consolidated basis pursuant to Article 24(2) of Regulation (EU) No 575/2013

In accordance with Article 99(3) of Regulation (EU) No 575/2013, significant credit institutions applying IFRS under Regulation (EC) No 1606/2002 for supervisory reporting on a consolidated basis pursuant to Article 24(2) of Regulation (EU) No 575/2013, shall report supervisory financial information as provided for in Articles 2, 3 and 10 of Implementing Regulation (EU) No 680/2014 on a consolidated basis.

Article 5

Format and frequency of reporting on a consolidated basis and reporting reference dates and remittance dates for significant credit institutions applying national accounting frameworks on a consolidated basis based on Directive 86/635/EEC

In accordance with Article 99(6) of Regulation (EU) No 575/2013, significant credit institutions, other than those referred to in Article 4, which are subject to national accounting frameworks on a consolidated basis based on Directive 86/635/EEC, shall

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report supervisory financial information on a consolidated basis as provided for in Articles 2, 3 and 11 of Implementing Regulation (EU) No 680/2014.;

(6) the heading of Chapter II of Title II is replaced by the following:
*CHAPTER II**Reporting on an individual basis;***

(7) Article 6 is replaced by the following:

Article 6

Format and frequency of reporting on an individual basis for credit institutions which are not part of a significant supervised group and for significant branches

1 Significant credit institutions applying IFRS under Regulation (EC) No 1606/2002 either because they prepare their annual accounts in conformity with the accounting standards referred to therein or because they apply them for supervisory reporting pursuant to Article 24(2) of Regulation (EU) No 575/2013, and which are not part of a significant supervised group shall report supervisory financial information to the relevant NCA on an individual basis. This shall also apply to significant branches.

2 The supervisory financial reporting referred to in paragraph 1 shall include the information specified in Article 9 of Implementing Regulation (EU) No 680/2014, including information specified in template 40.1 of Annex III to that Regulation, and shall take place with the frequency specified in that Article.

3 Significant credit institutions, other than those referred to in paragraph 1, which are not part of a significant supervised group and are subject to national accounting frameworks based on Directive 86/635/EEC shall report supervisory financial information to the relevant NCA. This shall also apply to significant branches.

4 The supervisory financial reporting referred to in paragraph 3 shall include the information specified in Article 11 of Implementing Regulation (EU) No 680/2014, including information specified in template 40.1 of Annex IV to that Regulation, and shall take place with the frequency specified in that Article.

5 The information specified in paragraphs 2 and 4 above shall only include information related to:

- a assets, liabilities, equity, income and expenses that are recognised by the supervised entity under the applicable accounting standards;
- b off-balance sheet exposures and activities in which the supervised entity is involved;
- c transactions other than those specified in points (a) and (b) performed by the supervised entity;
- d valuation rules, including methods for estimation of credit risk losses, which exist under the applicable accounting standards and are applied by the supervised entity.

6 NCAs may collect the information to be submitted to the ECB specified in paragraphs 2 and 4 as a part of a broader national reporting framework which, in compliance with the relevant Union or national law, includes additional supervisory financial information and also serves purposes other than supervisory purposes, such as statistical purposes.