Commission Implementing Regulation (EU) 2017/1443 of 29 June 2017 amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regards to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (Text with EEA relevance)

COMMISSION IMPLEMENTING REGULATION (EU) 2017/1443

of 29 June 2017

amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regards to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 575/2013 of 26 June 2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012[(1)] and in particular the fourth subparagraph of Article 99(5), the fourth subparagraph of Article 99(6), the third subparagraph of Article 101(4) and the third subparagraph of Article 394(4) thereof,

Whereas:

(1) Commission Implementing Regulation (EU) No 680/2014[(2)] specifies the modalities according to which institutions are required to report information relevant to their compliance with Regulation (EU) No 575/2013. Article 99(5) of Regulation (EU) No 575/2013 mandates the European Banking Authority (EBA) to draft implementing technical standards to specify uniform formats for the reporting of financial information by institutions subject to Article 4 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council[(3)] and credit institutions other than those referred to in that Article that prepare their consolidated accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002. Article 99(6) of Regulation (EU) No 575/2013 also mandates the EBA to draft implementing technical standards to specify uniform formats for the reporting of financial information by institutions subject to accounting frameworks based on Council Directive 86/635/EEC[(4)] to which the competent authorities may extend the reporting requirements. Each of these provisions relate to aspects of the framework for supervisory reporting in the Union which need to be aligned with newly applicable international standards.

(2) International Accounting Standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 are based on International

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2017/1443. (See end of Document for details)*

Financial Reporting Standards (IFRS) developed by the International Accounting Standards Board (IASB).

(3) In July 2014, the IASB issued IFRS 9 Financial Instruments ('IFRS 9') as the new standard for the accounting of financial instruments, with the view to its international application from 1 January 2018. IFRS 9 was adopted in the Union on 22 November 2016 by means of Commission Regulation (EU) 2016/2067[(5)].

(4) IFRS 9 fundamentally changes the accounting for financial instruments for institutions that are subject to Article 99(2) of Regulation (EU) No 575/2013. IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. Therefore reporting by institutions should be amended accordingly.

(5) Further, it is necessary to update the templates and instructions related to the reporting of the gross carrying amount of financial assets measured at fair value through profit and loss. This is because of the need to clarify the definition of 'gross carrying amount' for credit risk monitoring, to increase the data quality of the information reported and to reduce reporting burden.

(6) It is also necessary to update the templates and instructions for institutions that are subject to accounting frameworks based on Directive 86/635/EEC, to ensure that reported financial information remains relevant and aligned between all institutions and to address information gaps related to specific national accounting frameworks previously not fully reflected in the templates.

(7) Given the intrinsic link of financial reporting with the applicable accounting standards, it is necessary that the date of application of this Regulation coincides with the date of application of the IFRS 9. For the same reason, it is also necessary that, for those institutions applying an accounting year that is different from the calendar year, the date of application of this Regulation coincides with the date of application of the IFRS 9, which is that date of the calendar year at which the financial year begins for those institutions.

(8) This Regulation is based on the draft implementing technical standards submitted by the European Banking Authority (EBA) to the Commission.

(9) The European Banking Authority has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council[(6)].

(10) Implementing Regulation (EU) No 680/2014 should be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Implementing Regulation (EU) No 680/2014 is amended as follows:

(a) Annex III to Implementing Regulation (EU) No 680/2014 is replaced by the text set out in Annex I to this Regulation.

(b) Annex IV to Implementing Regulation (EU) No 680/2014 is replaced by the text set out in Annex II to this Regulation.

(c) Annex V to Implementing Regulation (EU) No 680/2014 is replaced by the text set out in Annex III to this Regulation.

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2018.

With regard to the following institutions, where those institutions apply an accounting year that is different from the calendar year, Annexes I and III to this Regulation shall apply from the beginning of the accounting year commencing after 1 January 2018:

(a) institutions subject to Article 4 of Regulation (EC) No 1606/2002;

(b) credit institutions other than those referred to in Article 4 of Regulation (EC) No 1606/2002 that prepare their consolidated accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of that Regulation;

(c) credit institutions applying international accounting standards as applicable under Regulation (EC) No 1606/2002 for the reporting of own funds on a consolidated basis pursuant to Article 24(2) of Regulation (EU) No 575/2013.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 29 June 2017.

For the Commission

The President

Jean-Claude JUNCKER

Changes to legislation: There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2017/1443. (See end of Document for details)

ANNEX I

ANNEX III

REPORTING FINANCIAL INFORMATION ACCORDING TO IFRS

FINREP TEMPLATES FOR IFRS		
TEMPLATE NUMBER	TEMPLATE CODE	NAME OF THE TEMPLATE OR OF THE GROUP OF TEMPLATE
		PART 1 [QUARTERLY FREQUENCY]
Balance Sheet Statement [Statement of Financial Position]		
1.1	F 01.01	Balance Sheet Statement: assets
1.2	F 01.02	Balance Sheet Statement: liabilities
1.3	F 01.03	Balance Sheet Statement: equity
2	F 02.00	**Statement of profit or loss**
3	F 03.00	**Statement of comprehensive income**
Breakdown of financial assets by instrument and by counterparty sector		
4.1	F 04.01	Breakdown of financial assets by instrument and by counterparty sector: financial assets held for trading
4.2.1	F 04.02.1	Breakdown of financial assets by instrument and by counterparty sector: non-trading financial assets mandatorily at fair value through profit or loss
4.2.2	F 04.02.2	Breakdown of financial assets by instrument and by counterparty sector: financial assets designated at fair value through profit or loss
4.3.1	F 04.03.1	Breakdown of financial assets by instrument and by counterparty sector: financial

		assets at fair value through other comprehensive income
4.4.1	F 04.04.1	Breakdown of financial assets by instrument and by counterparty sector: financial assets at amortised cost
4.5	F 04.05	Subordinated financial assets
5.1	F 05.01	**Breakdown of non-trading Loans and advances by product**
6.1	F 06.01	**Breakdown of loans and advances other than held for trading to non-financial corporations by NACE codes**
	F 07.00	**Financial assets subject to impairment that are past due**
7.1	F 07.01	Financial assets subject to impairment that are past due
Breakdown of financial liabilities		
8.1	F 08.01	Breakdown of financial liabilities by product and by counterparty sector
8.2	F 08.02	Subordinated financial liabilities
Loan commitments, financial guarantees and other commitments		
9.1.1	F 09.01.1	Off-balance sheet exposures : loan commitments, financial guarantees and other commitments given
9.2	F 09.02	Loan commitments, financial guarantees and other commitments received
10	F 10.00	**Derivatives - Trading and economic hedges**
Hedge accounting		
11.1	F 11.01	Derivatives - Hedge accounting: Breakdown by type of risk and type of hedge
11.3	F 11.03	Non-derivative hedging instruments: Breakdown by