Commission Implementing Regulation (EU) 2016/428 of 23 March 2016 amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions as regards the reporting of the Leverage Ratio (Text with EEA relevance)

COMMISSION IMPLEMENTING REGULATION (EU) 2016/428

of 23 March 2016

amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions as regards the reporting of the Leverage Ratio

(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 third subparagraph of Article 430(2) 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. Given that the regulatory framework established by Regulation (EU) No 575/2013 is gradually being supplemented and amended in its non-essential elements by the adoption of regulatory technical standards and delegated acts, in this case on the leverage ratio[(3)], corresponding amendments to the supervisory reporting requirements laid down in Commission Implementing Regulation (EU) No 680/2014 should be made to ensure consistency between the amended legislation and the supervisory information to be provided by institutions.

(2) To ensure a correct application of the requirements laid down in Implementing Regulation (EU) No 680/2014, further precision should be provided for the purposes of supervisory reporting on the leverage ratio. Therefore, for reasons of legal clarity, it is appropriate to replace several reporting templates and the reporting instructions.

(3) The European Banking Authority has conducted open public consultations, has 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[(4)].

(4) Institutions should have sufficient time to adapt their internal reporting procedures and IT processes to the revised reporting requirements on the leverage ratio. Therefore, the

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2016/428. (See end of Document for details)*

first date of application should be deferred to the first reporting reference date 6 months from the date of publication of this implementing regulation in the Official Journal,

HAS ADOPTED THIS REGULATION:

Article 1

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

(1) In Article 14, paragraphs 2 to 5 are replaced by the following

2. The reporting of the data shall be based on the methodology used for the calculation of the leverage ratio as end of quarter leverage ratio.

3 Institutions are required to report the information referred to in paragraph 14 of Part II of Annex XI in the next reporting period, where any of the following conditions is met:

a the derivatives share referred to in paragraph 7 of Part II of Annex XI exceeds 1,5 %;

b the derivatives share referred to in paragraph 7 of Part II of Annex XI exceeds 2,0 %.

The entry criteria set out in Article 4 shall apply, except for point (b) of the first subparagraph of this paragraph where institutions start reporting information from the next reporting reference date where they have exceeded the relevant applicable threshold on one reporting reference date.

4 Institutions for which the total notional value of derivatives as defined in paragraph 9 of Part II of Annex XI exceeds EUR 10 billion shall report the information referred to in paragraph 14 of Part II of Annex XI, irrespective of whether their derivatives share fulfils the conditions referred to in paragraph 3.

The entry criteria set out in Article 4 shall not apply. Institutions shall start reporting information from the next reporting reference date where they have exceeded the relevant applicable threshold on one reporting reference date.

5 Institutions are required to report the information referred to in paragraph 15 of Part II of Annex XI in the next reporting period where any of the following conditions is met:

a the credit derivatives volume referred to in paragraph 10 of Part II of Annex XI exceeds EUR 300 million;

b the credit derivatives volume referred to in paragraph 10 of Part II of Annex XI exceeds EUR 500 million.

The entry criteria of Article 4 shall apply, except for point (b) where institutions shall start reporting information from the next reporting reference date where they have exceeded the relevant applicable threshold on one reporting reference date..

(2) In Article 14, paragraph 6 is deleted.

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

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

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2016/428. (See end of Document for details)*

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*.

This Regulation shall apply from the first reporting reference date 6 months from the date of publication of this implementing regulation in the *Official Journal of the European Union*.

It shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels, 23 March 2016.

For the Commission

The President

Jean-Claude JUNCKER

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2016/428. (See end of Document for details)*

ANNEX I

ANNEX X

REPORTING ON LEVERAGE

LEVERAGE RATIO REPORTING TEMPLATES			
Template code	Template code	Name of the template	Short name
47	C 47.00	Leverage ratio calculation	LRCalc
40	C 40.00	Alternative treatment of the exposure measure	LR1
41	C 41.00	On- and Off-Balance Sheet items — Additional breakdown of exposures	LR2
42	C 42.00	Alternative definition of capital	LR3
43	C 43.00	Alternative breakdown of leverage ratio exposure measure components	LR4
44	C 44.00	General information	LR5

C 40.00 — ALTERNATIVE TREATMENT OF THE EXPOSURE MEASURE (LR1)

Row		Column							
		010	**020**	**040**	**050**	**070**	**075**	**085**	**120**
		Accounting balance sheet value	Accounting value assuming no netting or other CRM	Add-on for SFTs	Add-on under the mark-to market method (assuming no netting or other CRM)	Notional amount/ nominal value	Capped notional amount	Capped notional amount (same reference name)	Leverage ratio exposure amount hypothetically exempted
010	Derivatives								

020	Credit derivatives (protection sold)								
030	Credit derivatives (protection sold), which are subject to a close out clause								
040	Credit derivatives (protection sold), which are not subject to a close out clause								
050	Credit derivatives (protection bought)								
060	Financial derivatives								
070	SFTs covered by a master netting agreement								
080	SFTs not covered by a master netting agreement								
090	Other assets								