Commission Implementing Regulation (EU) 2015/79 of 18 December 2014 amending Implementing Regulation (EU) No 680/2014 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 as regards asset encumbrance, single data point model and validation rules (Text with EEA relevance)

COMMISSION IMPLEMENTING REGULATION (EU) 2015/79

of 18 December 2014

amending Implementing Regulation (EU) No 680/2014 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 as regards asset encumbrance, single data point model and validation rules

(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 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[(1)], and in particular the first and fourth subparagraph of Article 99(5)thereof,

Whereas:

(1) The reporting of consistent, accurate and comparable information on asset encumbrance pursuant to Commission Implementing Regulation (EU) No 680/2014[(2)] is an an essential element to obtain insight in the funding position of institutions.

(2) Reporting on asset encumbrance should be based on existing reporting concepts from prudential and accounting reporting on balance sheet items to the extent possible in order to minimise the implementation and reporting burden for institutions.

(3) In accordance with the principle of proportionality, smaller institutions which do not have material levels of asset encumbrance should not be subject to the detailed reporting requirements applied to larger institutions.

(4) The reporting requirements should measure all forms of asset encumbrance including contingent encumbrance, since this is of vital importance as a material risk to the liquidity and solvency profiles of institutions, especially for institutions with material levels of asset encumbrance.

(5) Institutions issuing covered bonds as referred to in the first subparagraph of Article 52(4) of Directive 2009/65/EC of the European Parliament and of the Council[(3)] should report information concerning encumbrance of those assets.

(6) In order to ensure that supervisory reporting on own funds and own funds requirements, financial information, losses stemming from lending collateralised by immovable

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2015/79. (See end of Document for details)*

property, large exposures, the leverage ratio, liquidity and asset encumbrance is carried out uniformly, and to ensure common supervisory data of high quality and precision, the data items set out in the mandatory reporting tables provided in Annexes I, III, IV, VI, VIII, X, XII and XVI to Implementing Regulation (EU) No. 680/2014 should be transformed into a single data point model.

(7) The single data point model should consist of a structured representation of the data items, and identify all relevant business concepts for the purpose of uniform supervisory reporting and should contain all of the relevant technical specifications necessary for further developing uniform IT reporting solutions.

(8) In order to safeguard the quality, consistency and accuracy of data items reported by institutions to the competent authorities on own funds and own funds requirements, financial information, losses stemming from lending collateralised by immovable property, large exposures, the leverage ratio, liquidity and asset encumbrance, the data items should be subject to common validation rules.

(9) Due to their very nature, validation rules and data point definitions are updated regularly in order to ensure they comply, at all times, with applicable regulatory, analytical and information technology requirements. However, the time presently required to adopt and publish the detailed single data point model and validation rules means that it is not possible to carry out modifications in a sufficiently rapid and timely manner that would ensure permanent uniform supervisory reporting in the Union. Therefore, the detailed data point model laid down in Annex XIV to Implementing Regulation (EU) No 680/2014 and the detailed validation rules laid down in Annex XV to that Regulation should be replaced by stringent qualitative criteria for the single data point model and validation rules which will be published electronically by the European Banking Authority on its website.

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

(11) 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[(4)].

(12) To provide institutions and competent authorities with adequate time to implement the requirements of this Regulation in a manner that will produce data of high quality, the first reporting reference date should be 31 December 2014 for all institutions.

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

HAS ADOPTED THIS REGULATION:

Article 1

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

1. in Article 1, the following point (f) is added:

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(f) asset encumbrance according to Article 100 of Regulation (EU) No 575/2013.;

2. the following Chapter 7a is inserted:

CHAPTER 7a

FORMAT AND FREQUENCY OF REPORTING ON ASSET ENCUMBRANCE ON AN INDIVIDUAL AND A CONSOLIDATED BASIS

Article 16a

Format and frequency of reporting on asset encumbrance on an individual and a consolidated basis

1 In order to report information on asset encumbrance in accordance with Article 100 of Regulation (EU) No 575/2013 on an individual and a consolidated basis, institutions shall submit the information specified in Annex XVI to this Regulation according to the instructions set out in Annex XVII to this Regulation.

2 The information referred to in paragraph 1 shall be submitted according to the following specifications:

a the information specified in Parts A, B and D of Annex XVI with a quarterly frequency;

b the information specified in Part C of Annex XVI with an annual frequency;

c the information specified in Part E of Annex XVI with a semi-annual frequency.

3 Institutions shall not be required to report the information in Parts B, C or E of Annex XVI where all of the following conditions are met:

a the institution has total assets, as calculated in accordance with paragraph 10 of point 1.6 of Annex XVII, of less than EUR 30 billion;

b the asset encumbrance level of the institution, as calculated in accordance with paragraph 9 of point 1.6 of Annex XVII, is below 15 %.

4 Institutions shall only be required to report the information in Part D of Annex XVI where they issue the bonds referred to in the first subparagraph of Article 52(4) of Directive 2009/65/EC of the European Parliament and of the Council[(5)].;

3. in Article 17, paragraph 1 is replaced by the following:

1. Institutions shall submit the information referred to in this Regulation in the data exchange formats and representations specified by competent authorities, respecting the data point definitions included in the single data point model referred to in Annex XIV and the validation rules referred to in Annex XV as well as the following specifications:

a information not required or not applicable shall not be included in a data submission;

b numeric values shall be submitted as facts according to the following:

(i) data points with the data type “Monetary” shall be reported using a minimum precision equivalent to thousands of units;

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(ii) data points with the data type "Percentage" shall be expressed as per unit with a minimum precision equivalent to four decimals;

(iii) data points with the data type "Integer" shall be reported using no decimals and a precision equivalent to units.;

4. in Article 18, the following fourth paragraph is added:

In respect of information to be reported pursuant to Article 16a, the first reporting reference date shall be 31 December 2014.;

5. in Article 19, the following fifth paragraph is added:

Article 16a shall apply from 1 December 2014.;

6. Annexes XIV and XVare replaced by the text in Annex I to this Regulation.

7. Annexes XVI and XVII are added as set out respectively in Annexes II and 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*.

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

Done at Brussels, 18 December 2014.

For the Commission

The President

Jean-Claude JUNCKER

ANNEX I

ANNEX XIV

Single Data Point Model

All data items set out in Annexes I, III, IV, VI, VIII, X, XII and XVI shall be transformed into a single data point model which is the basis for uniform IT systems of institutions and competent authorities.

The single data point model shall meet the following criteria:

(a) provide a structured representation of all data items set out in Annexes I, III, IV, VI, VIII, X, XII and XVI;

(b) identify all the business concepts set out in Annexes I to XIII, XVI and XVII;

(c) provide a data dictionary identifying table labels, ordinate labels, axis labels, domain labels, dimension labels and member labels;

(d) provide metrics which define the property or amount of data points;

(e) provide data point definitions that are expressed as a composition of characteristics that univocally identify the financial concept;

(f) contain all the relevant technical specifications necessary for developing IT reporting solutions producing uniform supervisory data.

ANNEX XV

Validation Rules

The data items set out in Annexes I, III, IV, VI, VIII, X, XII and XVI shall be subject to validation rules ensuring data quality and consistency.

The validation rules shall meet the following criteria:

(a) define the logical relationships between relevant data points;

(b) include filters and preconditions that define a set of data to which a validation rule applies;

(c) check the consistency of the reported data;

(d) check the accuracy of the reported data;

(e) set default values which shall be applied where the relevant information has not been reported.