Regulation (EU) No 1071/2013 of the European Central Bank of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector (recast) (ECB/2013/33)

REGULATION (EU) No 1071/2013 OF THE EUROPEAN CENTRAL BANK

of 24 September 2013

concerning the balance sheet of the monetary financial institutions sector (recast)

(ECB/2013/33)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 5 thereof,

Having regard to Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank[(1)], and in particular Articles 5(1) and 6(4) thereof,

Having regard to Council Regulation (EC) No 2531/98 of 23 November 1998 concerning the application of minimum reserves by the European Central Bank[(2)], and in particular Article 6(4) thereof,

Having regard to the opinion of the European Commission,

Whereas:

(1) Regulation (EC) No 25/2009 of the European Central Bank of 19 December 2008 concerning the balance sheet of the monetary financial institutions sector (ECB/2008/32)[(3)] has been substantially amended. Since further amendments are to be made, in particular in the light of Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union[(4)], it should be recast in the interests of clarity.

(2) The European System of Central Banks (ESCB) requires, for the fulfilment of its tasks, the production of the consolidated balance sheet of the monetary financial institutions (MFI) sector. The principal purpose of such information is to provide the European Central Bank (ECB) with a comprehensive statistical picture of monetary developments in the Member States whose currency is the euro (hereinafter the 'euro area Member States') which are viewed as one economic territory. These statistics cover aggregate financial assets and liabilities, in terms of stocks and transactions, based on a complete and homogeneous MFI sector and reporting population, and are produced on a regular basis. Sufficiently detailed statistical data are also necessary to guarantee the continued analytical usefulness of the euro area monetary aggregates and counterparts.

(3) The ECB is required, in accordance with the Treaty on the Functioning of the European Union and under the conditions laid down in the Statute of the European System of

Central Banks and of the European Central Bank (hereinafter the 'Statute of the ESCB'), to make regulations to the extent necessary to implement the ESCB's tasks as defined in the Statute of the ESCB and in some cases as laid down in the provisions adopted by the Council pursuant to Article 129(4) of the Treaty.

(4) Article 5.1 of the Statute of the ESCB requires the ECB, assisted by the national central banks (NCBs), to collect the necessary statistical information either from the competent national authorities or directly from economic agents in order to undertake the ESCB's tasks. Article 5.2 of the Statute of the ESCB stipulates that the NCBs carry out, to the extent possible, the tasks described in Article 5.1.

(5) Article 3 of Regulation (EC) No 2533/98 requires the ECB to specify the actual reporting population within the limits of the reference reporting population and entitles it to fully or partly exempt specific classes of reporting agents from its statistical reporting requirements. Article 6(4) provides that the ECB may adopt regulations specifying the conditions under which the right to verify or to carry out the compulsory collection of statistical information may be exercised.

(6) Article 4 of Regulation (EC) No 2533/98 requires Member States to organise themselves in the field of statistics and to cooperate fully with the ESCB in order to ensure fulfilment of the obligations arising from Article 5 of the Statute of the ESCB.

(7) It may be appropriate for NCBs to collect from the actual reporting population the statistical information necessary to fulfil the ECB's statistical requirements as part of a broader statistical reporting framework which the NCBs establish under their own responsibility in accordance with Union or national law or established practice and which also serves other statistical purposes, provided that the fulfilment of the ECB's statistical requirements is not jeopardised. This may also reduce the reporting burden. In order to foster transparency, it is appropriate, in these cases, to inform the reporting agents that data are collected to fulfil other statistical purposes. In specific cases, the ECB may rely on statistical information collected for such other purposes to fulfil its requirements.

(8) The statistical requirements are most detailed where the counterparties are part of the money-holding sector. Detailed data are required on: (a) deposit liabilities by subsector and maturity classified further by currency to permit a closer analysis of the developments of the foreign currency components included in the M3 monetary aggregate and to facilitate investigations concerning the degree of substitutability between foreign currency and euro-denominated components of M3; (b) loans by subsector, maturity, purpose, interest rate reset and currency, as this information is considered essential for monetary analysis purposes; (c) positions vis-à-vis other MFIs in so far as this is necessary to allow for netting of inter-MFI balances or to calculate the reserve base; (d) positions vis-à-vis non-euro area residents (rest of the world) for 'deposits over two years agreed maturity', 'deposits redeemable at notice over two years' and 'repos' in order to calculate the reserve base subject to the positive reserve ratio; (e) positions vis-à-vis the rest of the world for total deposit liabilities in order to compile the external counterparts; (f) deposit liabilities and loans vis-à-vis the rest

of the world below and above one year original maturity for balance of payments and financial accounts purposes.

(9) For the purpose of collecting statistical information on MFIs' securities portfolios, pursuant to Regulation (EU) No 1011/2012 of the European Central Bank of 17 October 2012 concerning statistics on the holding of securities (ECB/2012/24)[(5)], NCBs report quarterly on a security-by-security basis. NCBs may combine the reporting requirements under this Regulation and Regulation (EU) No 1011/2012 (ECB/2012/24) where this may minimise the reporting burden on credit institutions. NCBs may allow money market funds (MMFs) to report in line with Regulation (EU) No 1073/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of investment funds (ECB/2013/38)[(6)], so as to alleviate the burden on fund managers.

(10) Financial transactions are computed by the ECB as the difference between stock positions at end-month reporting dates, from which the effect of changes that arise due to influences other than transactions is removed. The requirement addressed to the reporting agents does not cover the exchange rate changes, which are calculated by the ECB, or by NCBs after consulting the ECB, from currency-by-currency stock data supplied by the reporting agents, or the reclassification adjustments, which are collected by the NCBs themselves using various information sources that are already available.

(11) Article 5 of Regulation (EC) No 2531/98 empowers the ECB to adopt regulations or decisions in order to exempt institutions from the minimum reserve requirements, to specify modalities to exclude or deduct liabilities owed to any other institution from the reserve base, and to establish differing reserve ratios for specific categories of liabilities. Under Article 6 of Regulation (EC) No 2531/98, the ECB has the right to collect from institutions the information necessary for the application of minimum reserve requirements, and to verify the accuracy and quality of the information which institutions provide to demonstrate compliance with the minimum reserve requirements. In order to reduce the overall reporting burden, it is desirable for the statistical information regarding the monthly balance sheet to be used for the regular calculation of the reserve base of the credit institutions subject to the ECB's minimum reserve system, in accordance with Regulation (EC) No 1745/2003 of the European Central Bank of 12 September 2003 on the application of minimum reserves (ECB/2003/9)[(7)].

(12) The determination of specific procedures to be applied in the case of mergers involving credit institutions is necessary in order to clarify the obligations of these institutions in respect of reserve requirements.

(13) The ECB requires information on the securitisation activities of MFIs in order to interpret credit and loan developments in the euro area. Such information also complements data reported under Regulation (EU) No 1075/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (ECB/2013/40)[(8)].

(14) While it is recognised that regulations adopted by the ECB under Article 34.1 of the Statute of the ESCB do not confer any rights or impose any obligations on Member

Changes to legislation: *There are currently no known outstanding effects for the Regulation (EU) No 1071/2013 of the European Central Bank. (See end of Document for details)*

States whose currency is not the euro (hereinafter the 'non-euro area Member States'), Article 5 of the Statute of the ESCB applies to both euro area and non-euro area Member States. Recital 17 of Regulation (EC) No 2533/98 refers to the fact that Article 5 of the Statute of the ESCB, together with Article 4(3) of the Treaty on European Union, implies an obligation to design and implement at national level all the measures that the non-euro area Member States consider appropriate in order to carry out the collection of the statistical information needed to fulfil the ECB's statistical reporting requirements and timely preparations in the field of statistics in order for them to become euro area Member States.

(15) The standards for the protection and use of confidential statistical information as laid down in Article 8 of Regulation (EC) No 2533/98 should apply.

(16) Article 7(1) of Regulation (EC) No 2533/98 provides that the ECB has the power to impose sanctions on reporting agents which fail to comply with statistical reporting requirements set out in ECB regulations or decisions,

HAS ADOPTED THIS REGULATION:

Article 1

Definitions

For the purpose of this Regulation:

(a) 'monetary financial institution' (MFI) means a resident undertaking that belongs to any of the following sectors:

1. central banks; and

2. other MFIs, which comprise

(a) deposit-taking corporations:

(i) credit institutions as defined in Article 4(1)(1) of 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[9], and

(ii) deposit-taking corporations other than credit institutions which are:

— other financial institutions which are principally engaged in financial intermediation and whose business is to receive deposits and/or close substitutes for deposits from institutional units, not only from MFIs (the degree of substitutability between the instruments issued by other MFIs and the deposits placed with credit institutions shall determine their classification as MFIs); and for their own account, at least in economic

terms, to grant loans and/or make investments in securities, or

— electronic money institutions that are principally engaged in financial intermediation in the form of issuing electronic money; or

(b) money market funds (MMFs) pursuant to Article 2;

(b) 'reporting agent' and 'resident' have the same meaning as defined in Article 1 of Regulation (EC) No 2533/98;

(c) 'relevant NCB' means the NCB of the euro area Member State in which the MFI is resident;

(d) 'financial vehicle corporation (FVC)' has the same meaning as defined in Article 1 of Regulation (EU) No 1075/2013 (ECB/2013/40);

(e) 'securitisation' means a transaction that is either: (a) a traditional securitisation as defined in Article 4 of Regulation (EU) No 575/2013; and/or (b) a securitisation as defined in Article 1 of Regulation (EU) No 1075/2013 (ECB/2013/40), which involves the disposal of the loans being securitised to an FVC;

(f) 'electronic money institution' and 'electronic money' have the same meaning as defined in Article 2(1) and (2) of Directive 2009/110/EC of the European Parliament and of the Council[10];

(g) 'write-down' means the direct reduction of the carrying amount of a loan on the balance sheet due to its impairment;

(h) 'write-off' means a write-down of the full carrying amount of a loan leading to its removal from the balance sheet;

(i) 'servicer' means an MFI which manages loans underlying a securitisation or loans that have otherwise been transferred in terms of the collection of principal and interest from the obligors;

(j) 'loan disposal' means the economic transfer of a loan or pool of loans by the reporting agent to a transferee, achieved either by transfer of ownership or by sub-participation;

(k) 'loan acquisition' means the economic transfer of a loan or pool of loans from a transferor to the reporting agent, achieved either by transfer of ownership or by sub-participation;

(l) 'intra-group positions' mean positions between euro area deposit-taking corporations that belong to the same group, consisting of a parent and all its directly or indirectly controlled euro area resident group-members;

(m) 'tail institution' means a small MFI that has been granted a derogation pursuant to Article 9(1);

(n) 'derecognition' means the removal of a loan or part thereof from the stocks reported in accordance with Parts 2 and 3 of Annex I, including its removal due to the application of a derogation referred to in Article 9(4).