

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

BANKING SUPERVISION UNIT

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Own Funds

Regulation (EU) No 575/2013 ([CRR](#)) lays down *inter alia* the **OWN FUNDS** requirements applicable to credit institutions. Hence, **Banking Rule BR/03 is being repealed in its entirety as from 1st January 2014**. Credit institutions shall refer to the relevant articles in the CRR, related [Regulatory/Implementing Technical Standards \(R/ITS\) and any other Guidelines](#) or any other relevant EU legislation that may be issued from time to time.

The provisions on **OWN FUNDS** are found in **Part Two (Articles 25 to 91)** of the CRR. Furthermore, reference should also be made to **Part One 'General Provisions' (Articles 1 to 24)** and **Part Ten 'Transitional Provisions, Reports, Reviews and Amendments' (Articles 465 to 520)** of the CRR. This is without prejudice to other articles of the [CRDIV](#) and the CRR (CRDIV package) which may be relevant/applicable. Credit institutions are also to refer to the [Circular to Credit Institutions on Transitional Provisions for Own Funds](#).

In preparation for the new requirements for Supervisory Reporting, credit institutions are to refer to [Implementing Technical Standards \(ITS\) with regard to Supervisory Reporting](#) adopted by the European Commission on 16 April 2014. Following Commission adoption, the content of the ITS with regard to Supervisory Reporting is now final. The latter will enter into force following its publication in the Official Journal of the European Union in the coming weeks (expected by mid-June). It should thus be noted that only the ITS with regard to Supervisory Reporting as published in the Official Journal of the European Union will be legally binding.

On 28 March 2014 and 23 April 2014 respectively, a **Circular to credit institutions on the Draft Implementing Technical Standards (ITS) on Supervisory Reporting, excluding reporting on Asset Encumbrance and Financial Information (FINREP)** and amendments thereto were circulated. These may be found at the following link: <http://www.mfsa.com.mt/pages/announcements.aspx?id=16>

Annex I 'Own Funds templates' to be compiled by the respective licensed credit institutions together with the related instructions can be found on the Authority's website, at the following link:

<http://www.mfsa.com.mt/pages/announcement.aspx?id=6166>

For completeness, the latter shall be read in conjunction with the respective CRR provisions.

The above template shall replace the reporting schedule applicable in terms of **Appendix 1 to BR/03**.

The responsibility for observing the relevant provisions of the CRDIV package and the R/ITS rests entirely with credit institutions.

Technical Standards, Guidelines & Recommendations relating to Own Funds may be accessed on EBA's website at the following link: <http://www.eba.europa.eu/regulation-and-policy/own-funds>

The MFSA strongly recommends officers of credit institutions to subscribe to the **EBA email alerts** in order to be updated on EBA's work. Registration as a public user may be made at the following link: <https://www.eba.europa.eu/subscription-page>

Furthermore, credit institutions may wish to use the [Single Rulebook Q&A tool](#) for submitting questions on Directive 2013/36/EU (CRD IV), the CRR, the related Technical Standards developed by the EBA and adopted by the European Commission (RTS and ITS), as well as the EBA guidelines. All questions and related EBA answers may be retrieved under the ["Search for Q&A" tab](#).

Banking Supervision Unit – MFSA