

Circular to credit institutions on the Draft Implementing Technical Standards (ITS) with regards to supervisory reporting, excluding reporting on Asset Encumbrance and Financial Information (FINREP)

Pursuant to the Circular to the financial services industry regarding the CRD IV Package ([CRDIV](#)¹ and the [CRR](#)) dated 27 June 2013, the Authority is hereby issuing a communication to all credit institutions with regards to the new uniform requirements in relation to supervisory reporting by credit institutions, **both on a solo and consolidated basis**, for the following areas:

- (a) Own funds requirements according to Article 99 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 and amending Regulation (EU) No 648/2012 (referred to as the CRR);
- (b) Losses stemming from lending collateralised by immovable property according to Article 101(4)(a) of the CRR;
- (c) Large exposures and other largest exposures according to Article 394(1) of the CRR
- (d) Leverage ratio according to Article 430 of the CRR;
- (e) Liquidity Coverage requirements and Net Stable Funding requirements according to Article 415 of the CRR.

In preparation for the new requirements for Supervisory Reporting particularly for the COREP templates, credit institutions are to refer to the [final draft](#) of the Implementing Technical Standard on Supervisory Reporting. The Commission Services is in the process of submitting this draft standard to the College of Commissioners for adoption. **It should thus be noted that only the Implementing Technical Standard on Supervisory Reporting as finally adopted by the Commission and published in the Official Journal of the European Union will be legally binding.**

The COREP templates to be compiled by the respective licensed institutions together with the related instructions can be found on the Authority's website, in the following link:

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

For completion purposes, the instructions found in the above link should be read in conjunction with the respective CRR provisions.

¹ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC

The above are still subject to further changes that may be required. Credit institutions are encouraged to advise the Authority should they encounter any inconsistencies in the formulae within the templates. E-mails in this respect are to be directed to the Banking Supervision Unit's Off-site Section on the following e-mail address: bankingoffsite@mfsa.com.mt

Any queries regarding the compilation and interpretation of the data of any particular items should be addressed to the EBA on the following link: <http://www.eba.europa.eu/single-rule-book-qa#>. This webpage provides replies to a number of queries already raised by various stakeholders, to which the EBA has issued its guidance and clarifications. Interested parties have the opportunity to lodge their own queries on areas which have not yet been raised or discussed by other stakeholders.

The Authority would like to point out that the EBA is still in the process of finalising its reporting requirements, and thus may issue revised versions of the COREP templates and/or instructions. Any amendments will be communicated to all stakeholders upon issuance by the EBA.

Data Exchange Convention

1. For the purpose of submitting the data, the Authority is in the process of creating a Web Interphase so as to facilitate the transmission of data between the licence holders and the Authority. The Web URL and logging-in instructions will be communicated to all interested parties in due course. The Authority will eventually engage with all the respective credit institutions to provide the necessary data exchange credentials.
2. Credit Institutions are required to submit to the Authority the data within the Folders in accordance to their respective Annexes. The naming convention should be as follows:

BankDesignatedCode_MonthYear_LevelOfApplication_COREp_AnnexName

As an example, the folder name for XYZ Bank Ltd for the reporting of Own Funds and Own Funds requirements for the March 2014 quarter on a solo basis should read as follows: [XYZ_Mar2014_IND_COREP_CA](#). For the scope of consolidated reporting, the term *IND* (denoting solo reporting) should be replaced with the term *CON* (denoting consolidated reporting). Likewise, the term *CA* should be replaced by the respective annex name, such as *LE* for Large Exposures. **The Authority requires the reporting institutions not to modify in any way the naming convention of the respective Files within each Folder.**

3. For the time being the Authority will not be requiring credit institutions to submit hard copies of the respective templates. However, this may be reviewed in due course and a definite decision will be communicated by the Authority to all reporting credit institutions at a later stage.

4. Submission of data by credit institutions to the Authority shall be in line with the table presented hereunder, and in terms of Article 3(2) to (5) of the ITS:

Components (Annex Code)	Frequency of reporting	Reporting Reference Dates	Remittance Dates
Liquidity (LCR)	Monthly	Last day of each month	15 th calendar day after reference date
Own funds and own funds requirements (CA)	Quarterly	31 st March	28 th April
Large exposures and concentration risk (LE)		30 th June	28 th July
Leverage (LEVERAGE)		30 th September	28 th October
Liquidity (NSFR)		31 st December	28 th January
Losses stemming from lending collateralised by immovable property (IPL)	Semi-annually	30 th June 31 st December	28 th July 28 th January

5. For the transitional period, submission of data by credit institutions to the Authority shall apply as follows, and in terms of Article 3(2) to (5) of the ITS:

Quarterly Reporting

The reporting remittance date for data relating to the first reference date (31st March 2014) shall be **30th May 2014**, at the latest.

Monthly Reporting

For the period 31st March 2014 to 31st December 2014 the reporting remittance date shall be the **30th calendar day** after reference date.

The COREP framework replaces the reporting under Banking Rules BR/02, BR/03, BR/04, BR/08 and eventually BR/05. Reporting under BR/05 shall continue until such time as determined by the Authority.

The Authority would not require the submission of the statutory returns as previously required under BR/02, BR/03, BR/04 and BR/08. As regards the envisaged parallel run, credit institutions should seek further clarification from the Central Bank of Malta.

**Communications Unit
Malta Financial Services Authority
28th March 2014**