

# MFSA

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## MALTA FINANCIAL SERVICES AUTHORITY

### **Circular to credit institutions on Developments in relation to the Draft Implementing Technical Standard (ITS) on Supervisory Reporting including both the Common Reporting (COREP) and Financial Reporting (FINREP) Frameworks.**

Pursuant to the Circulars to the financial services industry regarding the CRD IV Package ([CRDIV](#)<sup>1</sup> and the [CRR](#)) dated 27 June 2013 and 28 March 2014, the Authority is hereby issuing a communication to all credit institutions with regards to developments on the supervisory reporting by credit institutions, **both on a solo and consolidated basis**, for the following areas:

- (a) Own funds requirements pursuant 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;
- (b) Losses stemming from lending collateralised by immovable property pursuant to Article 101(4)(a) of the CRR;
- (c) Large exposures and other largest exposures pursuant to Article 394(1) of the CRR
- (d) Leverage ratio pursuant to Article 430 (1) of the CRR;
- (e) Liquidity Coverage requirements and Net Stable Funding requirements pursuant to Article 415 of the CRR;
- (f) FINREP.

In preparation for the requirements for Supervisory Reporting, credit institutions are to refer to the Implementing Technical Standard on Supervisory Reporting through the following link:

<https://www.eba.europa.eu/regulation-and-policy/supervisory-reporting/implementing-technical-standard-on-supervisory-reporting>

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<sup>1</sup> 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 reporting packages, for both the COREP and FINREP reporting templates have not as yet been finalised by the European Banking Authority (EBA) and may be subject to changes.

The COREP templates to be compiled by the respective licensed institutions together with the related instructions can be found on the Authority's website. **Please note that a revised version of the COREP templates will be uploaded on the Authority's website which will be applicable as from the 30<sup>th</sup> September 2014 reference date.**

The FINREP templates will be uploaded onto the MFSA's website once the draft official reporting framework is finalised. A separate communication will be issued indicating that the draft official reporting framework is available from the MFSA's website. The FINREP reporting package is also applicable to branches of EU and third country credit institutions operating in Malta.

Credit Institutions that form part of a banking group for **regulatory** purposes are required to submit COREP and FINREP data on a solo and consolidated basis.

**For completion purposes, the reporting frameworks should be read in conjunction with the respective CRR provisions and the instructions provided in the respective ITS.**

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 also have the opportunity to lodge their own queries on areas which have not yet been raised or discussed by other stakeholders.

## Data Exchange Convention

1. Reporting agents are reminded that for the purpose of submitting data, both COREP and FINREP templates should be uploaded onto the Web Interphase provided by the Authority.
2. Credit Institutions are required to submit to the Authority the data within the Folders in accordance to their respective Annexes. It is of utmost importance that the following naming convention should be utilised:

*BankDesignatedCode\_MonthYear\_LevelOfApplication\_COREp/finrep<sup>2</sup>\_AnnexName*

As an example, the folder name for XYZ Bank Ltd for the reporting of Own Funds and Own Funds requirements for the September 2014 quarter on a solo basis should read as follows: *XYZ\_Sep2014\_IND\_COREP\_CA*. As regards to FINREP, the folder name for September 2014 should read as follows: *XYZ\_Sep2014\_IND\_FINREP*.

For the scope of consolidated reporting, the term *IND*, denoting *solo* reporting should be replaced with the term *CON*, denoting *consolidated* reporting.

As regards the naming of the folders with respect to the COREP templates, the term *CA* should be replaced by the respective annex name, such as *LE* for Large Exposures etc. **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:

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<sup>2</sup> Insert the term COREP or FINREP as applicable.

<b>Components (Annex Code)</b>	<b>Frequency of Reporting</b>	<b>Reporting Reference Dates</b>	<b>Remittance Dates</b>
Liquidity (LCR)	<i>Monthly</i>	Last Day of Each Month	15 <sup>th</sup> Calendar day after reference date
Own Funds And Own Funds Requirements (CA)	<i>Quarterly</i>	31 <sup>st</sup> March	28 <sup>th</sup> April
Large Exposure And Concentration Risk (LE)		30 <sup>th</sup> June	28 <sup>th</sup> July
Leverage (LEVERAGE)		30 <sup>th</sup> September	28 <sup>th</sup> October
Liquidity (NSFR)		31 <sup>st</sup> December	28 <sup>th</sup> January
Losses Stemming From Lending Collateralised By Immovable Property (IPL)			
<b>Financial Reporting (FINREP)</b>			

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:

Monthly Reporting

For the period till 31<sup>st</sup> December 2014 the reporting remittance date shall be the **30<sup>th</sup> calendar day** after reference date.

- 6. All FINREP and COREP data is to be submitted in actual figures (including two decimal places eg. €2,560,561.43) as from the next reporting period i.e. reference date 30<sup>th</sup> September 2014. Additionally, all data which is required as rates, percentages or ratios must be reported using decimal notation to four decimal places (eg. 9.31% should be reported as 0.0931).**

7. The draft ITS on Assets Encumbrance will come into effect as from 31<sup>st</sup> December 2014. A communication covering the relative reporting requirements will be issued by the Authority in due course.

The COREP framework is replacing 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 does 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. With regards to the submissions of the BR/06, the determination still needs to be undertaken as to what shall be retained from the current reporting package and what should be removed. This determination will be carried out in conjunction with the Central Bank of Malta in line with its requirements.

**Communications Unit**  
**Malta Financial Services Authority**  
**5<sup>th</sup> September 2014**