

COMMISSION IMPLEMENTING REGULATION (EU) No …/..

of XXX

on amending Commission 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

 (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]](#footnote-1), and in particular Article 99 (5) thereof,

Whereas:

1. Commission Implementing Regulation (EU) No 680/2014[[2]](#footnote-2) specifies the modalities according to which institutions are required to report information relevant to their compliance with Regulation (EU) No 575/2013. Given that the regulatory framework established by Regulation (EU) No 575/2013 is gradually being supplemented and amended the Commission Implementing Regulation (EU) No 680/2014 needs to be updated accordingly to reflect those rules.
2. By Regulation (EU) No 2017/2402 a framework for securitisation, including a specific framework for simple, transparent and standardised securitisation has been created.
3. By Regulation (EU) No 2017/2401 the revised Securitisation framework approved by the Basel Committee in December 2014 and the STS specific capital framework has been implemented into the Union law. It establishes preferential treatment for STS securitisations and certain SME synthetic securitisations and among others sets out a framework for a more risk-sensitive regulatory treatment of exposures to securitisations complying with such criteria. The Commissions Implementing Regulation (EU) No 680/2014 needs to be amended to accommodate the reporting on securitisation positions subject to this new securitisation framework.
4. On 13 January 2016, the International Accounting Standards Board (IASB) published International Financial Reporting Standard (IFRS) 16 Leases (‘IFRS 16’). This standard aims to improve financial reporting on lease contracts and changes the accounting of leases for institutions that are subject to Article 99(2) of Regulation (EU) 575/2013. IFRS 16 was implemented into Union law by Regulation (EU) 2017/1986[[3]](#footnote-3).
5. Amendments to Implementing Regulation (EU) No 680/2014 are required in order to reflect the above implementation of IFRS 16 into the Union law.
6. Amendments to Implementing Regulation (EU) No 680/2014 are also required to reflect competent authorities’ ability to effectively monitor and assess the institutions’ risk profile and to obtain a view on the risks posed to the financial sector.
7. Institutions’ risk profile and profitability are affected by high level of non-performing exposures (NPEs). High levels of NPEs ultimately have a negative impact on institutions’ profitability, solvency and consequently lending capacity to the overall economy. Revisions to the reporting requirements that strengthen the ability of competent authorities to assess and monitor non-performing portfolios by way of collecting more granular information on these assets on a recurring basis and thereby close identified data gaps are necessary.
8. The performance of institutions in the EU, both in terms of profitability and sustainability of business models, is influenced significantly by the structure and extent of their expenses. In order to ensure that competent authorities gain deeper insights into those, the reporting framework needs to be improved.
9. Given that the regulatory framework established by Commission Delegated Regulation (EU) 2015/61 on liquidity coverage requirement for credit institutions was amended by Commission Delegated Regulation (EU) 2018/1620, the Commission Implementing Regulation (EU) No 680/2014 should be updated accordingly to reflect these amendments in the reporting framework of the liquidity coverage requirements (LCR) for credit institutions;
10. In this context, templates and instructions of the Commission Implementing Regulation (EU) No 680/2014 should also be reviewd to reassess the convenience and appropriateness of the memo items included in the templates and instructions during the early years of implementation of that Regulation as well as to correct typos, erroneous references and formatting inconsistencies which were discovered in the course of the application of its application.
11. This Regulation is based on the draft implementing technical standards submitted by the European Supervisory Authority (European Banking Authority) (EBA) to the Commission.
12. EBA 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[[4]](#footnote-4). In accordance with the second subparagraph of Article 15(1) of that Regulation, EBA has not conducted any open public consultation with regard to those parts of the draft implementing technical standards on which this Regulation is based that are either of editorial nature or introduce only a limited number of items in the supervisory reporting framework, as such consultation would be disproportionate in relation to the scope and impact of the draft implementing technical standards concerned.
13. Commission Implementing Regulation (EU) No 680/2014 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

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

1. point (7) of Article 5(a) is deleted:
2. point (8) of Article 5(a) is replaced by the following:

‘‘(8) the information on securitisation exposures as specified in template 13.01 of Annex I, according to the instructions in Part II point 3.7 of Annex II; ’’

1. point (1) of Article 5(b) is replaced by the following:

‘‘(1) the information on all securitisation exposures as specified in templates 14 and 14.01 of Annex I, according to the instructions in Part II point 3.8 of Annex II;’’

1. point (c) of Article 9(2) is replaced as follows:

‘‘(c) the information specified in Part 4 of Annex III, with the exception of the information specified in template 47, with an annual frequency’’

1. in Article 9(2), the following point (h) is added:

‘‘(h) the information specified in templates 23, 24, 25 and 26 in Part 2 of Annex III with a quarterly frequency where both of the following conditions are fulfilled:

(i) the institution is not a small and non-complex institution as defined in point (145) of Article 4(1) of Regulation (EU) No 575/2013;

(ii) the institution’s gross carrying amount of non-performing loans and advances and the total gross carrying amount of loans and advances falling under the category of non-performing exposures as set out in point 17 of Part 2 of Annex V of this Regulation (“NPL ratio”) is equal to or higher than 5%. For this purpose, the NPL ratio is the ratio between the gross carrying amount of non-performing loans and advances and the total gross carrying amount of loans and advances subject to the definition of non-performing exposures as provided for in point 17 of Part 2 of Annex V to this Regulation. For the purpose of this calculation, loans and advances classified as held for sale, cash balances at central banks and other demand deposits shall be excluded both from the denominator and the numerator.

The entry and exit criteria referred to in Article 4 shall apply.’’

1. in Article 9(2), the following point (i) is added:

‘‘(i) the information specified in template 47 in Part 4 of Annex III with an annual frequency where both of the conditions set out in points (i) and (ii) of point (h) of this paragraph are fulfilled. The entry and exit criteria referred to in Article 4 shall apply;’’

1. point (c) of Article 11(2) is replaced as follows:

‘‘(c) the information specified in Part 4 of Annex IV, with the exception of the information specified in template 47, with an annual frequency’’

1. in Article 11(2), the following point (h) is added:

‘‘(h) the information specified in templates 23, 24, 25 and 26 in Part 2 of Annex IV with a quarterly frequency where both of the conditions referred to in points (i) and (ii) of Article 9(2)(h) are fulfilled:

The entry and exit criteria referred to in Article 4 shall apply;’’

1. in Article 11(2), the following point (i) is added:

‘‘(i) the information specified in template 47 in Part 4 of Annex IV with an annual frequency where both of the conditions referred to in points (i) and (ii) of Article 9(2)(h) are fulfilled. The entry and exit criteria referred to in Article 4 shall apply;’’

1. Annex I to Comission Implementing Regulation (EU) No 680/2014 is replaced by the text set out in Annex I to this Regulation;
2. Annex II to Comission Implementing Regulation (EU) No 680/2014 is replaced by Annex II to this Regulation.
3. Annex III to Comission Implementing Regulation (EU) No 680/2014 is replaced by Annex III to this Regulation.
4. Annex IV to Comission Implementing Regulation (EU) No 680/2014 is replaced by Annex IV to this Regulation.
5. Annex V to Comission Implementing Regulation (EU) No 680/2014 is replaced by Annex V to this Regulation.
6. Annex XVIII to Comission Implementing Regulation (EU) No 680/2014 is replaced by Annex VI to this Regulation;
7. Annex XIX to Comission Implementing Regulation (EU) No 680/2014 is replaced by Annex VII to this Regulation.
8. Annex XXIV to Comission Implementing Regulation (EU) No 680/2014 is replaced by Annex VIII to this Regulation;
9. Annex XXV to Comission Implementing Regulation (EU) No 680/2014 is replaced by Annex IX 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*.

It shall apply from 1 March 2020 for Article 1 points (1) to (3), (10) and (11), from 1 April for Article 1 points (15) to (18) and from 1 June 2020 for Article 1 points (4) to (9) and (12) to (14).

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

Done at Brussels,

 For the Commission

 The President

 On behalf of the President

 [Position]

1. OJ L 176, 27.6.2013, p. 1 [↑](#footnote-ref-1)
2. Commission 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 (OJ L 191, 28.6.2014, p. 1) [↑](#footnote-ref-2)
3. OJ L 291, 9.11.2017, p. 1. [↑](#footnote-ref-3)
4. Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2020, p. 12). [↑](#footnote-ref-4)