

Chapter 1

Commission Implementing Regulation (EU) No 1423/2013

Preamble

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, and in particular the third subparagraph of Article 437(2) and the third subparagraph of Article 492(5) thereof,

01/01/2021

Whereas:

- (1) Regulation (EU) No 575/2013 incorporates the internationally-agreed standards of the Basel Committee on Banking Supervision's third International Regulatory Framework for banks (hereinafter referred to as "Basel III"). Therefore, and also given that the objective of disclosure requirements is to help improve transparency in the area of regulatory capital, for comparison purposes, the rules set out for disclosure by institutions supervised under Directive 2013/36/EU of the European Parliament and of the Council should be consistent with the international framework reflected in the "Composition of Capital disclosure requirements" of the Basel Committee for Banking Supervision adapted to take into account the Union regulatory framework and its specificities.
- (2) A set of disclosure templates should be provided in order to ensure the uniform application of Regulation (EU) No 575/2013. Such disclosure templates should include an own funds disclosure template, aiming at reflecting the detailed capital position of institutions; and a capital instruments' features template, aiming at reflecting the level of detail required to be disclosed with regard to the features of an institution's capital instruments.
- (3) The scope of consolidation for accounting purposes and for regulatory purposes is different, and this results in differences between the information used in the calculation of own funds and the information used in the published financial statements, in particular for own funds items. In order to address the disparity between the data used for the calculation of own funds and the data used in institutions' financial statements, it is necessary to also disclose how elements in the financial statements that are used to calculate own funds change when the regulatory scope of consolidation is applied. Therefore a balance sheet reconciliation methodology providing information on the reconciliation between balance sheet items used to calculate own funds and regulatory own funds should also be included in this Regulation. For that purpose, a regulatory scope balance sheet, covering only own funds items, should be used.

(4) The financial statements of some institutions subject to these disclosure requirements are extensive and complex. It is necessary to set out a uniform approach which follows clearly presented steps in order to assist institutions in establishing their balance sheet reconciliation.

(5) The provisions in this Regulation are closely linked, since they deal with disclosure of own funds items. To ensure coherence between those provisions, which should enter into force at the same time, and to facilitate a comprehensive view and compact access to them by persons subject to those obligations, it is desirable to include all the implementing technical standards required by Regulation (EU) No 575/2013 in relation to disclosure of own funds in a single Regulation.

(6) Regulation (EU) No 575/2013 contains a substantial number of transitional provisions with regard to own funds and own funds requirements. In order to provide a meaningful picture of the solvency situation of institutions, it is appropriate to introduce a different disclosure template for the transitional period reflecting the transitional provisions of the Regulation (EU) No 575/2013.

(7) Since the date of application of Regulation (EU) No 575/2013 is 1 January 2014 and since institutions will need to adapt their systems in order to comply with the requirements laid down in this Regulation, they should be given a sufficient amount of time to do so.

(8) This Regulation is based on the draft implementing technical standards submitted by the European Banking Authority to the European Commission.

(9) The European Banking Authority 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 of the European Parliament and of the Council,

HAS ADOPTED THIS REGULATION: