

Chapter 1

Commission Delegated Regulation (EU) 2020/1224

Article 1 Definitions

For the purposes of this Regulation, the following definitions shall apply:

- (1) "reporting entity" means the entity designated in accordance with the first subparagraph of Article 7(2) of Regulation (EU) 2017/2402;
- (2) "data cut-off date" means the reference date of the information being reported in accordance with this Regulation;
- (3) "active underlying exposure" means an underlying exposure which, at the data cut-off date, may be expected to generate cash inflows or outflows in the future;
- (4) "inactive underlying exposure" means an underlying exposure that has defaulted with no further recoveries expected or that has been redeemed, prepaid, cancelled, repurchased or substituted;
- (5) "debt service coverage ratio" means the annual rental income generated by commercial real estate that is wholly or partially financed by debt, net of taxes and net of any operational expenses to maintain the property's value, relative to the annual combined interest and principal repayment on a borrower's total debt over a given period on the loan secured by the property;
- (6) "interest coverage ratio" means the gross annual rental income, before operational expenses and taxes, accruing from a buy-to-let property or the net annual rental income accruing from a commercial real estate property or set of properties relative to the annual interest cost of the loan secured by the property or set of properties.
- (7) 'IP completion day' has the meaning given in section 39 of the European Union (Withdrawal Agreement) Act 2020;
- (8) 'UK-adopted IFRS' means UK-adopted international accounting standards; and
- (9) 'UK-adopted international accounting standards' means (in accordance with section 474(1) of the Companies Act 2006) the international accounting standards which are adopted for use within the United Kingdom by virtue of Chapter 2 or 3 of Part 2 of

the International Accounting Standards and European Public Limited-Liability Company
(Amendment etc.) (EU Exit) Regulations 2019.