

Policy Statement | PS30/18

# Regulatory Reporting: Responses to CP16/18

December 2018



BANK OF ENGLAND  
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## 1 Overview

1.1 This Prudential Regulation Authority (PRA) Policy Statement (PS) contains final policy following Consultation Paper (CP)16/18 'Regulatory reporting: occasional consultation paper'.<sup>1</sup> It contains:

- final rules (Appendix 1);
- updated Supervisory Statement (SS) 34/15 'Guidelines for completing regulatory reports' (Appendix 2); and
- updated SS32/15 'Pillar 2 reporting, including instructions for completing data items FSA071 to FSA082, and PRA111' (Appendix 3).

The rules and SSs also include updated templates and instructions. To assist the reader, a mapping table is included in Appendix 4, outlining templates and instructions contained in SS32/15 and in SS34/15. Specific changes to the RFB004 template are outlined in Appendix 5. The PRA received no responses to the consultation.

1.2 This PS is relevant to banks, building societies, PRA-designated investment firms, and dormant account fund operator(s).

### Background

1.3 In CP16/18 the PRA proposed the following changes to PRA reporting requirements:

- discontinuation of Prudent Valuation Return PV001;
- changes to PRA reporting instructions to align with updated European Banking Authority (EBA) requirements (RFB001, PRA110, and PRA101 – PRA103);
- amendments to Pillar 2 reporting templates and instructions to reflect their application to ring-fenced bodies (FSA071 – FSA082);
- amendments to ring-fencing reporting requirements (RFB001, RFB003, and RFB004);
- deletion of reporting requirements for dormant account fund operators;
- alignment of 'data item' definitions in the PRA Rulebook;
- update of the notification form relating to reporting on an Accounting Reference Date basis;
- correction of PRA110 rules; and
- replacement of Close Links forms REP001 and REP001a with identical versions hosted on the Bank of England website rather than links to the FCA website.

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<sup>1</sup> July 2018: available on page 2 of 2 at <https://www.bankofengland.co.uk/prudential-regulation/publication/2018/regulatory-reporting-occasional-consultation-paper>.

## Changes to draft policy

1.4 Where the final rules differ from the draft in the CP in a way which is, in the opinion of the PRA, significant, the Financial Services and Markets Act 2000 (FSMA)<sup>2</sup> requires the PRA to publish:

- (a) details of the difference together with a cost benefit analysis; and
- (b) a statement setting out the PRA's opinion on whether or not the impact of the final rule on mutuals is significantly different to: the impact that the draft rule would have had on mutuals; or the impact that the final rule will have on other PRA-authorized firms.

1.5 Over the consultation period the PRA identified some additional minor changes to be made in relation to the proposals in the CP.

1.6 The additional changes are:

- clarifying that the definition of 'data item' including data elements that are grouped together both in a prescribed format and where 'no standard format' is specified;
- contrary to the proposal made in the CP, no changes are required to templates FSA072-FSA075 or FSA080 to reflect their application to ring-fenced bodies, as these templates do not use a drop-down option for the basis of reporting;
- aligning RFB004 row names and numbers with comparable Financial Reporting FINREP row names and numbers; and
- shading cells in RFB004 that do not need to be reported.

1.7 Specific changes to the RFB004 template are outlined in Appendix 5. These additional minor changes address discrepancies between the RFB templates and the European Banking Authority (EBA) Financial Reporting (FINREP) templates that they are based on.

1.8 The PRA has made the changes to the PRA110 reporting instructions as proposed in CP16/18. However, the changes to the reporting level of consolidation in PRA110 rules are subject to the outcome of CP22/18.<sup>3</sup>

1.9 The PRA does not consider the changes to be significant, or that the impact is significant, or significantly different, for mutuals. These changes should provide firms with greater clarity over their reporting obligations, and are similar in nature to those already consulted on and do not change reporting requirements.

1.10 The PRA is therefore making the final rules as consulted on in the CP, with the additional changes listed above.

## Implementation

1.11 The changes to the PRA Rulebook will take effect on Tuesday 1 January 2019. Appendix 4 summarises the effective dates for the templates and instructions included in the SSs.

<sup>2</sup> Sections 138J(5) and 138K(4).

<sup>3</sup> 'Liquidity reporting: FSA047 and FSA048', October 2018: <https://www.bankofengland.co.uk/prudential-regulation/publication/2018/liquidity-reporting-fsa047-and-fsa048>.

1.12 The policy contained in this PS has been designed in the context of the current UK and EU regulatory framework. The PRA will keep the policy under review to assess whether any changes would be required due to changes in the UK regulatory framework, including changes arising once any new arrangements with the European Union take effect.

## Appendices

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- 1 PRA RULEBOOK: CRR FIRMS: REGULATORY REPORTING (AMENDMENT) INSTRUMENT 2018 available at <https://www.bankofengland.co.uk/prudential-regulation/publication/2018/regulatory-reporting-occasional-consultation-paper>

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  - 2 SS34/15 'Guidelines for completing regulatory reports', available at: <http://www.bankofengland.co.uk/prudential-regulation/publication/2015/guidelines-for-completing-regulatory-reports-ss>

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  - 3 SS32/15 'Pillar 2 reporting, including instructions for completing data items FSA071 to FSA082, and PRA 111', available at: <http://www.bankofengland.co.uk/prudential-regulation/publication/2015/pillar2-reporting-including-instructions-for-completing-data-items-fsa071-to-fsa082-ss>

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  - 4 Mapping table - templates and instructions contained in SS32/15 and SS34/15

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  - 5 Corrections to RFB004: Intragroup financial reporting (detailed breakdown) template

## Appendix 4: Mapping table – templates and instructions contained in SS34/15 and SS32/15

This table sets out the updated templates and instructions included in SS32/15 and SS34/15, together with the dates that the updated versions take effect. These are also available on the Regulatory reporting – banking sector webpage.<sup>4</sup>

<b>SS32/15</b>	<b>SS appendix</b>	<b>Effective date</b>
Guidelines for completing data items FSA071 to FSA082	3	1 January 2019
<b>SS34/15</b>	<b>SS appendix</b>	<b>Effective date</b>
PRA101-103 instructions	1	5 December 2018
RFB001 instructions	9	1 January 2019
RFB004 template	9	1 January 2019
RFB003 and RFB004 instructions	9	1 January 2019
PRA110 instructions	11	1 July 2019

<sup>4</sup> <https://www.bankofengland.co.uk/prudential-regulation/regulatory-reporting/regulatory-reporting-banking-sector>.

## Appendix 5: Corrections to RFB004: Intragroup financial reporting (detailed breakdown) template

In this appendix, new text is underlined and deleted text is struck through.

### RFB004f: Breakdown of selected statement of profit or loss items

#### Part 3: Gains or losses on financial assets and liabilities held for trading by instrument

Based on FINREP template F16.03

100_95	of which: gains and losses due to the reclassification of assets at amortised cost	
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### RFB004g: Asset management, custody and other service functions

#### Part 1: Fee and commission income and expenses by activity

Based on FINREP template F22.01

170	<i>Other</i>	
180	Structured Finance	
190	<del>Servicing of securitization activities</del> <u>Loan servicing activities</u>	
200	Loan commitments given	
210	Financial guarantees given	
220	Other	
230	<b>(Fee and commission expenses)</b>	
240	(Clearing and settlement)	
250	(Custody)	
260	<del>Servicing of securitization activities</del> <u>(Loan servicing activities)</u>	
270	(Loan commitments received)	
280	(Financial guarantees received)	
290	(Other)	

### RFB004h: Information on performing and non-performing exposures to other group entities

Based on FINREP template F18.00

070	Loans and advances				
180	DEBT INSTRUMENTS AT <u>COST OR AT AMORTISED COST</u>				
181	Debt securities				
191	Loans and advances				
201	DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME OR THROUGH EQUITY SUBJECT TO IMPAIRMENT				
211	Debt securities				
221	Loans and advances				
231	<del>DEBT INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS OR THROUGH EQUITY NOT SUBJECT TO IMPAIRMENT</del> <u>DEBT INSTRUMENTS AT STRICT LOCOM. OR FAIR VALUE THROUGH PROFIT OR LOSS OR THROUGH EQUITY NOT SUBJECT TO IMPAIRMENT</u>				
330	DEBT INSTRUMENTS OTHER THAN HELD FOR TRADING				

In addition to the changes above, shading has been added to the following areas of the template where cells do not need to be completed:

- RFB004c, Part 1: Loan commitments, financial guarantees and other commitments given to other group entities. Cells r010 c130; r090 c130; and r170 c130 have been shaded.
- RFB004d: Derivatives. Cell r195 c040 has been shaded.