



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

Consultation Paper | CP24/16

Credit union regulatory reporting

July 2016



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

Consultation Paper | CP24/16

Credit union regulatory reporting

July 2016

The Bank of England and the Prudential Regulation Authority (PRA) reserve the right to publish any information which it may receive as part of this consultation.

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure, in accordance with access to information regimes under the Freedom of Information Act 2000 or the Data Protection Act 1998 or otherwise as required by law or in discharge of the PRA's statutory functions.

Please indicate if you regard all, or some of, the information you provide as confidential. If the Bank of England or the PRA receives a request for disclosure of this information, the Bank of England or the PRA will take your indication(s) into account, but cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system on emails will not, of itself, be regarded as binding on the Bank of England and the PRA.

Responses are requested by 5 September 2016.

Please address any comments or enquiries to:

Roger Marsh
Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA

Email: CP24_16@bankofengland.co.uk

Contents

1	Overview	3
2	Proposals	4
3	The PRA's statutory obligations	5
4	Appendices	7

1 Overview

1.1 In this consultation paper (CP), the Prudential Regulation Authority (PRA) sets out proposals for changes to the reporting requirements that apply to credit unions; these replace the returns that must currently be submitted and require that the new returns be submitted electronically.

1.2 This CP is relevant to credit unions.

1.3 The purpose of the proposed rules is to support the timely submission of accurate regulatory data by credit unions and to provide that such data are consistent with the Credit Unions Part of the PRA Rulebook and relevant to its objectives.

Summary of proposals

1.4 The PRA proposes to:

- (i) require that credit unions submit returns electronically;
- (ii) replace the existing quarterly and annual returns (Appendix 2 and 3);
- (iii) remove certain parts of the Regulatory Reporting Part of the PRA Rulebook and add equivalent rules to the Credit Unions Part (Appendix 1); and
- (iv) replace the existing notes¹ on completing quarterly and annual returns with new notes (Appendix 4).²

The proposals would take effect from 3 January 2017.

Responses and next steps

1.5 This consultation closes on 5 September 2016. The PRA invites feedback on the proposals set out in this consultation. Please address any comments or enquiries to CP24_16@bankofengland.co.uk.

¹ Existing forms and guidance for credit unions: www.bankofengland.co.uk/pr/Pages/regulatorydata/formscreditunions.aspx
² PRA Supervisory Statement 34/15, 'Guidelines for completing regulatory reports' February 2016: www.bankofengland.co.uk/pr/Pages/publications/ss/2016/ss3415update.aspx

2 Proposals

2.1 Currently credit unions are required to comply with provisions contained in the Regulatory Reporting Part of the PRA Rulebook. These provisions prescribe the form in which reports must be made,¹ the frequency,² timing³ and method of submission of such reports.⁴

2.2 The PRA proposes to add equivalent rules to the Credit Unions Part of the PRA Rulebook and remove those referred to in paragraph 2.1.

Quarterly and annual returns

2.3 The PRA proposes to replace the legacy quarterly and annual returns (known as 'CQ' and 'CY') which all credit unions are required to submit, with new returns (Appendix 2 and 3). The PRA also proposes to replace existing notes on completing returns⁵ with new notes (Appendix 4). These will be made available on the PRA's website. In addition, Supervisory Statement 2/16 'The prudential regulation of credit unions'⁶ will include a new appendix which contains links to the new notes on the website, and the links in the appendices 3a and 3b in Supervisory Statement 34/15 'Guidelines for completing regulatory reports'⁷ will be updated.

2.4 This proposal is intended to align the returns to the prudential data relevant to the recently introduced Credit Unions Rulebook Part. The PRA also proposes to make the returns significantly less complex and easier to prepare than those that they would replace.

Electronic reporting

2.5 The PRA proposes to require that credit union quarterly and annual returns be submitted only electronically. This would be achieved by removing the exemption from electronic reporting currently applying to credit unions⁸ and adding a rule to the Credit Unions Part of the PRA Rulebook, based on a similar rule in Regulatory Reporting 5.1.

2.6 The means of submission that the PRA proposes to introduce will not require a credit union to use any type of bespoke software and would permit data to be entered via any available computer, including those located, for example, in public libraries or information centres. Access to the Bank of England's system would involve the entry of a username, a password and a second user-identification, similar to the systems generally used to access online banking services. The system would incorporate immediate logical tests of data inputs, so that omissions and inconsistencies are identified for correction before submission; reducing the number of incorrect returns requiring manual intervention and correction would be beneficial both to credit unions and to the PRA.

1 Reporting Requirements – Data Items 2.1

2 Reporting Requirements – Data Items 7.1

3 Reporting Requirements – Data Items 7.2

4 Reporting Requirements – Submission Method 5.2

5 Existing forms and guidance for credit unions: www.bankofengland.co.uk/pr/Pages/regulatorydata/formscreditunions.aspx

6 PRA Supervisory Statement 'The prudential regulation of credit unions' February 2016:

<http://www.bankofengland.co.uk/pr/Pages/publications/ss/2016/ss216.aspx>

7 PRA Supervisory Statement 34/15 'Guidelines for completing regulatory reporting', February 2016:

<http://www.bankofengland.co.uk/pr/Pages/publications/ss/2016/ss3415update.aspx>

8 Reporting Requirements – Submission Method 5.2(1)

3 The PRA's statutory obligations

3.1 Before making any rules, the Financial Services and Markets Act 2000 (FSMA)¹ requires the PRA to publish a draft of the proposed rules accompanied by:

- a cost benefit analysis;
- a statement as to whether the impact of the proposed rules will be significantly different to mutuals than to other persons;²
- an explanation of the PRA's reasons for believing that making the proposed rules is compatible with the PRA's duty to act in a way that advances its general objective,³ insurance objective⁴ (if applicable), and secondary competition objective;⁵ and
- an explanation of the PRA's reasons for believing that making the proposed rules are compatible with its duty to have regard to the regulatory principles.⁶

3.2 The PRA is also required by the Equality Act 2010⁷ to have due regard to the need to eliminate discrimination and to promote equality of opportunity in carrying out its policies, services and functions.

Cost benefit analysis

3.3 The PRA considers that the potential costs to credit unions of its proposals to replace the existing quarterly and annual returns are nil or negligible. In effect, the preparation and submission of the data required in either of the proposed prescribed returns would place lesser demands on credit unions than is made by submission of existing returns. Only data items that must already be maintained by a credit union in the normal course of its specific business would be required; completion and submission of the proposed returns would not oblige a credit union to purchase, or to modify software, nor the use of any new calculation method.

Compatibility with the PRA's objectives

3.4 The proposals in this CP are intended to support the timely submission of accurate regulatory data by credit unions and to provide that such data are consistent with the Credit Unions Part of the PRA Rulebook and relevant to its objectives.

3.5 The PRA has assessed the potential impact of the proposed rules on facilitating effective competition. The PRA considers that the impact of these proposals are likely to be neutral, although the improved efficiency of data submission and the improved quality of regulatory data and public data might, over time, contribute to effective competition as the sector grows and diversifies.

1 Section 138J of FSMA.
 2 Section 138K of FSMA.
 3 Section 2B of FSMA.
 4 Section 2C of FSMA.
 5 Section 2H(1) of FSMA.
 6 Sections 2H(2) and 3B of FSMA.
 7 Section 149 of the Equality Act 2010

Regulatory Principles

3.6 In developing the proposals in this CP, the PRA has had regard to the regulatory principles. Two of the principles are of particular relevance.

3.7 The principle that the regulator should use its resources in the most efficient and economical way is relevant to the proposal that credit unions' returns must be submitted electronically. Presently the data in returns, however transmitted to the PRA, must be transposed, in part manually, into the Bank of England's systems and data must be validated and errors corrected. Transposition is both time consuming and costly and the elimination of errors, which requires communication with the submitter, similarly involves significant time and expense. Electronic submission would eliminate the requirement to transpose data and would also automatically check returns in the course of submission so that obvious errors and omissions were immediately identified for correction before submission could be completed. Supervisors presently work with data that are generally out-of-date; the direct receipt of data would mean that data for individual credit unions and for the sector would be available to supervisors considerably earlier than is presently the case.

3.8 The principle that a burden or restriction which is imposed on a person, or on the carrying on of an activity, should be proportionate to the benefits, considered in general terms, which are expected to result from the imposition of that burden or restriction. The PRA has followed this principle when developing the proposals outlined in this CP and considers that the proposed changes would provide a significantly improved reporting regime for credit unions, both with regard to the content of returns and to the ease of submission.

Impact on mutuals

3.9 The proposed rule changes affect only credit unions, which are all mutual institutions, and consequently there is no comparison to be made in compliance with this requirement. However, the proposals are expected to broadly reduce the impact of regulation for mutuals within scope of the policy.

Equality and diversity

3.10 The PRA has performed an assessment of the policy proposals and does not consider that the proposals give rise to equality and diversity implications.

Appendices

-
- 1** **Draft Reporting Chapter for the Credit Unions Part of the PRA Rulebook and consequential amendments to the Regulatory Reporting and Glossary Parts of the PRA Rulebook**

 - 2** **Draft quarterly return ('CQ')**

 - 3** **Draft annual return ('CY')**

 - 4** **Draft notes on completing the quarterly and annual returns ('CQ' and 'CY') for credit unions**

Appendix 1: Draft Reporting Chapter for the Credit Unions Part of the PRA Rulebook and consequential amendments to the Regulatory Reporting and Glossary Parts of the PRA Rulebook

PRA RULEBOOK: NON CRR FIRMS: CREDIT UNIONS (REPORTING) INSTRUMENT [2016]

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules); and
 - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

PRA Rulebook: Non CRR Firms: Credit Unions Instrument [2016]

- D. The PRA makes the rules in Annex A, Annex B and Annex C to this instrument.

Commencement

- E. This instrument comes into force on [DATE].

Citation

- F. This instrument may be cited as the PRA Rulebook: Non CRR Firms: Credit Unions (Reporting) Instrument [2016].

By order of the Board of the Prudential Regulation Authority

[DATE]

Annex A

Amendments to the Glossary

In the Glossary Part of the PRA Rulebook insert the following new definitions:

data element

means a discrete fact or individual piece of information relating to a particular field within a *data item*.

data items

means one or more related *data elements* that are grouped together into a prescribed format (unless specified as “no standard format”) and required to be submitted by a *firm*.

Annex B

Amendments to the Credit Unions Part

In this Annex new text is underlined and deleted text is struck through.

19 REGULATORY REPORTING FOR CREDIT UNIONS

19.1 A credit union must submit to the PRA the data items described in and in accordance with the following table, which sets out:

- (1) the applicable data items;
- (2) the applicable reporting frequencies for submission of data items, with such periods being calculated from a firm's accounting reference date; and
- (3) the applicable due dates for submission. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period.

<u>Data item</u>	<u>Frequency</u>	<u>Due date</u>
<u>CQ</u>	<u>Quarterly</u>	<u>1 month after the dates falling every three months after the firm's accounting reference date</u>
<u>CY</u>	<u>Annually</u>	<u>6 months after the firm's accounting reference date</u>

19.2 If the due date for submission of a data item required by this Chapter falls on a day which is not a business day, the data item must be submitted so as to be received by the PRA no later than the first business day after the due date.

19.3 Where a credit union is required to submit data items in accordance with this Chapter, it must submit this information by electronic means made available by the PRA.

19.4 A data item must give the firm reference number (or all the firm reference numbers in those cases where a data item is submitted on behalf of a number of firms).

19.5 The annual report required to be included under data item CY must be made up for the same period as the audited accounts published by the credit union in accordance with section 3A of the Friendly and Industrial and Provident Societies Act 1968 or provided in accordance with article 49 of the Credit Unions (Northern Ireland) Order 1985 (as appropriate).

19.6 Data item CQ can be found here.

19.7 Data item CY can be found here.

19.8 A credit union is subject to Regulatory Reporting 18.

Annex C

Amendments to the Regulatory Reporting Part

In this Annex new text is underlined and deleted text is struck through.

1 APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

...

~~*data element*~~

~~means a discrete fact or individual piece of information relating to a particular field within a *data item*.~~

~~*data items*~~

~~means one or more related data elements that are grouped together into a prescribed format (unless specified in this Part as "no standard format") and required to be submitted by a *firm*.~~

...

...

5 REPORTING REQUIREMENTS – SUBMISSION METHOD

...

5.2 5.1 does not apply to:

(1) ~~credit unions solely in relation to the reporting requirement for RAG 1 regulated activities; in such cases, the following submission methods apply:~~

~~(a) — Post to the Bank of England for postal submission:~~

~~Regulatory Data Group~~

~~Statistics and Regulatory Data Division (HO5 A-B)~~

~~Bank of England~~

~~Threadneedle Street~~

~~London~~

~~EC2R 8AH~~

~~(b) — Leaving the report marked for the attention of "Regulatory Data Group, Statistics and Regulatory Data Division (TS 5 A-B) at the Bank of~~

England, Threadneedle Street, London, EC2R 8AH, and obtaining a dated receipt

(c) — Electronic mail:

(CreditUnionReporting@BankofEngland.co.uk) or fax (020 7601 3334) to the Regulatory Data Group of the Bank of England

(d) — Online submission via the appropriate systems accessible from the PRA's website. [deleted.]

- (2) firms in RAG 2.1 in relation to the reporting requirements for RAG 2.1 regulated activities; and
- (3) those data items specified as "No standard format".

...

7 REGULATED ACTIVITY GROUP 1

- 7.1 The applicable *data items* referred to in the table in 6.1 are set out according to *firm* type in the table below:

RAG 1

Prudential category of firm, applicable data items and reporting format (1)

UK bank	Building society	Non-EEA bank	EEA bank that has permission to accept deposits and that has its registered office (or, if it	Credit union [deleted.]	Dormant account fund operator (12)
---------	------------------	--------------	---	------------------------------------	------------------------------------

has no
registered
office, its
head office)
outside the EU

...				
Balance sheet	FSA001 (2)	FSA001 (2)		CQ; CY [deleted.]
Income statement	FSA002 (2)	FSA002 (2)	FSA002	CQ; CY [deleted.]
Capital adequacy				CQ; CY [deleted.]
...				
Large exposures				CQ; CY [deleted.]
...				
Liquidity (other than stock)		FSA011		CQ; CY [deleted.]
...				

...

7.2 The applicable reporting frequencies for submission of *data items* and periods referred to in 7.1 are set out in the table below according to *firm* type. Reporting frequencies are calculated from a firm's accounting reference date, unless indicated otherwise.

RAG 1

Data item	Unconsolidated UK banks and building societies	Individual consolidated UK banks and building	Report on a UK consolidation group or, as applicable, defined liquidity group basis by	Other members of
------------------	---	--	---	-------------------------

<i>societies</i>	<i>UK banks and building societies</i>	<i>RAG 1</i>
...		
EQ [deleted]	Quarterly [deleted]	
QY [deleted]	Annually (1) [deleted]	
...		

(1) ~~The annual report required from a credit union by 7.1 must be made up for the same period as the audited accounts published by the credit union in accordance with section 3A of the Friendly and Industrial and Provident Societies Act 1968 or provided in accordance with article 49 of the Credit Unions (Northern Ireland) Order 1985 (as appropriate).~~ [deleted.]

...

7.3 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 7.2, unless indicated otherwise.

RAG 1

<i>Data item</i>	Daily	Weekly	Monthly	Quarterly	Half yearly	Annually
...						
EQ [deleted.]				1 month [deleted.]		
QY [deleted.]						6 months [deleted.]
...						

...

16 DATA ITEMS AND OTHER FORMS

...

16.22 ~~CQ can be found here.~~ [deleted.]

16.23 ~~CY can be found here.~~ [deleted.]

Appendix 2: Draft quarterly return ('CQ')

Outlined below is the proposed quarterly return to be submitted electronically, and to replace the existing return.¹

Quarterly return (CQ) for credit unions

Rulebook Reference: XXXX

January 2017

[Automatically-populated] Credit Union Limited	A1
Firm Reference Number (FRN) [automatically-populated]	A2
Reporting period [automatically-populated]	A3
Credit union's address [automatically-populated]	A4

Credit union details:

Trade body	<input type="text"/>	A5
Number of members at the end of the reporting period	<input type="text"/>	A6
Qualifying members	<input type="text"/>	A7
Non-qualifying members	<input type="text"/>	A8
Total individual members	<input type="text"/>	A9
Corporate members: Bodies corporate	<input type="text"/>	A10
Corporate members: Partnerships	<input type="text"/>	A11
Corporate members: Unincorporated associations	<input type="text"/>	A12
Number of juvenile depositors	<input type="text"/>	A13
Name of CU's software system	<input type="text"/>	A14
Name of CU's current account bankers	<input type="text"/>	A15
CU's external auditor	<input type="text"/>	A16
Total number of staff	<input type="text"/>	A17
Does CU undertake: Additional investments (Y/N)	<input type="text"/>	A18
Does CU undertake: Additional lending (Y/N)	<input type="text"/>	A19
Does CU undertake: Mortgage lending (Y/N)	<input type="text"/>	A20
Does CU undertake: Transactional accounts (Y/N)	<input type="text"/>	A21
Number of active transactional accounts	<input type="text"/>	A22

¹ Credit unions – forms and guidance webpage: www.bankofengland.co.uk/prd/Pages/regulatorydata/formscreditunions.aspx

Balance sheet - Assets:	Fixed assets		C1
	Banks and Building Societies balances		C2
	Other investments		C3
	Due from members for loans: Secured		C4
	Number of loans: Secured		C5
	Due from members for loans: Unsecured		C6
	Number of loans: Unsecured		C7
	Individual loans (balance)		C8
	Body corporate loans (balance)		C9
	Partnership loans (balance)		C10
	Unincorporated association loans (balance)		C11
	Due from other credit unions		C12
	Cash		C13
	Other debtors		C14
	Prepaid expenses		C15
	Other assets		C16
	Total assets		C17

Balance sheet - Liabilities:	Juvenile deposits		D1
	Borrowings from other credit unions		D2
	Bank loans		D3
	Overdraft balances		D4
	Grants		D5
	Other creditors and accruals		D6
	Corporation tax		D7
	Interest to juvenile depositors		D8
	Applications		D9
	Other (item)		D10
	Other (amount)		D11
	Total liabilities		D12

Net assets:	Net assets		E1
--------------------	------------	--	----

Capital:	General reserve		F1
	Other reserve		F2
	Interim profit		F3
	Subordinated debt (over 4 years remaining)		F4
	Subordinated debt (4 years and fewer remaining)		F5
	Initial repayment date		F6

Revaluation reserves		F7
Deferred share reserves		F8
Regulatory capital		F9
Regulatory capital as % of total assets		F10

Balance sheet - shares:

Members' share balances (total)		G1
Non-deferred shares		G2
Deferred shares		G3
Individual non-deferred shares		G4
Body corporate non-deferred shares		G5
Partnership non-deferred shares		G6
Unincorporated association non-deferred shares		G7
Individual deferred shares		G8
Body corporate deferred shares		G9
Partnership deferred shares		G10
Unincorporated association deferred shares		G11
Dividend bearing shares		G12
Interest bearing shares		G13
Members with shares above FSCS limit		G14
Aggregated balance above FSCS limit		G15

Income:

Interest from members' loans		H1
Bank/investments income		H2
Grants		H3
Donations		H4
Insurance commission		H5
Other (item)		H6
Other income (amount)		H7
Total income		H8

Expenditure:

Admin expenses		I1
Management expenses		I2
Bad debt provision		I3
Bad debt write off		I4
Interest expenditure		I5
Other (item)		I6
Other (amount)		I7
Total expenditure		I8

Arrears:

Bad debt provision (amount)		L1
Total net liabilities		L2
Arrears 3-6 months (number)		L3
Arrears 3-6 months (amount)		L4
Arrears 6-9 months (number)		L5
Arrears 6-9 months (amount)		L6
Arrears 9-12 months (number)		L7
Arrears 9-12 months (amount)		L8
Arrears 12+ months (number)		L9
Arrears 12+ months (amount)		L10

Surplus funds and Liquidity:

Liquid assets: cash		M1
Provider 1		M2a
Value 1		M3a
Amount recoverable within 8 days 1		M4a
Term		M5a
Provider 2		M2b
Value 2		M3b
Amount recoverable within 8 days 2		M4b
Term		M5b
Liquid assets: Unused committed facilities		M6
Total liquid assets		M7
Unattached shares		M8
Liabilities (less than 3 months)		M9
Authorised overdraft		M10
Total relevant liabilities		M11
Liquidity ratio		M12

Large exposures:

Largest net liability		N1
As % of capital		N2
Aggregate total of large net exposures		N3
As % of capital		N4

Appendix 3 - Draft annual return ('CY')

Outlined below is the proposed annual return to be submitted electronically, and to replace the existing return.¹

[Automatically-populated] Credit Union Limited	A1
Firm Reference Number (FRN) [automatically-populated]	A2
Financial year end [automatically-populated]	A3
Credit union's address [automatically-populated]	A4

Credit union details:	Trade body	<input type="text"/>	A5
	Number of members at the financial year end	<input type="text"/>	A6
	Qualifying members	<input type="text"/>	A7
	Non-qualifying members	<input type="text"/>	A8
	Total individual members	<input type="text"/>	A9
	Corporate members: Bodies corporate	<input type="text"/>	A10
	Corporate members: Partnerships	<input type="text"/>	A11
	Corporate members: Unincorporated associations	<input type="text"/>	A12
	Number of juvenile depositors	<input type="text"/>	A13
	Name of CU's software system	<input type="text"/>	A14
	Name of CU's current account bankers	<input type="text"/>	A15
	CU's external auditor	<input type="text"/>	A16
	Total number of staff	<input type="text"/>	A17
	Does CU undertake: Additional investments (Y/N)	<input type="text"/>	A18
	Does CU undertake: Additional lending (Y/N)	<input type="text"/>	A19
	Does CU undertake: Mortgage lending (Y/N)	<input type="text"/>	A20
	Does CU undertake: Transactional accounts (Y/N)	<input type="text"/>	A21
	Number of active transactional accounts	<input type="text"/>	A22

Fidelity Bond:	Policy issued by	<input type="text"/>	B1
	Date of inception of policy	<input type="text"/>	B2
	Date of expiry of policy	<input type="text"/>	B3
	Cover - any one claim	<input type="text"/>	B4
	Cover - all claims in any one year	<input type="text"/>	B5
	Were any claims made on the policy during the period covered by the return	<input type="text"/>	B6

¹ Credit unions – forms and guidance webpage: www.bankofengland.co.uk/prd/Pages/regulatorydata/formscreditunions.aspx

Balance sheet - Assets:	Fixed assets		C1
	Banks and Building Societies balances		C2
	Other investments		C3
	Due from members for loans: Secured		C4
	Number of loans: Secured		C5
	Due from members for loans: Unsecured		C6
	Number of loans: Unsecured		C7
	Individual loans (balance)		C8
	Body corporate loans (balance)		C9
	Partnership loans (balance)		C10
	Unincorporated association loans (balance)		C11
	Due from other credit unions		C12
	Cash		C13
	Other debtors		C14
	Prepaid expenses		C15
	Other assets		C16
	Total assets		C17

Balance sheet - Liabilities:	Juvenile deposits		D1
	Borrowings from other credit unions		D2
	Bank loans		D3
	Overdraft balances		D4
	Grants		D5
	Other creditors and accruals		D6
	Corporation tax		D7
	Interest to juvenile depositors		D8
	Applications		D9
	Other (item)		D10
	Other (amount)		D11
	Total liabilities		D12

Net assets:	Net assets		E1
--------------------	------------	--	----

Capital:	General reserve		F1
	Other reserve		F2
	Subordinated debt (over 4 years remaining)		F3
	Subordinated debt (4 years and fewer remaining)		F4
	Initial repayment date		F5
	Revaluation reserves		F6

Deferred share reserves		F7
Regulatory capital		F8
Regulatory capital as % of total assets		F9

Balance sheet - shares:

Members' share balances (total)		G1
Non-deferred shares		G2
Deferred shares		G3
Individual non-deferred shares		G4
Body corporate non-deferred shares		G5
Partnership non-deferred shares		G6
Unincorporated association non-deferred shares		G7
Individual deferred shares		G8
Body corporate deferred shares		G9
Partnership deferred shares		G10
Unincorporated association deferred shares		G11
Dividend bearing shares		G12
Interest bearing shares		G13
Members with shares above FSCS limit		G14
Aggregated balance above FSCS limit		G15

Income:

Entrance fees		H1
Interest from members' loans		H2
Bank/investments income		H3
Profit on sale of investment/assets		H4
Bad debt recovered		H5
Grants		H6
Donations		H7
Insurance commission		H8
Annual membership fees		H9
Ancillary services charges		H10
Other (item)		H11
Other income (amount)		H12
Total income		H13

Expenditure:

Admin expenses		I1
Auditors remuneration		I2
Fidelity bond insurance		I3
Management expenses		I4
Bad debt provision		I5
Bad debt write off		I6

Bank charges		17
Interest charges on borrowing		18
Loss/revaluation on investments/assets		19
General insurance		110
LP/LS insurance		111
Regulatory fees		112
Trade association membership dues		113
Interest expenditure		114
Other (item)		115
Other (amount)		116
Total expenditure		117

P/L - other:

Profit/loss before taxation		J1
less taxation		J2
Profit/loss after tax		J3
Dividend		J4
Rate of dividend		J5
Rebate of interest		J6
Rate of interest rebate		J7
Donations		J8

Reserves:

General reserve: opening balance		K1
General reserve: transfer from/(to) appropriation account		K2
Transfer as % of profit after tax		K3
General reserve: transfer from/(to) other reserves		K4
General reserve: closing balance		K5
Other reserve: opening balance		K6
Other reserve: transfer from/(to) appropriation account		K7
Other reserve: transfer from/(to) general reserves		K8
Other reserve: closing balance		K9

Arrears:

Bad debt provision (amount)		L1
Total net liabilities		L2
Arrears 3-6 months (number)		L3
Arrears 3-6 months (amount)		L4
Arrears 6-9 months (number)		L5
Arrears 6-9 months (amount)		L6
Arrears 9-12 months (number)		L7

Arrears 9-12 months (amount)		L8
Arrears 12+ months (number)		L9
Arrears 12+ months (amount)		L10

Surplus funds and Liquidity:

Liquid assets: cash		M1
Provider 1		M2a
Value 1		M3a
Amount recoverable within 8 days 1		M4a
Term		M5a
Provider 2		M2b
Value 2		M3b
Amount recoverable within 8 days 2		M4b
Term		M5b
Liquid assets: Unused committed facilities		M6
Total liquid assets		M7
Unattached shares		M8
Liabilities (less than 3 months)		M9
Authorised overdraft		M10
Total relevant liabilities		M11
Liquidity ratio		M12

Large exposures:

Largest net liability		N1
As % of capital		N2
Aggregate total of large net exposures		N3
As % of capital		N4

Appendix 4: draft notes on completing the quarterly and annual returns ('CQ' and 'CY') for credit unions

The PRA proposes to replace the current CQ¹ and CY² returns guidance with the notes outlined below. It is proposed that these notes are included in Supervisory Statement 2/16 'The prudential regulation of credit unions'.

Regulatory returns

These notes are intended to be read together with the Credit Unions Part of the PRA Rulebook. Where appropriate, we have referenced the most applicable sections of the Rulebook Part below. These references are not exhaustive and in certain situations, other sections of the Rulebook Part will be relevant.

Credit unions should take steps to register on the Bank's system. Once registered, credit unions will receive instructions and reminders via email. Credit unions will not be required to provide static data each time they report to the PRA. Rather, this information - for example Firm Reference Number, credit union name, credit union address - will be recorded centrally. Should this information change, the credit union should contact the PRA via its usual supervisory contact.

The return is divided into 11 sections. Eight of the sections should be completed on both a quarterly and an annual basis. The other three sections should be completed on an annual basis only. Each section is described separately below.

All numerical entry fields throughout the return should have either a figure or a zero entered. All monetary figures must be recorded to two decimal places; all numerical values should be in units, and percentages given to two decimal places. Unless otherwise stated, all figures should be as at the end date of the period covered by the return.

If a credit union uses a software program to generate its return, it is expected that the credit union checks that the data in the return is correct. The software system used to submit returns to the PRA contains a number of validation and plausibility checks to ensure the data submitted is accurate. Where prompted to, explanations and/or further information on data should be provided. If errors are found within a return, the credit union will be contacted and asked to submit corrected data.

1 Notes for completing the quarterly annual return:
<http://www.bankofengland.co.uk/pradiv/Documents/crddiv/cqinstructionsjan2016.pdf>

2 Notes on completing the annual return (CY) for credit unions:
<http://www.bankofengland.co.uk/pradiv/Documents/crddiv/cyinstructionsjan2016.pdf>

Credit unions should attach their audited accounts to their annual submission and should also attach a signed declaration from their auditors confirming that where relevant, the figures within their statutory balance sheet correspond to figures in their annual return.

The information and data input into the returns will usually, but not always, align with the credit union's statutory accounts. However, the returns are designed for the provision of information required by the PRA in order that it may exercise its statutory regulatory functions. The returns are not a version of the statutory accounts.

Careful consideration should be given to who is the most appropriate individual at the credit union to sign off the return and to make the appropriate undertakings as to its accuracy. As a minimum, the expectation is that this individual would be a director. The PRA expects that at most credit unions, the individual with designated regulatory responsibility for 'managing the firm's financial resources' to sign off the return.

The PRA recognises that in certain cases, certain fields will not apply to particular credit unions. For example, there are sections on deferred shares and corporate members that will not be applicable for many credit unions. The legislative differences between Northern Ireland and Great Britain will also mean that certain sections of the form will not apply to Northern Ireland credit unions. Where a section does not apply, credit unions should simply enter zeroes.

Section A – Credit Union details

This section should be completed on both a quarterly and annual basis. It requires credit unions to provide certain basic details about their credit union.

Most parts of this section will apply to all credit unions although there are sections that only apply to credit unions who can grant membership to corporates and/or partnerships and/or unincorporated organisations. If not applicable, credit unions should simply enter zeroes in these fields.

This section asks credit unions to confirm whether they are undertaking additional activities. Credit unions should consider the Credit Unions Rulebook Part, particularly the definitions set out in Credit Unions 1.2 in the PRA Rulebook, when responding on this point. Credit unions are not required to provide any further information with respect to the activities in the return.

Section B – Fidelity Bond

This section should be completed on an annual basis only. It requires credit unions to provide details of the fidelity bond insurance they have in place.

This section applies to all credit unions.

In completing this part, credit unions should consider the Credit Unions 2.9 to 2.12 inclusive.

Section C – Balance Sheet

This section should be completed on both a quarterly and annual basis.

Most parts of this section will apply to all credit unions although there are sections that only apply to credit unions who can grant membership to corporates and/or partnerships and/or unincorporated organisations. If not applicable, credit unions should simply enter zeroes in these fields.

In completing this part, credit unions should refer to definitions in Credit Unions 1.

As far as is possible, investments and securities should be valued as at the end date of the period covered by the return.

Secured loans include loans secured on members' shares and loans secured on other readily-realiseable assets.

Section D – Regulatory Capital

This section should be completed on both a quarterly and annual basis.

Most parts of this section will apply to all credit unions although there are sections that only apply to credit unions whose capital is made up of qualifying subordinated debt and/or deferred share reserves and/or qualifying revaluation reserves. If not applicable, credit unions should simply enter zeroes in these fields.

In completing this part, credit unions should consider the Credit Unions 8.2 to 8.3 inclusive.

Section E – Members' shares

This section should be completed on both a quarterly and annual basis.

Most parts of this section will apply to all credit unions although there are sections that only apply to credit unions who can grant membership to corporates and/or partnerships and/or unincorporated organisations. If not applicable, credit unions should simply enter zeroes in these fields.

Section F – Income and Expenditure

This section should be completed on both a quarterly and annual basis.

This section applies to all credit unions.

Where completing its quarterly return, a credit union should report on a financial year-to-date basis.

Where credit unions receive income or incur expenditure in respect of items not listed in the return, the credit union should provide further details in the appropriate section.

Section G – Appropriations

This section should be completed on an annual basis only.

This section applies to all credit unions.

In this section, credit unions should set out their profit or loss for the year and how it has been accounted for. In completing this section, the credit union should take account of Credit Unions 2.5, 8.8 and 8.9 respectively.

Where appropriate, figures must correspond to the credit union's audited accounts.

Section H – Movement in reserves

This section should be completed on an annual basis only.

This section applies to all credit unions.

In this section, credit unions should set out the movement in their general and other reserves. In completing this section, credit unions should take account of Credit Unions 8.8 and 8.9 respectively.

Where appropriate, figures must correspond to the credit union's audited accounts.

Section I – Arrears

This section should be completed on both a quarterly and annual basis.

This section applies to all credit unions.

In completing this section, credit unions should take account of Credit Unions 3.12.

Section J – Surplus Funds and Liquidity

This section should be completed on both a quarterly and annual basis.

This section applies to all credit unions.

In this section, credit unions should account for all surplus funds held with counterparties and confirm the value, maturity date and liquidity status of said funds.

In completing this section, credit unions should take account of Credit Unions 6 and 9 respectively.

Section K – Large Exposures

This section should be completed on both a quarterly and annual basis.

This section applies to all credit unions.

The section requires credit unions to report their largest net liability. In completing this section, credit unions should take account of the definitions of 'net liability' and 'large exposure' as set out in Credit Unions 1.2. Credit unions should also more generally take account of Credit Unions 3.6 and 3.7.