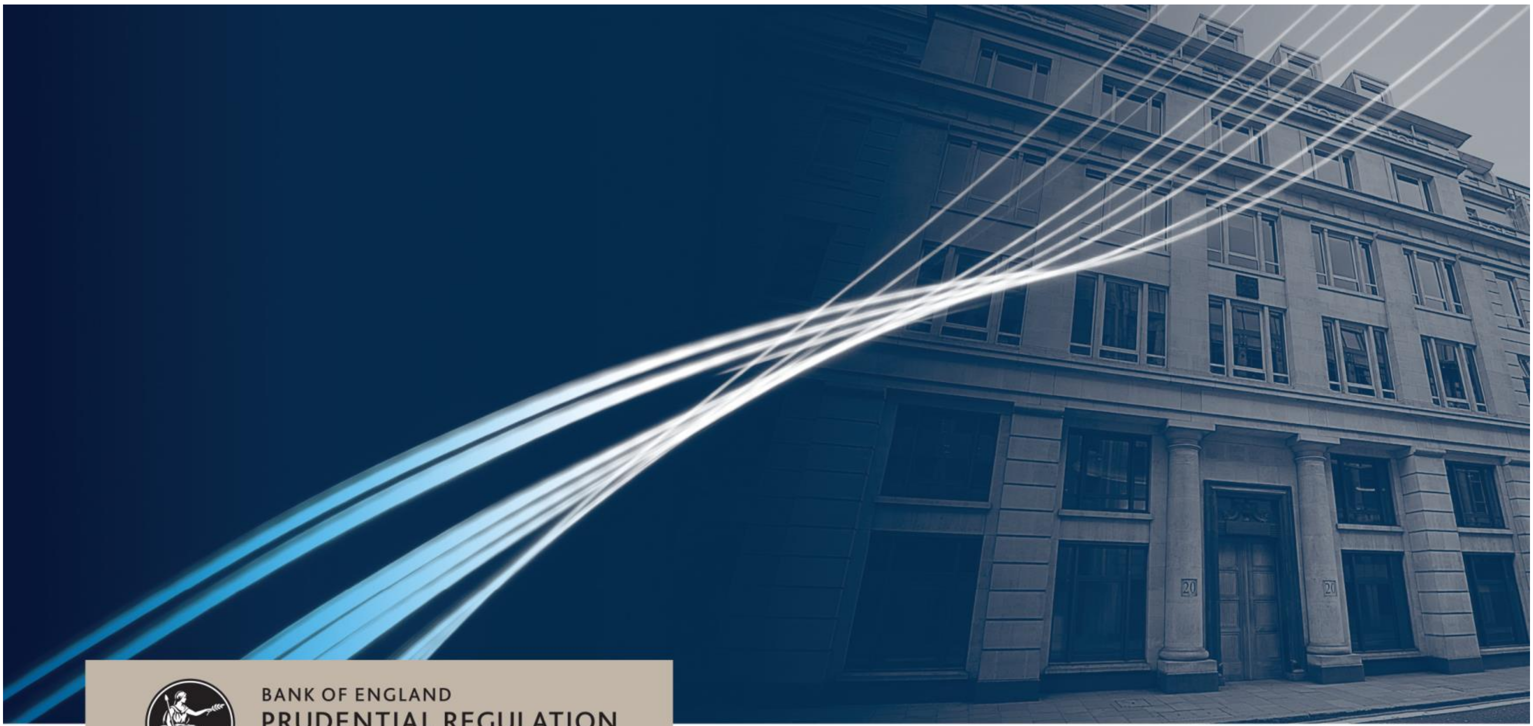

BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

Consultation Paper | CP46/16

IFRS 9: changes to reporting requirements

December 2016

Prudential Regulation Authority
20 Moorgate
London EC2R 6DA

Prudential Regulation Authority, registered office: 8 Lothbury, London EC2R 7HH.
Registered in England and Wales No: 07854923

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Responses are requested by Monday 13 March 2017.

Please address any comments or enquiries to:
PPD Accounting, Reporting and Disclosure Team
Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA

Email: CP46_16@bankofengland.co.uk

Contents

1 Overview

1.1 This consultation paper (CP) sets out the Prudential Regulation Authority's (PRA's) proposed changes to regulatory reporting requirements arising from the introduction of International Financial Reporting Standard 9 (IFRS 9) from 1 January 2018. The proposals affect firms' existing reporting requirements for credit quality, including arrears and impairments.

1.2 This CP is relevant to UK banks and building societies. It is not relevant to PRA-designated UK investment firms, to UK branches of firms in other European Economic Area (EEA) countries and non-EEA countries, or to insurance firms. It should be read alongside the Regulatory Reporting Part of the PRA Rulebook and Supervisory Statement (SS) 34/15.[1]

1.3 The PRA proposes changes to reporting requirements for banks and building societies applying IFRS 9. This would include both firms that apply IFRS in its endorsed form, and those that apply IFRS 9 as part of UK generally accepted accounting practice (GAAP). More specifically, such firms would be required to report certain European Banking Authority (EBA) Financial Reporting (FINREP) templates instead of the current FSA015 ('Sectoral information, including arrears and impairment') return, on both an individual and consolidated basis.

1.4 The PRA also proposes that certain firms that do not apply IFRS 9 should also report a small number of FINREP templates, to ensure that there is sufficient data available for peer analysis after the implementation of IFRS 9.

Background

1.5 In July 2014, the International Accounting Standards Board (IASB) issued 'IFRS 9 - Financial Instruments' to replace the current standard for financial instruments (IAS 39). IFRS 9 introduces fundamental changes that include:

- a forward-looking impairment model based on expected credit losses and the allocation of loans to impairment stages based on increases in credit risk;
- different requirements for classification and measurement depending on how assets are managed and their contractual cash flow characteristics; and
- changes intended to simplify the general hedge accounting requirements and to create closer links with risk management.

1.6 In November 2016, IFRS 9 was endorsed for implementation in the European Union to apply from accounting years starting on or after 1 January 2018.[2] The EBA subsequently published updated templates for the reporting of financial information (FINREP) to align these with the new accounting standard.[3] The EBA previously consulted on these changes in December 2015.[4]

1.7 In April 2016, the PRA published CP17/16, 'Regulatory reporting of financial statements, forecast capital data and IFRS 9 requirements',[5] which included the PRA's preliminary views on

1 'Guidelines for completing regulatory reports', December 2016; www.bankofengland.co.uk/pra/Pages/publications/ss/2016/ss3415update3.aspx.
2 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2016:323:FULL&from=EN.
3 www.eba.europa.eu/-/eba-amends-supervisory-reporting-standards-due-to-the-new-ifrs-9.
4 November 2016: www.eba.europa.eu/regulation-and-policy/supervisory-reporting/implementing-technical-standards-on-proposed-amendments-to-finrep-ifrs-due-to-ifrs-9#publicHearing_1303108.
5 April 2016; www.bankofengland.co.uk/pra/Pages/publications/cp/2016/cp1716.aspx.

the changes to reporting requirements that would be required as a consequence of the implementation of IFRS 9. In paragraph 4.9 of CP17/16, the PRA set out why FSA015 would no longer be fit for purpose for certain firms following the introduction of IFRS 9.

1.8 Financial Conduct Authority (FCA) rules require banks and building societies to report the FSA015, but the FCA are currently consulting on removing this requirement.[1]

1.9 The policy 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 those arising once any new arrangements with the European Union take effect.

The PRA's data strategy

1.10 CP17/16 outlined the PRA's wider data strategy, a key element of which is a review of all of the PRA's data requirements that are applicable to regulated firms. In CP17/16, the PRA consulted on the first stage of this review – the reporting of balance sheet, statement of profit or loss (P&L) and Capital+ by PRA-authorised banks, building societies and designated investment firms. The final rules and guidance for these are set out in Policy Statement (PS) 36/16, 'Financial statements – responses to Chapter 3 of CP17/16'[2] and PS32/16, 'Responses to Chapter 3 of CP17/16 - forecast capital data'.[3]

1.11 CP17/16 stated that the PRA would consult on proposed reporting changes for credit risk as well as IFRS 9 requirements in late 2016. The PRA considered feedback received on CP17/16, including feedback on firms' capacity for further changes to reporting requirements in the light of other ongoing changes (either to reporting, or to other regulatory requirements); the imminence of IFRS 9 changes; and the need for redefining credit risk data requirements in order to decrease the requests for additional data from firms to supplement Rulebook reporting requirements. The PRA concluded that further reporting changes at this stage should be minimised, and that this consultation should be limited to changes that are necessary due to the implementation of IFRS 9. The PRA will temporarily pause plans to consult on the wider changes relating to the data stocktake discussed in the data strategy chapter of CP17/16.

1.12 The proposals made in this paper are made in the context of the conclusion described in the previous paragraph. On expected credit losses, future work to review credit risk data requirements may identify additional breakdowns of data related to expected credit losses that would be required by supervisors in the longer term, and future reviews of data needs in other areas may identify additional data related to IFRS 9 requirements (such as the approach to hedge accounting) that will also be necessary for supervision in due course. This CP therefore takes a pragmatic approach by identifying the key data that will be required from the first implementation of IFRS 9, while the more detailed review is pending. If other data needs are identified, the resulting reporting proposals will be subject to consultation as usual.

Implementation

1.13 The proposed implementation date for the proposals in this CP is the start of a firm's accounting year beginning on or after 1 January 2018, to coincide with the implementation date of IFRS 9. The PRA proposes that firms could apply for a rule modification (via a

1 FCA Quarterly Consultation Paper CP16/39, December 2016: www.fca.org.uk/publications/consultation-papers/quarterly-consultation-paper-no-15-cp16-39.
2 December 2016; www.bankofengland.co.uk/pra/Pages/publications/ps/2016/ps3616.aspx.
3 November 2016; www.bankofengland.co.uk/pra/Pages/publications/ps/2016/ps3216.aspx.

modification by consent process) which would enable them to delay application of the new rules until the start of their financial year beginning in 2018. The PRA also proposes that firms would be able to apply to report on a schedule linked to their accounting year, rather than report on calendar quarters. This aligns with the approach taken to reporting of financial statements returns set out in PS36/16.

1.14 The PRA is considering various collection mechanisms such as an automated submission mechanism, an online portal or reusing existing systems, and is aiming (as far as possible) for the submission mechanism required for these returns to be consistent with the mechanisms that will be used to collect the financial statement returns set out in PS36/16. The PRA will publish details of the submission method which will be used by firms to report these returns on the PRA webpages in early 2017.

Responses and next steps

1.15 This consultation closes on Monday 13 March 2017. The PRA invites feedback on the proposals set out in this consultation. Please address any comments or enquiries to CP46_16@bankofengland.co.uk.

2 Proposals

2.1 In CP17/16, the PRA asked for views on how IFRS 9 would affect firms' regulatory reporting and on the preferred method of reporting when IFRS 9 has been implemented. The PRA received six responses to these discussion points, and this feedback has informed the proposals outlined in this CP.

Updated reporting requirements for firms applying IFRS 9

2.2 The majority of responses received supported replacing the FSA015 with specific FINREP templates, citing potential benefits such as greater consistency in reporting approach and the ready availability of the relevant data from IFRS 9 compliant systems.

2.3 Based on the PRA's preliminary views set out in CP17/16 and the feedback received, the PRA proposes that those firms making use of the following accounting standards should stop reporting the FSA015 and instead report the specific FINREP templates set out in Table 1 below:

- IFRS in its endorsed form;
- Financial Reporting Standard (FRS) 101; and
- IFRS 9 under the option in paragraphs 11.2 and 12.2 of FRS 102.

2.4 These new requirements would take effect from the beginning of the firm's accounting year starting in 2018 (or from the beginning of the first accounting year where the firm uses one of these accounting standards, if later), and they would apply to firms on both an individual and a consolidated basis. Firms that already comply with full FINREP requirements on a consolidated basis would not be required to submit any additional data on a consolidated basis.

2.5 The specific FINREP templates set out in Table 1 below are used to report data relating to financial instruments, both on and off-balance sheet. The data include the fair value or amortised cost of the financial instruments, the performance of the exposures and the impairment provisions held against them under IFRS 9. The templates serve the same overall purpose as the FSA015 return, but reflect the new requirements of IFRS 9.

2.6 To reduce the reporting burden on smaller firms which fall within the scope of the new reporting requirements set out above, the PRA proposes to require those firms with less than £5 billion in total assets to complete a reduced number of the specified FINREP templates. This threshold is in line with the lowest threshold to be used for Capital+ reporting, as set out in PS32/16.

Updated reporting requirements for firms not applying IFRS 9

2.7 In addition to the above, the PRA proposes that all firms with total assets in excess of £5 billion which use FRS 102 as their accounting standard (other than those adopting IFRS 9 under the option in paragraph 11.2 and 12.2 of FRS 102) should submit FINREP templates 18 and 19 in addition to continuing to submit FSA015. This will enable the PRA to perform peer comparisons across all firms with total assets in excess of £5 billion, regardless of which accounting standards they use.

2.8 Firms which do not use any of the accounting standards listed in paragraph 2.3 above would continue to report FSA015 for as long as they do not use any of the accounting standards in that list.

2.9 As outlined in CP17/16, the PRA considered whether to extend the equivalent national GAAP FINREP data items to those firms using FRS 102 (other than those firms adopting IFRS 9 under the option in paragraphs 11.2 or 12.2 of FRS 102). The PRA's view is that, while there would be supervisory benefits in having consistent data reported across all firm types, such reporting would lead to a disproportionate burden on smaller firms which make use of FRS 102. The PRA considers that the alternative approach described in paragraphs 2.7 and 2.8 above, which requires FRS 102 firms above the prescribed total asset threshold to report only two FINREP templates, will allow for peer comparisons and aggregation of data without imposing an undue regulatory burden on those firms.

2.10 As noted in paragraph 1.2 above, PRA-regulated 'designated investment firms' are outside of the scope of this CP as they do not report the FSA015.

Specific details of templates and reporting frequency

2.11 Table 1 below sets out the specific FINREP templates that firms within scope would be required to complete to replace the FSA015.[1] The table distinguishes between the reporting requirements for firms with assets in excess of £5 billion total assets and those below this threshold.

2.12 The PRA proposes that the FINREP templates listed in Table 1 should be reported quarterly, on both an individual and consolidated basis. Templates 20.4 and 20.7 would be subject to the same thresholds that apply to FINREP reporters under CRR: these will only be required where non-domestic exposures are at least 10% of total exposures.[2] Firms that already comply with full FINREP requirements on a consolidated basis would not be required to submit any additional data on a consolidated basis. For those firms that continue to report

1 The templates listed in Table 1 are based on the final draft ITS amending Commission Implementing Regulation (EU) 680/2014 following the changes in the International Accounting Standards (IFRS 9) published by the EBA on 30 November 2016 (EBA/ITS/2016/07), see footnote 3 on page 5.
2 The exact criteria are set out in Article 5(a)(4) of the Implementing Technical Standards (ITS) on supervisory reporting (680/2014).

the FSA015 as set out in paragraph 2.8, the PRA proposes that this should continue to be reported quarterly on an individual basis, and half-yearly on a consolidated basis.

Table 1: Schedule of specified FINREP templates to replace FSA015

	Firms with >£5 billion assets		Firms with <£5 billion assets	
Template	**Adopting IFRS / FRS 101 / IFRS 9 using option under FRS 102**	**FRS 102** (other than those using option to apply IFRS 9)	**Adopting IFRS / FRS 101 / IFRS 9 using options under FRS 102**	**FRS 102** (other than those using option to apply IFRS 9)
4.3.1 Financial assets at fair value through other comprehensive income	✔		✔	
4.4.1 Financial assets at amortised cost	✔		✔	
5.1 Loan and advances other than held for trading by product	✔		✔	
7.1 Financial assets subject to impairment that are past due	✔		✔	
9.1.1 Off-balance sheet exposures and commitments and guarantees measured at fair value: Loan commitments, financial guarantees and other commitments given	✔		✔	
12.1 Movements in allowances and provisions for credit losses	✔		✔	
12.2 Transfers between impairment stages (gross basis presentation)	✔			
13.1 Breakdown of collateral and guarantees by loans and advances other than held for trading	✔			
18 Information on performing and non-performing exposures	✔	✔		
19 Information on forborne exposures	✔	✔		
20.4 Geographical breakdown of assets by residence of the counterparty	✔			
20.7 Geographical breakdown by residence of the counterparty of loans and advances other than held for trading to non-financial corporations by NACE[1] codes	✔			
FSA015		✔		✔

2.13 Firms would be required to reassess the amount of their total assets on a quarterly basis. When a firm crosses the £5 billion total asset threshold requiring them to report a wider set of templates, it would be required to report in line with the new requirements at the end of the next quarter. When a firm falls below the £5 billion threshold, it would continue to report under the old requirements for two more quarters, and would only change to the narrower reporting requirement for the next quarter if throughout that two quarter period it remains below the threshold. This arrangement would be in line with that for Capital+ as discussed in PS32/16.

1 Statistical classification of economic activities in the European Community

2.14 In order that the PRA knows which reporting templates it should expect to receive from firms, firms will be expected to provide the PRA with details of the accounting standard they use, including options chosen within this, when requested by the PRA.

2.15 This proposal will be implemented through amendments to the Regulatory Reporting Part of the PRA Rulebook, which can be found in Appendix 1.

Application on a sub-consolidated basis

2.16 CP25/16 'The implementation of ring-fencing: reporting and residual matters'[1] set out the principle that any PRA reporting requirements that apply on a consolidated basis to a banking group affected by ring-fencing should also be applied to ring-fenced bank (RFB) sub-groups. For the reasons set out in that CP, the PRA proposes that the above requirements should be applied to RFBs on a sub-consolidated basis (in addition to individual and consolidated bases), from 1 January 2019 onwards. The PRA plans to consult on the exact rule changes required to implement this proposal at a later date, after the final policy on the proposals set out in CP25/16 has been published.

Other rulebook returns

2.17 As mentioned in CP17/16, the PRA undertook to review all reporting requirements included in the PRA Rulebook to identify the changes required as a consequence of the introduction of IFRS 9. The review concluded that FSA015 is the only PRA Rulebook reporting template requiring immediate changes due to the implementation of IFRS 9. Respondents to CP17/16 identified some reports required under the PRA Rulebook and others requested separately to the Rulebook that might be affected by IFRS 9 implementation in respect of definition changes, valuation (primarily due to changes in classification or impairment), and structural differences. A subsequent review by the PRA has concluded that these reports are either to be replaced by the proposals in PS36/16 or that no material changes are required. Where valuation differences have been identified, these have been noted by the PRA, but no changes to the templates or reporting guidance are necessary.

2.18 The PRA has, however, identified some clarifications to be made to the guidelines for the Mortgage Lenders and Administrators Return (MLAR) reporting. In CP45/16, the PRA and FCA are consulting on these clarifications, and on other changes to the MLAR guidelines.[2] The FCA is additionally consulting on a minor clarification to Product Sales Data (PSD) guidelines in FCA CP16/39.[3]

2.19 The PRA has also made some minor clarifications to the guidance accompanying the PRA 108 template, which is published in PS36/16.

3 The PRA's statutory obligations

3.1 Before making any rules, the Financial Services and Markets Act 2000 (FSMA)[4] requires the PRA to publish a draft of the proposed rules accompanied by:

- a cost benefit analysis;

1 July 2016; www.bankofengland.co.uk/pra/Pages/publications/cp/2016/cp2516.aspx.
2 PRA Consultation Paper 45/16 / FCA Consultation Paper 16/41 'Amendments to Notes for completion of the Mortgage Lenders & Administrators Return (MLAR)', December 2016; www.bankofengland.co.uk/pra/Pages/publications/cp/2016/cp4516.aspx.
3 'Quarterly Consultation Paper No.15: CP16/39', December 2016; www.fca.org.uk/publications/consultation-papers/quarterly-consultation-paper-no-15-cp16-39.
4 Section 138J of FSMA.

- a statement as to whether the impact of the proposed rules will be significantly different to mutuals than to other persons;[1]
- 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,[2] insurance objective[3] (if applicable), and secondary competition objective;[4] 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.[5]

3.2 The PRA is also required by the Equalities Act 2010[6] 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 In this section, the PRA sets out its assessment of the benefits and potential costs of the proposals in this CP.

Benefits

3.4 As explained in CP17/16, FINREP provides greater breadth of data relating to firms' credit loss methodology than the FSA015 return, which will allow supervisors to identify and respond to any emerging firm-specific risks in a timely manner. Supervisors will be able to monitor the carrying amounts and impairments of assets classified in the three impairment stages, giving them early indication of low performing portfolios and pending losses. If no changes were made to reporting requirements, the data collected under the FSA015 would not be sufficient for these purposes.

3.5 Collecting data as proposed using the specified FINREP templates will also increase the volume of comparable data available to supervisors than would otherwise be available from a redesign of the FSA015. The new data collected will be aligned to the balance sheet and profit or loss data that will be collected under the requirements set out in PS36/16. The proposal to collect two FINREP templates from all firms with total assets exceeding £5 billion will provide data that can be aggregated or compared across firms regardless of accounting standards.

Costs to firms in scope

3.6 Implementation of IFRS 9 by firms will require changes to systems in order to reflect the new concepts introduced under the standard, and satisfy the related disclosure requirements. FINREP reporting requirements are aligned to IFRS disclosures where possible, and any additional costs arising from the reporting requirements in this CP are therefore expected to be limited. Costs to firms arising from the proposals in this CP should be considered in the light of the requirement to obtain these data under IFRS 9.

3.7 The PRA considers both one-off and ongoing costs for IT systems, management time and other relevant costs. The PRA has estimated the incremental costs of these proposals using the results of a survey of firms in 2012, which assessed the cost impact of CRD IV reporting, and

1 Section 138K of FSMA.
2 Section 2B of FSMA.
3 Section 2C of FSMA.
4 Section 2H(1) of FSMA.
5 Sections 2H(2) and 3B of FSMA.
6 Section 149.

which were published in CP5/13.[1] The estimated total incremental costs of moving from the FSA015 to the FINREP templates proposed are £38 million for banks and £1 million for building societies.[2] These costs are based on the following assumptions and approximations:

- that the costs of submitting data at group level are the same as those at firm level;
- that the implementation cost for each firm will be proportionate to the number of templates that they are required to submit;
- that the fact that firms will already be required to report FINREP balance sheet and profit or loss templates (as set out in PS36/16) will mean a lower incremental cost of submitting additional FINREP templates; and
- that the costs for firms that are already part of a group that submits FINREP will be reduced compared to the costs for firms that are not part of a FINREP groups.

Compatibility with the PRA's objectives

3.8 This proposal is intended to give supervisors reporting data relating to financial instruments that are consistent with the new methodology that firms are adopting under IFRS 9. Supervisors will use this information to understand the credit quality of firms' portfolios and alert them to any deterioration in credit quality as shown by the movement of assets between the three impairment stages set out in IFRS 9. This will also be of use to supervisors in their assessment of credit risk management processes in firms. In doing so, this contributes to the PRA's objective of promoting the safety and soundness of firms.

3.9 The PRA has assessed whether the proposal in this CP facilitates effective competition. The incremental costs of reporting proposals will vary according to the size of the firm and the complexity of accounting framework used, and the PRA therefore considers that these proposals are consistent with its secondary objective to facilitate effective competition.

Regulatory principles

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

- The principle of the need to minimise adverse effects on competition. The PRA has followed this principle when developing the proposals outlined in this CP, and has indicated in its judgement over this area in paragraph 3.9.
- The principle that regulatory requirements set on firms should be proportional to the size or riskiness of the firm. This proposal has been designed in a way that ensures proportionality through the use of the £5 billion total assets threshold to identify larger firms. Firms falling under this threshold are of less systemic importance and represent a minority share of total banking sector assets, and so it is appropriate to require only these firms to submit the most material templates.

1 PRA Consultation Paper 5/13 'Strengthening capital standards: implementing CRD IV'; www.bankofengland.co.uk/pra/Pages/publications/implemcrdivcon.aspx.

2 The total cost estimates for banks and building societies are made up of one-off and ongoing costs (net present value) in roughly equal proportion and apply to a population of circa 160 banks and 44 building societies. We estimate that circa 90% of the total cost to banks will be borne by the 39 largest banks affected by the proposals and circa 95% of the cost to building societies will be borne by the 5 largest building societies. The total cost estimates are likely to overestimate the incremental cost of the proposals in this CP because we have applied a conservative adjustment for implementation efficiency gains to the cost estimates from the 2012 survey.

Impact on mutuals

3.11 In general, mutuals are less likely than other firms in scope of this CP to implement IFRS 9 in 2018, and less likely to have total assets exceeding £5 billion. As such this means that mutuals are more likely to fall into the category of firms whose reporting requirements are unchanged by these proposals. For those mutuals that are affected by these proposals, the impact is expected to be no different from the impact on other firms with similar balance sheet size and accounting framework.

Equality and diversity

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

Appendices

1	**Draft PRA Rulebook: CRR FIRMS: IFRS 9 REGULATORY REPORTING INSTRUMENT [2017]**
2	**Proposed revisions to Supervisory Statement 34/15 ‘Guidelines for completing regulatory reports’**

Appendix 1: Draft PRA RULEBOOK: CRR FIRMS: IFRS 9 REGULATORY REPORTING INSTRUMENT [2017]

PRA RULEBOOK: CRR FIRMS: IFRS 9 REGULATORY REPORTING INSTRUMENT [2017]

Powers exercised

A. The Prudential Regulation Authority ("PRA") makes this instrument in the exercise of the following powers 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: CRR Firms: IFRS 9 Regulatory Reporting Instrument [2017]

D. The PRA makes the rules in the Annex to this instrument.

Commencement

E. The Annex of this instrument comes into force on [DATE].

Citation

F. This instrument may be cited as the PRA Rulebook: CRR Firms: IFRS 9 Regulatory Reporting Instrument [2017].

By order of the Board of the Prudential Regulation Authority
[DATE]

Annex

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

…

Opt-in IFRS 9 firm

means a *firm* which is not a *IFRS firm* and which applies IFRS 9 in accordance with Financial Reporting Standard 101 (September 2015, ISBN 978-0-7545-5361-8) or 11.2(c) and 12.2(c) of Financial Reporting Standard 102 (September 2015, ISBN 978-0-7545-5362-5)

…

6 REGULATED ACTIVITY GROUPS

6.1 Unless otherwise indicated, firms must comply with the rules specified in the following table (which set out the data items, frequency and submission periods as applicable to each RAG) in accordance with Chapters 2, 3 and 4.

(1)		**(2)**	**(3)**	**(4)**
RAG number	*Regulated Activities*	**Rules containing:**		
		applicable *data items*	**reporting frequency / period**	**due date**
RAG 1	• *accepting deposits* • *meeting of repayment claims* • *managing dormant account funds (including the investment of such funds)*	7.1, except that the requirements to: (1) submit templates 1.1, 1.2, 1.3, 2~~, and~~ 3, 4.3.1, 4.4.1, 5.1, 7.1, 9.1.1, 12.1, 12.2, 13.1, 18, 19, 20.4 and 20.7 of Annexes III or IV of the *Supervisory Reporting ITS* on a *consolidated basis*; and (2) submit PRA108 on a *consolidated basis* do not apply to a *firm* which is	7.2	7.3

		required to report financial information under Article 99(2) of *CRR*.		
…				

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 has no registered office, its head office) outside the EU	[deleted.]	*Dormant account fund operator* (12)
Description of *data item*						
…						
Sectoral information, including arrears and impairment	FSA015 ((2),(22))	FSA015 ((2),(22))	-	-		-
…						

Financial assets at fair value through other comprehensive income	Either: (1) Templates 4.3.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 4.3.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (23))	Either: (1) Templates 4.3.1 at Annex III of the *Supervisory Reporting ITS;* or (2) Templates 4.3.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (23))	-	-		-
Financial assets at amortised cost	Either: (1) Templates 4.4.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 4.4.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (23))	Either (1) Templates 4.4.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 4.4.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (23))	-	-		-
Loans and advances other than held for trading and trading assets by product	Either: (1) Templates 5.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 5.1 at Annex IV of the *Supervisory*	Either: (1) Templates 5.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 5.1 at Annex IV of the *Supervisory*	-	-		-

	Reporting ITS ((2), (21), (23))	*Reporting ITS* ((2), (21), (23))				
Financial assets subject to impairment that are past due	Either: (1) Templates 7.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 7.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (23))	Either: (1) Templates 7.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 7.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (23))	-	-		-
Off-balance sheet exposures and commitments and guarantees measured at fair value: Loan commitments, financial guarantees and other commitments given	Either: (1) Templates 9.1.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 9.1.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (23))	Either: (1) Templates 9.1.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 9.1.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (23))	-	-		-
Movements in allowances and provisions for credit losses	Either: (1) Templates 12.1 at Annex III of the *Supervisory Reporting ITS*; or	Either: (1) Templates 12.1 at Annex III of the *Supervisory Reporting ITS*; or	-	-		-

	(2) Templates 12.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (23))	(2) Templates 12.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (23))				
Transfers between impairment stages (gross basis presentation)	Either (1) Templates 12.2 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 12.2 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (24))	Either (1) Templates 12.2 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 12.2 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (24))	-	-		-
Breakdown of collateral and guarantees by loans and advances other than held for trading	Either; (1) Templates 13.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 13.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (24))	Either; (1) Templates 13.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 13.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (24))	-	-		-
Information on performing	Either	Either	-	-		-

and non-performing exposures	(1) Templates 18 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 18 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (25))	(1) Templates 18 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 18 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (25))				
Forborne exposures	Either (1) Templates 19 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 19 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (25))	Either (1) Templates 19 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 19 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (25))	-	-		-
Geographical breakdown of assets by residence of the counterparty	Either: (1) Templates 20.4 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 20.4 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (24),	Either: (1) Templates 20.4 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 20.4 at Annex IV of the *Supervisory Reporting ITS*	-	-		-

	(26))	((2), (21), (24), (26))				
Geographical breakdown by residence of the counterparty of loans and advances other than held for trading to non-financial corporations by NACE codes	Either: (1) Templates 20.7.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 20.7.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (24), (26))	Either: (1) Templates 20.7.1 at Annex III of the *Supervisory Reporting ITS*; or (2) Templates 20.7.1 at Annex IV of the *Supervisory Reporting ITS* ((2), (21), (24), (26))	-	-		-
…						

…

(22) Not applicable either to a firm which is a *IFRS firm* or *Opt-in IFRS 9 firm*.

(23) Only applicable to a firm which is a *IFRS firm* or *Opt-in IFRS 9 firm*.

(24) Only applicable to a *firm* which is a *IFRS firm* or *Opt-in IFRS 9 firm*, and which has *total assets* equal to or greater than £5 billion on an individual basis or *UK consolidation group* basis. If this *data item* applies to a *IFRS firm* or *Opt-in IFRS 9 firm* on the basis of its *UK consolidation group* only, the firm must report the item only at the *UK consolidation group* level. If, during any reporting period as set out in 7.2, the *total assets* of a *IFRS firm* or *Opt-in IFRS 9 firm* become equal to or greater than £5 billion on an individual basis or *UK consolidation group* basis, the *firm* is required to start reporting this *data item* from the following reporting period. This requirement stops applying to a *firm* if its *total assets* on both an individual basis and *UK consolidation group* basis reduce to less than £5 billion for at least two consecutive reporting periods as set out in 7.2, in which case the *firm* does not report this item from the following reporting period.

(25) Only applicable to a *firm* which has *total assets* equal to or greater than £5 billion on an individual basis or on a *UK consolidation group* basis. If this *data item* applies to a *firm* on the basis of its *UK consolidation group* only, the firm must report the item only at the *UK consolidation group* level. If, during any reporting period as set out in 7.2,

the *total assets* of a *firm* become equal to or greater than £5 billion on an individual basis or *UK consolidation group* basis, the *firm* is required to start reporting this *data item* from the following reporting period. This requirement stops applying to a *firm* if its *total assets* on both an individual basis and *UK consolidation group* basis reduce to less than £5 billion for at least two consecutive reporting periods as set out in 7.2, in which case the *firm* does not report this item from the following reporting period.

(26) Annex III applies in accordance with Article 9(2)(d) and Annex IV in accordance with Article 11(2)(d) of the *Supervisory Reporting ITS*.

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	***UK banks* and *building societies* (on an unconsolidated or individual consolidated basis) (9)**	**[deleted.]**	***UK banks* and *building societies* (on a *UK consolidation group* or, as applicable, *defined liquidity group* basis)**	**Other members of *RAG* 1**
…				
Templates 4.3.1 and 4.4.1 at Annex III of *the Supervisory Reporting ITS*	Quarterly (11)		Quarterly (11)	-
Templates 5.1 at Annex III of *the Supervisory Reporting ITS*	Quarterly (11)		Quarterly (11)	-
Templates 7.1 at Annex III of *the Supervisory Reporting ITS*	Quarterly (11)		Quarterly (11)	-

<u>Templates 9.1.1 at Annex III of *the Supervisory Reporting ITS*</u>	<u>Quarterly (11)</u>		<u>Quarterly (11)</u>	<u>-</u>
<u>Templates 12.1 and 12.2 at Annex III of the *Supervisory Reporting ITS*</u>	<u>Quarterly (11)</u>		<u>Quarterly (11)</u>	<u>-</u>
<u>Templates 13.1 at Annex III of the *Supervisory Reporting ITS*</u>	<u>Quarterly (11)</u>		<u>Quarterly (11)</u>	<u>-</u>
<u>Templates 18 at Annex III or IV of the *Supervisory Reporting ITS*</u>	<u>Quarterly (11)</u>		<u>Quarterly (11)</u>	<u>-</u>
<u>Templates 19 at Annex III or IV of the *Supervisory Reporting ITS*</u>	<u>Quarterly (11)</u>		<u>Quarterly (11)</u>	<u>-</u>
<u>Templates 20.4 and 20.7 at Annex III of the *Supervisory Reporting ITS*</u>	<u>Quarterly (11)</u>		<u>Quarterly (11)</u>	<u>-</u>
...				

…

(9) A *firm* which has an *individual consolidation permission* must submit *data items* FSA001, FSA002, FSA005, FSA011, FSA014, FSA015, FSA017, and FSA045, Templates 1.1, 1.2, 1.3, 2~~, and~~ 3, 4.3.1, 4.4.1, 5.1, 7.1, 9.1.1, 12.1, 12.2, 13.1, 18, 19, 20.4 and 20.7 at Annex III or IV of the *Supervisory Reporting ITS*, PRA104, PRA105, PRA106, PRA107 and PRA108 on an individual consolidated basis, and all other *data items* in this column on an unconsolidated basis. All other *firms* must submit all *data items* in this column on an unconsolidated basis.

…

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**						
Data item	**Daily**	**Weekly**	**Monthly**	**Quarterly**	**Half yearly**	**Annually**
…						
Templates 4.3.1. and 4.4.1 at Annex III of *the Supervisory Reporting ITS*	-	-	-	30 *business days*	-	-
Templates 5.1. at Annex III of *the Supervisory Reporting ITS*	-	-	-	30 *business days*	-	-
Templates 7.1 at Annex III of *the Supervisory Reporting ITS*	-	-	-	30 *business days*	-	-
Templates 9.1.1 at Annex III of *the Supervisory Reporting ITS*	-	-	-	30 *business days*	-	-
Templates 12.1 and 12.2 at Annex III of the *Supervisory Reporting ITS*	-	-	-	30 *business days*	-	-
Templates 13.1 at Annex III of the *Supervisory Reporting ITS*	-	-	-	30 *business days*	-	-
Templates 18 at Annex III or IV of the *Supervisory Reporting ITS*	-	-	-	30 *business days*	-	-

Templates 19 at Annex III or IV of the *Supervisory Reporting ITS*	-	-	-	30 *business days*	-	-
Templates 20.4 and 20.7 at Annex III of the *Supervisory Reporting ITS*	-	-	-	30 *business days*	-	-
...						

…

16 DATA ITEMS AND OTHER FORMS

16.31 Templates 1.1, 1.2, 1.3, 2~~, and~~ 3, 4.3.1, 4.4.1, 5.1, 7.1, 9.1.1, 12.1, 12.2, 13.1, 18, 19, 20.4 and 20.7 at Annexes III and IV of the *Supervisory Reporting ITS* can be found here.

19 **NOTIFICATIONS REGARDING FINANCIAL INFORMATION REPORTING ~~UNDER THE CRR~~**

…

19.3A A *firm* which is required to complete any of the following *data items* must notify the *PRA* if it adjusts its reporting reference dates for the *data item* from the calendar year to its accounting year-end:

(1) Any of templates 1.1 , 1.2, 1.3, 2~~, and~~ 3, 4.3.1, 4.4.1, 5.1, 7.1, 9.1.1, 12.1, 12.2, 13.1, 18, 19, 20.4 and 20.7 at Annexes III and IV of the *Supervisory Reporting ITS*;

…

Appendix 2: Proposed revisions to SS34/15 'Guidelines for completing regulatory reports'

In this appendix, new text is underlined and deleted text is struck through. The PRA proposes to add references to the new requirements to report additional FINREP templates.

Extract

…

2 Integrated regulatory reporting

…

2.2 In the example of a UK bank that is not a FINREP firm, and that does not apply IFRS 9, in Regulatory Activity Group (RAG) 1 that also carries on activities in RAG 5, overlaying the RAG 1 reporting requirements (Regulatory Reporting 7.1) with the requirements for a RAG 5 firm (Regulatory Reporting 11.2) gives the following:

…

3 Accounting standards

3.1 The PRA may periodically request that firms provide the PRA with details of the accounting standard they use, including options chosen within this.

…

Appendix 8 – Details of FINREP templates and related reporting instructions

The reporting rules in the Regulatory Reporting part of the PRA Rulebook refer to the following FINREP templates:

Templates 1.1, 1.2, 1.3	Balance Sheet Statement (assets, liabilities and equity)
Template 2	Statement of profit or loss
Template 3	Statement of comprehensive income
Template 4.3.1	Financial assets at fair value through other comprehensive income
Template 4.4.1	Financial assets at amortised cost
Template 5.1	Loan and advances other than held for trading by product
Template 7.1	Financial assets subject to impairment that are past due
Template 9.1.1	Off-balance sheet exposures and commitments and guarantees measured at fair value: Loan commitments, financial guarantees and other commitments given
Template 12.1	Movements in allowances and provisions for credit losses
Template 12.2	Transfers between impairment stages (gross basis presentation)
Template 13.1	Breakdown of collateral and guarantees by loans and advances other than held for trading

Template 18	Information on performing and non-performing exposures
Template 19	Information forborne exposures
Template 20.4	Geographical breakdown of assets by residence of the counterparty
Template 20.7	Geographical breakdown by residence of the counterparty of loans and advances other than held for trading to non-financial corporations by NACE codes

…