



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY

Consultation Paper | CP16/18

# Regulatory reporting: occasional consultation paper

July 2018



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY

Consultation Paper | CP16/18

# Regulatory reporting: occasional consultation paper

July 2018

By responding to this consultation, you provide personal data to the Bank of England. This may include your name, contact details (including, if provided, details of the organisation you work for), and opinions or details offered in the response itself.

The response will be assessed to inform our work as a regulator and central bank, both in the public interest and in the exercise of our official authority. We may use your details to contact you to clarify any aspects of your response.

The consultation paper will explain if responses will be shared with other organisations (for example, the Financial Conduct Authority). If this is the case, the other organisation will also review the responses and may also contact you to clarify aspects of your response. We will retain all responses for the period that is relevant to supporting ongoing regulatory policy developments and reviews. However, all personal data will be redacted from the responses within five years of receipt. To find out more about how we deal with your personal data, your rights or to get in touch please visit [bankofengland.co.uk/privacy](http://bankofengland.co.uk/privacy).

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure to other parties in accordance with access to information regimes including under the Freedom of Information Act 2000 or data protection legislation, or as otherwise required by law or in discharge of the Bank's functions.

Please indicate if you regard all, or some of, the information you provide as confidential. If the Bank of England receives a request for disclosure of this information, we 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.

Responses are requested by Tuesday 23 October 2018.

**Please address any comments or enquiries to:**

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA

Email: [CP16\\_18@bankofengland.co.uk](mailto:CP16_18@bankofengland.co.uk)

## Contents

---

|                   |  |          |
|-------------------|--|----------|
| <b>1</b>          | <b>Overview</b>                        | <b>3</b> |
| <b>2</b>          | <b>Proposals</b>                       | <b>3</b> |
| <b>3</b>          | <b>The PRA's statutory obligations</b> | <b>5</b> |
| <b>Appendices</b> |  | <b>8</b> |

## 1 Overview

1.1 In this Consultation Paper (CP), the Prudential Regulation Authority (PRA) sets out proposals for minor regulatory reporting amendments. These are set out below.

1.2 This consultation is relevant to banks, building societies, PRA-designated investment firms, and dormant account fund operator(s). The proposals would result in changes to the Glossary, Regulatory Reporting, Reporting Pillar 2, and Close Links Parts of the PRA Rulebook (Appendix 1). It also proposes amendments to reporting templates and instructions. To assist the reader, a mapping table is included in Appendix 2, with the proposed amendments to templates and instructions contained in Supervisory Statement (SS) 32/15<sup>1</sup> (Appendix 3), and in SS34/15<sup>2</sup> (Appendix 4).

1.3 The following changes are proposed to PRA reporting requirements:

- discontinuation of Prudent Valuation Return PV001;
- changes to PRA reporting instructions to align with updated 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, 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; and
- correction of PRA110 rules.

### Responses and next steps

1.4 This consultation closes on Tuesday 23 October 2018. The PRA invites feedback on the proposals set out in this consultation. Please address any comments or enquiries to CP16\_18@bankofengland.co.uk.

1.5 The proposals in this CP have 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.

## 2 Proposals

### Discontinuation of Prudent Valuation Return

2.1 The PRA proposes to discontinue its Prudent Valuation Return PV001. The European Banking Authority (EBA) Implementing Technical Standard (ITS) Amending Regulation (EU)

---

1 ‘Pillar 2 reporting, including instructions for completing data items FSA071 to FSA082’, April 2018: [www.bankofengland.co.uk/prudential-regulation/publication/2015/pillar2-reporting-including-instructions-for-completing-data-items-fsa071-to-fsa082-ss](http://www.bankofengland.co.uk/prudential-regulation/publication/2015/pillar2-reporting-including-instructions-for-completing-data-items-fsa071-to-fsa082-ss).

2 ‘Guidelines for completing regulatory reports’, June 2018: [www.bankofengland.co.uk/prudential-regulation/publication/2015/guidelines-for-completing-regulatory-reports-ss](http://www.bankofengland.co.uk/prudential-regulation/publication/2015/guidelines-for-completing-regulatory-reports-ss).

No 680/2014 on Supervisory Reporting of institutions with regard to prudent valuation<sup>1</sup> introduces four new prudent valuation templates to Common Reporting (COREP) (C 32.1-C 32.4). Subject to the European Commission adopting the ITS, firms in scope of the Capital Requirements Regulation (575/2013) (CRR) will be required to report EBA prudent valuation returns from 31 December 2018. Collectively these new templates provide a more comprehensive overview of prudent valuation than the current PRA PV001 return. Therefore, the PRA proposes to remove the Prudent Valuation Reporting requirement from the PRA Rulebook.

2.2 The PRA proposes a final reporting date for the PRA prudent valuation return of 31 December 2018. This will provide the PRA with one quarter of reporting overlap. The PRA considers an overlap period important as it will enable it to understand how the COREP values reconcile with the values reported in the PRA template. The overlap period will help the PRA to identify errors or omissions in the completion of the new template and allow it to perform time-series analysis spanning the crossover period. The PRA may re-assess the final reporting date for the PRA prudent valuation returns if there is a delay to the introduction of the new COREP templates.

### **Changes to PRA reporting instructions to align with updated EBA reporting requirements**

2.3 Some PRA regulatory returns are aligned with comparable EBA returns. To ensure that these returns remain aligned after the December 2018 update to the EBA reporting framework the PRA proposes making some minor definitional changes in its reporting instructions.

2.4 These proposals affect definitions for certain data elements in the PRA110 (Cash flow mismatch) and RFB001 (Intragroup exposures) returns. The proposals aim to align the wording in these definitions, rather than alter their meaning.

2.5 Additionally, the PRA proposes to make amendments to the instructions of the PRA101, PRA102, and PRA103 (Capital+) returns to update the hyperlinks contained within these instructions.

### **Amendment of Pillar 2 reporting templates and instructions due to their application to ring-fenced bodies (RFBs)**

2.6 The PRA proposes an administrative change to the Pillar 2 FSA071 - FSA082 templates and instructions. Ring-fenced Bodies 18.1 requires that RFBs should comply with Pillar 2 reporting at an RFB sub-group level. The templates, contained in the PRA Rulebook, and the instructions, contained in SS32/15, do not currently allow firms to submit at this consolidation level. The PRA therefore proposes to amend the templates and instructions to reflect the requirement for RFBs to submit these on a prudential sub-consolidation basis.

### **Corrections to ring-fencing reporting requirements**

2.7 The PRA proposes an administrative change to the RFB004 template. The published RFB004d template is designed to align with the EBA Financial Reporting (FINREP) F10.00 template, with PRA row labels matching the EBA row labels. The PRA proposes to re-label row 200 as row 201 in order to match the label in the EBA's template.

2.8 The PRA additionally proposes removing the validation rules from the reporting instructions for templates RFB001, RFB003, and RFB004. This is to avoid duplication: the validation rules are also contained within the Bank of England Banking XBRL taxonomy. This will not affect the data which firms are required to submit.

---

1 [www.eba.europa.eu/regulation-and-policy/supervisory-reporting/implementing-technical-standards-amending-regulation-eu-no-680-2014-on-supervisory-reporting-of-institutions-with-regard-to-prudent-valuation](http://www.eba.europa.eu/regulation-and-policy/supervisory-reporting/implementing-technical-standards-amending-regulation-eu-no-680-2014-on-supervisory-reporting-of-institutions-with-regard-to-prudent-valuation).

## **Deletion of reporting requirements for dormant account fund operators**

2.9 The PRA proposes to delete references to ‘dormant account fund operators’ from the Regulatory Reporting Part. Dormant account fund operator(s) are Financial Conduct Authority (FCA) authorised entities and the PRA does not require any regulatory reporting from them. Other Parts of the PRA Rulebook will still apply to dormant account fund operator(s).

## **Alignment of ‘data item’ definitions in the PRA Rulebook**

2.10 The PRA has identified minor inconsistencies in the definition of ‘data item’ across the PRA Rulebook. These inconsistencies are only superficial and correcting them will not impact the effect of the rules. The PRA therefore proposes removing the definition of ‘data item’ from Regulatory Reporting and Reporting Pillar 2. The glossary definition would then be amended such that a single definition of ‘data item’ would apply consistently throughout the PRA Rulebook.

## **Notifications regarding financial information reporting**

2.11 The PRA proposes to amend the ‘Request for Firm to Report Financial Information (FINREP) & PRA104-PRA107 on ARD-linked basis’ form to reflect the full set of reporting templates that it applies to. Regulatory Reporting rule 19.3A requires firms to provide the PRA with a notification if they would like to submit certain data items on an Accounting Reference Date (ARD) basis.

2.12 See Appendix 5 for the proposed updated notification form.

## **PRA Close Links form**

2.13 The PRA proposes to replace the Close Links forms in Chapter 5 of the Close Links Part, which currently link to the FCA website, with identical PRA versions. This will only affect the hyperlinks, and will not affect the content or submission method of the current reporting requirements.

## **Correction of PRA110 rules**

2.14 In CP13/17 ‘Pillar 2 Liquidity’, the PRA consulted on the introduction of the PRA110 reporting template. The PRA stated its intention that PRA110 will be reported on consolidated, sub-consolidated (where applicable), and solo or liquidity sub-group levels.

2.15 The PRA Rulebook: CRR Firms: Regulatory Reporting PRA110 Amendment Instrument 2018, published on 23 February 2018 as Appendix 4 to Policy Statement (PS) 2/18, omitted the requirement for firms to report PRA110 at the consolidated and sub-consolidated level. This was an omission which did not reflect the intentions of the PRA as stated in CP13/17.

2.16 The omission in the instrument would be amended to reflect the levels of consolidation outlined in CP13/17. For these purposes the consolidated level of application is aligned with Article 11(3) of CRR and the sub-consolidated level of application is aligned with Article 11(5) of CRR.

## **Consequential changes to SS32/15 and SS34/15**

2.17 SS32/15 and SS34/15 contain links to reporting instructions for Pillar 2 and other reporting requirements respectively. In order to give effect to the changes set out in this CP, the PRA proposes to amend supervisory statements SS32/15 and SS34/15 accordingly.

## **3 The PRA’s statutory obligations**

3.1 In carrying out its policy making functions, the PRA is required to comply with several legal obligations.

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

- a cost benefit analysis;
- 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,<sup>2</sup> insurance objective<sup>3</sup> (if applicable), and secondary competition objective;<sup>4</sup>
- 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;<sup>5</sup> and
- a statement as to whether the impact of the proposed rules will be significantly different to mutuals than to other persons.<sup>6</sup>

3.3 The Prudential Regulation Committee (PRC) should have regard to aspects of the Government's economic policy as recommended by HM Treasury.<sup>7</sup>

3.4 The PRA is also required by the Equality Act 2010<sup>8</sup> 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**

3.5 The PRA considers that the removal of Prudent Valuation Reporting would ease the reporting burden on firms and ultimately act to reduce costs. The PRA also considers that the proposed one period of reporting overlap is a proportionate approach and would benefit the PRA and firms in gaining a clear understanding of firm's prudent valuation position over time. A break in reporting regimes would make it difficult for the PRA and firms to assess the change in firm's prudent valuation positions across the period.

3.6 The rest of the proposals in this CP benefit firms by providing clarity over their reporting requirements by removing discrepancies between templates, improving instructions, and aligning the rules with stated policy.

3.7 The proposed changes are minor. They are not expected to increase costs to firms.

### **Compatibility with the PRA's objectives**

3.8 The PRA considers that the proposals set out in this CP will assist the PRA in advancing its general safety and soundness objective by clarifying information for firms, improving the quality of reporting, and ensuring firms PRA requirements are consistent with their EU requirements.

3.9 The PRA considers that the proposals in this CP do not have an impact on effective competition as they do not change the intention of any existing PRA policy.

### **Regulatory principles**

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

---

1 Section 138J 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 138K of FSMA.

7 Section 30B of the Bank of England Act 1998.

8 Section 149.

- The principle that a burden imposed should be proportionate to the benefits expected to result: the amendments set out in Chapter 2 (Proposals) will be a net benefit to firms; the reporting burden on firms will be eased through the removal of PRA prudent valuation reporting. The proposals should also improve the clarity of reporting requirements by addressing various inconsistencies in the instructions, templates, and the PRA Rulebook.
- That the PRA should exercise its functions as transparently as possible: making corrections in an open manner and providing clarifications that we consider have no policy impact.

### **Impact on mutuals**

3.11 The PRA considers that the impact of the proposed rule changes on mutuals is expected to be no different from the impact on other firms.

### **HM Treasury recommendation letter**

HM Treasury has made recommendations to the Prudential Regulation Committee about aspects of the Government's economic policy to which the Committee should have regard when considering how to advance the objectives of the PRA and apply the regulatory principles as set out in FSMA . The PRA has considered HMT's recommendations when developing the proposals in this CP, and has set out its analysis in general terms in the sections above.

### **Equality and diversity**

3.12 The PRA considers that the proposals do not give rise to equality and diversity implications.

## Appendices

- 
- |          |   |
|----------|---|
| <b>1</b> | <b>Draft PRA Rulebook: CRR firms: Regulatory reporting amendment instrument</b>                         |
| <b>2</b> | <b>Mapping tables of amendments made to templates and instructions contained in SS32/15 and SS34/15</b> |
| <b>3</b> | <b>Proposed amendments to templates and instructions contained in SS32/15</b>                           |
| <b>4</b> | <b>Proposed amendments to templates and instructions contained in SS34/15</b>                           |
| <b>5</b> | <b>Notifications Regarding Financial Information Reporting form</b>                                     |

## Appendix 1: Draft PRA Rulebook: CRR firms: Regulatory reporting (amendment) instrument 2018

### PRA RULEBOOK: CRR FIRMS: REGULATORY REPORTING (AMENDMENT) INSTRUMENT 2018

#### Powers exercised

- 1 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”):
  - section 137G (The PRA’s general rules);
  - section 137T (General supplementary powers); and
  - section 142H (Ring-fencing rules).
- 2 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

- 3 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: Regulatory Reporting (Amendment) Instrument 2018

- 4 The PRA makes the rules in Annexes A to J to this instrument.

#### Commencement

- 5 The table below specifies the commencement date of each Annex.

| Annex                               | Commencement date |
|-------------------------------------|-------------------|
| A (Prudent valuation reporting)     | 1 January 2019    |
| B (Pillar 2 templates)              | 1 January 2019    |
| C (RFB004)                          | 1 January 2019    |
| D (Dormant account funds)           | 1 January 2019    |
| E, F, G (Data items)                | 1 January 2019    |
| H (Financial Information Reporting) | 1 January 2019    |
| I (Close links templates)           | 1 January 2019    |
| J (PRA110)                          | 1 July 2019       |

#### Citation

- 6 This instrument may be cited as PRA Rulebook: CRR Firms: Regulatory Reporting (Amendment) Instrument 2018.

#### By order of the Prudential Regulation Committee

[DATE]

## Annex A

### Amendments to the Regulatory Reporting Part

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

## 2 Reporting Requirements – Data Items

---

...

2.6 ~~[deleted]~~ A UK bank and a UK designated investment firm must also submit Prudent Valuation Returns as required by Chapter 13.

## 13 [Deleted] Prudent Valuation Reporting

---

13.1 ~~[deleted]~~ This Chapter applies only to UK banks and UK designated investment firms.

13.2 ~~[deleted]~~ Firms must submit to the PRA quarterly (on a calendar year basis and not from a firm's accounting reference date), within six weeks of each quarter end, a Prudent Valuation Return in respect of its fair-value assessments.

13.3 ~~[deleted]~~ Where a firm is a member of a consolidation group, the firm must comply with 13.2:

(1) on an individual consolidation basis if the firm has an individual consolidation permission, or on an unconsolidated basis if the firm does not have an individual consolidation permission; and

(2) separately, on the basis of the consolidated situation of the consolidation group.

13.3A If a firm is a ring-fenced body within a sub-consolidation group it must also comply with 13.2 on a sub-consolidated basis.

13.4 ~~[deleted]~~ Firms must submit the Prudent Valuation Return via electronic mail to prudentvaluationreturns@bankofengland.co.uk or via post or hand delivery to Regulatory Data Group, Statistics and Regulatory Data Division (HO5 A-B), Bank of England, Threadneedle Street, London EC2R 8AH; or via fax to the Regulatory Data Group of the Bank of England (020 7601 3334).

## 16 Data Items and Other Forms

---

...

16.24 ~~[deleted]~~ Prudent Valuation Return can be found here.

## Annex B

### Amendments to the Reporting Pillar 2 Part

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

#### 4 Data Items

---

4.1 FSA071 can be found herehere.

4.2 FSA072 can be found herehere.

4.3 FSA073 can be found herehere.

4.4 FSA074 can be found herehere.

4.5 FSA075 can be found herehere.

4.6 FSA078 can be found herehere.

4.7 FSA079 can be found herehere.

4.8 FSA080 can be found herehere.

4.9 FSA081 can be found herehere.

4.10 FSA082 can be found herehere.

4.11 FSA076 can be found herehere.

4.12 FSA077 can be found herehere.

## **Annex C**

### **Amendments to the Regulatory Reporting Part**

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

#### **16 Data Items and Other Forms**

---

...

16.38 RFB004 can be found herehere.

**Annex D**

**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 ...

~~managing dormant account funds (including the investment of such funds)~~  
 means the regulated activity specified in article 63N(1)(b) of the ~~Regulated Activities Order~~.

**6 Regulated Activity Groups**

6.1 ...

| (1)        | (2)  | (3)  | (4)                          |          |
|------------|--|--|------------------------------|----------|
| RAG number | Regulated Activities   | Rules containing:  |                              |          |
|            |  | applicable data items  | reporting frequency / period | due date |
| RAG 1      | <ul style="list-style-type: none"> <li>• <i>accepting deposits</i></li> <li>• <i>meeting of repayment claims</i></li> <li>• <del>[deleted]</del></li> <li><del><i>managing dormant account funds (including the investment of such funds)</i></del></li> </ul> | 7.1, except that the requirements to:<br>(1) submit templates 1.1, 1.2, 1.3, 2, 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 <i>Supervisory Reporting ITS</i> on a <i>consolidated basis</i> and, if applicable, on a <i>sub-consolidated basis</i> ;<br>(2) submit PRA108 on a <i>consolidated basis</i> and, if applicable, on a <i>sub-consolidated basis</i> ,<br>do not apply to a <i>firm</i> which is required to report financial information under Article 99(2) of <i>CRR</i> . | 7.2                          | 7.3      |

**7 Regulated Activity 1**

7.1 ...

| RAG 1 | Prudential category of <i>firm</i> , applicable <i>data items</i> and reporting format (1) |                         |                         |                     |  |            |   |
|-------|--|-------------------------|-------------------------|---------------------|--|------------|---|
|       | <i>UK bank other than a ring-fenced body</i>   | <i>Ring-fenced body</i> | <i>Building society</i> | <i>Non-EEA bank</i> | <i>EEA bank that has permission to accept deposits and that has its registered</i> | [deleted.] | <del>[deleted] Dormant account fund operator (12)</del> |

|  |                    |                    |   |                                    |   |   |                                 |
|--|--------------------|--------------------|---|------------------------------------|---|---|---------------------------------|
|  |                    |                    |   |                                    | office (or, if it has no registered office, its head office) outside the EU |   |                                 |
| <b>Description of data item</b>        |                    |                    |   |                                    |   |   |                                 |
| <i>Annual report and accounts (20)</i> | No standard format | No standard format | - | No standard format, but in English | -   | - | [deleted]<br>No standard-format |

...

(12) [deleted] Only applies to a *dormant account fund operator* that does not fall into any of the other prudential categories in this table.

...

7.3 ...

(1) Applicable to *UK banks and dormant account fund operators*.

## Annex E

### Amendments to the Regulatory Reporting Part

In this Annex deleted text is struck through.

#### 1 Application and Definitions

---

1.2 ...

~~*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*.~~

## **Annex F**

### **Amendments to the Glossary**

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

*data items*

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

## Annex G

### Amendments to the Reporting Pillar 2 Part

In this Annex deleted text is struck through.

#### 1 Application and Definitions

---

1.6 ...

~~data item~~

~~means an item referred to in 4.~~

## Annex H

### Amendments to the Regulatory Reporting Part

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

#### 19 Notifications Regarding Financial Information Reporting

---

19.3B A *firm* which is notifying the *PRA* under 19.3A must do so using the form that can be found herehere.

## Annex I

### Amendments to the Close Links Part

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

#### 5 Forms

---

5.1 The *Close Links Notification Form* can be found herehere.

5.2 The *Close Links Monthly Report* can be found herehere.

5.3 The *Close Links Annual Report* can be found herehere.

## Annex J

### Amendments to the Regulatory Reporting Part

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

#### 7 Regulated Activity Group 1

---

7.1

...

(13) A *firm* must complete this item separately on each of the following bases that are applicable.

(a) It must complete it on an individual basis. Therefore even if it has an *individual consolidation permission* it must complete the item on an unconsolidated basis by reference to the *firm* alone.

(b) [Deleted.]

(c) If it is part of a *domestic liquidity sub-group*, it must complete the item on the basis of that group and (a) does not apply.

(d) [Deleted.]

(e) If it is part of a *sub-consolidation group*, it must complete the item on the basis of that *sub-consolidation group*.

(f) If it is an *EU parent institution*, it must complete the item on the basis of its *consolidated situation*.

(g) If it is a *UK bank* or *building society* controlled by an *EU parent financial holding company* or by an *EU parent mixed financial holding company* it must complete the item on the basis of the *consolidated situation* of that holding company if the *PRA* is responsible for supervision of the *firm* on a *consolidated basis* under Article 111 of the *CRD*.

(h) If it is a *UK designated investment firm* controlled by an *EU parent financial holding company* or by an *EU parent mixed financial holding company* the *firm* must complete the item on the basis of the *consolidated situation* of that holding company if: (1) there is no *subsidiary* of the holding company which is a *credit institution* to which (g) applies; and (2) the *PRA* is responsible for the supervision of the *firm* on a *consolidated basis* under Article 111 of the *CRD*.

If the *data item* is required to be completed by the *firm* on a *consolidated basis* (pursuant to (f), (g) or (h) above) or on a *sub-consolidated basis* (pursuant to (e) above), the *firm* must carry out the consolidation or sub-consolidation to the same extent and in the same manner as it is required to comply with the obligations laid down in Part Six of the *CRR* on a *consolidated basis* or *sub-consolidated basis*.

...

#### 9 Regulated Activity Group 3

---

...

9.2

...

(9) A *firm* must complete this item separately on each of the following bases that are applicable.

(a) It must complete it on an individual basis. Therefore even if it has an *individual consolidation permission* it must complete the item on an unconsolidated basis by reference to the *firm* alone.

(b) [Deleted.]

(c) If it is part of a *domestic liquidity sub-group*, it must complete the item on the basis of that group and (a) does not apply.

(d) [Deleted.]

(e) If it is part of a *sub-consolidation group*, it must complete the item on the basis of that *sub-consolidation group*.

(f) If it is an *EU parent institution*, it must complete the item on the basis of its *consolidated situation*.

(g) If it is a *UK bank or building society* controlled by an *EU parent financial holding company* or by an *EU parent mixed financial holding company* it must complete the item on the basis of the *consolidated situation* of that holding company if the *PRA* is responsible for supervision of the *firm* on a *consolidated basis* under Article 111 of the *CRD*.

(h) If it is a *UK designated investment firm* controlled by an *EU parent financial holding company* or by an *EU parent mixed financial holding company* the *firm* must complete the item on the basis of the *consolidated situation* of that holding company if: (1) there is no *subsidiary* of the holding company which is a *credit institution* to which (g) applies; and (2) the *PRA* is responsible for the supervision of the *firm* on a *consolidated basis* under Article 111 of the *CRD*.

If the *data item* is required to be completed by the *firm* on a *consolidated basis* (pursuant to (f), (g) or (h) above) or on a *sub-consolidated basis* (pursuant to (e) above), the *firm* must carry out the consolidation or sub-consolidation to the same extent and in the same manner as it is required to comply with the obligations laid down in Part Six of the *CRR* on a *consolidated basis* or *sub-consolidated basis*.

...

**Externally defined terms**

| <i>Term</i>                               | <i>Definition source</i> |
|---|--------------------------|
| credit institution                        | Article 4(1)(1) CRR      |
| EU parent institution                     | Article 4(1)(29) CRR     |
| EU parent financial holding company       | Article 4(1)(31) CRR     |
| EU parent mixed financial holding company | Article 4(1)(33) CRR     |
| consolidated situation                    | Article 4(1)(47) CRR     |
| consolidated basis                        | Article 4(1)(48) CRR     |
| sub-consolidated basis                    | Article 4(1)(49) CRR     |

## Appendix 2: Mapping tables of amendments made to templates and instructions contained in SS32/15 and SS34/15

This tables set out the templates and instructions that this CP proposes to amend in SS32/15 and SS34/15.

Mapping table for instructions contained in SS32/15 ‘Guidelines for completing regulatory reports’<sup>1</sup>

See Appendix 3 for proposed amendments.

| Instruction   | Links available in SS32/15 |
|---|----------------------------|
| Guidelines for completing data items FSA071 to FSA082 | Appendix 3                 |

Mapping table for templates and instructions contained in SS34/15 ‘Pillar 2 reporting, including instructions for completing data items FSA071 to FSA082’<sup>2</sup>

See Appendix 4 for proposed amendments.

| Template or instruction                                     | Links available in SS34/15 |
|---|----------------------------|
| PRA110 instructions   | Appendix 11                |
| RFB001 instructions   | Appendix 9                 |
| PRA101 – PRA103 instructions                                | Appendix 1                 |
| RFB001, RFB003 and RFB004 instructions and RFB004d template | Appendix 9                 |

<sup>1</sup> June 2018: [www.bankofengland.co.uk/prudential-regulation/publication/2015/guidelines-for-completing-regulatory-reports-ss](http://www.bankofengland.co.uk/prudential-regulation/publication/2015/guidelines-for-completing-regulatory-reports-ss).

<sup>2</sup> April 2018: [www.bankofengland.co.uk/prudential-regulation/publication/2015/pillar2-reporting-including-instructions-for-completing-data-items-fsa071-to-fsa082-ss](http://www.bankofengland.co.uk/prudential-regulation/publication/2015/pillar2-reporting-including-instructions-for-completing-data-items-fsa071-to-fsa082-ss).

## **Appendix 3: Proposed amendments to templates and instructions contained in SS32/15**

### **FSA071 – FSA082 instructions and templates**

#### **FSA071 – FSA082 templates**

An option would be added to the drop down menu of the FSA071-FSA082 templates so that 'Prudential sub-consolidation' could be selected.

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

#### **FSA071 – FSA082 instructions**

##### **Extract**

...

##### **General information**

Firm should complete the following mandatory fields:

- the basis of their reporting – UK consolidated, solo consolidation, UK consolidation group, prudential sub-consolidation or capital sub-group;

...

## Appendix 4: Proposed amendments to templates and instructions contained in SS34/15

### PRA110, RFB001, and PRA101 – PRA103 instructions

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

#### Extracts

#### PRA 110 instructions

...

#### Part 1: General Instructions

...

9. For the section of the maturity ladder template entitled 'counterbalancing capacity' outflows and inflows shall be reported on a net basis with a positive sign if they represent inflows and with a negative sign if they represent outflows. For cash flows, amounts due shall be reported. Securities flows shall be reported at current market value. Flows arising on credit and liquidity lines shall be reported at the contractual available amounts.

...

|     |  |
|-----|--|
| ... | ...  |
| 260 | ...<br>Deposits shall be reported according to their earliest possible contractual maturity date. Deposits that can be withdrawn immediately without notice ('sight deposits') or <del>non-maturity</del> <u>non-maturing</u> deposits shall be reported both in the 'overnight' bucket and in the "Of which: open" column 6010.   |
| ... | ...  |
| 670 | 1. cash and securities flows related to derivatives for which there is a collateral agreement in place that requires full or adequate collateralisation of counterparty exposures shall be excluded from the <del>both</del> maturity ladder templates, and all flows of cash, securities, cash collateral and securities collateral related to those derivatives shall be excluded from the template. Stocks of cash and securities collateral that have already been received or provided in the context of collateralised derivatives shall not be included in the 'stock' column of section 3 of the maturity ladder covering the counterbalancing capacity with the exception of cash and securities flows in the context of margin calls which are payable in due course but have not yet been settled. The latter shall be reflected in lines 1.5 'derivatives cash-outflows' and 2.4 'derivatives cash- inflows' for cash collateral and in section 3 'counterbalancing capacity' for securities collateral in the maturity ladder;<br><br>...<br>(b) flows related to other contracts than those referred to in point (a) |

|      |  |
|------|--|
|      | shall be included by projecting the gross <u>contractual flows of cash in the respective time buckets</u> in lines 1.5 'derivatives cash- outflows' and 2.4 'derivatives cash-inflows' and the contractual flows of securities in the counterbalancing capacity of the maturity ladder, using the current market- implied forward rates applicable on the reporting date where the amounts are not yet fixed.  |
| ...  | ...  |
|      | <b>3 COUNTERBALANCING CAPACITY</b><br>...<br>Assets that the institution received as collateral in reverse repo and Securitised Financing Transactions (SFT) can be considered as part of the counterbalancing capacity if they are held at the institution, have not been rehypothecated, and are legally and contractually available for the institution's use...<br>...<br><del>The collateral flows should correspond to the contractual timings in the main SFT cash rows, i.e. no adjustments should be made for the 'of which' rows for neither counterparty type nor short positions.</del><br>... |
| ...  | ...  |
| 1020 | The amount reported in item 3.8 which is <u>liquidity funding in are facilities in accordance</u> with Article 14 of Regulation (EU) 2015/61.  |
| ...  |  |

## Extracts

### RFB001 instructions

...

### Definitions

Firms should refer to the definitions for the corresponding COREP templates contained within Annex IX to the Implementing Technical Standards on Supervisory Reporting (hereafter referred to an Annex IX), as amended in ~~March 2016~~ **XXXXX**.<sup>2</sup>

...

[Footnote 2: ~~Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions: [www.eba.europa.eu/regulation-and-policy/supervisory-reporting/implementing-technical-standards-amending-commission-implementing-regulation-eu-no-680/2014-on-supervisory-reporting-of-institutions-march-2016](http://www.eba.europa.eu/regulation-and-policy/supervisory-reporting/implementing-technical-standards-amending-commission-implementing-regulation-eu-no-680/2014-on-supervisory-reporting-of-institutions-march-2016). Implementing Technical Standards Amending Regulation (EU) No 680/2014 on Supervisory Reporting of institutions with regard to prudent valuation <https://www.eba.europa.eu/regulation-and-policy/supervisory-reporting/implementing-technical-standards-amending-regulation-eu-no-680-2014-on-supervisory-reporting-of-institutions-with-regard-to-prudent-valuation>]~~

...

r060: ~~Money Market Fund (MMF)~~ Investment fund shares/units

Firms to report exposures to ~~MMF~~ investment fund shares / units as defined within the instructions in C28.00 template for c070, c130, and c250 in Annex IX.

r070: ~~Shares and other equities~~ Equity

Firms to report exposures to ~~shares and other equities~~ equity as defined within the instructions in C28.00 template for c070, c130, and c250 in Annex IX.

...

## Extracts

### PRA 101 instructions

...

#### Sections replicating COREP data points

...

To complete these sections, firms should therefore follow the instructions set out for COREP reporting purposes. Further information can be found under the heading ‘~~Implementing~~ Technical Standards (ITS)’ at:

[http://ec.europa.eu/internal\\_market/bank/regcapital/acts/its/index\\_en.htm](http://ec.europa.eu/internal_market/bank/regcapital/acts/its/index_en.htm)

‘ITS on supervisory reporting’ at:

<https://www.eba.europa.eu/risk-analysis-and-data/reporting-frameworks>

...

#### Incorporation of forecast profits within capital projections

...

The PRA has also issued the additional clarification documents ~~below~~, relating to the reporting of significant investments and Pillar 2a items, which should be used alongside the instructions above. They can be found in the reporting clarifications section on the following page:

<http://www.bankofengland.co.uk/prd/Documents/crdiv/ca1and51.pdf>

<http://www.bankofengland.co.uk/prd/Documents/crdiv/clarificationprocedures2.pdf>

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

...

## Extracts

### PRA 102 instructions

...

#### Sections replicating COREP CA points

...

To complete these sections, firms should therefore follow the instructions set out for COREP reporting purposes. As at June 2014, ~~f~~Further information can be found under the heading ‘~~Implementing~~ Technical Standards (ITS)’ ‘ITS on supervisory reporting’ at:

[http://ec.europa.eu/internal\\_market/bank/regcapital/acts/its/index\\_en.htm](http://ec.europa.eu/internal_market/bank/regcapital/acts/its/index_en.htm)

<https://www.eba.europa.eu/risk-analysis-and-data/reporting-frameworks>

...

### **Incorporation of forecast profits within capital projections**

...

The PRA has also issued the additional clarification documents below, relating to the reporting of significant investments and Pillar 2a items, which should be used alongside the instructions above. They can be found in the reporting clarifications section on the following page:

<http://www.bankofengland.co.uk/prd/Documents/crdiv/ca1and51.pdf>

1.—

<http://www.bankofengland.co.uk/prd/Documents/crdiv/clarificationprocedures2.pdf>

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

...

### **Extract**

#### **PRA 103 instructions**

...

#### **Sections replicating COREP CA data points**

To complete these sections, firms should therefore follow the instructions set out for COREP reporting purposes. Further information can be found under the heading 'Implementing Technical Standards (ITS): ITS on supervisory reporting' at:

[http://ec.europa.eu/internal\\_market/bank/regcapital/acts/its/index\\_en.htm](http://ec.europa.eu/internal_market/bank/regcapital/acts/its/index_en.htm)

<https://www.eba.europa.eu/risk-analysis-and-data/reporting-frameworks>

#### **Only the columns for which financial year end data exists need to be completed.**

The PRA has also issued the additional clarification documents below, relating to the reporting of Pillar 2a items, which should be used alongside the instructions above. They can be found in the reporting clarifications section on the following page:

[www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/crd-iv/clarification-of-procedures-for-completion-of-corep-section-c-4-ca4-row-820.pdf](http://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/crd-iv/clarification-of-procedures-for-completion-of-corep-section-c-4-ca4-row-820.pdf)

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

## RFB001, RFB003 and RFB004 instructions and RFB004d template

The PRA proposes to delete the Appendix of RFB001 instructions and RFB003 and RFB004 instructions.

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

### RFB004d template

|      |   |  |  |  |  |
|------|---|--|--|--|--|
| ...  | ...   |  |  |  |  |
| 2001 | of which: other economic hedges with use of the fair value option |  |  |  |  |
| ...  | ...   |  |  |  |  |

### Extract

#### RFB001 instructions

...

#### **Validations**

Submitted data must conform to the ~~validation rules set out in the Appendix, as well as the~~ following constraints:

...

### Extract

#### RFB003 and RFB004 instructions

...

#### ~~RFB003: Validation rules~~

Submitted data must conform to the ~~validation rules set out in the Appendix.~~

...

#### ~~RFB004: Validation rules~~

Submitted data must conform to the ~~validation rules set out in the Appendix.~~

...

