

Question ID	2019_4894
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 (CRR2)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	99
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	Annex III, IV and V
Date of submission	04/09/2019
Published as Final Q&A	11/09/2020
Disclose name of institution / entity	No
Type of submitter	Competent authority
Subject matter	Classification of collective investment undertakings
Question	The classification of investment funds (collective investment undertakings) in FINREP table F 1.1 is not clear as there seems to be a contradiction between the reference to IAS 32 on the one side and Annex V on the other side. Should investment funds be treated as debt or as equity?
Background on the question	There is a reference to IAS 32.11 for "Equity instruments" of rows r070, r097, r142 c010 in FINREP table F 1.1. As "puttable instruments" according to IAS 32 investment funds (CIUs) should in IFRS 9 be treated as debt and not as equity instrument. In contradiction to the reference 32.11 Annex V Part 3 table 2 point (n) clearly states that collective investment undertakings should be treated as equity instruments in FINREP Annex III and IV. Furthermore there are references for debt securities in table F 1.1 to Annex V Part 1.31, which refers to ECB BSI Regulation, where CIUs are not classified as debt securities but as equities. The classification of investment funds as collective investment undertakings either as debt instrument or as equity instrument is unclear based on these references.
EBA answer	Part 3 table 2 point (n) of Annex V to Regulation (EU) No 680/2014 (ITS on

	<p>supervisory reporting) states that: "Investments in CIU shall be classified as Equity instruments in FINREP, regardless of whether the CRR allows look-through".</p> <p>Furthermore FINREP definition for "Debt instruments" refers to BSI definition that does not include CIUs.</p> <p>Based on the above, CIUs shall be reported as equity instruments in FINREP.</p>
Link	https://eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2019_4894

European Banking Authority, 22/09/2020
www.eba.europa.eu