

<b>Question ID</b>	2019_4943
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 (CRR2)
<b>Topic</b>	Supervisory reporting - FINREP (incl. FB&NPE)
<b>Article</b>	99
<b>Paragraph</b>	-
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
<b>Article/Paragraph</b>	Art. 1 (7) and Annex I of EBA/ITS/2019/02; EBA Validation Rules 10.09.2019
<b>Date of submission</b>	10/10/2019
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<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Consultancy firm
<b>Subject matter</b>	Failed validation checks due to the implementation of a new separate line item 'cash contributions to resolution funds and deposit guarantee schemes' (r385) in template F 02.00 and missing consistent change in template F 20.03 under DPM 2.9
<b>Question</b>	Regardless of an institution's view on the nature of cash contributions to resolution funds and deposit guarantee schemes in the financial statements, the introduction of a new separate line item 'cash contributions to resolution funds and deposit guarantee schemes' (r385) in template F 02.00 under DPM 2.9 combined with an unchanged template F 20.03 leads to a break of blocking validation rules. That shows the need for further guidance or requires an adjustment of template F 20.03 in conformity with the structure of template F 02.00 regarding single line items and totals items.
<b>Background on the question</b>	As the added separate line item 'cash contributions to resolution funds and deposit guarantee schemes' (r385) in template F 02.00 under DPM 2.9 is not under any totals item within 'profit or loss before tax from continuing operations' (r610), the unchanged structure of template F 20.03, containing the geographical breakdown of the statement of profit

or loss items (F 02.00) by location of the activities, no longer corresponds to the structure of template F 02.00. Therefore, wherever an item allocated to r385 in template F 02.00 is reported in template F 20.03, a direct reconciliation between the templates is not possible, leading to failed validation checks and hence invalid data submissions. The same applies for the approach not to report these items in template F 20.03 that is supported by the DPM v2.9 table layout and data point categorisation. An item in template F 02.00, r385, c010 is assigned with the main category 'Cash contributions to resolution funds and deposit guarantee schemes' (MC:x943) which is neither part of a hierarchy nor present in template F 20.03. Following this approach, the validation rules v1365\_h, v1367\_h and v1370\_h will be broken. To illustrate the problem when disclosing cash contributions to resolution funds and deposit guarantee schemes in template F 02.00 as well as in template F 20.03, it is assumed that these cash contributions are considered 'other administrative expenses'. The blocking validation rule v1355\_h is not met just as the relevant positions are reclassified from r380 to r385 within template F 02.00 but still reported in template F 20.03, r160, c010/c020. As far as an institution considers them 'other operating expenses' or 'interest expenses' a similar problem arises, emphasizing the need for further guidance or for an adjustment of template F 20.03 in conformity with the structure of template F 02.00 regarding single line items and totals items.

**EBA answer**

The row 385 ("Cash contributions to resolution funds and deposit guarantee schemes") was added to template F 02.00 with taxonomy v2.9. According to Annex 4, Part 2.48i of Regulation (EU) 680/2014 (ITS on Supervisory Reporting), it includes the amounts of contributions to resolution funds and deposit guarantee schemes where they are paid in the form of cash.

In contrast, template F 20.03 which shows the geographical breakdown of profit of loss items does not contain a separate row for "Cash contributions to resolution funds and deposit guarantee schemes". This structural discrepancy between template F 02.00 and F 20.03 may lead to the violation of several validation rules, if an amount is reported in row 385 of template F 02.00.

Therefore, the v0980\_m has been deactivated in the framework release v2.9.1.1. This means that "Cash contributions to resolution funds and deposit guarantee schemes" shall be included in the total items in rows r250, r270 and r290 of template F 20.03 but not in the individual sub-items. As a result, the cross validations between templates F 02.00 and F 20.03 continue to apply. In FINREP v3.0, a new row for "Cash contributions to resolution funds and deposit guarantee schemes" will be added to template F 20.03 to ensure consistent reporting in templates F 02.00 and F 20.03 and the v0980\_m will be re-activated and amended to include the new row.

<b>Link</b>	<a href="https://eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2019_4943">https://eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2019_4943</a>
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