
Implementation of COREP in the UK

Avantage Business Breakfast 2 Dec 2011

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European reporting framework for EBA reporting - 2013 onwards



From 2013 Implementing Technical Standards on reporting are expected to cover:

- **Future CRD IV / Basel III changes:**
 - Changes to definition of capital
 - Liquidity
 - Mortgage exposures
 - Large exposures
 - Leverage ratios
 - Disclosures by national supervisory authorities eg Art 96(2) mortgage exposures
- **Also some additional requirements:**
 - Data needs of the European Systemic Risk Board and EBA
 - Some accounting information – FINREP

Challenges

- **Timing of CRD IV legislative text – draft liable to change**
- **Development of other EBA/ESRB data needs in the meantime**
- **No confirmed systems go-live dates**
- **Interim EU reporting – EBA key risk indicators**
- **FINREP – standardised presentation of IFRS/national GAAP accounting reporting**
- **UK regulatory reform – effects and timing**
- **Mandatory IT solutions - XBRL?**

FSA implementation



- **No transposition of EBA ITS needed for national legislation**
- **FSA will delete duplicated or similar national reporting requirements from its supervisory rules**
- **FSA rulebook will refer to – but not copy out - the EBA Implementing Technical Standards for prudential reporting – templates and guidance**
- **Other consequential changes to FSA reporting rules:**
 - Moving reporting periods from Accounting Reference Date to calendar quarters (c. 500 firms affected)

Industry implementation – known issues



- **Quarterly frequency – mixed views on data production for solo and consolidated returns**
- **Remittance period: ‘bottleneck’ in senior management sign-off of data**
- **Bringing data to the top of the dataset quarterly**
- **Want to be able to submit good quality data once rather than re-submissions**
- **Possible longer remittance period for first set of returns?**

Other practical issues

- **Handling reporting / policy queries from the industry – EBA or FSA?**
- **IT lead-time from date of confirmed requirements**
- **Level of certainty in requirements – draft ITS vs published Regulations in the Official Journal**
- **Changes to other FSA electronic submission channels e.g. pdf**
- **EBA/ESRB data gaps – flexibility of requests and feasibility of IT systems**
- **The EBA consultation on IT solutions is not yet planned**
- **Be prepared to engage with EBA consultation, especially on impact assessment**

Article 95 Reporting on own funds requirements

This reporting shall include financial information drawn up in accordance with the accounting framework to which the institution is subject under Regulation (EC) No 1606/2002 and Directive 86/EEC to the extent this is necessary to obtain a comprehensive view of the risk profile of an institution's activities.

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- **FINREP is a live issue in Europe**
 - **Art. 95 draft CRR: adoption of some form of financial reporting alongside COREP is expected from 1st Jan 2013**
 - **EBA can specify these requirements in ITS on reporting**
 - **EBA likely to modify existing FINREP into ITS**
 - **FSA001 & 002 might change or be replaced**

FINREP Impact



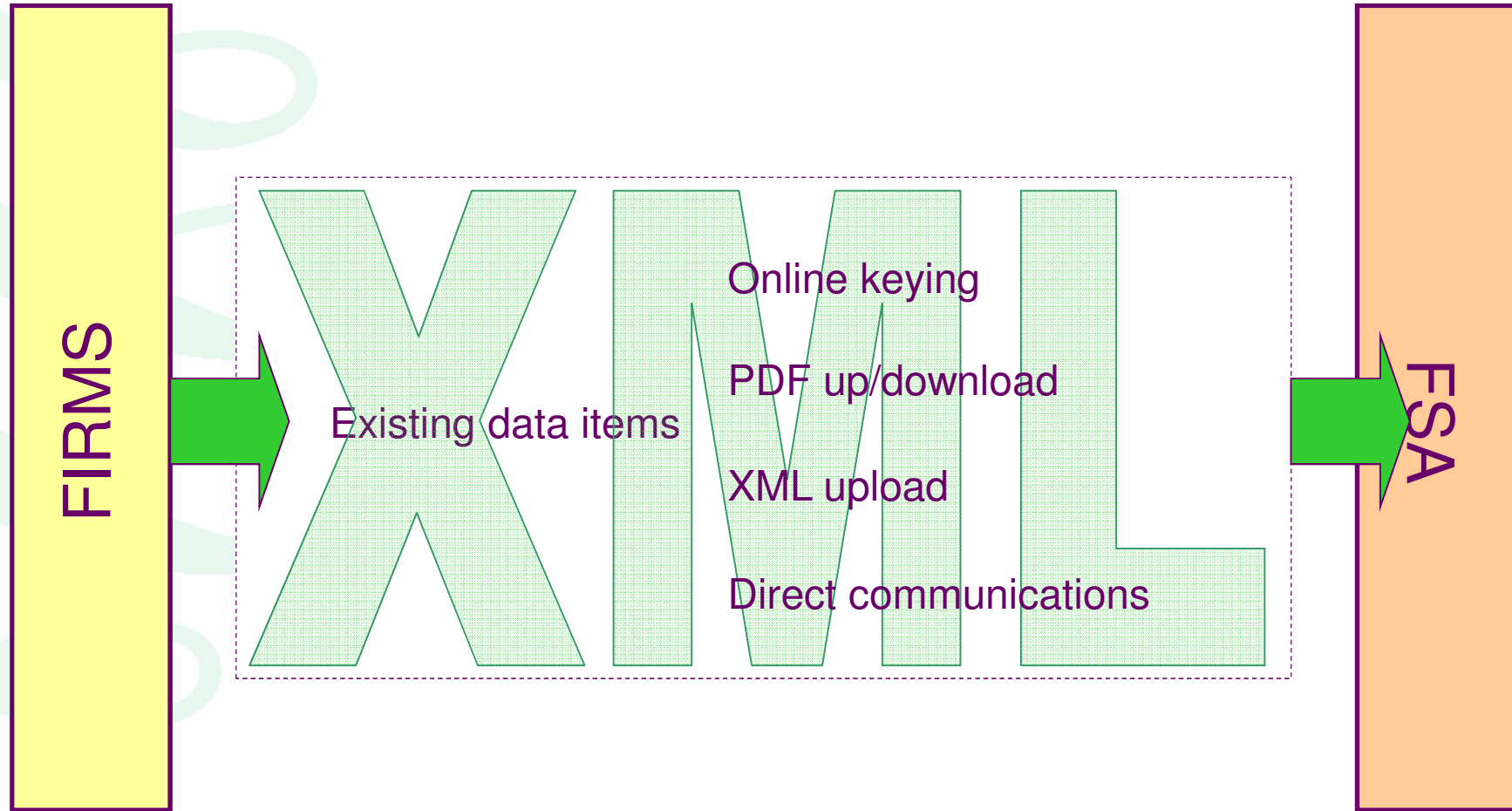
- **Possible scope:**
 - only expected to cover Banks and Building Societies
 - quarterly reporting on solo and consolidated bases
 - calendar based reporting periods
 - reporting by IFRS and non-IFRS firms
- **National GAAP is not necessarily close to IFRS or EC regulation on International Accounting Standards**
- **Affects a number of EU regulators**

Disclosure – market transparency

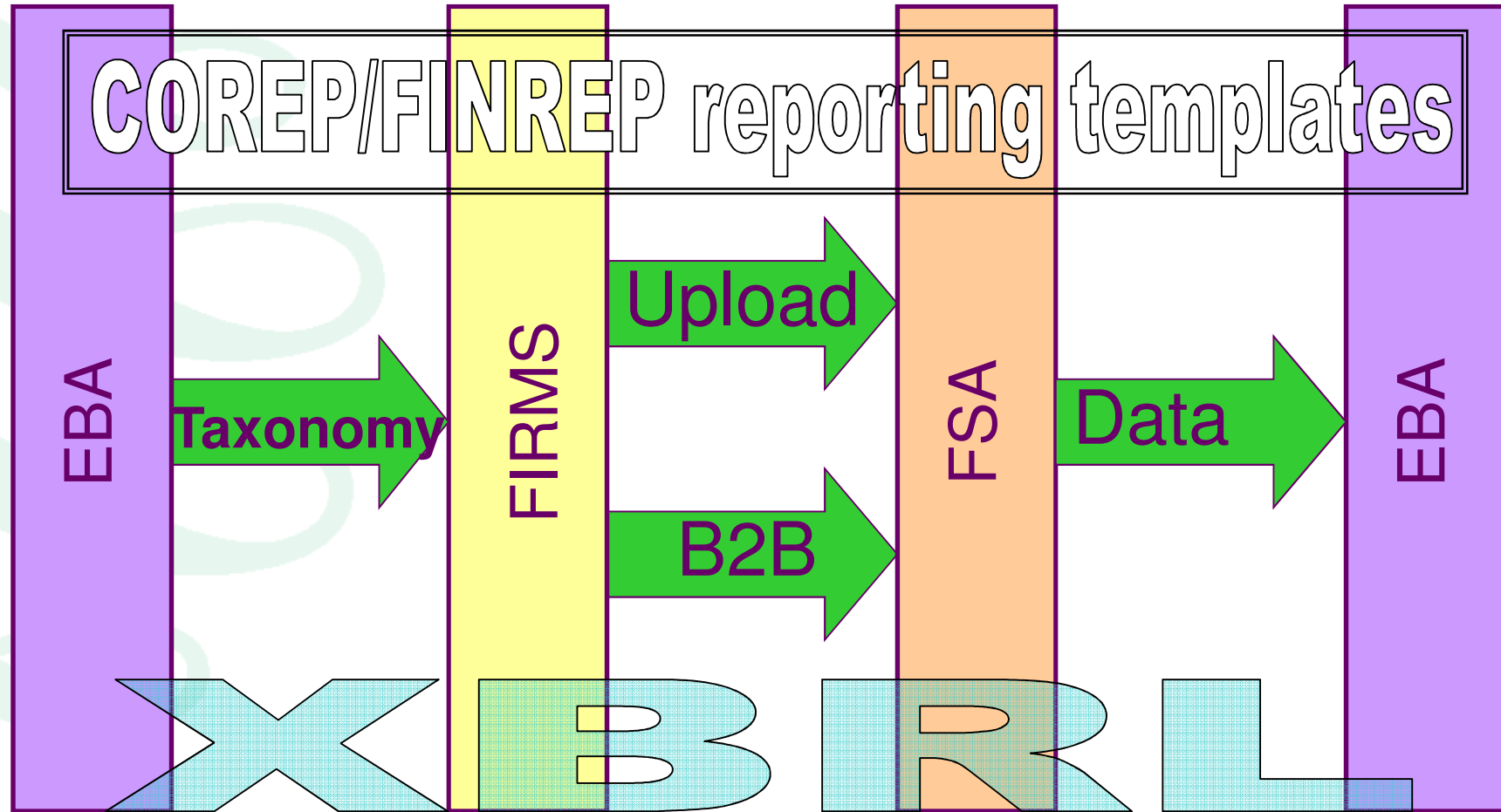


- Under consideration
- Disclosure agenda: better market transparency = better financial stability
- Firms disclosing regulatory returns to market – same information
- PRA supervision and data strategies
- Factors to consider: Pillar 3 interaction / date of introducing disclosure requirements /content
- Alignment with Financial Policy Committee recommendations and wider disclosure policy development

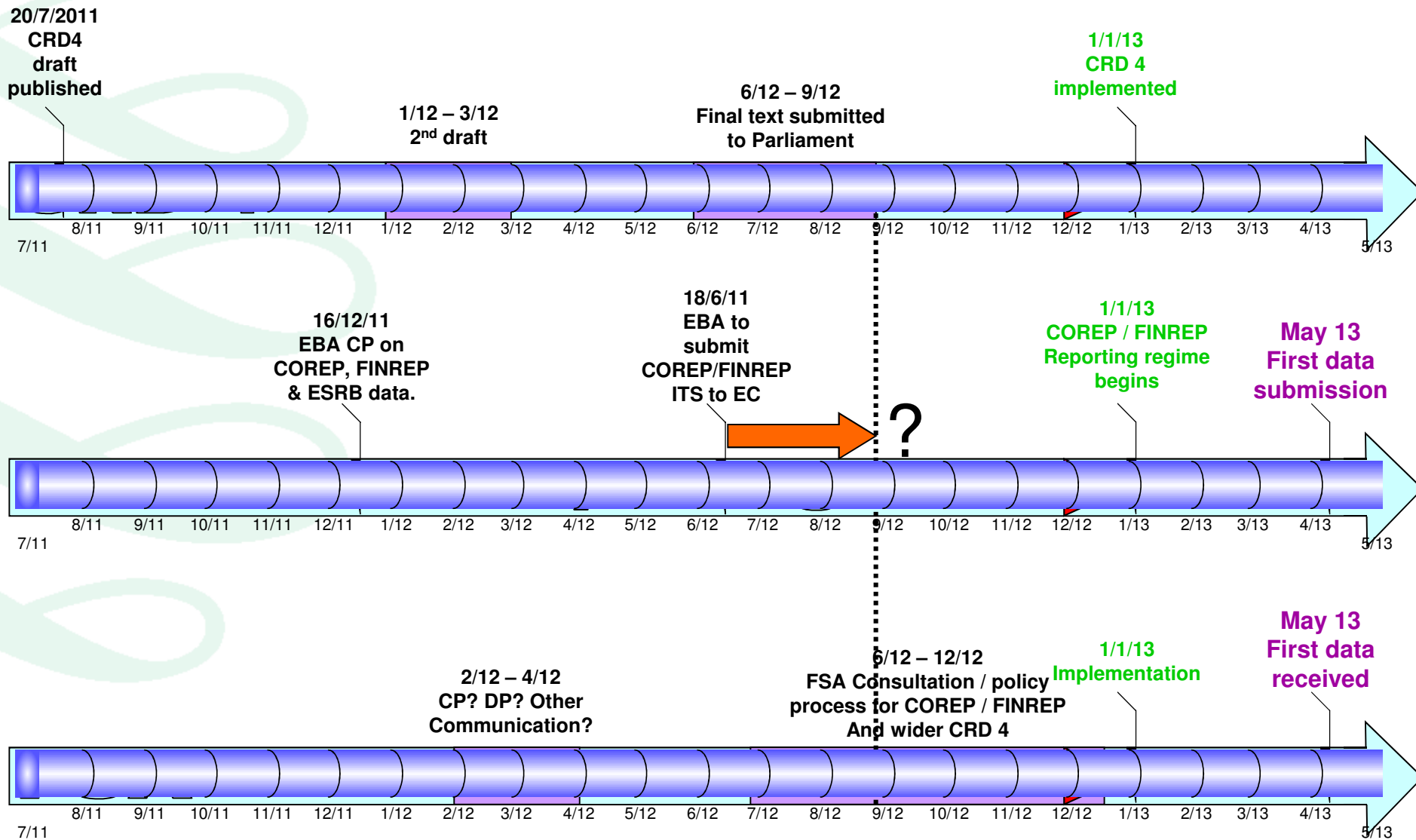
COREP IT reporting formats



COREP IT reporting formats



Timelines



CRD IV Industry Group



- **We are looking for participants for a CRD IV industry group:**
 - Existing CISG members plus additional members
 - In addition to technical CRD groups and CISG
 - Concerned with entire CRD IV, including policy and implementation
 - To work with FSA to identify and resolve issues both European and domestic
 - Face to Face meetings
 - Information sharing via email

Contacts



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