

## Banking prudential reporting

### Regulatory news alert

#### CSSF Circular 14/599 on accounting treatment of lump-sum and AGDL provisions

On 19 December, the CSSF published the Circular 14/599 amending the accounting treatment of lump-sum and AGDL provisions. Whilst these provisions were maintained according to FinREP instructions as at 01/01/2008, the new harmonised European reporting and the EU CRR Regulation 575/2013 require a recycling, in respect of IFRS accounting rules. Lump-sum and AGDL provisions do not meet the definition of value adjustment as per IAS 39 (incurred loss) or provision as per IAS 37 (obligation to a third-party). Therefore, the items constitute retained earnings. You will find below an overview of introduced changes.

CSSF Circular 14/599 is already applicable to next prudential reporting.

#### Lump-sum provision

The use of the lump-sum reserve is restricted to the purposes for which it was set-up and subject to the prior approval of the CSSF.

#### AGDL provision

This unavailable AGDL reserve can only be used for the purposes for which it was set-up.

Future cash contributions to **Deposit Guarantee Schemes** and **Banking Recovery and Resolution** systems will be recognised in profit and loss account.

**Discover more on lump-sum and AGDL provisions.**

## CSSF Circular 14/593 on supervisory reporting requirements applicable to credit institutions as from 2014

The purpose of this circular is to remind and inform on recent and future developments in prudential reporting. The following table present an overview of applicable reporting on individual and consolidated basis.

Individual basis	Consolidated basis
<p><b>FINREP</b></p> <ul style="list-style-type: none"> <li>- B 1.1 and B 1.6 (monthly)</li> <li>- B 2.1 and B 2.5 (quarterly)</li> </ul> <p>as introduced by CSSF Circular 07/316 and subsequent circulars.  <u>A transition to the harmonised prudential reporting on individual basis</u> is expected. As long as no instruction from the European Central Bank is received in the context of the Single Supervisory Mechanism, these tables are still applicable on an individual basis.</p>	<p><b>New FINREP</b></p> <ul style="list-style-type: none"> <li>- Part 1: Information to be reported quarterly (27 tables)</li> <li>- Part 2: Information to be reported quarterly on threshold basis (10 tables)</li> <li>- Part 3: Information to be reported semi-annually (4 tables)</li> <li>- Part 4: Information to be reported annually (13 tables)</li> </ul>
<p><b>Expanded COREP</b></p> <ul style="list-style-type: none"> <li>- Own funds requirements (Solvency ratio) (quarterly or semi-annually tables)</li> <li>- Losses stemming from lending collateralised by immovable property (semi-annually)</li> <li>- Large exposures (quarterly)</li> <li>- Leverage ratio (quarterly)</li> <li>- Liquidity Coverage requirements (monthly)</li> <li>- Reporting on stable funding (Net Stable Funding requirements (NSFR) (monthly)</li> </ul>	
<p><b>Other</b></p> <ul style="list-style-type: none"> <li>- B 1.5 Liquidity ratio (monthly)</li> <li>- B 2.4 Information on participating interest and subordinated loans (quarterly)</li> <li>- B 4.4 List of head offices, agencies, branches and representative offices (annually)</li> <li>- B 4.5</li> <li>- Analysis of shareholdings (annually)</li> <li>- B 4.6 Persons responsible of certain functions and activities (annually)</li> </ul>	<p>N/A</p>

These reporting will be completed by:

- Forbearance and non-performing exposures (first reporting as at 30 September 2014 due on 31 December 2014);
- Asset encumbrance (first reporting as at 31 December 2014 due on 11 February 2015, please refer also to our [Deloitte Regulatory News Alert on CSSF Circular 14/597 of 3 December 2014](#)); and
- Additional liquidity monitoring metrics (expected 1st July 2015).

## Threshold for notification of large exposures

The CSSF maintains current minimum thresholds for notification of large exposures (10% of own funds or EUR 12.5 million) for tables "Large exposures" (Tables C28.00 and C29.00).

## Repealed circulars:

- CSSF 14/586
- CSSF 13/570
- CSSF 11/513
- CSSF 10/461
- CSSF 08/344, only regarding requirements on tables B 6.1, B 6.6, B 6.2, B 6.7, B 1.2, B 1.4, B 6.4, B 2.3 et B 6.3
- CSSF 08/381, CSSF 10/450, CSSF 10/493
- CSSF 07/316, CSSF 07/319, CSSF 07/324, CSSF 07/331, only regarding requirements on tables B 6.1, B 6.6, B 6.2, B 6.7, B 1.2, B 1.4 et B 6.4
- CSSF 07/279
- CSSF 06/251
- CSSF 05/227
- IML 93/92.

We trust this information is of assistance and remain at your disposal for any further questions.

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