

CEBS Committee of European Banking Supervisors

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CEBS publishes its consultation paper on amendments to the guidelines on financial reporting

10 March 2009

The Committee of European Banking Supervisors (CEBS) today starts a public consultation on its proposed amendments to the Guidelines on Financial Reporting (FINREP). The consultation period will run for three months and will end on **10 June 2009**.

The consultation is open to all interested parties, including supervised institutions and other market participants.

The original Guidelines on FINREP were issued by the Committee of European Banking Supervisors in December 2005, with the goal of increasing the comparability of financial information reported to different supervisors within the EU, increasing the cost-effectiveness of supervision across the EU, reducing reporting burden on cross-border credit institutions, and removing a potential obstacle to financial market integration.

The present consultation paper proposes amendments to the existing FINREP Guidelines which will streamline financial reporting and achieve a greater degree of harmonisation. The proposals are as follows:

- o No change is being proposed in the scope of application of the framework. FINREP will continue to apply to credit institutions when preparing their consolidated or sub-consolidated supervisory returns under IFRS, as and when required by their national supervisory authority. FINREP will not apply to financial reporting requirements at the solo level (although national authorities are free to use FINREP as a reference for solo reporting), or to Pillar II templates, reporting of qualitative information, or statistical reporting.
- o FINREP will set explicit minimum and maximum data requirements, in contrast with the current Guidelines, which set only a minimum requirement. This 'Maximum Data Model' means that Member States must rely exclusively on financial information defined in the new FINREP framework, and may neither amend the information templates based on national need, nor require additional information that exceeds the fixed maximum. CEBS regards this as a major step in reducing the banking industry's reporting burdens.
- o The net effect of the changes proposed in the Guidelines will be to reduce the number of cells in the templates by 26%, and to reduce the number of templates by 33%, from 39 to 26.
- o The new FINREP will be implemented in 2010 and 2011, and will apply from 2012 onwards. The reporting frequency for FINREP will be quarterly, semi-annual, or annual, at national discretion. The reporting dates will be 31 March, 30 June, 30 September, and 31 December. National authorities will retain a degree of national discretion regarding reporting deadlines, which shall fall within a 'corridor' of 20 to 40 business days after the reporting date.
- o CEBS recommends the use of XBRL, since the adoption of XBRL taxonomies will lead to greater harmonisation of IT formats. The new FINREP XBRL taxonomy will be based on the same IT concepts used in the COREP taxonomy. CEBS will also propose IT best practices on cell definitions oriented in order to standardise conversions to decimals, precision, percentages, threshold/tolerance margins, identification of reporting institution and administrative codes, among other factors.

Comments received will be published on CEBS's website unless respondents explicitly request otherwise. Please send your comments to the following e-mail address: cp06rev2@c-eps.org.

A public hearing will be held on 27 May 2009 at CEBS's premises to allow all interested parties to present their comments.

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Committee of European Banking Supervisors (CEBS) is comprised of high level representatives from the banking supervisory authorities and central banks of the European Union. CEBS main tasks are to advise the Commission in the field of banking activities, to contribute to the consistent implementation of Community Directives and to the convergence of supervisory practices and to enhance supervisory co-operation. The Committee is chaired by Ms Kerstin af Jochnick. The CEBS Secretariat is based in London. The Secretary General of the Committee is Mr. Arnoud Vossen.