

**Changes to legislation:** Commission Implementing Regulation (EU) No 680/2014 is up to date with all changes known to be in force on or before 08 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) EUR 2014 No. 680 may be subject to amendment by EU Exit Instruments made by both the Prudential Regulation Authority and the Financial Conduct Authority under powers set out in The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 2, 3, Sch. Pt. 4. These amendments are not currently available on legislation.gov.uk. Details of relevant amending instruments can be found on their website/s. (See end of Document for details) View outstanding changes

## ANNEX II

### REPORTING ON OWN FUNDS AND OWN FUNDS REQUIREMENTS

#### Textual Amendments

- F1** Substituted by Commission Implementing Regulation (EU) 2020/429 of 14 February 2020 amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (Text with EEA relevance).

### PART II: TEMPLATE RELATED INSTRUCTIONS

6. PRUDENT VALUATION (PRUVAL)
- 6.3. C 32.03 – PRUDENT VALUATION: MODEL RISK AVA (PRUVAL 3)
- 6.3.2. Instructions concerning specific positions

Columns	
0005	<p><b>RANK</b></p> <p>The rank is a row identifier and shall be unique for each row in the template. It shall follow the numerical order 1, 2, 3, etc., with 1 being assigned to the highest individual model risk AVAs, 2 to the second highest and so on.</p>
0010	<p><b>MODEL</b></p> <p>Internal name (alpha-numerical) of the model used by the institution to identify the model.</p>
0020	<p><b>RISK CATEGORY</b></p> <p>The risk category (interest rates, FX, credit, equities, commodities) that most appropriately characterises the product or group of products that give rise to the model risk valuation adjustment.</p> <p>Institutions shall report the following codes:</p> <p>IR – interest rates  FX – foreign exchange  CR – credit  EQ – equities  CO – commodities</p>
0030	<p><b>PRODUCT</b></p> <p>Internal name (alpha-numerical) for the product or group of products, in line with the product inventory required by point (a) of Article 19(3) of Delegated Regulation (EU) 2016/101, that is valued using the model.</p>
0040	<p><b>OBSERVABILITY</b></p>

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	<p>Number of price observations for the product or group of products in the last 12 months that meet either of the following criteria:</p> <ul style="list-style-type: none"> <li>— The price observation is a price at which the institution has conducted a transaction;</li> <li>— It is a verifiable price for an actual transaction between third parties;</li> <li>— The price is obtained from a committed quote.</li> </ul> <p>Institutions shall report one of the following values: 'none', '1-6', '6-24', '24-100', '100+'.</p>
0050	<p><b>MODEL RISK AVA</b> Article 11(1) of Delegated Regulation (EU) 2016/101. Individual model risk AVA before diversification benefit, but after portfolio netting where relevant.</p>
0060	<p><b>OF WHICH: USING EXPERT-BASED APPROACH</b> Amounts in column 0050 that have been calculated under the expert-based approach referred to in Article 11(4) of Delegated Regulation (EU) 2016/101.</p>
0070	<p><b>OF WHICH: AGGREGATED USING METHOD 2</b> Amounts in column 0050 that have been aggregated under Method 2 of the Annex to Delegated Regulation (EU) 2016/101. These amounts correspond to FV – PV in the terminology of that Annex.</p>
0080	<p><b>AGGREGATED AVA CALCULATED UNDER METHOD 2</b> The contribution towards the total category level AVA for model risk, as computed in accordance with Article 11(7) of the Delegated Regulation (EU) 2016/101 of individual model risk AVAs that are aggregated using Method 2 of the Annex to that Regulation (EU). That amount corresponds to APVA in the terminology of the Annex.</p>
0090 -0100	<p><b>FAIR-VALUED ASSETS AND LIABILITIES</b> Absolute value of fair-valued assets and liabilities valued using the model reported in column 0010 as stated in the financial statements under the applicable framework.</p>
0090	<p><b>FAIR-VALUED ASSETS</b></p>

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	Absolute value of fair-valued assets valued using the model reported in column 0010 as stated in the financial statements under the applicable framework.
0100	<b>FAIR-VALUED LIABILITIES</b> Absolute value of fair-valued liabilities valued using the model reported in column 0010 as stated in the financial statements under the applicable framework.
0110	<b>IPV DIFFERENCE (OUTPUT TESTING)</b> The sum of unadjusted difference amounts ('IPV difference') calculated at the month end closest to the reporting date under the independent price verification process performed in accordance with Article 105(8) CRR, with respect to the best available independent data for the corresponding product or group of products. Unadjusted difference amounts refer to unadjusted differences between the trading system generated valuations and the valuations assessed during the monthly IPV process. No adjusted difference amounts in the books and records of the institution for the relevant month end date shall be included in the calculation of IPV difference. Only results that have been calibrated from prices of instruments that would be mapped to the same product (output testing) shall be included here. Input testing results from market data inputs that are tested against levels that have been calibrated from different products shall not be included.
0120	<b>IPV COVERAGE (OUTPUT TESTING)</b> The percentage of those positions mapped to the model weighted by model risk AVA that is covered by the output IPV testing results given in column 0110.
0130 – 0140	<b>FAIR VALUE ADJUSTMENTS</b> Fair Value adjustments as referred to in columns 0190 and 0240 of template C 32.02 that have been applied to the positions mapped to the model in column 0010.
0150	<b>DAY 1 P&amp;L</b> Adjustments as defined in column 0260 of template C 32.02 that have been applied to the positions mapped to the model in column 0010.]

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**Changes and effects yet to be applied to :**

- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 13](#)
- Regulation revoked by [S.I. 2021/1078](#), reg. 13(2)(aa) (as inserted) by [S.I. 2021/1376 reg. 32\(7\)\(a\)\(i\)](#) (This amendment not applied to [legislation.gov.uk](#). The affected provision Pt. 2 (PRA) was modified by a non-legislative instrument (Technical Standards (Capital Requirements) (EU Exit) (No.3) Instrument 2019) and is not present in the text of the retained EU legislation. Details of the non-legislative modifications can be found on the Bank of England's website on the page entitled 'The Bank of England's amendments to financial services legislation under the European Union (Withdrawal) Act 2018')

**Changes and effects yet to be applied to the whole legislation item and associated provisions**

- Art. 1(a)-(c) omitted by [S.I. 2021/1078 reg. 13\(4\)\(a\)](#) (amending provision omitted by [S.I. 2021/1376](#))
- Art. 1(e)-(g) omitted by [S.I. 2021/1078 reg. 13\(4\)\(a\)](#) (amending provision omitted by [S.I. 2021/1376](#))