

Status: Point in time view as at 16/04/2014.

Changes to legislation: Commission Implementing Regulation (EU) No 680/2014, Division 3. is up to date with all changes known to be in force on or before 03 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)

INSTRUCTIONS FOR REPORTING LARGE EXPOSURES AND CONCENTRATION RISK

PART II: TEMPLATE RELATED INSTRUCTIONS

3. **Definitions for the purposes of the LE reporting**
11. 'Group of connected clients' is defined in Article 4(39) of Regulation (EU) No 575/2013.
12. 'Unregulated financial entities' are defined in Article 142(5) of Regulation (EU) No 575/2013.
13. 'Institutions' shall include credit institutions and investment funds according to Article 4 of Regulation (EU) No 575/2013 and, for the purposes of this reporting, shall mean any private or public undertaking, including its branches, which has been authorised in a third country that applies prudential supervisory and regulatory requirements at least equivalent to those applied in the European Union.
14. Exposures to 'Civil-law associations' shall be reported. In addition, institutions shall add the credit amounts of the civil-law association to the indebtedness of each partner. Exposures towards civil law associations featuring quotas shall be divided or allocated to the partners according to their respective quotas. Certain constructions (e.g. joint accounts, communities of heirs, straw-man loans) working in fact civil law associations have to be reported just like them.
15. Assets and off balance sheet items shall be used without risk weights or degrees of risk in accordance to Article 389 of Regulation (EU) No 575/2013. Specifically, credit conversion factors shall not be applied to off balance sheet items.
16. 'Exposures' are defined in Article 389 of Regulation (EU) No 575/2013 and shall mean:
 - a. Any asset or off-balance sheet items in the non-trading and trading book including items set out in Article 400 of Regulation (EU) No 575/2013, but excluding items which fall under effect of Article 390(6) points (a) to (d) of Regulation (EU) No 575/2013.
 - b. 'Indirect exposures' are those exposures allocated to the guarantor or to the issuer of the collateral rather than to the immediate borrower in accordance with Article 403 of Regulation (EU) No 575/2013.
 - c. The exposures to groups of connected clients shall be calculated in accordance with Article 390(5).
17. The 'Netting agreements' shall be allowed to be taken into account to the effects of large exposures exposure value as laid down in paragraphs (1) to (3) of the Article 390 of Regulation (EU) No 575/2013. The exposure value of a derivative instrument listed in Annex II of Regulation (EU) No 575/2013 shall be determined in accordance with Part Three, Title II, Chapter 6 with the effects of contracts of novation and other netting agreements taken into account for the purposes of those methods in accordance with Part Three, Title II, Chapter 6. The exposure value of repurchase transaction, securities or commodities lending or borrowing transactions, long settlement transactions and

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Title II, Chapter 6 or Part Three, Title II, Chapter 4. In accordance to Article 296 of Regulation (EU) No 575/2013, the exposure value of a single legal obligation arising from the contractual cross-product netting agreement with a counterparty of the reporting institution shall be reported as 'other commitments' in the LE templates.

18. The 'Value of an exposure' shall be calculated according to Article 390 of Regulation (EU) No 575/2013.
19. The effect of the full or partial application of exemptions and eligible CRM techniques for the purposes of calculating of exposures for the purpose of Article 395(1) is described in Articles 399 to 403 of Regulation (EU) No 575/2013.
20. Reverse repurchase agreements which fall under the reporting for large exposures shall be reported accordingly with Article 402(3) of the Regulation (EU) No 575/2013. Provided that the criteria in Article 402(3) of the Regulation (EU) No 575/2013 are met the institution shall report the large exposures to each third party for the amount of the claim that the counterparty to the transaction has on this third party and not for the amount of the exposure to the counterparty.

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