

Commission Implementing Regulation (EU) 2018/1627 of 9 October 2018 amending Implementing Regulation (EU) No 680/2014 as regards prudent valuation for supervisory reporting (Text with EEA relevance)

COMMISSION IMPLEMENTING REGULATION (EU) 2018/1627

of 9 October 2018

amending Implementing Regulation (EU) No 680/2014
as regards prudent valuation for supervisory reporting

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012⁽¹⁾ and in particular the fourth subparagraph of Article 99(5), the fourth subparagraph of Article 99(6), the third subparagraph of Article 394(4) the fourth subparagraph of Article 415(3) and the third subparagraph of Article 430(2) thereof,

Whereas:

- (1) Commission Implementing Regulation (EU) No 680/2014⁽²⁾ specifies the modalities according to which institutions are required to report information relevant to their compliance with Regulation (EU) No 575/2013. The regulatory framework established by Regulation (EU) No 575/2013 is gradually being supplemented and amended in its non-essential elements by the adoption of further regulatory technical standards. Implementing Regulation (EU) No 680/2014 needs to be updated to reflect those changes.
- (2) Regulation (EU) No 575/2013 is supplemented by the adoption of Commission Delegated Regulation (EU) 2016/101⁽³⁾, with regard to prudent valuation and by Regulation (EU) 2017/2401 of the European Parliament and of the Council⁽⁴⁾, with regard to securitisation. Implementing Regulation (EU) No 680/2014 should be updated to reflect those changes and to provide further precision in the instructions and definitions used for the purposes of the institutions' supervisory reporting. Certain references and formatting inconsistencies which were discovered as misleading in the course of the application of Implementing Regulation (EU) No 680/2014 should also be clarified.
- (3) Delegated Regulation (EU) 2016/101 sets out requirements relating to prudent valuation adjustments of fair-valued positions. It provides two approaches for the implementation of the prudent valuation requirements: a core approach and a simplified approach. To monitor compliance of institutions with those requirements and to assess the impact of that Regulation on valuation adjustments, additional reporting, relating to the prudent valuation requirements, is necessary.

Status: Point in time view as at 31/01/2020.

Changes to legislation: There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2018/1627, Introductory Text. (See end of Document for details)

- (4) Regulation (EU) 2017/2401 amends Regulation (EU) No 575/2013 to make the capital treatment of securitisations more risk-sensitive and able to reflect properly the specific features of simple, transparent and standardised securitisations. Implementing Regulation (EU) No 680/2014 needs to be amended to accommodate the reporting on securitisation positions subject to this revised securitisation framework.
- (5) Amendments to Implementing Regulation (EU) No 680/2014 are also necessary to improve competent authorities' ability to effectively monitor and assess the institutions' risk profile and to obtain a view on the risks posed to the financial sector, which requires minor changes to the reporting requirements on the geographical distribution of exposures.
- (6) This Regulation is based on the draft implementing technical standards submitted by the European Banking Authority (EBA) to the Commission.
- (7) EBA has conducted open public consultations on the draft implementing technical standards on which this Regulation is based that relate to prudent valuation and the total geographical breakdown, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council⁽⁵⁾ in relation to those. In accordance with the second subparagraph of Article 15(1) of that Regulation, EBA has not conducted any open public consultation with regard to those parts of the draft implementing technical standards on which this Regulation is based that are either of editorial nature or introduce only a limited number of items in the supervisory reporting framework, as such consultation would be disproportionate in relation to the scope and impact of the draft implementing technical standards concerned.
- (8) Implementing Regulation (EU) No 680/2014 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Status: Point in time view as at 31/01/2020.

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- (1) [OJ L 176, 27.6.2013, p. 1.](#)
- (2) Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 ([OJ L 191, 28.6.2014, p. 1.](#)).
- (3) Commission Delegated Regulation (EU) 2016/101 of 26 October 2015 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for prudent valuation under Article 105(14) ([OJ L 21, 28.1.2016, p. 54.](#)).
- (4) Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms ([OJ L 347, 28.12.2017, p. 1.](#)).
- (5) Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ([OJ L 331, 15.12.2010, p. 12.](#)).

Status:

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