

Regulations and guidelines 26/2013 Common European Reporting (COREP)

J. No
FIVA 11/01.00/2020

Issued
8.12.2013

Valid from
29.6.2014

Further information from
Digitalisation and Banking
Service/Financial Analysis
Banking Supervision/Banking
Regulation and Risk Areas

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Legal nature of regulations and guidelines

Regulations

Financial Supervisory Authority (FIN-FSA) regulations are presented under the heading 'Regulation' in FIN-FSA's regulations and guidelines. FIN-FSA regulations are binding legal requirements that must be complied with.

FIN-FSA issues regulations only by virtue of and within the limits of legal provisions that entitle it to do so.

Guidelines

FIN-FSA interpretations of the contents of laws and other binding provisions are presented under the heading 'Guideline' in FIN-FSA's regulations and guidelines.

Also recommendations and other operating guidelines that are not binding are presented under this heading, as are FIN-FSA's recommendations on compliance with international guidelines and recommendations.

The formulation of the guideline shows when it constitutes an interpretation and when it constitutes a recommendation or other operating guideline. A more detailed description of the formulation of guidelines and the legal nature of regulations and guidelines is provided on the FIN-FSA website.

fin-fsa.fi > Regulation > Legal framework of FIN-FSA regulations and guidelines

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1 Scope of application and definitions

- (1) These regulations and guidelines, with the exception of section 4.4, are applicable to the following supervised entities and foreign branches, as referred to in the Act on the Financial Supervisory Authority (878/2008). *(Issued on 20 January 2020, valid from 1 March 2021)*
- credit institutions
 - investment firms, with the exception of investment firms referred to in chapter 6 section 1 subsection 5 of the Investment Services Act and investment firms engaged in commodity derivatives trading
 - fund management companies engaged in activities referred to in chapter 2, section 2, subsection 2 of the Act on Common Funds (fund management companies engaged in asset management)
 - central bodies of amalgamations of deposit banks
 - branches in Finland of foreign credit institutions with headquarters in an EEA state (foreign EEA branch)
- (2) These regulations and guidelines, with the exception of section 4.1, are applicable to the following supervised entities, as referred to in the Act on the Financial Supervisory Authority (878/2008). *(Issued on 20 January 2020, valid from 1 March 2021)*
- parent companies of financial and insurance conglomerates
 - fund management companies not engaged in activities referred to in chapter 2, section 2, subsection 2 of the Act on Common Funds (fund management companies not engaged in asset management)
 - alternative investment fund managers
 - investment firms engaged in commodity derivatives trading
- (3) The FIN-FSA recommends that alternative investment fund managers engaged in activities referred to in chapter 3, section 2, subsection 2 of the Act on Alternative Investment Fund Managers (alternative investment fund managers engaged in asset management) comply with these regulations and guidelines, with the exception of section 4.4.
- (4) With regard to credit institutions, these regulations and guidelines are not applicable to credit institutions whose supervision has been transferred to the European Central Bank under the SSM Framework Regulation (significant credit institutions).¹ By way of derogation from the aforesaid, section 4.2 on the submission of remuneration information is also applicable to significant credit institutions. *(Issued on 20 January 2021, valid from 1 March 2021)*

¹ Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank (ECB) concerning policies relating to the prudential supervision of credit institutions. The ECB regularly updates the list of credit institutions under its supervision. The list is available on the ECB's website: <https://www.bankingsupervision.europa.eu>

2 Legal framework and international recommendations

2.1 Legislation

The following legal provisions relate to the matters addressed in these regulations and guidelines:

- Credit Institutions Act (610/2014)
- Investment Services Act (747/2012).
- Act on the Amalgamation of Deposit Banks (599/2010)
- Act on the Supervision of Financial and Insurance Conglomerates (699/2004)
- Ministry of Finance Decree on applicable exemptions to the limitations of large exposures of credit institutions, investment firms and financial and insurance conglomerates (699/2014)
- Act on Common Funds (48/1999)

2.2 EU Regulations

The following directly applicable European Union Regulations are related to the matters addressed in these regulations and guidelines:

- 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 of the European Parliament and of the Council and all its subsequent amendments.
- 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 and all its subsequent amendments.
- Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (hereinafter the SSM Regulation).
- Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012.
- 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).

2.3 FIN-FSA's regulatory powers

The FIN-FSA's power to issue binding regulations is based on the following legal provisions:

- Section 18, subsection 2 and section 60, subsection 5 of the Act on the Financial Supervisory Authority (878/2008).
- Section 21, subsection 5 of the Act on the Supervision of Financial and Insurance Conglomerates (699/2004).

- Chapter 8, section 16, subsection 2 of the Credit Institutions Act
- Chapter 11, section 16 of the Credit Institutions Act
- Chapter 6, section 4 of the Investment Services Act

2.4 International recommendations

The matters addressed in these regulations and guidelines are related to following guidelines of the European Banking Authority (EBA):

- Guidelines on supervisory reporting and disclosure requirements in compliance with CRR “quick fix” in response to the COVID-19 pandemic (EBA/GL/2020/11)
- Guidelines on the data collection exercise regarding high earners (EBA/GL/2014/07)
- Guidelines on the remuneration benchmarking exercise (EBA/GL/2014/08)

3 Objectives

- (1) The objective of these regulations and guidelines is to provide additional information on COREP reporting based on the EU Capital Requirements Regulation and related to supervisory reporting under Commission Implementing Regulation (EU) 680/2014 as well as on separate reporting of remuneration related to the COREP data reporting framework.
- (2) A further objective is to include the relevant guidelines issued by the European Banking Authority (EBA) as part of the FIN-FSA's collection of regulations and guidelines.

4 Reporting to the FIN-FSA

4.1 Submission of supervisory information based on European Commission Implementing Regulation

- (1) The Commission Implementing Regulation lays down the information that institutions must provide to the competent supervisory authorities of each Member State.
- (2) Article 17 of the Commission Implementing Regulation lays down that institutions must provide the information referred to in the Regulation in the data exchange formats specified by competent authorities.
- (3) Pursuant to section 18, subsection 2 of the Act on the Financial Supervisory Authority, the FIN-FSA may issue regulations on the regular provision to the FIN-FSA of information on a supervised entity's financial position, ownership, internal control and risk management, members of administrative and supervisory bodies, employees and places of business, as well as information necessary for the performance of the tasks referred to in section 3, subsection 3, paragraphs 3–5.
- (4) Pursuant to section 60, subsection 5 of the Act on the Financial Supervisory Authority, the FIN-FSA may issue regulations to a foreign EEA branch on the regular provision to the FIN-FSA of information necessary for the performance of the tasks referred to in section 3, subsection 3, paragraphs 3 and 5.

REGULATION (paragraph 5)

- (5) Subject to section 1, paragraph (4), a supervised entity referred to in section 1 paragraph (1) and a foreign branch must provide to the FIN-FSA the information required by the Commission Implementing Regulation as specified in the COREP (ITS) part of the current COREP data reporting framework. *(Issued on 20 January 2021, valid from 1 March 2021)*

GUIDELINE (paragraphs 6–7)

- (6) Article 2 of the Commission Implementing Regulation lays down the periods for which the information to be reported must be submitted. Article 3 of the Commission Implementing Regulation 2 lays down the dates on which the information to be reported must be submitted.
- (7) Pursuant to Article 3 of the Commission Implementing Regulation, if the remittance day falls on a public holiday or a weekend, the data must be submitted on the following banking day.

4.2 Submission of information concerning remuneration

- (8) Pursuant to chapter 8, section 16, subsection 1 of the Credit Institutions Act, the FIN-FSA shall monitor the development of the remuneration policies of credit institutions and the practices followed by them and provide information concerning remuneration to the European Banking Authority in the form determined by the authority. Pursuant to section 2 of the same section, the FIN-FSA may issue further provisions on the notification of the information referred to in this section. *(Issued on 20 January 2021, valid from 1 March 2021)*

REGULATION (paragraphs 9–10)

- (9) A supervised entity referred to in section 1, paragraph (1), with the exception of a Finnish branch of foreign EEA credit institutions, shall provide the information required by the Commission Implementing Regulation to the FIN-FSA in accordance with the current COREP data reporting framework, in this context particularly taking into account the EBA Reporting framework DPM 2.10. The supervised entity shall provide the information at the highest consolidation level, covering all group subsidiaries and branches in the Member States and third countries.
- (10) The supervised entity must submit information concerning remuneration for the situation at 31 December by 30 June.

4.3 Guidelines of the European Banking Authority

- (11) On 11 August 2020, the EBA has issued Guidelines on supervisory reporting and disclosure requirements in compliance with CRR “quick fix” in response to the COVID–19 pandemic (EBA/GL/2020/11). *(Issued on 20 January 2021, valid from 1 March 2021)*

GUIDELINE (paragraph 12)

- (12) The FIN-FSA recommends that entities covered by these guidelines comply with the EBA Guidelines referred to in paragraph (11), which are available at Finanssivalvonta.fi.

4.4 Provision of supervisory information based on national regulations

- (13) Pursuant to section 18, subsection 2 of the Act on the Financial Supervisory Authority, the FIN-FSA may issue regulations on the regular provision to the FIN-FSA of information on a supervised entity’s financial position, ownership, internal control and risk management, members of administrative and supervisory bodies, employees and places of business, as well as information necessary for the performance of the tasks referred to in section 3, subsection 3, paragraphs 3–5.
- (14) Pursuant to section 21, subsection 5 of the Act on the Supervision of Financial and Insurance Conglomerates, the parent company of a conglomerate shall notify the FIN-FSA of large exposures to customers at least four times a year. The FIN-FSA issues the regulations necessary, with regard to supervision, on the content of the obligation to notify.

REGULATION (paragraph 15–16)

- (15) A supervised entity referred to in section 1 paragraph (2) shall provide the FIN-FSA with supervisory information as specified in the COREP (national) part of the current COREP data reporting framework.
- (16) The supervised entity shall submit to the FIN-FSA, in accordance with the COREP national part of the COREP data reporting framework, the data collections for the situation at the final day of each quarter, namely 31 March, 30 June, 30 September and 31 December. The information on the situation at 31 March must be submitted to the FIN-FSA on 12 May, the information on the situation at 30 June must be submitted on 11 August, the information on the situation at 30 September must be submitted on 11 November and the information on the situation at 31 December must be submitted on 11 February.

4.5 Guidelines on the submission of supervisory information

GUIDELINE (paragraphs 17–18)

- (17) The data collection application for reporting under these regulations and guidelines as well as instructions for electronic reporting are available in the Jakelu distribution service at the FIN-FSA's online service (<https://jakelu.finanssivalvonta.fi/>).
- (18) The FSA recommends that credit institutions belonging to an amalgamation of deposit banks arrange the submission of the notifications referred to in paragraphs (1-7) and (11-16) above such that member credit institutions submit the information to the central body of the amalgamation of deposit banks, which forwards the information of the member banks centrally to the FIN-FSA.
- (19) More detailed instructions on reporting can be found on the FIN-FSA's online service (www.finanssivalvonta.fi/en/reporting).

4.6 Verifying the accuracy of reported information

GUIDELINE (paragraph 20)

- (20) The FIN-FSA recommends that the supervised entity prepare a statement on the accuracy of the information reported under these regulations and guidelines. The statement should be dated, and signed by both the author of the report and the person verifying the information. The supervised entity should keep the signed statement and present it to the FIN-FSA on request. The supervised entity should prepare the statement in connection with the first notification at the time of the first notification and should update it whenever changes take place in the process described within it.

GUIDELINE (paragraphs 21–22)

- (21) Instructions on the preparation of the statement referred to in paragraph (20) are available in the Reporting section of the FIN-FSA's online service.
- (22) Pursuant to section 38, paragraph 1, subparagraph 1 of the Act on the Financial Supervisory Authority, the FIN-FSA shall impose an administrative fine on a party that neglects or breaches its obligation to submit to the FIN-FSA any information required under these regulations and guidelines.

5 Repealed regulations and guidelines

Upon their entry into force, these regulations and guidelines shall repeal the standard “Disclosure of own funds and own funds required to cover credit, counterparty, market and operational risk” (RA 4.8).

6 Revision history

These regulations and guidelines have been amended after their entry into force as follows:

Issued on 4 December 2014, valid from 31 December 2014

- amended section 1.1 scope of application
 - Added alternative investment fund managers to scope of application paragraph (2).
 - Added scope of application paragraph (3): The FIN-FSA recommends that alternative investment fund managers engaged in activities referred to in chapter 3, section 2, subsection 2 of the Act on Alternative Investment Fund Managers (alternative investment fund managers engaged in asset management) comply with these regulations and guidelines, with the exception of section 3.2.

Issued on 7 December 2015, valid from 31 December 2015

- amended section 1.1 scope of application
 - Specified the scope of the regulations and guidelines with regard to for investment firms engaged in commodity derivatives trading.

Issued on 20 January 2021, valid from 1 March 2021

- amended section 1 scope of application
 - Updated sections of Investment Services Act and Act on Common Funds to correspond with current legislation
 - Added paragraph (4): limitation of scope of application with regard to credit institutions
 - Updated provisions related to applicability of regulations and guidelines
- amended section 2 to correspond with the current form of the FIN-FSA's Regulations and guidelines: Legal framework and international recommendations
 - Legislation, European Union Regulations, FIN-FSA's regulatory powers and international recommendations
- amended objectives of the regulations and guidelines in section 3
- amended section 4.1 paragraph (5) to correspond with specification made to scope of application
- added section 4.2 Submission of information concerning remuneration
- added section 4.3 European Banking Authority guidelines
- amended section 4.4 reference to paragraph (1) to correspond with regulation and guidelines
- deleted from section 4.4. reference to description of COREP data reporting framework
- added to section 4.5 paragraph (19) with direction to more detailed instructions on reporting available on FIN-FSA online service

- amended section 4.6 paragraph (21) reference to FIN-FSA online service