

## Circular

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### Transposition of EBA guidelines on reporting and Pillar 3 disclosures in the context of the CRR Quick Fix

#### Scope<sup>1</sup>

- *Credit institutions governed by Belgian law*
- *Stockbroking firms governed by Belgian law*
- *Financial holding companies governed by Belgian law*
- *Financial holding companies governed by foreign law*
- *Financial services groups headed by a Belgian mixed financial holding company*

#### Summary/Objectives

*The purpose of this Circular is the implementation in Belgium of:*

- *EBA Guidelines of 11 August 2020 on supervisory reporting and disclosure requirements in compliance with the CRR ‘quick fix’ in response to the COVID-19 pandemic (EBA/GL/2020/11);*
- *EBA Guidelines of 11 August 2020 amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR ‘quick fix’ in response to the COVID-19 pandemic (EBA/GL/2020/12).*

<sup>1</sup> The **reporting requirements** set out in this Circular apply to institutions that are not directly supervised by the ECB in the SSM as well as to institutions that are directly supervised by the ECB in the SSM (unless otherwise communicated by the ECB, in which case the latter institutions should comply with the ECB’s expectations). The **Pillar 3 disclosure requirements** apply to credit institutions and stockbroking firms governed by Belgian law that are subject to all or part of the disclosure requirements specified in Part Eight of the CRR and that are not directly supervised by the ECB in the SSM.

Dear Sir,  
Dear Madam,

The purpose of this Circular is to implement the Guidelines of the European Banking Authority (hereinafter referred to as the 'EBA'). The English versions of the texts drawn up by the EBA can be consulted as annexes to this Circular on the website of the National Bank of Belgium.

In response to the COVID-19 pandemic, the European Parliament and the Council on 24 June 2020 adopted Regulation (EU) 2020/873 amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic (hereinafter referred to as the 'CRR Quick Fix')<sup>2</sup>.

This 'CRR Quick Fix' is part of the measures taken by the European institutions to mitigate the impact of the COVID-19 pandemic on financial institutions. It provides for certain adjustments to the CRR intended to enhance credit flows to companies and households, thereby supporting the EU's economy. In addition, the 'CRR Quick Fix' extends certain transitional arrangements adopted at the time of the introduction of IFRS 9 to mitigate the impact on own funds.

These changes to the regulatory framework introduced by the 'CRR Quick Fix' also have an impact on the existing European reporting<sup>3</sup> and Pillar 3 disclosure framework<sup>4</sup>. To that end, the EBA issued two new guidelines (EBA/GL/2020/11 and EBA/GL/2020/12).

These two new EBA Guidelines do not impose any additional reporting or disclosure requirements but aim to clarify how certain regulatory changes introduced by the 'CRR Quick Fix' should be reflected in the existing reporting and disclosure framework, in order to maintain the uniformity and comparability of the reporting and disclosures.

***EBA Guidelines of 11 August 2020 (EBA/GL/2020/11) on supervisory reporting and disclosure requirements in compliance with the CRR 'quick fix' in response to the COVID-19 pandemic***

These EBA Guidelines clarify how the 'CRR Quick Fix' changes that have an impact on the templates related to the leverage ratio, own funds and credit risk should be reflected in the existing European reporting and disclosure framework.

The recommendations in these Guidelines apply to reportings until reference date 31 May 2021 and until and including the last disclosure reference date prior to 28 June 2021.

***EBA Guidelines of 11 August 2020 (EBA/GL/2020/12) amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic (EBA/GL/2020/12).***

At the start of the transitional measures for mitigating the impact of IFRS 9 on own funds, the EBA issued guidelines with regard to the disclosure requirements for these transitional measures

<sup>2</sup> This Regulation was published in the EU Official Journal on 26 June 2020.

<sup>3</sup> 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 (as subsequently amended), specifically version 2.9 and version 2.10 of the EBA taxonomy.

<sup>4</sup> See, inter alia, EBA Guidelines of 14 December 2016 on disclosure requirements (so-called Pillar III requirements) under Part Eight of Regulation (EU) No 575/2013 (EBA/GL/2016/11), and EBA Guidelines of 17 December 2018 on disclosure of non-performing and forborne exposures (EBA/GL/2018/10).

(EBA/GL/2018/01)<sup>5</sup>. These existing EBA Guidelines were transposed in Belgium in 2018 through Circular NBB\_2018\_07<sup>6</sup>.

As the 'CRR Quick Fix' modifies certain transitional measures, the EBA amended these existing EBA Guidelines through the new EBA Guidelines (EBA/GL/2020/12). Thus, this Circular supplements the existing NBB Circular of 2018 with the new EBA Guidelines.

### **Reporting arrangements**

As the 'CRR Quick Fix' has been in force since June 2020, some of the amended rules may already have had an impact on the figures related to the second quarter of 2020. The Bank therefore asks that any changes to the reporting or disclosures for the second quarter of 2020 would be made as soon as possible and that, where necessary, a revised reporting would be submitted to the Bank.

A copy of this Communication will be sent to your institution's accredited statutory auditor(s).

Yours faithfully,

Pierre Wunsch  
Governor

#### Annexes (2) - only available through [www.nbb.be](http://www.nbb.be):

- *EBA Guidelines of 11 August 2020 on supervisory reporting and disclosure requirements in compliance with the CRR 'quick fix' in response to the COVID-19 pandemic (EBA/GL/2020/11);*
- *EBA Guidelines of 11 August 2020 (EBA/GL/2020/12) amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic (EBA/GL/2020/12).*

<sup>5</sup> Guidelines on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds.

<sup>6</sup> Circular NBB\_2018\_07 of 6 March 2018 regarding Guidelines on uniform disclosures under Article 473a of Regulation (EU) No 575/2013.