

Template for comments

ECB Guide on financial conglomerate reporting of significant risk concentrations and intragroup transactions

Institution/Company

Groupe La Banque Postale

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General comments

Please find LBP Group' requests (including technical specifications, as proposed during the FiCo deep dive meeting in June)

Template for comments

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Please enter all your feedback in this list.

When entering feedback, please make sure that:

- each comment deals with a single issue only;
- you indicate the relevant article/chapter/paragraph, where appropriate;
- you indicate whether your comment is a proposed amendment, clarification or deletion.

Deadline: [last date for providing comment]

ID	Chapter	Paragraph	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter	Personal data
1	General expectations			Clarification	The ECB Draft Guide provided no details about several important practical questions with regard to the future FiCo-Reporting: - frequency of the FiCo-Reporting, - the due date for the first reporting as of Dec. 31. 2023 (as requested during the deep dive FiCo meeting in June) - the expected starting date of IGT-Monitoring in 2023			Don't publish
2	Types of transaction and risk to be reported	1	5,6	Clarification	Risk concentration Type (i) is to be reported in template FC06 . Types (ii) to (iv) are to be reported in FC07. No instructions for template FC08 (Exposure by asset class and rating).	Could you please confirm that there is no change regarding this template and that we will refer to the publication <i>COMMISSION IMPLEMENTING REGULATION (EU) 2022/2454 of 14 December 2022</i> . So, in particular, no threshold?		Don't publish

3	Thresholds for reporting intragroup transactions	1	9	Clarification	<p>"Whenever this amount is equal or above the following thresholds: [...] (ii) For derivatives, where the sum of the nominal values of the derivatives equals or exceeds the lower of 5% of the total amount of capital adequacy requirements of the financial conglomerate or €300 million.</p> <p>For derivatives, ITS UE 2022/2454 defines 'Significant intra-group transactions related to derivatives shall be reported where the carrying amount of the derivative exceeds the threshold.'</p>	<p>Could you please confirm the change about the amount of derivatives referring to nominal value. We do not understand such a change. The ECB Guide appears as not in line with the regulatory requirements.</p> <p>In addition, the summary sheet FC.00 also considers the carrying amount for derivatives. Using the notional amount to determine the relevance would be inconsistent with the summary sheet.</p>		Don't publish
4	Thresholds for reporting intragroup transactions	2	9	Clarification	<p>Intragroup transactions (IGT): The ITS requires FiCo to report IGT that were (i) in force at the start of the reporting period; (ii) initiated during the reporting period and still in force at the reporting date; or (iii) initiated and expired/matured during the reporting period.</p> <p>Since the new FiCo reporting includes completely new information, data structure and format and as a new feature historization of transactions. Regarding the threshold, it is more conservative (€ 300 Mio vs. 5% of FiCo Own Funds requirements - FICOD Article 8 paragraph.2).</p>	<p>Given these new constraints, would it be possible to have a tolerance for the first publication?</p>		Don't publish
5	Explanations of the general expectations set out in this Guide	2	3	Clarification	<p>"the ECB considers that requesting financial conglomerates to report intrasectoral financial activities (i.e. between regulated entities of the same sector) would not ordinarily be necessary to meet the objectives of the Financial Conglomerates Directive"</p>	<p>Could you please confirm what will be applicable - intersectorial only or both (intra and inter) ?</p> <p>In addition, regarding the FC00, as ECB considers that these intrasectoral financial transactions do not need to be reported, does it mean that columns FC0020, FC0040 and FC0090 do not need to be reported ?</p>		Don't publish

6	Thresholds for reporting intragroup transactions	2	9	Clarification	<p>"Intragroup transactions between regulated entities belonging to different sectors, and between a regulated entity of the group and any natural or legal person linked to the undertakings within that group by close links, should also be reported whenever the sum of equity-type transactions, debt and asset transfers, derivatives, off-balance sheet items and contingent liabilities intragroup transactions between the entities equals or exceeds 5% of the total amount of capital adequacy requirements of the financial conglomerate or €300 million. p.2 "This Guide does not establish new regulatory requirements (...)."</p> <p>This paragraph requires to report all intra-group transactions if the cumulative amount of transactions in equity + derivatives + off balance sheet is above the indicated threshold. Accordingly, it appears as an additional threshold.</p>	It seems not to be in line with the FICOD principles which requires to declare only significant transactions when their individual amount is above the threshold.		Don't publish
7	Thresholds for reporting intragroup transactions		9	Clarification	It is specified that the threshold for P&L is based on the financial conglomerate's income on the same reference date.	Do you expect the threshold to be calculated on the last 6 months or on the year end results ? In addition, could you please precise the income reference to be used?		Don't publish
8				Clarification	<p>The commission implementing regulation specifies how to report repurchase agreements as follows (FC02 - IGT - Derivatives / FC0110): "a repurchase agreement shall be considered as cash transaction plus forward contract".</p> <p>2 operations have to be reported: one in FC01 (cash operation) and one in FC02 (forward). Is it correct?</p> <p>On an accounting basis, these operations are treated as loans (asset received) and borrowings (asset lend) guaranteed by the asset ceded</p>			Don't publish

9				Clarification	<p>The commission implementing regulation specifies that specific intragroup operations (single economic operation, indirect transactions) must be reported as follows: "Where the reported intra-group transaction is part of an indirect transaction, report the 'ID of intra-group transaction' (FC0010) of the related transaction in this cell. Where the reported intra-group transaction is not part of an indirect transaction, indicate 'No'.</p> <p>Does it mean that the connected operation must always be reported even if it is not an intragroup transaction (in an indirect transaction, the connected transaction is not always an intragroup transaction) ?</p>			Don't publish
10				Clarification	<p>Can you confirm that facilities must be reported in the FC03 and not in the FC01 (column 180, value of collateral).</p> <p>As explained in the commission implementing regulation a facility is not a collateral.</p>			Don't publish
11				Clarification	<p>The identification of operation in the period of reference must be done only for significant operations expired.</p> <p>Consequences:</p> <ul style="list-style-type: none"> - An operation under the threshold at reporting date must not be reported? Even if this operation has been above the threshold during the period of reference ? 			Don't publish
12				Clarification	<p>In which category must be reported investments in funds (FC01/FC0120/Instrument)?</p> <ul style="list-style-type: none"> 1 - bonds/debt - collateralised 2 - bonds/debt - uncollateralised 3 - equity type - shares/participations 4 - equity type - others 5 - other asset transfer - properties 6 - other asset transfer - others 			Don't publish
13				Clarification	<p>Regarding the FC.06 Risk concentration the commission implementing regulation makes a distinction between exposures in other investments (FC0150) and other exposures (FC0200).</p> <p>Where can we find the definition of investments ? Do they include deposits in central national banks and in other credit institutions?</p>			Don't publish

14				Clarification	Duplicate data must not be deleted even if they are communicated in several reprotings. Do we have to provide the audit trails?			Don't publish
15				Clarification	FC.06 - FC0150 - Other investments "The total amount of the exposures in other investments toward the external counterparty. If more than one entity of the group is involved, a separate line is necessary for each entity" What is the scope of products: Deposits in Banque de France? Deposits in other credit istitutions? Nostri?			Don't publish
16				Clarification	FC.06 - FC0160 - Loans and mortgages "The total amount of the exposures in loans and mortgages toward the external counterparty. If more than one entity of the group is involved, a separate line is necessary for each entity." What is the scope of products: - Repo and reverse repo? - Cash advances? - Loans (CMLT SPL, CMLT PMO, RCF, CBI, CBM, LT/PR, OtherLoans CSO) - Receivables (mainly factoring)			Don't publish
17				Clarification	FC.06 - FC0200 - Other direct exposures The total amount of the exposures in other instruments toward the external counterparty. If more than one entity of the group is involved, a separate line is necessary for each entity. If compensation is a possibility, the net value may be presented. What is the scope of products? - Default fund contribution (LCH Clearnet) - Margin call (IM & VM)			Don't publish