



Press Release
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CEBS INTRODUCES GUIDELINES FOR FINANCIAL REPORTING

The Committee of European Banking Supervisors (CEBS) today published guidelines establishing a standardised financial reporting framework (FINREP) for credit institutions operating in the EU. This framework will enable credit institutions to use the same standardised data formats and data definitions for prudential reporting in all countries where the framework will be applied. CEBS believes that this will reduce the reporting burden for credit institutions that operate cross-border, and lower barriers to the development of an efficient internal market in financial services.

FINREP is designed for credit institutions that use International Financial Reporting Standards (IFRS) for their published financial statements, and that have to provide similar information in the periodic reports they are required to submit to their supervisory authorities. The introduction of international accounting and reporting standards provides an opportunity to converge and ultimately harmonise prudential reporting in Europe.

While convergence in supervisory practices is one of CEBS' declared objectives, CEBS cannot be expected to achieve full harmonisation of prudential financial reporting requirements overnight. The information needs of national supervisors vary from country to country depending on their approach to prudential supervision. However, the consolidated financial reporting framework set forth in these guidelines represents an important step towards harmonisation and convergence in Europe.

CEBS has accommodated most of the concerns expressed by industry in the public consultation. The volume of data requested has been reduced almost by half. The framework has been linked as much as possible with the common framework for reporting the solvency ratio (COREP) under the Capital Requirements Directive (CRD).

The use of the framework is not mandatory. Some supervisors do not collect financial information by means of periodic prudential reports and do not plan to apply the framework to supervised credit institutions. However, once it is applied, supervisors should, at a minimum, require the core information.

National supervisors are furthermore free to decide on the technical aspects involved in implementation. CEBS considers, however, that XBRL (Extensible Business Reporting Language) can be a helpful tool in constructing a harmonised European reporting system. CEBS is developing

an XBRL taxonomy, which will be made available without cost to national authorities and supervised credit institutions.

CEBS will monitor the implementation of the framework by member states, and will adapt the framework as necessary to address issues that arise from the practical aspects of implementation or from new developments in IAS/IFRS or prudential supervision.

Please use the following link for more information:

<http://www.c-ebs.org/standards.htm>

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*The **Committee of European Banking Supervisors (CEBS)** is composed of high-level representatives from the banking supervisory authorities and central banks of the European Union. CEBS' main tasks are to advise the Commission in the field of banking activities, to contribute to the consistent implementation of Community Directives and to the convergence of supervisory practices, and to enhance supervisory cooperation. The Committee is chaired by Mr José-María Roldán. The CEBS Secretariat is based in London. The Secretary General of the Committee is Mr Andrea Enria.*