

A Public Notice

announcing a

PROVISION OF A GENERAL NATURE regarding the submission of consolidated financial information

of 22 July 2021

Pursuant to Article 20d(1) of Act No. 21/1992 Coll., on Banks, as amended by Act No. 135/2014 Coll., (hereinafter referred to as the “Act on Banks”), the Czech National Bank as a competent administrative authority hereby issues this provision of a general nature regarding Article 430(4) of 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, as amended (hereinafter referred to as the “Regulation”):

Banks to which Article 430(3) of the Regulation does not apply shall submit financial information on a consolidated basis pursuant to Commission Implementing Regulation (EU) 2021/451 laying down implementing technical standards for the application of the Regulation with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014.

Justification

1. Pursuant to Article 20d(1) of the Act on Banks, the Czech National Bank may issue a provision of a general nature based on, and within the limits of, the directly applicable legislative act of the European Union governing prudential requirements where this directly applicable legislative act allows a competent authority to grant an exemption or modify the application of the rules set for banks or a set of banks defined by type. The Regulation is the directly applicable legislative act of the European Union governing prudential requirements.

2. In line with its legal mandate, the Czech National Bank shall apply the power to modify the application of the set rules based on, and within the limits of, the Regulation.

3. In this provision of a general nature, the Czech National Bank shall stipulate that the regulation of harmonised financial reporting pursuant to the directly applicable legal act governing the submission of financial information on a consolidated basis also applies to banks to which Article 430(3) of the Regulation does not apply.

4. Pursuant to Article 430(3), financial information shall be reported by institutions¹ subject to Article 4 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council and credit institutions which compile their consolidated accounts in accordance with international accounting standards pursuant to Article 5(b) of Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

5. The Czech National Bank thus proceeds from Article 430(4) of the Regulation, under which competent authorities may require credit institutions that determine their own funds on a consolidated basis in accordance with international accounting standards pursuant to Article 24(2) of the Regulation to report financial information in accordance with Article 430(3) of the Regulation.

6. The Czech National Bank regards financial information required under Article 430(3) of the Regulation as necessary for obtaining a comprehensive view on the risk profile of activities and an overview of systemic risks, which institutions other than those referred to in Article 430(3) of the Regulation represent for the financial sector or real economy. The Czech National Bank also regards the submission of financial information on a consolidated basis pursuant to Article 430(3) of the Regulation, i.e. in the structure and format laid down in Commission Implementing Regulation (EU) 2021/451, as important because this financial information is submitted by institutions for which the Czech National Bank is the competent authority responsible for supervision on a consolidated basis.

7. As regards information submitted to the Czech National Bank (pursuant to Part Seven A of the Regulation) and disclosure (pursuant to Part Eight of the Regulation), this provision of a general nature shall also be taken into account as of the reference date of 30 June 2021.

8. The draft of this provision of a general nature was displayed on 14 June 2021 and removed on 23 July 2021. No comments were made regarding the draft.

Effect

This provision of a general nature shall take effect on 23 July 2021.

imprint of official stamp

Marek Mora
Deputy Governor

signed electronically

Vojtěch Belling
Executive Director, Financial
Regulation and International
Cooperation Department

signed electronically

¹ Point 3 of Article 4(1) of the Regulation.

² Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.