

# Finansinspektionen's Regulatory Code

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## Regulations amending Finansinspektionen's regulations and general guidelines (FFFS 2008:25) regarding annual reporting by credit institutions and investment firms;

**FFFS 2014:18**

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decided on 26 June 2014.

Finansinspektionen prescribes pursuant to section 4, points 1 and 3 of the Annual Reports at Credit Institutions, Investment Firms and Insurance Undertakings Ordinance (1995:1600) and section 19b of the Foreign Branches Ordinance (1992:308) with regard to Finansinspektionen's regulations and general guidelines (2008:25) regarding annual reporting by credit institutions and investment firms

*in part* that Chapter 6, sections 3 and 4, Chapter 7, section 2 and Chapter 8, section 4 shall have the following wording,

*in part* that three new sections shall be introduced into the regulations, Chapter 5, section 25, Chapter 6, section 2 a and Chapter 7, section 4, with the following wording.

### Chapter 5

**Section 25** An institution that does not prepare consolidated accounts on the grounds of it not owning participations in subsidiary undertakings but which conducts operations by means of establishing branches abroad, shall in its annual report provide information in accordance with Chapter 7, section 4.

### Chapter 6

**Section 2 a** An institution shall in its annual report, among key indicators, disclose return on assets, calculated as net profit divided by the balance sheet total.

**Section 3** A capital adequacy analysis shall in accordance with Chapter 2, section 1 and Chapter 6, section 3 of the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) be included in the annual report. The analysis shall pertain both to the institution separately and to the consolidated situation in accordance with Article 18 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 in which the institution is included as the parent undertaking.

If an institution has a parent financial holding company, or a parent mixed financial holding company, and is obliged, for the consolidated situation in which the institution is included as a subsidiary undertaking, to meet the requirements of Article 11(2) of Regulation (EU) No 575/2013 on prudential requirements for

credit institutions and investment firms, the capital adequacy analysis of the institution shall pertain to this group.

If an institution is obliged to report capital adequacy for a financial conglomerate to a supervisory authority, the institution's capital adequacy analysis shall also pertain to the conglomerate.

**Section 4** In the capital adequacy analysis, for the institution and where applicable for the consolidated situation in accordance with Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, the information as set out in Articles 92.3 d and f, 436, 437 b and 438 of the same Regulation, and in Chapter 8, section 7 of Finansinspektionen's regulations (FFFS 2014:12) regarding prudential requirements and capital buffers, shall be provided. Until 31 December 2017, the information shall also be provided in the analysis as is set out in column a, Appendix 6 of the Commission Implementing Regulation (EU) No 1423/2013 of 20 December 2013 laying down implementing technical standards with regard to disclosure of own funds requirements for institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council<sup>1</sup>. As of 1 January 2018, the information set out in Appendix 4 of the same Regulation shall be provided in the analysis. It shall be clear which information refers to the institution and which information refers to the group.

Other information to be provided in accordance with Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms may be provided in the annual report. If the information is submitted in the annual report, it should be in the capital adequacy analysis. If the information is submitted elsewhere in the annual report, the capital adequacy analysis shall contain a reference thereto.

In the capital adequacy analysis, for a financial conglomerate, information shall be provided about own funds and the capital requirement, and about which method was used out of those described in Chapter 5 section 4 of the Special Supervision of Financial Conglomerates Act (2006:531).

## Chapter 7

**Section 2** International accounting standards that have been adopted by the European Commission in accordance with Article 3 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the Application of International Accounting Standards (the IAS Ordinance), shall be applied when preparing consolidated accounts, irrespective of whether the institution is listed or unlisted, cf. Chapter 7, section 8 of the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559).

A parent undertaking shall, for the group, provide information equivalent to that required according to the rules in

- a) Chapter 5, section 14 on remuneration and benefits for management,
- b) Chapter 5, section 20 on compliance, and
- c) Chapter 6 on the directors' report, five-year overview and capital adequacy analysis.

### *General guidelines*

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<sup>1</sup> OJ L 355, 31.12.2013, p. 60 (Celex 32013R1423).

An institution should apply Swedish Financial Reporting Board Recommendation RFR 1 *Supplementary Accounting Rules for Groups* to its consolidated accounts. This recommendation should be applied with the deviations and additions regulated by provisions in the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), see Chapter 7, section 7 of the same act.

Statements from the Swedish Financial Reporting Board (UFR) should be applied in the same manner as RFR 1 *Supplementary Accounting Rules for Groups*.

The following clarification is provided for these standards:

- a) IFRS 8 *Operating Segments*. This standard only needs to be applied to the consolidated accounts of an institution that is covered by the standard's area of application.
- b) IAS 33 *Earnings per Share*. This standard only needs to be applied to the consolidated accounts of an institution that is covered by the standard's area of application.

#### *Capital adequacy analyses in financial holding companies*

A capital adequacy analysis shall be included in the consolidated accounts for a financial holding company in accordance with Chapter 7, section 1 of the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559). The analysis shall, according to the reference to Chapter 6, section 3 of the same act, pertain to the consolidated situation in accordance with Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms in which the holding company is included as the parent undertaking.

The capital adequacy analysis shall also pertain to a financial conglomerate, if the holding company is obliged to report the capital adequacy of the conglomerate to a supervisory authority.

More detailed rules on the content of the capital adequacy analysis are set out in Chapter 6, section 4.

**Section 4** A parent undertaking shall in the consolidated accounts for each country in which it is established, provide information about the following:

1. Name, nature of the operations and geographical location.
2. Turnover.
3. Average number of employees.
4. Profit or loss before tax.
5. Tax on profit or loss.
6. Public subsidies received

## Chapter 8

**Section 4** An institution shall in its interim report provide information about material changes to own funds or own fund requirements since the preceding financial year.

The institution shall also provide the information as set out in Chapter 8, sections 3–7 of Finansinspektionen's regulations (FFFS 2014:12) regarding prudential requirements and capital buffers.

The interim report may also include other information that shall or may be submitted more often than once a year in accordance with the same regulations. If such information is submitted outside the interim report, the interim report shall contain details of where this information is located.

The first to third paragraphs shall be applied to information for the institution, and for a consolidated situation in accordance with Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, if the institution, in accordance with Chapter 6, section 3, is obliged to provide equivalent information for the consolidated situation.

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These regulations enter into force on 2 August 2014 and apply to annual accounts, annual reports, consolidated accounts and interim reports that are prepared for financial years starting on or after 1 January 2014.

ANNIKA ZERVENS

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