

Finansinspektionen's Regulatory Code

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Regulations

amending Finansinspektionen's regulations and general guidelines (FFFS 2008:25) regarding the annual accounts of credit institutions and investment companies;

FFFS 2018:20

Published

19 November 2018

decided 13 November 2018.

Finansinspektionen prescribes pursuant to section 4, points 1–3 of the Annual Reports at Credit Institutions, Securities Companies and Insurance Undertakings Ordinance (1995:1600) and section 19b of the Foreign Branch Offices Ordinance (1992:308) that Chapter 4, section 4 and Chapter 5, sections 11 and 23 of Finansinspektionen's regulations and general guidelines (FFFS 2008:25) regarding the annual accounts of credit institutions and investment companies shall have the following wording.

Chapter 4

Section 4 A lessor that, pursuant to RFR 2 *Accounting for Legal Entities*, reports a financial leasing agreement as an operational leasing agreement

- may depreciate the leased assets in accordance with the annuity method, even if this would not be consistent with IFRS 16 *Leases*, cf. point 84 of IFRS 16, and
- shall apply the rules for financial leasing agreements in terms of impairment losses and reversals of impairment losses for the leased asset, cf. IFRS 9 *Financial Instruments*, points 2.1(b)(i), 5.5.1 and 5.5.15(b).

Chapter 5

Section 11 "Interest income" (item 1) shall be specified in a note divided into interest income on interest-bearing securities (Assets, items 2 and 5) and other interest income.

Lessors shall provide disclosures about their total "net interest income". The total net interest income means the sum of

- a) interest income,
- b) leasing income from financial leasing agreements in accordance with IFRS 16 *Leases*, even from leases reported as operational leasing,
- c) interest expenses, and
- d) depreciation according to plan for assets covered by financial leasing under IFRS 16, but that are reported as operational leasing.

Section 23¹ An unlisted securities companies whose balance sheet total for the two most recent financial years does not exceed 1,000 basic amounts in accordance with

¹ The amendment entails in part that IAS 17 *Leases* has been removed.

Chapter 2, section 7 of the Social Insurance Code (2010:110) only needs to provide disclosures in accordance with the following approved international accounting standards:

- IFRS 4 *Insurance Contracts*.
- IFRS 7 *Financial Instruments: Disclosures*.
- IFRS 13 *Fair Value Measurement*.
- IFRS 15 *Revenue from Contracts with Customers*.
- IFRS 16 *Leases*, with the exceptions and additions made in point 1 in relation to IFRS 16 in RFR 2 *Accounting for Legal Entities*.
- IAS 1 *Presentation of Financial Statements*, in the section on capital disclosures.
- IAS 7 *Statement of Cash Flows*.
- IAS 10 *Events After the Reporting Period*.
- IAS 16 *Property, Plant and Equipment*, with the additions made in point 4 in relation to IAS 16 in RFR 2 *Accounting for Legal Entities*.
- IAS 19 *Employee Benefits*, with the exemptions and additions made in point 1 regarding IAS 19 in RFR 2 *Accounting for Legal Entities*, if the pension commitment is of a significant nature.
- IAS 21 *The Effects of Changes in Foreign Exchange Rates*.
- IAS 23 *Borrowing Costs*.
- IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.
- IAS 38 *Intangible Assets*, with the additions made in point 6 regarding IAS 38 in RFR 2 *Accounting for Legal Entities*.
- IAS 40 *Investment Property*, with the addition made in point 3 in relation to IAS 40 in RFR 2 *Accounting for Legal Entities*.

The first paragraph shall not apply if the institution

- prepares or is included in consolidated financial statements, or
- has an international connection.

In the note that describes the accounting policies applied, the institution shall indicate whether it has applied disclosure reliefs.

These regulations shall enter into force on 1 January 2019 and are applied to annual financial statements, annual reports and consolidated financial statements prepared for financial years that started 31 December 2018 and in interim reports prepared for part of such a financial year.

ERIK THEDÉEN

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