

Finansinspektionen's Regulatory Code

Publisher: Chief Legal Counsel Eric Leijonram, Finansinspektionen, Sweden, www.fi.se
ISSN 1102-7460



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Regulations

amending Finansinspektionen's regulations and general guidelines (FFFS 2008:25) regarding annual reports at credit institutions and securities companies;

FFFS 2021:14

Published on
30 June 2021

decided on 22 June 2021.

Finansinspektionen prescribes pursuant to section 4, points 1–3 of the Annual Accounts at Credit Institutions, Securities Companies and Insurance Undertakings Ordinance (1995:1600) in respect of Finansinspektionen's regulations and general guidelines (FFFS 2008:25) regarding annual reports at credit institutions and securities companies

in part that Chapter 1, section 1; Chapter 6, sections 3 and 4; Chapter 7, section 2; and Chapter 8, section 4 shall have the following wording,

in part that two new sections shall be introduced, Chapter 6, sections 4a and 4b, with the following wording.

Finansinspektionen also provides the following general guidelines.

Chapter 1

Section 1 These regulations and general guidelines shall be applied by credit institutions and securities companies when preparing their annual report, consolidated financial statements and interim reports in accordance with the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559).

The rules set out in Chapter 6, section 2a and section 4 and Chapter 8, section 4 do not apply to securities companies other than those referred to in Chapter 1, section 2, first paragraph, point 7c–f of the Credit Institutions and Securities Companies (Special Supervision) Act (2014:968).

The rules in sections 2 and 3 and in Chapters 7 and 8 apply to financial holding companies that in accordance with Chapter 1, section 1 of the Annual Accounts for Credit Institutions and Securities Companies Act shall apply the provisions for consolidated financial statements set out in Chapter 7 of the same act.

The rules in sections 2 and 3, Chapters 2–4, Chapter 5, sections 21, 22 and 24 and Chapter 6 apply for the branches of foreign credit institutions and securities companies that must apply the Annual Accounts for Credit Institutions and Securities Companies Act when preparing their annual report in accordance with Chapter 6, section 3a of the Bookkeeping Act (1999:1078).

The rules in sections 2 and 3 and Chapters 2–4 apply to the branches of foreign credit institutions and securities companies that must apply the Annual Accounts for Credit

Institutions and Securities Companies Act when preparing their annual accounts in accordance with Chapter 6, section 3a of the Bookkeeping Act.

Chapter 6

Section 3 A capital adequacy analysis shall be included in the annual report in accordance with Chapter 2, section 1 and Chapter 6, section 3 of the Annual Accounts at Credit Institutions and Securities Companies Act (1995:1559). The analysis shall refer in part to the institution individually 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 or Article 7 of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 in which the institution is included as the parent undertaking.

If an institution has a parent financial holding company, a parent investment holding company, or a parent mixed financial holding company and is obligated to meet the requirements set out in Article 11(2) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions or Article 7 of Regulation (EU) 2019/2033 on prudential requirements for investment firms, the institution's capital adequacy analysis shall refer 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 refer to this conglomerate.

Section 4 An institution, in its capital adequacy analysis, shall disclose the information set out in Article 447 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions.

The information shall pertain to the institution and, where applicable, its consolidated situation pursuant to Article 18 of the same regulation. It shall be clear which information refers to the institution and which information refers the consolidated situation.

Other information that shall be disclosed in accordance with Regulation (EU) No 575/2013 on prudential requirements for credit institutions and Finansinspektionen's regulations (FFFS 2014:12) regarding prudential requirements and capital buffers may be disclosed 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 in another place in the annual report, the capital adequacy shall contain a reference to its location.

General guidelines

The institution, in its capital adequacy analysis, should also disclose an account of its total own funds requirement and own funds pursuant to the general guidelines to Chapter 8, section 1 of Finansinspektionen's regulations and general guidelines on prudential requirements and capital buffers.

Section 4a A securities company that shall make public disclosures pursuant to Articles 49 and 50 a, c and d of Regulation (EU) No. 2019/2033 on prudential

requirements for investment firms shall provide these disclosures in its capital adequacy analysis.

Section 4b An institution, in its capital adequacy analysis, shall provide, for a financial conglomerate, information about the own funds, the capital requirement and the method pursuant to Chapter 5, section 4 of the Financial Conglomerates (Special Supervision) Act (2006:531) that was used in the calculation.

Chapter 7

Section 2 International accounting standards as 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 (IAS Regulation), shall be applied when preparing consolidated financial statements, irrespective of whether the institution is listed or unlisted; cf. Chapter 7, Section 8 of the Annual Reports at Credit Institutions and Securities Companies Act (1995:1559).

A parent company shall disclose equivalent information for the Group as required under

- a) Chapter 5, section 14 regarding remuneration and benefits for management,
- b) Chapter 5, section 20 regarding regulatory compliance, and
- c) Chapter 6, sections 2–5 regarding the five-year review and capital adequacy analysis.

Disclosures under (c) may be provided other than in the Directors' Report. In such cases, the statutory administration report shall contain a reference to the place where this information can be found.

General guidelines

An institution should apply Recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups of the Swedish Financial Reporting Board in the consolidated financial statements. This recommendation should be applied with the exceptions and additions of the provisions of the Act (1995:1559) on Annual Accounts at Credit Institutions and Investment Companies, see Chapter 7, Section 7 of the same Act.

Statements from the Swedish Financial Reporting Board (UFR) should apply in the same way as RFR 1 *Supplementary Accounting Rules for Corporate Groups*.

These clarifications are provided for the following standards:

- a) IFRS 8 *Operating Segments*. This standard only has to be applied for 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 has to be applied for the consolidated accounts of an institution that is covered by the standard's area of application.

Capital adequacy analysis of financial holding companies

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

The capital adequacy analysis shall also refer to a financial conglomerate if the holding company is required to report capital adequacy for the conglomerate to a supervisory authority.

More detailed rules regarding the content of the capital adequacy analysis can be found in Chapter 6, section 4.

Chapter 8

Section 4 An institution, in its interim report, shall disclose the information set out in Article 447 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions. The interim report may also include other information that according to the same regulation shall, or may, be disclosed more often than once a year. If the institution does not disclose such information in its interim report, the report shall state where the information is located.

The first paragraph shall be applied to information for the institution and a consolidated situation pursuant to Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions. This applies if the institution, pursuant to Chapter 6, section 3, is obligated to disclose corresponding information for the consolidated situation.

General guidelines

The institution's account of its total own funds requirement and own funds pursuant to the general guidelines to Chapter 8, section 1 of Finansinspektionen's regulations and general guidelines (FFFS 2014:12) on prudential requirements and capital buffers should be included in the interim report.

These regulations and general guidelines shall enter into force on 07 July 2021.

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