



Commission de Surveillance  
du Secteur Financier

## Circular 18/687

as amended by Circular  
CSSF 20/755

Adoption of the EBA  
Guidelines on uniform  
disclosures under Article  
473a of Regulation (EU) No  
575/2013 as regards  
transitional arrangements  
for mitigating the impact of  
the introduction of IFRS 9  
on own funds  
(EBA/GL/2018/01) as  
amended by the  
EBA/GL/2020/12.

## Circular 18/687 as amended by Circular CSSF 20/755

**Re:** Adoption of the EBA Guidelines on uniform disclosures under Article 473a<sup>1</sup> of Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds (EBA/GL/2018/01) as amended by the EBA/GL/2020/12.

Luxembourg, 28 October 2020

**To all credit institutions designated as Less Significant Institutions under the Single Supervisory Mechanism and to all branches of non EU credit institutions**

Ladies and Gentlemen,

The purpose of this circular is to draw attention to the guidelines of the European Banking Authority (EBA) on uniform disclosures under Article 473a<sup>1</sup> of Regulation (EU) No 575/2013<sup>2</sup> as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds (EBA/GL/2020/12) ("**Guidelines**") which the CSSF intends to comply with<sup>3</sup>.

These transitional arrangements allow mitigating the impact resulting from the implementation of the IFRS 9 new impairment model (expected credit losses), on own funds, capital ratios and leverage ratios of institutions.

In this context, the main objective of these Guidelines is improving consistency and comparability regarding the disclosure requirements applicable to the relevant institutions and implementing the new Pillar 3 requirements<sup>4</sup> of the Basel Committee on Banking Supervision (BCBS) relating to the impact of the transitional arrangements, when recognising expected credit loss accounting in accounting, on the capital and leverage ratios.

The Guidelines shall apply to the institutions which are required to comply with all or part of the disclosure requirements referred to in Part Eight of the CRR in accordance with Articles 6, 10 and 13 of this Regulation.

This concerns, in particular, parent credit institutions in the European Union, credit institutions that do not draw up consolidated accounts, O-SIIs ("Other Significant Institutions"), G-SIIs ("Globally Significant Institutions") and subsidiaries of material significance for local markets.

<sup>1</sup> On the 24 June 2020, the European Union adopted Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic.

<sup>2</sup> 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 (CRR).

<sup>3</sup> "Significant Supervised Entities", as defined in Article 2(16) of Regulation (EU) No 468/2014 of the European Central Bank (ECB) of 16 April 2014 ("SSM Framework Regulation"), shall refer to the ECB's rules in this respect, where required.

<sup>4</sup> <https://www.bis.org/bcbs/publ/d400.htm>.

The Guidelines supplement the disclosure requirements of Part Eight of the CRR<sup>5</sup> and specify the information to be added by credit institutions for the transitional arrangements relating to IFRS 9.

The Guidelines require credit institutions having chosen to apply the transitional arrangements relating to IFRS 9 to fill in the quantitative template contained in Annex I of the Guidelines. Those institutions that choose not to apply the transitional arrangements should disclose a narrative commentary in a flexible format.

These Guidelines shall apply until the end of the transitional periods referred to in paragraph 1 of Article 468 and in paragraphs 6 and 6a of Article 473a of Regulation (EU) No 575/2013.

The Guidelines are available on the EBA website at:

<https://eba.europa.eu/regulation-and-policy/transparency-and-pillar-3/guidelines-amend-disclosure-guidelines-ebagl201801>

This circular shall apply with immediate effect.

Yours faithfully,

**Claude WAMPACH**  
Directeur

**Marco ZWICK**  
Directeur

**Jean-Pierre FABER**  
Directeur

**Françoise KAUTHEN**  
Directeur

**Claude MARX**  
Directeur général

<sup>5</sup> Cf. in this respect Circulars CSSF 17/673 and CSSF 18/676.



**Commission de Surveillance du Secteur Financier**

283, route d'Arlon

L-2991 Luxembourg (+352) 26 25 1-1

[direction@cssf.lu](mailto:direction@cssf.lu)

[www.cssf.lu](http://www.cssf.lu)