



Communication Department

PRESS RELEASE

Madrid, 29 December 2021

The Banco de España amends the Circulars to credit institutions and specialised lending institutions on public and confidential financial reporting standards and formats

Banco de España Circular 6/2021, amending Circulars 4/2017 and 4/2019, has today been published in the Official State Gazette. The aims of this new Circular are: to update Circular 4/2017 to credit institutions, to ensure it remains consistent with International Financial Reporting Standards as adopted by the European Union and with other European legislation; to recalibrate the alternative solutions for estimating credit losses; and to adjust some reporting requirements. It also amends Circular 4/2019 to specialised lending institutions, to adapt the references in the Circular to the updated Circular 4/2017.

The main amendments made notably include, first, the simplification of the accounting treatment of contracts affected by the reform of the interbank offered rates (IBOR).

Second, the timely elimination of the loan origination criteria to avoid overlaps with the EBA Guidelines on loan origination and monitoring, which the Banco de España has adopted.

Third, the alternative solutions for collective estimation of loan loss provisions and haircuts on the reference value of foreclosed assets are updated. This update reflects developments in the data on operations reported to the Banco de España and, in the case of the alternative solutions, incorporates projections for future economic conditions. The new percentages will be applicable as of 30 June 2022. Accordingly, institutions using them have until mid-2022 to adapt their provisions.

Lastly, with regard to the confidential information that institutions must report, of note are the updated requirements for euro area statistical information, as established by the European Central Bank, to enhance the analysis of monetary and credit developments and integration with other statistical datasets. The requirements for branches in Spain of foreign credit institutions headquartered in a European Economic Area member country are also lowered.

The new Circular will enter into force tomorrow, without prejudice to the specific effective dates stipulated in the sole final provision.

Reproduction permitted only if the source is cited

For further information: Tel. +34 91 338 5044 / 6097 / 5318 Fax +34 91 338 5203 www.bde.es Email: comunicacion@bde.es