

**Instruction on drawing up and presenting by banks of
FINREP reports at a consolidated level,
approved by Decision No 83/2019
of Executive Board of the National Bank of Moldova**

Note: The translation is unofficial, for information purpose only

Published in the Official Monitor of the Republic of Moldova,
No 119-131 of 5 April 2019, Article 667

**EXECUTIVE BOARD
OF THE NATIONAL BANK OF MOLDOVA**

**DECISION
No 83 of 20 March 2019**

**for the approval of
Instruction on drawing up and presentation by banks
of FINREP reports at a consolidated level**

Pursuant to Article 5, paragraph (1) letter d), 11 paragraph (1), Article 27, paragraph (1), letter (c), 44 letter a) of Law No 548/1995 on the National Bank of Moldova and Article 84 and 86 of the Law No 202/2017 on the activity of banks, the Executive Board of the National Bank of Moldova

DECIDES:

- 1.** To approve the Instruction on drawing up and presentation by banks of FINREP reports at a consolidated level (to be attached).
- 2.** To repeal the Decision No 133/2013 of the Executive Board of the National Bank of Moldova regarding the approval of the Instruction on FINREP consolidated financial statements applicable to banks.
- 3.** To perform the first reporting, in accordance with the instruction given in item 1, for the situation before 31 December 2018.

INSTRUCTION
on the drawing up and presentation by banks of FINREP reports at a consolidated level

Section 1
General provisions

1. This Instruction sets out the procedure of drawing up and presentation of FINREP consolidated reports (hereinafter referred to as consolidated reports) to the National Bank of Moldova (hereinafter referred to as the NBM) and applies to banks as legal entities from the Republic of Moldova, including to their branches from foreign states, as well as to branches of banks from other states in respect of the activity carried out in the Republic of Moldova (hereinafter referred to as banks).

2. Banks shall prepare and submit consolidated reports to the NBM if they have control of the entity in which they invested, hold investments in associates or joint ventures as defined in the International Financial Reporting Standards (hereinafter referred to as IFRS).

3. Consolidated reports shall be prepared in accordance with the requirements set out in the annexes to the Instruction and reflect the operations and financial situation of the group of entities that includes the reporting bank, including its foreign subsidiaries, the entities it invested in and the bank and its associated entities or joint ventures (hereafter referred to as - the group of entities included in the consolidation perimeter).

4. The information provided in the consolidated reports shall reflect the financial statement of the group of entities included in the consolidation perimeter at the end of the last operating day of the reference period.

5. In the preparation of consolidated reports, the provisions of the Chart of Accounts of Bookkeeping in the licensed banks of the Republic of Moldova, approved by the Decision of the Council of Administration of the National Bank of Moldova of March 26, 1997 (hereinafter referred to as the Chart of Accounts), of IFRS and International Accounting Standards (hereafter referred to as IAS).

6. The following abbreviations are used in this instruction:

- 1) "IFRIC" - Interpretations of the International Financial Reporting Interpretations Committee;
- 2) "CRR" - Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment companies and amending Regulation (EU) No 648/2012, OJ L 176, 27.06.2013, p. 1-337;
- 3) "Annex V" - Annex V of Implementing Regulation (EU) No 680/2014 of Commission of 15 April 2014 laying down implementing technical standards on reporting to the institutions for the purposes of supervision in accordance with the Regulation (EU) No 575/2013 of the European Parliament and of the Council; OJ L 191/1, 28.06.2014, p. 1- 1861;
- 4) "ECB / 2013/33" or "BSI ECB Regulation" - Regulation (EU) No 1071/2013 of the European Central Bank of 24 September 2013 on the balance sheet of the monetary financial institutions sector (recast) (ECB / 2013/33), OJ L 297, 07.11.2013, p.1;
- 5) "Impairment steps" - impairment categories, as defined in IFRS 9, point 5.5.;
- 6) "Step 1" refers to impairment assessed in accordance with IFRS 9, point 5.5.5;
- 7) "Step 2" refers to impairment assessed in accordance with IFRS 9, paragraph 5.5.3;
- 8) "Step 3" refers to impairment of assets as a result of credit risk, as defined in Annex A of IFRS 9;

9) “of which: non-performing” - refers to the nominal amount of loan commitments, financial guarantees and other commitments given that are considered as non-performing in accordance with paragraphs 213-239 of Annex V.

7. In consolidated reports, the amounts are reflected in national currency, unless otherwise provided in the report form.

8. The foreign currency funds shall be recalculated in Moldovan MDL at the official exchange rate of the MDL against the respective currencies set by the NBM for the reference date, unless otherwise provided in the way the report is completed.

9. Indicators containing the minus sign (-) are reflected as negative values, the rest of indicators are reflected as positive, unless a balance contrary to the regular one is found for the required amounts to be reported (credit balance for the accounts of the class of Assets or Expenditures, debit balance for accounts in the class of liabilities, capital and reserves, income).

10. The information on the profit and loss statement and those relating to the change in the various items in the balance sheet is the amounts recorded in the expense and income accounts, respectively the operations carried out from the beginning of the financial year up to the reference date.

11. For the purposes of this Instruction, as regards the date of recognition / derecognition in the balance sheet of financial assets, the entities included in the consolidation perimeter will apply consistently, using the initial approach for all subsequent reporting or the transaction date (the date when the entity included in the consolidation perimeter undertakes to buy or sell the asset), or the settlement date (the date the asset is actually delivered/received), in accordance with the policies and internal accounting methods approved by the management of the entity included in the perimeter consolidation.

12. Banks should prepare consolidated reports using uniform accounting policies for transactions and similar events in similar circumstances.

13. Before being submitted to the NBM, the data in the consolidated reports prepared at the reference date are confronted with the data from the previous reports. If significant changes have been noted over the previous periods, together with the report, an explanatory note shall be provided describing the causes of the changes in question. The explanatory note shall be authenticated by the signature of the authorized person of the bank and, where applicable, by applying the bank stamp, and shall be submitted to NBM in its original form.

14. For the purpose of drafting the consolidated reports, the banks shall take into account, as appropriate, the acts of the NBM that impose measures or sanctions on banks and notifications received under Article 75¹ paragraph (10) of the Law on the National Bank of Moldova, if reporting violations have been detected.

Section 2

Deadlines and form of presentation of consolidated reports

15. The consolidated reports are submitted by banks in electronic form in accordance with the Instruction on submission of electronic reports by banks to the National Bank of Moldova, approved by Decision No 132/2008 of the Executive Board of the NBM.

16. Consolidated reports shall be presented on a yearly basis on 31 December of the reference year, following the examination of the annual financial statements by the general meeting of the shareholders, but no later than 31 May following the reference year.

17. Where the reporting deadline is a holiday or a Saturday or Sunday, the reports shall be submitted at the latest by the end of the next business day.