



GOVERNOR'S DECREE No 6

Tallinn, 23 May 2014

Establishment of substantive and formal requirements
for the balance sheet and income statement
of credit institutions

This Decree is established on the basis of subsection 91 (1) of the Credit Institutions Act.

Chapter 1
GENERAL PROVISIONS

§ 1. Scope of the Decree

This Decree establishes the requirements for the substance and form of the balance sheet and income statement of credit institutions and branches of credit institutions (hereinafter the *credit institution*), as well as the terms and procedure for submission of reports to the Financial Supervision Authority.

§ 2. Application of the Decree

This Decree shall be applied to all credit institutions operating in Estonia, on an individual basis.

Chapter 2
REPORTS, PRINCIPLES OF PREPARING REPORTS, AND SUBMISSION OF REPORTS

§ 3. Reports

A credit institution is required to prepare and submit the following reports:

- 1) "Balance sheet of credit institution", code 21 (Appendix 5);
- 2) "Income statement of credit institution", code 22 (Appendix 6).

§ 4. Principles of preparing reports

(1) The balance sheet and income statement shall be prepared, and assets, liabilities, equity, income and expenses recorded and measured on the basis of the International Financial Reporting Standards that have been adopted pursuant to the procedure

provided in Regulation No 1606/2002/EC of the European Parliament and of the Council on the application of international accounting standards (OJ L 243, 11.09.2002).

(2) The balance sheet and income statement shall be prepared pursuant to "Scheme of balance sheet statement" (Appendix 1), "Scheme of income statement" (Appendix 2), "Explanation of balance sheet items" (Appendix 3) and "Explanation of income statement items" (Appendix 4).

(3) The balance sheet and income statement shall be prepared in euros, and rounded off to integers. Amounts expressed in foreign currency shall be translated into euros, using the official exchange rate of the European Central Bank valid on the last banking day of the accounting period.

(4) Balance sheet data shall be submitted as at the end of each accounting period, and income statement data shall be submitted cumulatively as of the beginning of the accounting year.

(5) Balance sheet data shall record interest, which has been calculated on accrual basis but is outstanding as at the end of the accounting period, under the same item with the financial instruments with which the interest is associated.

(6) Financial instruments measured at amortised cost and written down due to impairment are shown on the balance sheet on the net principle.

(7) Interest income and interest expenses related to financial instruments held for trading and financial instruments designated at fair value through profit or loss are recorded in the income statement either under the respective sub-items of interest income and interest expenses or as a part of the profit/loss item of the instrument of the corresponding category.

§ 5. Principles for determining residency

(1) Residents are:

1) state authorities or agencies of the Republic of Estonia in the broadest sense (legislative, executive and judicial bodies or their agencies, constitutional institutions), as well as local governments or their agencies;

2) Estonian diplomatic, consular or other official representations in foreign countries, as well as representative offices of other Estonian institutions or organisations abroad, which are not engaged in any economic or commercial activity;

3) legal persons in public law and their agencies, established under the laws of the Republic of Estonia;

4) legal persons in private law registered in the Republic of Estonia, or their representative offices (including cross-border service providers);

5) companies (*Societas Europaea*, SE) or cooperatives (*Societas Cooperativa Europaea*, SCE) registered in the Republic of Estonia under the Statute for a European Company, or their representative offices;

6) branches of foreign legal persons registered in the Republic of Estonia;

7) Estonian citizens residing in the Republic of Estonia;

8) aliens residing in the Republic of Estonia, who hold a permanent residence permit or a temporary residence permit for at least one year;

9) persons specified in clauses 7 or 8, studying or undergoing medical treatment in a foreign country, irrespective of the duration of studies or medical treatment;

10) ship crews, seasonal or border workers who are persons specified in clauses 7 or 8 and are staying in a foreign country, irrespective of the duration of their stay in the foreign country;

11) diplomats, military personnel, staff of consular or other official representations of the Republic of Estonia as well as their family members staying in a foreign country and enjoying immunity and diplomatic privileges.

(2) Non-residents are persons who are not included in the definition of resident.

§ 6. Accounting period and terms for submission of reports

(1) The accounting period for the report referred to in clause 1 of section 3 is one month. The accounting period for the report referred to in clause 2 of section 3 is one quarter.

(2) The report referred to in clause 1 of section 3 shall be submitted by the fifth banking day after the end of the accounting period, and the report referred to in clause 1 of section 3 shall be submitted by the tenth banking day after the end of the accounting period.

§ 7. Submission of reports

(1) The reports shall be submitted to the Financial Supervision Authority electronically in the XML (*eXtensible Markup Language*) format, pursuant to Eesti Pank Governor's Decree No. 9 of 9 December 2011 "Requirements for submission of reports formatted as XML documents".

(2) Should errors be discovered or the accounting principles changed, new, rectified reports shall be submitted to the Financial Supervision Authority in electronic form.

Chapter 3 IMPLEMENTING PROVISIONS

§ 8. Repeal of the Decree

Eesti Pank Governor's Decree No. 8 of 22 June 2007 "Establishment of substantive and formal requirements for the balance sheet and income statement of a credit institution and a consolidation group of credit institution" (RT I, 13.11.2012, 21) is repealed.

§ 9. Entry into force and application of the Decree

(1) This Decree shall enter into force on 1 September 2014.

(2) This Decree shall be applied to the preparation and submission of reports starting from accounting periods ending on 30 September 2014.

Ardo Hansson
Governor

FYI:

Supervisory Board of Eesti Pank, Financial Supervision Authority

Governor, deputy governors,

Administration, Internal Audit Department, International and Public Relations Department,

Statistics Department, Financial Department

all credit institutions,

State Gazette