REEFS Basel II and QPR
Quick Start Guide

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Contents

1   INTRODUCTION

Regulatory **E**nhanced **E**lectronic **F**orms **S**ubmission ("REEFS") is an online portal for electronic submission of required financial services information to the Cayman Islands Monetary Authority (the "Authority") as well as providing payments information where applicable.

2   FORM INFORMATION & PARALLEL RUN

The Basel II & Quarterly Prudential Return is the primary prudential return for banks in the Cayman Islands. The existing Excel return has been converted into a REEFS return and is part of a new quarterly prudential reporting process ("REEFS QPR").

For two calendar quarters beginning 31 December 2020, all banks will submit **both** the existing Excel return and the REEFS return for the purposes of parallel reporting. The default reporting dates for these returns are 29 January 2021 and 30 April 2021. Short extensions will be available as necessary.

Banks should utilize the **Validation** function in the REEFS QPR to identify and correct errors in the Excel return prior to submitting the Excel return. Banks should also ensure that identical information is reported in both returns.

3   WHAT'S NEW?

3.1 WORKFLOW

The QPR is now separated into the five sequential forms below. Initially, only the **MREQR** form is available and as each form is submitted, the subsequent form will be generated.

If a form is not applicable or there is no financial data to report, complete the Filing Information section only then Validate and submit to proceed to the next form in the workflow. A user with the Submitter role may be required to submit each form. The QPR submission is complete once the **BQC** form is submitted.

Form Name	Description	Reference in Excel QPR	Applicable to Branches?
MREQR	Basel II Equity Position Risk	011. MR-Data Equity 015. MR-Equity Result	No
MRDIRR	Basel II Interest Rate Risk	010. MR-Data IRR 013. MR-Maturity Result	No
QPRDS	Investments in debt securities	055. QPR-Debt Securities	Yes
LRCalc	Basel III Leverage Ratio	N/A – New form. See Leverage Ratio Rules and Guidelines	No
BQC	Basel II Credit Risk, Operational Risk, and Market Risk other than Equity and Interest Rate Risk.	001. Capital Ratios to… 018. Correlation Trade Portfolio	No

Prudential return for the Statement of Financial Position, Statement of Financial Performance, Asset Quality, Large Exposures, investments in equities, funds, Off-Balance Sheet exposures, etc.	050. Statement of Fin Pos to… 060. QPR-Interest Rate	Yes

Click the '+' symbol to expand and display available forms. The **MREQR** is the first available form and subsequent forms are generated upon submission.

After submitting the BQC form, the Basel II and QPR report is complete and will appear under the Submitted Filings tab.

3.2 LEVERAGE RATIO

The leverage ratio is a non-risk based Basel III component that supplements the capital adequacy requirements in the Authority's Rules, Conditions and Guidelines on Minimum Capital Requirements (Pillar I) (the "Pillar I Minimum Capital Requirements") (https://www.cima.ky/banking-services-reporting-requirements-schedule-e-reporting).

The leverage ratio requirement came into effect on 01 December 2019 and is not applicable to branches.

Banks subject to the Pillar I Minimum Capital Requirements will report their capital and exposure measures in the **LRCalc** form in accordance with the Leverage Ratio Rules and Guidelines available on the Authority's website (https://www.cima.ky/banking-services-regulatory-measures).

3.3 MONETARY AND DATE FORMATS

Unless otherwise stated, monetary values and other values in REEFS are reported in USD dollars and units. This means that one thousand dollars or one thousand shares should be reported as 1000.

The format for date fields is now yyyy-mm-dd. For example, June 30, 2021 should be reported as 2021-06-30. You may also use the calendar pop-up to select dates.

3.4 COPY AND PASTE

The copy and paste capabilities of REEFS forms have been enhanced following the release of REEFS 3.1. It is possible to copy and paste entire tables, rows, or columns of data into schedules using the keyboard shortcut '**Ctrl + v**'. However, users should follow the preparation in section 4 below and reconcile totals, subtotals and other fields to source data before proceeding to the next schedule or form.

4 ACCESSING AND SUBMITTING THE FORM

4.1 UNDERSTANDING REEFS ROLES AND WORKFLOWS

In **REEFS**, roles must be assigned to allow users to perform certain tasks assigned in the Workflow. These roles give the users permission to prepare, edit, review, approve, and submit based on Workflows.

Please see the guidance online on how to **Create User accounts**, Assign Roles and details of **Workflows** (https://www.cima.ky/reefs-faq).

The following Roles are required for access to this form:

- **Preparer** role
- **Reviewer** role
- **Submitter** role

4.2 REPORT PREPARATION

In the Excel return, most values were reported to the nearest thousand. However, in the REEFS return, monetary and other values are reported in USD dollars and units, unless otherwise stated. This means that one thousand shares should be reported as 1000 and one million dollars as 1000000.

In preparation for reporting, ensure that:

1. All monetary values have been converted to dollars and cents, up to a maximum of two decimal places.

2. All dates have been converted to the format yyyy-mm-dd (e.g. 2021-06-30).

3. Percentages have been converted to the number format, up to a maximum of four decimal places, and percentage signs (%) have been removed.

4. Country names, currencies, and other values match the corresponding drop-down lists in REEFS. Note that some lists from the Excel return have changed in the REEFS QPR (e.g. Top Ten Depositors schedule).

4.3 MREQR – EQUITY POSITION RISK

The MREQR captures Equity Position Risk previously reported in sheets 011 MR-Data Equity and 015 MR-Equity Result of the Excel return.

MREQR		Reference in Excel QPR
Applicable to Branches?	No	
Applicable to	Banks with trading books only	
Schedules	Cover Sheet MR-Data Equity MR-Equity Result	000. Cover Sheet 011. MR-Data Equity 015. MR-Equity Result

All banks will complete all fields in the **Filing Information** section of the Cover Sheet.

If there is no further data to report, select **Validate** from the upper-right menu and submit the form (do not change the default responses to Market Risk Declaration and Selection of Markets).

Banks with trading books will continue to report data on equity position risk in accordance with the Pillar I Minimum Capital Requirements and Guidance for the Completion of the Basel II and the Quarterly Prudential Returns. The capital requirement for equity position risk is automatically calculated on the MR-Equity Result schedule based on data reported in the MR-Data Equity schedule.

To paste data into the schedule, prepare the source data per section 4.2 of this guide (convert monetary values, date formats, percentages, ensure certain fields match the available responses in drop-down lists). Click or highlight the first field in the first row and use 'Ctrl + v' to paste the data. REEFS will automatically create additional rows for each security.

Submitting the MREQR form will generate the next form in the QPR workflow, the **MRDIRR**. Click the form link or return to the Filings window and refresh the page to access the form.

4.4 MRDIRR – INTREST RATE RISK

The **MRDIRR** captures Interest Rate Risk previously reported in sheets 010 MR-Data IRR and 013 MR-IRR Maturity Result or 014 MR-IRR Duration Result of the Excel return.

MRIRR		Reference in Excel QPR
Applicable to Branches?	No	
Applicable to	Banks with trading books only	
Schedules	Cover Sheet MR-Data IRR MR-IRR Maturity / Duration Result	000. Cover Sheet 010. MR-Data IRR 013. MR-IRR Maturity Result 014. MR-IRR Duration Result

All banks will complete all fields in the **Filing Information** section of the Cover Sheet.

If there is no further data to report, select **Validate** from the upper-right menu and submit the form (do not change the default responses to Market Risk Declaration and Selection of Currencies).

Submitting the MRDIRR form will generate the next form in the QPR workflow, the **QPRDS**. Click the form link or return to the Filings window and refresh the page to access the form.

Banks with trading books will continue to report data on interest rate risk in accordance with the Pillar I Minimum Capital Requirements and Guidance for the Completion of the Basel II and the Quarterly Prudential Returns. The capital requirement for interest rate risk is automatically calculated on the MR-IRR Maturity Result schedule or MR-IRR Duration Result schedule based on data reported in the MR-Data IRR schedule.

To paste data into the schedule, prepare the source data per section 4.2 of this guide (convert monetary values, date formats, percentages, ensure certain fields match the available responses in drop-down lists). Click or highlight the first field in the first row and use '**Ctrl + v**' to paste the data. REEFS will automatically create additional rows for each security.

4.5 QPRDS – DEBT SECURITIES

The **QPRDS** captures investments in debt securities previously reported in sheet 055. QPR-Debt securities of the Excel return.

QPRDS		Reference in Excel QPR
Applicable to Branches?	Yes	
Applicable to	Banks with investments in debt securities reported on the Statement of Financial Position	
Schedules	QPR-Debt Securities	055. QPR-Debt Securities

If there is no data to report, select **Validate** from the upper-right menu and submit the form.

Submitting the QPRDS form will generate the next form in the QPR workflow, the **LRCalc**. Click the form link or return to the Filings window and refresh the page to access the form.

Banks with investments in debt securities will continue to report data on those securities in accordance with the Guidance for the Completion of the Basel II and the Quarterly Prudential Returns.

To paste data into the schedule, prepare the source data per section 4.2 of this guide (convert monetary values to dollars and 2 decimal places, date formats to yyyy-mm-dd, percentages, ensure certain fields match the available responses in drop-down lists). Click or highlight the first field in the first row and use '**Ctrl + v**' to paste the data. REEFS will automatically create additional rows for each security. You can also paste partial data in columns. Use the 'Clear Schedule' or 'Clear All Values' options in the upper-right menu to delete all data and reset the table.

A large number of securities may require additional processing time. Refresh the page if it appears that information has not been updated within a few minutes.

4.6 LRCALC – LEVERAGE RATIO

The **LRCalc** is a new form for banks to report the leverage ratio requirement, which came into effect on 01 December 2019. This form is not applicable to branches but must be submitted by all banks as part of the QPR.

LRCalc		Reference in Excel QPR
Applicable to Branches?	No	
Applicable to	All banks other than branches that are subject to the Pillar I Minimum Capital Requirements	
Schedules	Cover Sheet Ratio	N/A

All banks will complete all fields in the **Filing Information** section of the Cover Sheet.

If there is no further data to report, select **Validate** from the upper-right menu and submit the form.

Submitting the LRCalc form will generate the final form in the QPR workflow, the **BQC**. Click the form link or return to the Filings window and refresh the page to access the form.

Banks subject to the Pillar I Minimum Capital Requirements will report their capital and exposure measures in accordance with the Leverage Ratio Rules and Guidelines available on the Authority's website (https://www.cima.ky/banking-services-regulatory-measures).

Each line item in the **LRCalc** includes a reference to the relevant section(s) in the rules and guidelines. Once data entry is completed you can verify the Leverage Ratio calculation on the Cover Sheet.

4.7 BQC – BASEL II & QPR

The **BQC** captures all other information previously reported in the Excel return. Information reported on the CR-On Balance Sheet, CR-Off Balance Sheet, CR-Securitisation, and QPR-Asset Quality is now split across three schedules, however, all information remains unchanged.

	BQC-Shortened	**Reference in Excel QPR**
Applicable to Branches?	Yes – Cover Sheet and QPR schedules only	000. Cover Sheet 050. QPR-Statement of Fin Pos to 060. QPR-Interest Rate
Applicable to	All banks	
Basel II Schedules	Cover Sheet CR-On Balance Sheet i CR-On Balance Sheet ii CR-On Balance Sheet iii CR-Off Balance Sheet i CR-Off Balance Sheet ii CR-Off Balance Sheet iii CR-Counterparty CR-Settlements CR-Securitisation i CR-Securitisation ii CR-Securitisation iii Operational Risk MR-Data Commodities MR-Commodities Results MR-FX Result MR-Correlation Trade Portfolio Risk Weighted Assets Capital Constituents Capital Ratios	000. Cover Sheet 004. CR-On Balance Sheet 004. CR-On Balance Sheet 004. CR-On Balance Sheet 005. CR-Off Balance Sheet 005. CR-Off Balance Sheet 005. CR-Off Balance Sheet 006. CR-Counterparty 007. CR-Settlements 008. CR-Securitisation 008. CR-Securitisation 008. CR-Securitisation 009. Operational Risk 012. MR-Data Comm 016. MR-Commodities Results 017. MR-FX Result 018. Correlation Trade Portfolio 003. RWA 002. Capital Constituents 001. Capital Ratios
QPR Schedules	Cover Sheet QPR-Statement of Financial Position QPR-Statement of Financial Performance QPR-Ten Largest deposits QPR-Large exposures QPR-Asset Quality i QPR-Asset Quality ii QPR-Equities QPR-Funds QPR-Over the Counter and Exchange Traded Contracts QPR-Off Balance Sheet QPR-Interest Rate	000. Cover Sheet 050. QPR-Statement of Fin Pos 051. QPR-Statement of Fin Perf 052. QPR-Ten Largest deposits 053. QPR-Large exposures 054. QPR-Asset Quality 054. QPR-Asset Quality 056. QPR-Equities 057. QPR-Funds 058. QPR-OTC & ETC 059. QPR-Off Balance Sheet 060. QPR-Interest Rate

Remember that in the Excel return, most values were reported to the nearest thousand. However, in the REEFS QPR, monetary and other values are reported in USD dollars and units, unless otherwise stated. This means that one thousand shares should be reported as 1000 and one million dollars as 1000000.

All banks will complete all fields in the **Filing Information** section of the Cover Sheet. Banks subject to Pillar I Minimum Capital Requirements will complete the other relevant sections. The selection of methodologies, markets, and currencies will generate the relevant schedules and tables in the form.

Banks will continue to report in accordance with the Pillar I Minimum Capital Requirements, where applicable, and the Guidance for the Completion of the Basel II and the Quarterly Prudential Returns.

4.8 CRM ADJUSTMENTS

On the Basel II credit risk schedules, where CRM Adjustments are required to **sum to zero**, banks subject to Pillar I Minimum Capital Requirements should ensure that Redistribution of Net Exposures sum to zero **prior** to proceeding to the next schedule. Failing to do so may result in errors that require the user to clear all data in the **BQC** form.

4.9 LABEL CHANGES ON THE STATEMENT OF FINANCIAL POSITION

In March 2018, the Authority issued a circular regarding adjustments to the definitions of certain asset classes to facilitate reporting in accordance with applicable accounting standards. Those asset definitions have been incorporated in the QPR-Statement of Financial Position. A copy of the circular is attached.

Section	BQC-Shortened	Reference in Excel QPR
2.0	Financial Assets measured at Fair Value	Financial Assets at Fair Value through Profit and Loss
3.0	Financial Assets measured at Amortized Cost	Investments - Held-to-Maturity
4.0	N/A – Banks were directed not to report any exposures in this section and the section has been removed	Investments - Available-for-sale
5.0	Other Financial Assets	Other Investments
6.0	Loans and Advances [no change]	Loans and Advances

[2018 Circular - Adjustments to the QPR.pdf] 📎

4.10 SUBMITTING / RESUBMITTING

- It is imperative that banks submit identical information in both the Excel return and the REEFS QPR. The **Validation** function in the REEFS QPR will help identify errors and cautions and banks should ensure that corrections are made to both returns prior to submission or resubmission, where amendments are required after the initial submission.

4.11 APPLICABLE FEES

- There are no fees associated with the submission of this form.

5   TROUBLESHOOTING

Validation '**Errors'** will prevent the submission of a form, however, '**Cautions'** do not.
*Remember to correct errors in **both** the REEFS QPR and the Excel file.*

5.1 COMMON VALIDATION RULES

Schedule	Sample Message	Resolution
Various	**Country_Name_i** Current Value: Bahamas, The The selected value is not part of the list. Appears in: [Schedule]	Review and revise source data to match the available responses in the drop-down list. You can also select the response from the drop-down list directly in the REEFS form.
QPR-Asset Quality	For the counterparty grouping 'Other Banks', the sum of the assets reported under 'Asset Quality' (calculated as…), should equal the sum of the relevant assets reported on the 'Statement of Financial Position' (calculated as...).	Review the sum of assets for the counterparty 'Other Banks' reported on the Asset Quality schedule and ensure it equals the sum of assets for 'Other Banks' reported on the Statement of Financial Position.
QPR-Interest Rate	The total value for 'Assets' reported under 'Interest Rate Maturing' is 131,600,796.880 (3 d.p.), but the value for 'Total Assets' reported in the 'Statement of Financial Position' is 138,534,278.410 (3 d.p.).	Ensure that Total Assets reported in the Interest Rate Maturing table equals Total Assets on the Statement of Financial Position.

5.2 REPORTING ERRORS & OTHER ISSUES

- If you are unable to correct an error based on the validation message or need to report other issues, please email contactbanking@cima.ky and include user names, screenshots and a full description of the issue.

5.3 FREQUENTLY ASKED QUESTIONS

- This section will be periodically updated with FAQs from reporting entities. Visit https://www.cima.ky/reefs-forms-guidance-notes for updates.