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EBA/ITS/2015/06

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7 July 2015

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# Final Report

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Draft implementing technical standards

On procedures, forms and templates for the provision of information for resolution plans under Article 11(3) of Directive 2014/59/EU of the European Parliament and the Council

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# 1. Executive summary

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Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions, investment firms and related entities (Directive 2014/59/EU) sets out a Union-wide framework for crisis prevention in relation to these entities and the management and resolution of these entities.

In this framework, resolution authorities, after consulting the relevant competent authorities, shall draw up resolution plans providing for the resolution actions which the resolution authority may take where the institution meets the conditions for resolution.

In order to draw up these resolution plans, resolution authorities shall require institutions to cooperate as much as necessary and, in particular, to provide them with all the information necessary for that purpose. Directive 2014/59/EU recognises that institutions are already providing information that is relevant for resolution planning purposes to competent authorities. Therefore, to avoid duplication in the transmission of information and an unnecessary increase in the reporting burden on institutions, Directive 2014/59/EU requires competent authorities to cooperate with resolution authorities in that context. Competent authorities shall provide resolution authorities with the information relevant for the purpose of resolution planning they collect from institutions.

To complement this general principle, Article 11(3) of Directive 2014/59/EU mandates the EBA to draft implementing technical standards (ITS) to specify procedures and a minimum set of standard forms and templates for the provision of information for the purpose of resolution plans.

These ITS set out in Article 2 a procedure that shall apply where resolution authorities require information about an institution in order to draw up a resolution plan. According to this procedure, resolution authorities shall first request the information they need for the purpose of drawing up resolution plans of institutions from the competent authorities for these institutions. Where information is available, the competent authorities shall provide that information to the resolution authorities in a timely manner. Where the information is not available or where the format in which the information is provided by the competent authorities does not satisfy the resolution authorities' needs, the resolution authorities shall ask the institution directly to provide the information. When the information required by the resolution authority is included in the minimum set listed in these ITS, institutions shall provide this information to the resolution authority using the forms and templates set out in Annexes I–XII of these ITS and according to the instructions laid down in Annex XIII. The resolution authorities may also request information not included in the minimum set of forms and templates.

The minimum set of forms and templates provided in Annexes I–XII cover, in particular, the information listed in Annex B of Directive 2014/59/EU regarding institutions' organisational

structure, governance and management, critical functions and core business lines, critical counterparties, structure of liabilities, pledged collateral, off-balance sheet items, payment, clearing and settlement systems, information systems, interconnectedness, relevant authorities and legal impacts of resolution.

These forms and templates shall constitute the minimum set of harmonised information to be shared by group-level resolution authorities with the EBA and relevant EU resolution authorities and competent authorities in the context of Article 13 of Directive 2014/59/EU.

## 2. Background and rationale

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Resolution planning is key in the framework for recovery and resolution set by Directive 2014/59/EU of 15 May 2014 establishing a framework for recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU). Resolution planning includes the resolution authorities drawing up resolution plans and in the process assessing the institution's resolvability. Furthermore, where more than one resolution authority is to play a role in a resolution, resolution planning also enables them to agree in advance mechanisms for cooperation and coordination that would be difficult to establish under the time pressure of a crisis.

For the purpose of resolution planning, on 19 December 2014 the European Banking Authority (EBA) issued final regulatory technical standards (RTS) on the content of resolution plans and the assessment of resolvability which clarify and support this task of resolution authorities.

To complement the above-mentioned RTS, Article 11(3) of Directive 2014/59/EU mandates the EBA to draft implementing technical standards (ITS) to specify procedures and a minimum set of standard forms and templates for the provision of information for the purpose of resolution plans. For that purpose, Article 11 of Directive 2014/59/EU stipulates that 'Member States shall ensure that resolution authorities have the power to require institutions to:

- a) Cooperate as much as necessary in the drawing up of resolution plans;
- b) Provide them, either directly or through the competent authority, with all of the information necessary to draw up and implement resolution plans.

In particular the resolution authorities shall have the power to require, among other information, the information and analysis specified in Section B of the Annex.'

These ITS take into account Article 11(2) of Directive 2014/59/EU, which requires cooperation between competent authorities and resolution authorities. It also stipulates that where the competent authority has some or all of the required information, it should provide the resolution authority with this. The ITS further outline that the resolution authorities are encouraged to request this information directly from the institutions only as an exception, when this information is not available from the relevant competent authority, or if the format in which the information is provided by the competent authorities does not satisfy the resolution authorities' needs.

Based on these general principles, these ITS provide resolution authorities with a detailed procedure for requesting information for the purpose of resolution planning, firstly from competent authorities and secondly from the institutions. In this second case, resolution authorities shall request institutions to provide the information using the forms and templates laid down in Annexes I–XII to these ITS when the necessary information is included in these ITS.

These forms and templates were developed pursuant to Article 11(3) of Directive 2014/59/EU, which mandates the EBA to specify a minimum set of standard forms and templates for the provision of information for the purpose of drawing up and implementing resolution plans. They should also echo the power given to resolution authorities in Article 11(1) of Directive 2014/59/EU to ‘require, among other information, the information and analysis specified in Section B of the Annex’. These templates aim to capture the essence of the information listed in Section B of the Annex of Directive 2014/59/EU and, for the purpose of drawing up and maintaining resolution plans, should complement the information collected by competent authorities during the accounting and prudential reporting process and which is to be shared with resolution authorities.

To strike the right balance between harmonisation and appropriate level of flexibility, these ITS state that the forms and templates should not be amended by the authorities or the institutions. However, the resolution authorities retain the power to decide which forms and templates they require the institution to fill in, and what information they require within these forms and templates. In any case, and where deemed necessary, resolution authorities are able to request any information for the purpose of developing resolution plans.

In addition to helping to ensure that the resolution authorities have all the necessary information for the purpose of drawing up resolution plans, these forms and templates should also facilitate the exchange of information between home and host resolution authorities during the resolution planning process for cross-border institutions. In particular, these forms and templates shall constitute the minimum set of harmonised information to be shared by group-level resolution authorities with the EBA and relevant EU resolution authorities and competent authorities in the context of Article 13 of Directive 2014/59/EU.

### 3. Implementing TS on procedures, standard forms and templates for the provision of information for the purpose of resolution plans

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COMMISSION IMPLEMENTING REGULATION (EU) .../..

of **XXX**

**laying down implementing technical standards with regards to procedures, standard forms and templates for the provision of information for the purpose of resolution plans for credit institutions and investment firms pursuant to Directive 2014/59/EU of the European Parliament and of the Council**

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directives 77/91/EEC and 82/891/EC, Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC and 2011/35/EC and Regulation (EU) No 1093/2010, and in particular to Article 11(3) thereof,

Whereas:

- (1) Resolution authorities have been conferred the task of drawing up resolution plans in accordance with the requirements and the procedure laid down in Directive 2014/59/EU and to that purpose they have been empowered to request the necessary information from the institutions. With specific regard to group resolution plans, the Union parent institution should submit the relevant information to the group-level resolution authority which shall transmit it to the authorities identified in Article 13 of Directive 2014/59/EU and in accordance with the procedure laid down therein.
  - (2) Directive 2014/59/EU provides that the procedure and a minimum set of standard forms and templates to request the necessary information from institutions should be designed in a way to enable the resolution authorities to collect that information in a consistent manner across the Union and to facilitate the exchange of information among the relevant authorities.
  - (3) Institutions have a duty to cooperate as much as necessary with the resolution authorities for purposes of drawing up resolution plans. However, procedures
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should be designed to minimise duplicated requirements for information. In this regard, Directive 2014/59/EU envisages a duty of cooperation of the competent authorities with the resolution authorities. This cooperation entails that the competent authority and the resolution authority jointly verify whether some or all of the necessary information is already available to the competent authority, by virtue of it exercising its supervisory tasks. Where that information is available, it is appropriate that the competent authority transmits it.

- (4) With a view to the overall content of resolution plans, it is appropriate that a minimum set of standard forms and templates cover a core of information relating to an institution to be provided to the resolution authority.
- (5) This Regulation is based on the implementing technical standards submitted by the European Banking Authority (EBA) to the Commission.
- (6) The EBA has conducted open public consultations on the implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council<sup>1</sup>,

HAS ADOPTED THIS REGULATION:

### *Article 1*

#### *Provision of information for the purpose of resolution plans*

The provision by an institution to the resolution authority of information necessary to draw up and implement resolution plans, in accordance with Article 11 of Directive 2014/59/EU, including group resolution plans in accordance with Article 13 of that Directive, shall be carried out following the procedure laid down in Article 2 of this Regulation and making use, where applicable, of the standard forms and templates referred to in Article 3 of this Regulation.

### *Article 2*

#### *Procedure*

1. In order to verify, in accordance with Article 11(2) of Directive 2014/59/EU, whether part or all the necessary information to be requested by the resolution authority from the institution in order to draw the resolution plan is already available to the competent authority, the resolution authority shall first request such information from the competent authority of the relevant institution.

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<sup>1</sup> Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

2. Where part or all the requested information is already available to the competent authority, that authority shall provide such information to the resolution authority in a timely manner.
3. Where the information is not already available to the competent authority or where the format in which the information is provided by the competent authority is not satisfactory to the resolution authority, taking into account in particular the procedure to draw up group resolution plans, the resolution authority shall directly request the institution to provide the necessary information.
4. Where the information required by the resolution authority is included in one of the categories set out in Article 3, the institution shall provide that information to the resolution authority by submitting the appropriate form or template contained in Annexes I to XII, following the instructions set out in Annex XIII.
5. Where the information required by the resolution authority is not included in one of the categories set out in Article 3 the information shall be provided in the format requested by the resolution authority.
6. A request of information by the resolution authority to an institution as referred to in paragraph 3 shall:
  - (a) specify the appropriate timeframe, taking into account the volume and complexity of the requested information, within which the institution shall provide the information to the resolution authority;
  - (b) where the requested information is included in one of the categories of Article 3, specify the appropriate standard form or template contained in Annexes I to XII to be used in order to provide to the resolution authority.
  - (c) where the requested information is not included in one of the categories of Article 3, or is not covered by any standard form or template set out in the Annexes I to XII, specify the format in which the information shall have to be submitted;
  - (d) specify whether the relevant standard form or template contained in Annexes I to XII shall have to be completed on a solo or group level basis and whether with a local, Union-wide or global scope in accordance with the instructions contained in Annex XIII;
  - (e) provide the necessary contact details to which the information has to be provided within the resolution authority.

### *Article 3*

#### *Minimum set of information included in the standard forms and templates*

The minimum set of standard forms and templates for *the* provision of information under Article 11 of Directive 2014/59/EU and for the purposes of Article 2(4) and Article 2(6)(b) of this Regulation shall include the following categories:

- (1) Organisational structure, as specified in Annex I;

- (2) Governance and management, as specified in Annex II;
- (3) Critical functions and core business lines, as specified in Annex III;
- (4) Critical counterparties, as specified in Annex IV, Section 1: Assets, Section 2: Liabilities; and Section 3: Material hedges;
- (5) Structure of liabilities, as specified in Annex V;
- (6) Pledged collateral, as specified in Annex VI;
- (7) Off-balance sheet, as specified in Annex VII;
- (8) Payment, clearing and settlement systems, as specified in Annex VIII;
- (9) Information systems, as specified in Annex IX, Section 1: General information and Section 2: Mapping;
- (10) Interconnectedness, as specified in Annex X;
- (11) Authorities, as specified in Annex XI;
- (12) Legal impact of resolution, as specified in Annex XII.

#### *Article 4*

##### *Entry into force*

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Commission*  
*The President*  
*On behalf of the President*  
*[Position]*

## 4. Accompanying documents

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### 4.1 Cost–benefit analysis/impact assessment

#### 4.1.1 Introduction

Article 11(3) of Directive 2014/59/EU requires the EBA to develop implementing technical standards (ITS) to specify procedures and a minimum set of standard forms and templates for the provision of information under the same article.

Article 15(1) of Regulation (EU) No 1093/2010 of the European Parliament and of the Council (EBA Regulation) provides that when any draft ITS developed by the EBA are submitted to the EU Commission for adoption, they should be accompanied by an analysis of ‘the potential related costs and benefits’. This analysis should provide an overview of the findings regarding the problem to be dealt with, the solutions proposed and the potential impact of these options.

This annex presents the IA with a cost–benefit analysis of the provisions included in these ITS.

#### 4.1.2 Problem definition

The lack of common procedure and standards in the provision of information for the purpose of resolution plans is the major question that the ITS aim to address. The lack of common procedure and standards may lead to the problem of:

- Asymmetric information between resolution authorities and competent authorities across Member States. This is true particularly when the authorities handle cross-border cases.
- Failure to utilise the available information effectively and in a timely manner.
- Sub-optimal and disproportionate volume of operational and administrative workload for the institutions and authorities in reporting and exchange of information.

In addition, lack of common procedure and standards may lead to an uneven playing field among institutions in different jurisdictions, i.e. different treatment of various entities belonging to the same cross-border group due to different reporting procedure and standards in supervisory/resolution practices.

#### 4.1.3 Objectives

The objective of the ITS is to promote convergence of supervisory and resolution practices regarding the procedure and standards in the exchange of information for the purpose of resolution plans and enhance cooperation from the institutions. A central element to establishing such a harmonised framework is to specify a common set of forms, templates and procedures for the provision of information necessary to draw up resolution plans and group resolution plans.

These standards are crucial to ensure symmetric information across jurisdictions among resolution authorities and competent authorities.

A common framework is expected to, firstly, facilitate the exchange of information and cooperation among authorities when handling cross-border cases and, secondly, improve cooperation between institutions and resolution authorities for the purpose of resolution planning. The ITS ultimately aim to ensure that a failing firm can be resolved in an orderly fashion, to reduce the problem of moral hazard by contributing to an effective resolution framework and to promote the effective and efficient functioning of the EU banking sector.

#### **4.1.4 Baseline scenario**

Currently, most of the national regulatory frameworks do not have in place standard forms, templates and procedures for the provision of information for the purpose of resolution plans. Some Member States (AT, DE, UK) have introduced regulation containing the set of information that the institutions should submit to enable the authorities to prepare for orderly resolution. In these cases, the content of the information that the institutions are required to submit overlaps with the content of the templates that are included in the current ITS. In consequence, in some Member States the authorities already use forms and templates to cover all the elements that are included in Section B of the Annex to Directive 2014/59/EU. However, in these Member States, some of the information required by the institutions is based on open-ended questions, and is in some cases less detailed, and the structure of the templates to collect the information is different from the templates introduced in the current ITS.

If a Member State has already implemented procedures and forms that are similar to the forms, templates and procedures introduced under the current ITS, then the additional costs and (partially) benefits are expected to be low. The lower the overlap between the information required under national jurisdiction and that of the ITS, the higher the additional costs and benefits will be.

In AT, the framework is both qualitative and quantitative and covers at least all the elements that fall under the scope of the current ITS, i.e. the elements stated under Section B of the Annex of Directive 2014/59/EU. Similarly, in the UK the required information almost fully overlaps with the information required under the ITS. In some cases (Templates 3 and 8), the national template requires more elaborated information and, in other cases (Templates 5 and 10), the ITS require more detailed information from the institutions. For example, in terms of the information on the structure of liabilities (Annex V), the national template investigates the maturity of the debt at the threshold of one year and not at one month. Similarly, the information related to interconnectedness (Annex X) in the national framework is based on an open-ended requirement. It may provide a breakdown of the information by individual corporate and/or the type of corporation for assets and liabilities.

#### 4.1.5 Assessment of the technical options

The section covers the main discussions which took place during the preparation of the technical standards.

##### Level of specification of the information provided in the templates

**Option 1:** an exhaustive list and specific format for the information

**Option 2:** mandatory minimum list

Option 1 implies that the information and the format in which this information is provided by the institutions has to be presented as indicated in the ITS. The major advantage of this option is that it creates full harmonisation in exchange of information across institutions and resolution authorities in drawing up resolution plans. This is expected to create complete and perfectly symmetric information across institutions and resolution authorities. In this respect, the option achieves the policy objectives of cross-border cooperation. However, the option fails to satisfy the concept of proportionality, i.e. within a Member State the resolution authority may need a less detailed set of information from a smaller and less interconnected institution than from a larger and internationally active institution.

The option also fails to accommodate the structural differences, such as, for example, the level of interconnectedness across Member States. The following examples highlight the shortcomings of this approach:

- In the organisational structure template (Annex I), resolution authorities need to define direct shareholding in terms of participation as well as control of legal entities. The template does not suggest any threshold for the holdings up to which resolution authorities should collect/require information on the participation. That is because such thresholds may vary across Member States, given the structure of the banking sector.
- In the critical operations and core business lines template (Annex III), the baseline scenario shows that authorities in some Member States request Profit and loss (P&L) data for core business lines in order to measure the size of the entities and the volume of their trades. This information may not be necessary for other Member States. Equally, for some resolution authorities, information on material intra-group financing and impediments to the transfer of liquidity between entities and jurisdictions may be important elements to take into account. Such information is not included in the ITS, but the resolution authorities are allowed to request it separately.
- Similarly, when resolution authorities collect information on 'major or most critical counterparties for the analysis of the impact of the failure of major counterparties in the institution's financial situation', they may rely on different criteria and/or thresholds, e.g. thresholds for insolvency ratio for the identification of the counterparties.

An exhaustive list of elements is also expected to generate higher administrative cost to both the public sector and the industry, since bank resolution may face further challenges and, accordingly, new information may need to be collected to cope with these challenges. An exhaustive list would have to be revised and updated regularly to include this new information.

Option 2 introduces the ITS as the benchmark for minimum level of information that institutions should provide. Resolution authorities have the flexibility to decide what information within the templates to request, but are not allowed to amend the format of the templates according to their needs.

This option addresses the identified problems and achieves the objectives, including facilitating the exchange of information and cross-border cooperation, while satisfying the proportionality criterion by accommodating structural differences across jurisdictions. As a result, option 2 is expected to be a more cost-effective solution than option 1. Option 2 is chosen as the preferred option.

### Costs and benefits of the ITS

The costs from the ITS are expected to fall mainly on the industry. There are close to 7 700 credit institutions<sup>2</sup> and nearly 3 300 investment firms<sup>3</sup> operating in the EEA. If it is assumed that about 20% of these institutions will be eligible for the simplified obligations (Article 4 of Directive 2014/59/EU), then about 8 800 institutions will fall under the scope of the ITS. The EEA hosts about 400 banking groups.<sup>4</sup> Institutions may implement the ITS at solo or group level.

It is expected that the costs will be generated from additional man-hours for operational and administrative tasks. Institutions' employees will need to spend time collecting data requested by the resolution authorities. The man-hours spent on a particular request depend on the level of information in question (e.g. how many of the ITS templates will be filled out by the institution) and available IT systems in place (e.g. manual entries or integrated system). It is, therefore, reasonable to estimate that each institution may need to allocate between 8 hours (i.e. one business day) and 80 hours (i.e. 10 business days) to provide the required information.

Given the available public data and the above-mentioned reasoning and assumptions, it is possible to estimate a range of cost figures under:

- a) a scenario where the ITS apply at solo level only (scenario 1); and
- b) a scenario where the ITS apply at the group level (scenario 2).

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<sup>2</sup> This includes EU Member States, Iceland and Norway. Data on EU Member States were extracted from the ECB Data Warehouse and are as of July 2014. Figures on Iceland and Norway are from EBA data on National Banking Sectors (2012).

<sup>3</sup> Data based on EBA data on National Banking Sectors (2012).

<sup>4</sup> ECB Data Warehouse data as of July 2014.

The simple average of the two scenarios may give an indication of the expected cost range for the implementation of the ITS. Note that this estimated cost range does not account for the baseline, and the upper threshold and the lower threshold of the range can be treated as the global maximum and the global minimum, respectively. In general, the more advanced the Member State is in the implementation of the standards in Directive 2014/59/EU, i.e. in the request of the data and information that are included in the ITS, the lower the cost of compliance with the current regulation. In this respect, depending on the current level of compliance with the ITS-related elements of Directive 2014/59/EU, the cost figures may overlap with the implementation expenses of Directive 2014/59/EU. For example, the Member States (AT, DE, UK) that already have similar structures in places are expected to generate a cost figure at the lower end of the range.

This analysis suggests that in the EEA, if all institutions implement resolution planning at the solo level, the estimated cost range is between EUR 2.9 million and EUR 29 million. The figure varies from EUR 600 000 to EUR 6 million when calculated at the banking group level, where it is assumed that about half of the investment firms are covered under banking groups. The simple average of these ranges suggests that the cost of complying with the ITS is about EUR 1.8 million at the minimum and EUR 17.9 million at the maximum. Table 1 presents the data by Member State and the steps of the calculation.

It is difficult to quantify the respective estimates of benefits. The banking sector is expected to benefit from more efficient and effective cooperation across resolution authorities and between resolution authorities and institutions. This will lead to the implementation of the resolution plans in an orderly and more timely manner and a decrease in the level of risk to the EU banking sector and in potential costs to the public finance from disorderly failures of institutions.



Table 1 Estimated operational and administrative costs associated with the ITS

Member State	Average labour cost per hour in financial services in 2013 (EUR)	One day (8 man-hours)	Ten days (80 man-hours)	No of credit institutions	No of investment firms	No of banking groups	Estimated total no of institutions (solo level) (Article 4 applies)	Estimated total no of institutions (group level)	Estimated range for the average cost under scenario 1 (EUR)		Estimated range for the average cost under scenario 2 (EUR)		Estimated range for the average cost (EUR)	
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]		[K]		[L]	
Austria	52	417	4 168	721	88	40	647	84	269 741	2 697 407	35 010	350 096	152 375	1 523 752
Belgium	64	511	5 107	102	21	5	98	16	50 254	502 541	7 916	79 160	29 085	290 851
Bulgaria	8	62	622	29	78	0	86	39	5 325	53 246	2 426	24 259	3 875	38 753
Croatia	36	289	2 888	35	:	8	28	8	8 087	80 866	2 310	23 105	5 199	51 985
Cyprus	36	288	2 880	61	125	3	149	66	42 850	428 499	18 862	188 620	30 856	308 559
Czech Republic	21	166	1 655	56	35	11	73	29	12 052	120 519	4 718	47 181	8 385	83 850
Denmark	60	481	4 805	120	41	6	129	27	61 893	618 929	12 734	127 342	37 314	373 135
Estonia	17	138	1 383	36	5	7	33	10	4 537	45 372	1 314	13 141	2 926	29 257
Finland	48	382	3 817	262	11	5	218	11	83 358	833 582	4 008	40 076	43 683	436 829
France	55	439	4 394	552	155	18	566	96	248 511	2 485 106	41 960	419 603	145 235	1 452 355
Germany	48	387	3 872	1 822	36	35	1 486	53	575 499	5 754 994	20 520	205 204	298 010	2 980 099
Greece	23	183	1 827	41	0	5	33	5	5 992	59 920	913	9 134	3 453	34 527
Hungary	20	157	1 566	189	27	14	173	28	27 055	270 548	4 306	43 056	15 680	156 802
Iceland	49	390	3 899	20	12	3	26	9	9 982	99 821	3 509	35 093	6 746	67 457
Ireland	45	359	3 592	457	114	4	457	61	164 100	1 641 004	21 914	219 136	93 007	930 070
Italy	52	419	4 193	682	101	63	626	114	262 658	2 626 577	47 592	475 920	155 125	1 551 249
Latvia	13	106	1 061	59	5	14	51	17	5 433	54 326	1 751	17 507	3 592	35 917
Lithuania	11	91	907	90	22	0	90	11	8 128	81 279	998	9 978	4 563	45 629
Luxembourg	65	518	5 182	150	0	4	120	4	62 188	621 880	2 073	20 729	32 130	321 305
Malta	22	176	1 762	27	50	0	62	25	10 854	108 541	4 405	44 051	7 630	76 296
Netherlands	55	437	4 371	239	:	5	191	5	83 579	835 789	2 186	21 856	42 882	428 823
Norway	67	539	5 393	223	103	8	261	60	140 656	1 406 555	32 090	320 897	86 373	863 726
Poland	16	126	1 260	685	54	3	591	30	74 494	744 939	3 780	37 801	39 137	391 370
Portugal	30	238	2 382	148	39	19	150	39	35 633	356 335	9 170	91 704	22 402	224 019
Romania	14	111	1 112	39	0	10	31	10	3 470	34 696	1 112	11 121	2 291	22 908
Slovakia	15	118	1 179	28	16	21	35	29	4 150	41 504	3 419	34 194	3 785	37 849

Member State	Average labour cost per hour in financial services in 2013 (EUR)	One day (8 man-hours)	Ten days (80 man-hours)	No of credit institutions	No of investment firms	No of banking groups	Estimated total no of institutions (solo level) (Article 4 applies)	Estimated total no of institutions (group level)	Estimated range for the average cost under scenario 1 (EUR)		Estimated range for the average cost under scenario 2 (EUR)		Estimated range for the average cost (EUR)	
<b>Slovenia</b>	23	184	1 835	24	:	9	19	9	3 523	35 234	1 652	16 516	2 588	25 875
<b>Spain</b>	38	303	3 029	236	224	60	368	172	111 479	1 114 789	52 104	521 042	81 792	817 916
<b>Sweden</b>	61	486	4 860	167	119	15	229	75	111 189	1 111 894	36 205	362 046	73 697	736 970
<b>UK</b>	33	268	2 678	359	1 788	11	1 718	905	459 962	4 599 615	242 353	2 423 528	351 157	3 511 572
<b>EU/EEA*</b>	<b>41</b>	<b>328</b>	<b>3 276</b>	<b>7 659</b>	<b>3 269</b>	<b>406</b>	<b>8 782</b>	<b>2 051</b>	2 946 631	29 466 307	623 310	6 233 099	1 784 970	17 849 703

Notes and source:

[B]: Eurostat, Labour Market Statistics; NACE Category J: Financial Intermediation. 2008 figures are available and the 2013 figures have been calculated by applying the yearly change in the labour cost index in the business economy (NACE R2). Average change in the labour cost index in the Eurozone is applied where the relevant data are not available [DE].

[E], [F], [G]: For the EU Member States the figures are extracted from ECB Data Warehouse and as of July 2014. For IS and NO the data are extracted from EBA statistics on National Banking Sectors (2012) and from the databases of national central banks.

‘:’, no data available.

[H]: It is assumed that on average about 20% of the institutions will be eligible for the simplified obligations.

[I]:  $[F] \times [0.5] + [G]$

[J]:  $[C] \times [H] - [D] \times [H]$ , where the initial term,  $[C] \times [H]$ , is the minimum and the second term,  $[D] \times [H]$ , is the maximum of the interval.

[K]:  $[C] \times [H] - [D] \times [H]$

\*Columns [B]–[D] refer to the EU-28 average and columns [E]–[L] are the aggregate figures for all countries.

## 4.2 Views of the Banking Stakeholder Group (BSG)

The BSG stressed the need for cooperation and information-sharing between the resolution authority and the competent authority to avoid duplication of information requirements for the institutions. The BSG considers it key to ensure proportionality.

The BSG considers that three key elements must be addressed in the ITS:

Firstly, information requirements should follow the principle of proportionality and, therefore, smaller institutions with simple business models should not be required to fill in all the required templates and should be able to provide less granular information.

Secondly, the ITS should clarify whether the templates should be provided at consolidated, sub-consolidated or solo level.

Thirdly, the forms and templates should include materiality criteria to ensure that only entities relevant from the perspective of resolution and resolution planning should be included in the forms and templates. This issue is most relevant for the form on interconnectedness.

The application of the proportionality principle should both recognise the diversity among European banks and avoid jeopardising those less interconnected institutions with smaller balance sheets and systemic footprints.

The BSG also suggested that where multiple point of entry (MPE) resolution strategy is applied, third-country subsidiaries that are independent resolution entities should fill in the templates as well. The BSG is also of the opinion that the criticality of a counterparty should be considered in terms of the connection with critical functions rather than in terms of exposure.

The BSG also highlighted that some additional information should be captured by the forms and templates, namely:

- Information on unsecured deposits, which should be broken down into ‘Corporates’ and ‘SMEs and individual deposits’, since they represent a different class in the liability hierarchy,
- Information on liabilities which are bail-inable but could be excluded from bail-in.

Finally, the BSG thinks that information in Annex XI regarding authorities is not appropriate, as the resolution authorities should have better sources for this type of information.

## 4.3 Feedback on the public consultation and on the opinion of the BSG

The EBA publicly consulted on the draft proposal contained in this paper.



The consultation period lasted for three months and ended on 14 April 2015. Eight responses were received, of which six were published on the EBA website.

This paper presents a summary of the key points and other comments arising from the consultation, the analysis and discussion triggered by these comments and the actions taken to address them if deemed necessary.

In many cases several industry bodies made similar comments or the same body repeated its comments in the response to different questions. In such cases, the comments and EBA analysis are included in the section of this paper where EBA considers them most appropriate.

Changes to the draft ITS have been incorporated as a result of the responses received during the public consultation.

### **Summary of key issues and the EBA's response**

The key issues raised by the respondents to the consultation are as follows:

#### **Need to ensure effective cooperation between the authorities**

A number of respondents stated that the draft ITS should put more emphasis on ensuring effective cooperation between competent and resolution authorities, in line with Article 11(2) of Directive 2014/59/EU. Effective cooperation and information-sharing between the authorities would limit the duplication of information requests addressed to firms. Furthermore, in the view of respondents, Directive 2014/59/EU does not envisage the resolution authority requesting the information directly from the institution when the format in which the competent authority holds the information is deemed inadequate. Therefore, the ITS should not include such a modality.

EBA response:

The EBA agrees that there is a need for effective cooperation between the authorities, and the ITS should avoid a situation where the firms are required to provide the same information twice: first to the competent authority and then to the resolution authority. However, where necessary, the resolution authorities are allowed to use their right to request the information directly from firms to ensure they have all the necessary information for the purpose of drawing up resolution plans.

#### **Proportionality**

Some respondents called for a more proportional approach and suggested that not all firms should provide the information requested in the forms and templates. There should also be a proportional approach allowing less complex firms to provide only some, and not all, of the information requested in the forms and templates.

Firms should also be able to determine the level of materiality in relation to certain types of information to avoid having to provide information irrelevant for the purpose of resolution planning.



The ITS should also provide more clarity on what is understood as the ‘appropriate timeframe’ for the provision of information.

Finally, it should be clarified that the ITS do not introduce any new information requirements but are simply implementing standards for procedures, forms and templates for requiring the information under Article 11 of Directive 2014/59/EU. This information should be the maximum information requested by the resolution authorities.

EBA response:

The ITS do not explicitly envisage any waivers from the requirement to provide the information requested by the resolution authorities. Furthermore, Directive 2014/59/EU states that the information in the forms and templates is a minimum set and the resolution authorities are free to request further information, if needed.

The ITS do not constrain the resolution authority’s flexibility to request all or only some of the necessary information specified in the Annexes to the ITS. The resolution authority has the power to determine what information it requires from a particular institution for the purpose of drawing up a resolution plan – including materiality threshold for particular types of information, depending on the characteristics of their banking sector and individual characteristics of a given firm. The ITS also clarify that the resolution authority shall set the deadline for the provision of information taking into account the volume and complexity of the request.

At the same time, the ITS, in their goal to strike the right balance between harmonisation and flexibility, mandate that the forms and templates cannot be amended but that the resolution authorities can decide what information within them they require. This approach ensures that the forms and templates can be effectively shared between resolution authorities, and at the same time allows the resolution authorities the necessary flexibility to decide what information they require for the purpose of resolution planning.

### **Scope of application of the forms and templates**

Respondents to the consultation asked for more clarity on the scope of application of the forms and templates. They found it unclear whether the information should be provided at solo or group level and whether with an EU-wide or global scope. Respondents stated that, for example, it may not be necessary for an EU-headquartered parent to fill out templates for subsidiaries located in third countries belonging to a group that has a multiple point of entry resolution strategy.

EBA response:

The resolution authorities will determine what information they require to draw up a resolution plan and at what level this information should be provided. The resolution authorities are also best placed to determine whether or not information from third-country subsidiaries would be necessary. Therefore, the ITS do not specify further the scope of the requested information.





## Summary of responses to the consultation and the EBA’s analysis

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
<b>General comments</b>			
Materiality thresholds	Two respondents called for concrete materiality thresholds, particularly in Annexes VI, VII, VIII, IX and X.	The ITS do not constrain the resolution authority’s flexibility to request all or only some of the necessary information specified in the Annexes to the ITS. The resolution authority has the power to determine what information it requires from a particular institution for the purpose of drawing up a resolution plan – including materiality threshold for particular types of information, depending on the characteristics of their banking sector and individual characteristics of a given firm.	The background section has been amended to include the following sentence:  <b>However, the resolution authorities retain the power to decide which forms and templates they require the institution to fill in, and what information they require within these forms and templates.</b>
Comments sections	Two respondents suggested that columns labelled ‘Comments’ in the forms and templates risk being interpreted in an open-ended fashion and making it difficult for firms to know whether they have provided the information required. It would also allow the resolution authorities in different jurisdictions to take a different view on what is	The EBA staff agree that in some instances the ‘Comments’ column does not clearly add value. Where appropriate, it has been removed. This in itself does not prohibit the resolution authorities from asking for additional information not included in the forms and templates, and also does not prohibit the institutions from providing additional commentary to the data separately. Where there is a	‘Comments’ columns removed from Annex IV Sections 1 and 2, and renamed ‘Additional information’ in Annex VII and



Comments	Summary of responses received	EBA analysis	Amendments to the proposals	
	required.	clear need for additional commentary to the provided data, the EBA staff provided more detail on what a given section should include and renamed it 'Additional information'.	Annex VIII Section 2.	
Identifiers	Throughout the forms and templates respondents identified areas where it is not possible to provide the requested identifier. They asked for more clarity on what should be provided where, for example, an entity does not have an LEI code as it does not engage in financial transactions (e.g. IT companies).	The EBA staff clarified in Annex XIII, which includes instructions on filling in the forms and templates, that where 'Legal Identifier' or another form of identification is required, and where LEI or the requested identifier is not available for a given entity, another form of identification shall be provided. Only where there is no other form of identification it is allowed to say 'not available'.	Annex XIII amended accordingly.	
Information already with the competent authorities	Respondents commented that some of the information requested in the forms and templates is already with the competent authorities and, therefore, should be removed from these templates.	Where the competent authorities already have specific information included in these forms and templates, the resolution authorities will get this information from the competent authorities. Therefore, the risk of duplicating information requests from institutions is minimised.	No amendment.	
<b>Comments on particular Annexes attached to Consultation Paper EBA/CP/2015/01</b>				
Annex I structure)	(Organisational	Three respondents suggested merging Annexes I and II as some of the information in them overlaps.	Annexes I and II have different purposes. Annex I is a map of the group's entities to allow resolution authorities to consider the firm's structure before and after a resolution. Annex II is a contact sheet for the resolution authorities. The EBA staff consider that it is clearer if the information requested in these two Annexes is kept separate.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Annex II (Governance management)	and Three respondents highlighted that column 030, 'Location', requiring the city where the entity is legally registered, duplicates column 040, 'Jurisdiction of incorporation,' and could be eliminated.	Resolution authorities might find it valuable to know where entities are located – for example in Spain they might be interested to know if an entity is located in Barcelona or in Madrid.	No amendment.
Annex II (Governance management)	and One respondent highlighted that, depending on the scope required for this template, the information on member of management responsible for resolution plans may or may not be relevant. The responsible person in the management body should only be provided for resolution entities, as this is the relevant level for the resolution plan. Staff members responsible for information on critical functions, shared services, etc., should be provided on other templates dealing with the specific information.  Furthermore, three respondents asked for more clarity on which key managers are required and whether they can be supervisory board members or only management board members.	The person provided here should be the person responsible for providing the information to the resolution authorities and not members of the supervisory board.	Annex XIII clarified to say: Member of the management body responsible for providing <b>the resolution authorities with the information necessary for</b> the resolution plan.
Annex III (Critical functions and core business lines)	Four respondents called for a determination of materiality in relation to 'material assets' and 'material liabilities'.	Response provided above in the feedback on the responses to the consultation.	No amendment.
Annex III (Critical functions and core business lines)	Two respondents stated that the listing of critical functions (CFs) and core business lines (CBLs) as columns in the same template assumes that there is always a direct and simple link between them,	The EBA staff agree that more clarity is needed. Therefore, the examples showing how the 'tree' of CFs and CBLs ought to be reflected in the template have been elaborated upon.	Amended the examples to better explain what is requested.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	<p>which is not always the case in practice. It is not clear why a CF and CBL shall be reported side by side in the same template. In practice it might be that a CF is reported by every CBL and will occur several times, such as CF 'lending' by CBLs HR, IT, etc.</p> <p>One respondent highlighted that a CF/CBL may be located in one country and run by another or the same legal entity in the same or another country. This is not accounted for in the template. Nor does the template reflect that bookings of the business may be done in a third legal entity, and that an agreement or a system may be in a fourth legal entity.</p>		
<p>Annex III (Critical functions and core business lines)</p>	<p>Two respondents suggested that where Annex III requires contact information of an individual (which can become outdated quickly) the name of a department or responsible area would be useful.</p>	<p>The EBA staff agree that adding more general contact information to the relevant department would be useful.</p>	<p>Amended the template by adding a 'Department' column and asking for contact details of the relevant person and the department in general.</p>
<p>Annex III (Critical functions and core business lines)</p>	<p>One respondent stated that providing the city in which the business line operates is impractical in the case of retail banks, where the critical function would be deposit taking or lending to private individuals and the business line operates with several hundred branches. It recommended replacing the location with the country of</p>	<p>The information concerns legal entities and so there would be no need to provide information about every single retail branch. Nevertheless, the EBA staff agree that the 'Location' column shall be amended to ask for 'country'. However, to reflect the importance of particular functions in a given jurisdiction, a column asking for a 'Number of</p>	<p>Amended Annex XIII to specify that the 'Location' column should specify the country, and not a city.</p>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	operation and/or the number of offices/branches from which the function is carried out.	offices/branches' in a location has been added.	Added column asking for a 'Number of offices/branches' in a location.
Annex IV – Section 1 (Critical counterparties (Assets))	Two respondents stated that it is not clear what constitutes a critical counterparty. Depending on reporting it could include some counterparty types and exclude others such as governments. In some reporting the term 'connected counterparty' is used, referring to a broader view of counterparty than the strict legal entity hierarchy. It is not clear what type of legal entity structure the counterparty shall be identified by. The template asks for the impact on CET1 ratio. It is not clear if the term 'critical counterparties' refers to the definitions in CRR/CRD IV reporting in order to reflect the CET1 impact. Respondents suggested identifying such counterparties by looking at RWAs' capital consumption and total exposure. RWA already capture a number of aspects of institutions.	This annex aims to capture information on counterparties which play a material role in the group, and in particular, material counterparties where their relevance is not obvious from the balance sheet or RWA perspective. If the resolution authorities determine that they already have all the necessary information they are not obliged to request further information.	No amendment.
Annex IV – Section 1 (Critical counterparties (Assets))	One respondent suggested that it should be stated what coverage of liabilities is expected in this template. In addition, it is important to bear in mind that, for a large proportion of outstanding debt (i.e. publicly placed bonds), banks will not be aware of the ultimate holder of their debt, so cannot provide information on the counterparties (this is also an issue in Annex 5). Therefore,	The resolution authorities should determine the limit, as this will differ between Members States, and between institutions.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Annex IV – Section 1 (Critical counterparties (Assets))	<p>information will probably need to be limited to the largest depositors and private placements of debt instruments for which the ultimate counterparty is known.</p> <p>Two respondents stated that it was not clear whether ‘gross exposure’ should encompass any sort of netting (for derivatives, SFT or securities) eligible under IFRS.</p> <p>Two respondents also sought clarification on the definitions of ‘guarantees’ and ‘impairments/provisions’.</p>	<p>The EBA aligned the definition of exposures with the definition used in Regulation (EU) No 575/2013. In consequence, the definition was amended to ‘original exposure’. The definitions of ‘guarantees’ and ‘impairments/provisions’ were amended to ‘credit risk mitigations’ and ‘value adjustments and provisions’ respectively, to bring them in line with the terminology used in Regulation (EU) No 575/2013.</p>	<p>Annex XIII amended to clarify what is meant by ‘original exposure’, ‘credit risk mitigations’ and ‘value adjustments and provisions’.</p>
Annex IV – Section 1 (Critical counterparties (Assets))	<p>Two respondents asked for more detail on the methodology to calculate impact on CET1. For example, should institutions assume that the total amount of net exposure is ‘lost’ upon the default of the counterparty or should the applicable LGD for unsecured exposures be applied (or, for example, the standard LGD of 45% under the Foundation IRB approach)? In addition, should losses be considered gross or net of taxes and if net of taxes, should a standard tax rate be applied?</p>	<p>For the purpose of calculating the impact on CET1 ratio a suggested formula follows the simple approach, but, where the resolution authorities determine that a more sophisticated formula is more appropriate they are free to request information using more sophisticated modelling.</p>	<p>Annex XIII with instructions amended accordingly.</p>
Annex IV – Section 1 (Critical counterparties (Assets))	<p>Two respondents state that it is not clear how a critical counterparty shall be identified.</p>	<p>Counterparties shall be reported for the relevant Groups of Connected Clients and, if a client does not belong to a Group of Connected Clients, on an individual level. Resolution authorities may request information on Groups of Connected Clients on an</p>	<p>Annex XIII with instructions amended to clarify how the form should be filled in.</p>



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		individual level. Group of Connected Clients is defined in Article 4(39) of Regulation (EU) No 575/2013.	
Annex IV – Section 2 (Critical counterparties (Liabilities))	Three respondents asked for more clarity on what is understood by ‘funding’ in columns 050–060.	The rationale for asking this information is to provide the resolution authorities with information about an institution’s ways of financing itself – for example, the resolution authorities would be interested to know whether funding is done in a particular currency.	Annex IV amended to include a column on currency of funding.
Annex V (Liabilities structure)	Four respondents asked for more clarity concerning filling in the governing law of the liabilities and how it should be reflected in the form, including clarification on whether the form should say EU or EEA.	A separate form ought to be provided for liabilities governed by different law: EEA or ‘third country’. Resolution authorities are free to set a threshold above which they would require a breakdown into different third countries and, therefore, request forms for each third country separately.	Annex V and Annex XIII with instructions have been amended to provide more clarity.
Annex V (Liabilities structure)	A number of respondents asked for changes so that the forms reflect that deposits covered by foreign DGSs do not get super-preference, and asked for breakdown into ‘corporate deposits’ and ‘SMEs and individual deposits’ separately. Furthermore, a breakdown for deposits of maturities into under/over 1 year has to be provided as this distinction is important for MREL.	<p>Deposits governed by third-country law will be reported separately in a sheet on liabilities governed by third-country law. Therefore, they will not be reported together with deposits governed by EEA law and so there is no need to separate them in the form.</p> <p>The difference between ‘SMEs and individual deposits’ and ‘corporate deposits’ is already reflected in rows 060–065 and 070–075.</p> <p>Finally, there is no need for a further breakdown by maturity of deposits. Those eligible for bail-in will be reported separately in rows 055, 065 and 075.</p>	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Annex V (Liabilities structure)	Three respondents stated that institutions would prefer to report interbank deposits in the deposits column rather than in column 170 for 'Other liabilities excluded by Article 44(2) of BRRD' for consistency reasons.	Row 080 asks for liabilities from 'Institutions' which should encompass interbank deposits in columns 110–130. Column for 'Other liabilities excluded by Article 44(2) of BRRD' has been amended to exclude deposits.	Annex XIII amended to clarify that the interbank deposits should not be reported in column 'Other liabilities excluded by Article 44(2)(a–d) to 44(2)(f–g)'
Annex V (Liabilities structure)	Two respondents asked if liabilities excluded under Article 44(3) of Directive 2014/59/EU would be reported on a template for the purposes stated in Article 5 of the EBA's Consultation Paper 2014/41.	Liabilities excluded under Article 44(2) are reported in column 170. Institutions cannot report liabilities excluded from bail-in under Article 44(3) since they will not know which ones have been excluded. This decision depends on the resolution authorities.	No amendment.
Annex V (Liabilities structure)	Four respondents asked where to report derivatives.	Derivatives should be reported since they are bail-inable. The template has been amended accordingly.	Annex V amended to include separate columns with information on derivatives.
Annex V (Liabilities structure)	One respondent stated that the template does not cover the entire liability structure of an institution, as it is missing a column for other liabilities that are not excluded from bail-in, e.g. derivatives, bonus liabilities, non-essential operating liabilities, etc. The respondent recommended including these items in order to allow reconciliation of data in this template with banks' balance sheets.	To allow reconciliation of all other liabilities, a 'Total' column has been added.	Annex V amended to include separate 'Total' column.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Annex V (Liabilities structure)	One respondent stated that for capital instruments and senior unsecured debt, counterparty information may not need to be reported to the resolution authority. It is other features (maturity, third-country law, etc.) rather than counterparties that are relevant for the determination of MREL and bail-in.	Information about the counterparties is also necessary to be able to identify risks of contagion.	No amendment.
Annex V (Liabilities structure)	One respondent stated that CDs/CPs should be included in the liabilities structure. Directive 2014/59/EU does not prevent CDs/CPs from being included in MREL if they meet the criteria and are eligible.	That is correct – CDs/CPs should be included. Instructions on filling in senior unsecured debt have been amended to clarify that CDs and CPs should be included.	Annex XIII with instructions amended.
Annex V (Liabilities structure)	Four respondents stated that, in general, issuances are performed through syndicates, dealers and in-house distribution to both institutional and retail clients (primary markets). Institutions may not have access to the identity of secondary holders of their securities. Therefore, respondents recommended providing only line 140 (totals) for these types of products. Difficult to provide data on debt traded on secondary market.	That is correct. The 'Others' column has been amended to also include 'non-identified'. The instructions have been amended to state that where the identity of the holder of a security is not known, only totals should be provided.	Annex V and Annex XIII amended.
Annex V (Liabilities structure)	One respondent pointed out that 'credit institutions' is a more adequate term than 'banks'.	That is correct and the form has been amended accordingly.	Annex V and Annex XIII amended.
Annex V (Liabilities structure)	Respondents stated that it is not clear where central bank facilities and sovereign counterparties should be listed in the table. Respondents suggested separately identifying liabilities to	Liabilities to governments, central banks and supnationals should be reported separately and additional rows have been added to the form.	Annex V and XIII amended.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	central governments or central banks. Finally, respondents questioned where supranational organisations (such as the EIB, EBRD, etc.) would be classified.		
Annex V (Liabilities structure)	One respondent suggested that it is not clear why a breakdown of maturities has been stipulated for AT1 as AT1 instruments have to be perpetual, i.e. they cannot have a stated maturity.	While AT1 instruments have call dates, these are subject to supervisory permission. Therefore, from the perspective of resolution, the call date is less relevant. The total figure for AT1 should be sufficient for the resolution authorities.	Annex V and XIII amended.
Annex VI (Funding sources)	One respondent asked for clarification on whether ‘assets pledged’ means, similar to IFRS 7.14, where the concern is around assets pledged against on-balance-sheet liabilities only (e.g. repo and derivatives) or this could cover all types of pledging including where there is an off-balance-sheet liability or no liability (e.g. collateral swaps, default funds)?	Assets pledged should include off-balance sheet items as well.	Annex XIII with instructions amended.
Annex VI (Funding sources)	Two respondents pointed out that the title of this annex, ‘Funding sources’, is confusing as the information to be completed is ‘an identification of the processes needed to determine to whom the institution has pledged collateral, the person that holds the collateral and the jurisdiction in which the collateral is located’.	That is correct – the title ‘Funding sources’ is inaccurate and has been amended to ‘Pledged collateral’.	Annex VI and XIII amended.
Annex VI (Funding sources)	One respondent point out that the instructions refer to the ‘law of the jurisdiction governing the operation’, but as set out under ‘Coverage’ above,	The instructions have been amended to say ‘Law of the jurisdiction applicable to the holder of the collateral as identified in column 070 (e.g. German	Annex XIII with instructions amended.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	the purpose should be to identify ‘the jurisdiction in which the collateral is located’.	law)’. The resolution authorities will specify what information they require.	No amendment.
Annex VII (Off-balance sheet)	Three respondents stated that providing detailed breakdown of every off-balance sheet item would be excessively burdensome and irrelevant for resolution planning purposes.	Yes, they are.	No amendment.
Annex VII (Off-balance sheet)	One respondent stated that the ‘Critical operations’ column should be renamed ‘Critical functions’ as ‘critical operations’ is not a term otherwise used.	The form uses wording from Directive 2014/59/EU and so there is no need to change.	No amendment.
Annex VII (Off-balance sheet)	One respondent point out that it is not clear how this template would cover the point ‘information on material hedges of an institution’ as stated in the instructions. Hedges are generally derivatives, which would be accounted for on the balance sheet under IFRS (which will be the relevant accounting standard for the vast majority of institutions).	That is correct. Most hedges are derivatives and would be reported on the balance sheet. Therefore, a new form has been added to Annex IV to ask specifically for information about material hedges.	Annex IV, Section 3 added.
Annex VIII (Payment systems)	One respondent point out that the title of the form is inconsistent with the content – the form also requested information about clearing and settlement systems.	That is correct and the title of the form has been amended accordingly.	Annex VIII amended.
Annex VIII (Payment systems)	One respondent point out that both sections of	To clarify what information is requested, two forms	Two forms



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	Annex VIII overlap and lead to duplication of information.	were combined into one and only the most relevant information was retained.	combined into one.
Annex VIII (Payment systems)	<p>Three respondents asked for clear definitions of payment systems in order for the data to be meaningful. For ‘financial market infrastructures’ the ITS could use the definition adopted by the Committee on Payments and Settlements Systems (CPSS) and the Technical Committee of the International Organisation of Securities Commissions (IOSCO).</p> <p>One respondent recommended establishing a closed list of system types (e.g. payment, settlement, securities clearing, derivative clearing, etc.), plus an ‘other’ category to classify any systems not included in one of the other categories. This will facilitate comparisons across entities and avoid a proliferation of naming conventions.</p>	Annex XIII has been amended to provide different categories of firms to help the institutions with categorising systems. The examples in the templates have also been expanded to give a clearer view of what is expected.	Annex XIII with instructions amended.
Annex VIII (Payment systems)	One respondent asked for a clearer definition of ‘representative institution’. The respondent suggested that a representative institution is an institution through which indirect access to the relevant system is achieved.	That is the correct interpretation. Annex XIII with instructions has been amended to specify that this is the case.	Annex XIII with instructions amended.
Annex VIII (Payment systems)	One respondent asked for information about membership requirements to be deleted. Membership requirements are established by the relevant payment or settlement system and should be collected once directly from the relevant system	The purpose of this information is to provide the resolution authorities with qualitative and quantitative information necessary to understand the risk of the institution’s membership being	Annex XIII amended to clarify what is expected.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	rather than multiple times from all member institutions. Furthermore, in the case of indirect membership, institutions may not even have the relevant information as the criteria do not apply to them.	cancelled. Therefore, it was kept in the same form.	
Annex VIII (Payment systems)	Three respondents asked for clarification on what 'substitutable' means. The instructions only refer to the substitution of payment systems providers, so it is not clear whether the information is also needed for other systems. Given that most payment systems are country specific and settlement systems are specific to countries and/or securities types, it is difficult to see how substitutes for the system itself could be named. This is an issue to be tackled in the development of resolution plans for CCPs and payment and settlement systems themselves. Substitutability could be covered where access to a system is indirectly through another institution and it could be stated which other intermediate institutions could be available as alternative providers.	The purpose of this information is to provide the resolution authorities with information on which other institutions could be seen as substitutes for the current provider. Where an institution filling in the form thinks there is no substitute it should say so.	No amendment.
Annex VIII (Payment systems)	One respondent asked for clarification on what identification number should be provided.	The BIC code should be provided. Where the BIC code is not available, another form of identification shall be provided, e.g. institution code or account number. Only where there is no other form of identification is it allowed to say 'not available'.	Annex XIII with instructions amended.
Annex VIII (Payment systems)	Two respondents asked for more clarity on what is understood as impact of resolution.	It has been clarified that what is meant is the impact of resolution on membership in a particular system	Annex VIII and XIII with instructions



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		or contract with the representative institution. The institution should provide an assessment of what would be the consequence of the resolution.	amended.
Annex VIII (Payment systems)	One respondent asked what is meant by currency. The same respondent also asked if column 080 (users with authorisation) refers to the person/unit who can move money from the account from a funding perspective or something else. These accounts are not operated as such.	Both sections of Annex VIII have been combined into one and the 'currency' and 'users with authorisations' columns have not been retained.	Columns removed.
Annex IX (Information systems)	Three respondents suggested that the three templates for Annex IX could be merged into a single one in order to have the information related to the same system on the same page.	In order to avoid duplication, information from Sections 1 and 2 has been combined into one template. Section 1 provides information about the systems and Section 2 provides information about interdependencies.	Annex IX amended.
Annex IX (Information systems)	Respondents asked for more guidance on what is considered 'critical' and for materiality thresholds.	The resolution authorities will determine what information is requested for the purpose of resolution planning. The introduction to this annex already states that the form should include 'key management information systems' and not necessarily all systems.	No amendment.
Annex IX (Information systems)	One respondent point out that it is not clear how the templates shall be maintained as this is an area that is moving day by day when contracts are renegotiated, suppliers change and the business is reorganised to serve the business as well as comply with regulations.	The expectation is that firms do not change their systems and suppliers of systems every day, especially not the key ones.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Annex IX (Information systems)	Respondents stated that it was not clear what was meant by 'operational responsible'.	There is no need to mention both 'business responsible' and 'operational responsible'. Therefore, the form has been amended to only provide 'person responsible'.	Annex IX amended.
Annex IX (Information systems)	One respondent suggested that it should be specified what it meant by 'owner', i.e. whether this is the licence owner or the owner of the hardware/data servers of the legal entity providing the 'service', i.e. making the system available to individual institutions in the banking group. How should systems with multiple licences (e.g. where each group entity has its own licence) be treated, i.e. should the system be listed multiple times?	The instructions have been amended to clarify that it is the owner of the contract. For systems with multiple licences, each licence should be provided separately.	Annex IX amended.
Annex IX (Information systems)	One respondent stated that SLAs should be listed, which are presumably in place between the service provider and the entity using the service and could cover the provision of both the actual system functionality (e.g. where the service provider holds the licence and then other entities use the system internally) and ancillary services such as maintenance, further development, etc.	The 'Type of contract' column has been amended to say that it should specify the licence, shared service or other type of contract.	Annex XIII with instructions amended.
Annex IX (Information systems)	One respondent suggested that it is not clear what the thinking is behind the mapping to CF and CBL, as the information systems referred to in Section 1 are risk management, accounting financial reporting or regulatory reporting. The CF and CBL would in this case be business-related systems and not those mentioned (risk management,	The examples in the forms have been amended to provide clearer guidance on what information is expected, and create a clearer link between Section 1 and Section 2.	Examples in Annex IX amended.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	accounting, etc.).		
Annex X (Interconnectedness)	Two respondents stated that it is not clear what 'interconnectedness' is. There should be sub-categories and clear guidance on the level of detail required when providing information. Respondents suggested breaking Annex X into two subcategories: financial (x-guarantees, intra-group funding, set-offs, etc.) and non-financial (people, property, systems, etc.).	For the purpose of this template, only aggregate information is necessary to allow the resolution authorities to produce pivot tables. The authorities can get more detailed information from other forms. Therefore, there is no need for a change.	No amendment.
Annex X (Interconnectedness)	Two respondents requested more clarity on what is meant by 'risk transfers', 'back-to-back trading arrangements' and 'cross guarantee agreements'.	These terms are used in Level 1 text of Directive 2014/59/EU.	No amendment.
Annex X (Interconnectedness)	One respondent stated that it is not clear what the difference between 'credit exposure' in section X and 'intra-group liabilities' in section V is.	'Credit exposure' is more qualitative and assesses interconnectedness. 'Intra-group liabilities' are quantitative.	No amendment.
Annex X (Interconnectedness)	One respondent stated that the template as currently set up is not very useful as it mixes a number of conceptually very different types of interconnectedness, in particular financial and operational arrangements, for which different types of information would be required for resolution purposes. The template should therefore be restructured or split into a number of different templates and the list with 'types of interconnectedness' should be significantly reduced. Furthermore, shared systems should not be listed on this template, as all information on IT	The purpose of having this information in one form is to allow the resolution authorities to construct pivot tables and see the level of interconnectedness.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	systems should be covered by the templates in Annex 9. In particular, Section 2 of Annex 9 includes a mapping of all systems to the relevant users, which would be duplicated in this template if systems were included.		
Annex X (Interconnectedness)	One respondent suggested that with respect to shared facilities, it is not apparent why the list should be ordered by legal entity rather than by building.	For the purpose of resolution planning it is more relevant to order the list by legal entity.	No amendment.
Annex XI (Authorities)	Three respondents stated that the information requested in this form should be provided directly by the competent authorities.	The resolution authority will first ask the competent authority for this information. Only when the competent authority does not have the information may the resolution authority ask the institution directly.	No amendment.
Annex XII (Legal impact of resolution)	<p>Some respondents suggested that this assessment should be done by resolution authorities in the context of the resolution college or the Crisis Management Group at global level. Indeed, assessing the legal impact of resolution would be a matter of interpretation impossible to quantify. Respondents did not see value in asking for this information.</p> <p>Furthermore, other annexes already include questions about legal impacts of resolution and, therefore, this form would duplicate the information.</p>	Indeed, some templates already require this information. However, the resolution authorities may still find it useful to ask for more specific information on the legal impacts of resolution.	No amendment.



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Annex XII (Legal impact of resolution)	Three respondents stated that this assessment should be done by resolution authorities in the context of the resolution college or the Crisis Management Group at global level. Assessing the legal impact of resolution would be a matter of interpretation impossible to quantify. Respondents do not see this request as adequate for reporting templates.	The template should be requested by the resolution authorities where they see a clear need for additional information which has not been covered in previous templates. The resolution authorities will determine what information they would find useful, and they would be able to determine that this information is not necessary.	No amendment.

