

EBA/CP/2017/15

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11 October 2017

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# Consultation Paper

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Draft Implementing Standards

on the provision of information for the purpose of resolution plans  
under Article 11(3) of Directive 2014/59/EU

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# 1. Responding to this consultation

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The EBA invites comments on all proposals put forward in this paper and in particular on the specific questions summarised in 5.2.

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternative regulatory choices the EBA should consider.

## Submission of responses

To submit your comments, click on the 'send your comments' button on the consultation page by 11.12.2017. Please note that comments submitted after this deadline, or submitted via other means may not be processed.

## Publication of responses

Please clearly indicate in the consultation form if you wish your comments to be disclosed or to be treated as confidential. A confidential response may be requested from us in accordance with the EBA's rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA's Board of Appeal and the European Ombudsman.

## Data protection

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EC) N° 45/2001 of the European Parliament and of the Council of 18 December 2000 as implemented by the EBA in its implementing rules adopted by its Management Board. Further information on data protection can be found under the Legal notice section of the EBA website.

## 2. Executive Summary

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Collecting relevant and accurate information on a bank is crucial in order for resolution authorities to draw up resolution plans, substantiate their resolvability assessment and their resolution strategy.

Acting upon its mandate, the EBA developed the original ITS on information for resolution plans in 2014-2015<sup>1</sup>. In the intervening period, resolution authorities have gained more experience in preparing resolution plans and have refined their information requirements to reflect the evolution in the process. Recognising this development and in order to deliver efficient and harmonised practices, the EBA has initiated a review which takes the form of a new draft Delegated Regulation and pursues three objectives:

- First, the revised ITS will clarify the scope of the reporting framework in line with the BRRD. The amended ITS will establish a minimum set of reporting obligations for institutions. However the ITS will not prevent resolution authorities from requiring additional information necessary to draw up or implement resolution plans. They will also respect the right of resolution authorities, recognised in the BRRD, to set simplified reporting obligations for institutions the failure of which would have limited impact on financial stability.
- Second, leveraging on established experience in supervisory reporting, the revised ITS will further specify the minimum procedural and technical reporting requirements. Institutions will be able to rely on a minimum harmonized reporting schedule and set of reporting levels and frequencies. The extension of the EBA's data point model to resolution reporting templates will improve data quality and allow for automated collection, quality control and exchange.
- Third, the revised ITS will update the templates taking into account the latest experience available.

The EBA has taken into account the objective of proportionality and the burden on institutions:

- Resolution authorities will retain the right to set simplified reporting obligations.
- The templates have been calibrated to avoid any unnecessary reporting and minimize duplicate reporting.
- While some data requirements are reproduced from the supervisory reporting framework this is considered proportionate because those requirements will be defined consistently and on

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<sup>1</sup> Final report EBA/ITS/2015/06 of 7 July 2015, endorsed in Commission Implementing Regulation (EU) 2016/1066 of 17 June 2016 laying down implementing technical standards with regard 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, OJ L181 of 6 July 2016.

the basis of the same data point model. This should minimize the burden for banks or enable resolution authorities to obtain the information directly from the supervisory authorities.

It is envisaged that the new framework could be operational in 2019 when resolution authorities collect information as of 31 December 2018.

## 3. Background and rationale

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### Current framework and reasons for the review

1. Relevant, accurate and updated information on institutions is crucial in order for resolution authorities to draw up resolution plans and substantiate their resolvability assessment and resolution strategy.
2. For this reason the Bank Recovery and Resolution Directive (BRRD)<sup>2</sup> empowers resolution authorities to require institutions to cooperate as much as necessary in the drawing up of resolution plans and to obtain all information necessary to prepare and implement resolution plans. For cross-border groups information is collected by the Group level resolution authority (GLRA) from the Union parent undertaking, including the information related to other group entities. Information is subsequently forwarded to resolution authorities of subsidiaries, the EBA, as well as a number of other parties involved in resolution planning.
3. The Bank Recovery and Resolution Directive sets out a minimum list of information items that resolution authorities may request<sup>3</sup> and mandates 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” for resolution plans<sup>4</sup>.
4. Minimum harmonisation in this area is indeed necessary in order to achieve the following objectives:
  - to establish a minimum data foundation for resolution plans, contributing to a minimum consistent quality in resolution planning in the EU;
  - to establish a minimum harmonised set of reporting requirements for all banks, avoiding unlevelled playing field;
  - to facilitate exchange amongst authorities and collective decision-making on resolution planning within for cross-border groups. As plans are adopted by joint decisions, resolution authorities can trust that a draft plan by the GLRA is substantiated by the relevant information. The templates elaborated in these ITS 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 the BRRD. In this context, consistency in the level of information collected in the first

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<sup>2</sup> Article 11 BRRD.

<sup>3</sup> Annex, Section B of the BRRD.

<sup>4</sup> Article 11 (3) BRRD.



place can facilitate understanding amongst authorities, particularly if the information is exchanged in a common format.

5. Acting upon its mandate the EBA developed the current ITS on reporting for resolution plans<sup>5</sup>, which were endorsed by the European Commission in 2016<sup>6</sup>. The ITS set out 12 templates covering, inter alia, organization structures, information systems, critical functions and core business lines and liabilities structures. They also lay down some basic procedural requirements, e.g. on relations with supervisors and on format.
6. Over the last couple of months, the EBA has assessed with resolution authorities the early experience gained in the use of the templates and came to the conclusion that it is necessary to review the current ITS. The current ITS were developed in 2014-2015 at a time when resolution planning was still in an early phase. As experience grew and major areas of resolution policy were determined, authorities have considered it necessary to require additional information not foreseen in the current templates. In some cases they included the additional information as part of the current templates; in others as part of separate templates, leading to duplicate reporting and varying practices. In addition, feedback received by resolution authorities from banks when collecting templates revealed that, in spite of the existing instructions, some data items were not well understood or raised technical issues. Finally, contrary to advanced reporting frameworks such as in the supervisory area, which allow for automated data collection, quality control and treatment, the current ITS essentially set out a visual layout for collection in Excel format without providing a data model or taxonomies. Certain authorities have developed taxonomies covering part of the templates and it would be beneficial to extend and bring consistency in these efforts.
7. It is therefore appropriate to review the ITS taking into account the recent experience gained. This consultation paper seeks to elicit stakeholder views on a planned review of the reporting framework for resolution planning. This review will take the form of a new Delegated Regulation and achieve three objectives:
  - (i) First, the review will clarify the scope of the reporting framework (section 3.1). This will be done having regard to the minimum harmonisation mandate and the prerogatives of authorities, recognised in the BRRD, to set simplified reporting obligations for institutions the failure of which would have limited impact on financial stability on the one hand, and to require additional information they deem necessary for drawing up and implementing resolution plans on the other hand.
  - (ii) Second, to clarify and improve, leveraging on established experience in supervisory reporting, the minimum procedural reporting requirements (section 3.2)<sup>2</sup>.
  - (iii) Third, to update the templates taking into account the latest experience available (section 3.3).

<sup>5</sup> <https://www.eba.europa.eu/documents/10180/1135507/EBA-ITS-2015-06+ITS+on+reporting+for+resolution+plans.pdf/9bad40c7-d24c-406a-9893-3f2eb6778a48>

<sup>6</sup> Commission Implementing Regulation (EU) 2016/1066 of 17 June 2016 laying down implementing technical standards with regard 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, OJ L181 of 6 July 2016.



8. In conducting this review the EBA has taken into account the need for proportionality. The envisaged revised ITS are without prejudice to the right of resolution authorities to set simplified obligations for banks whose failure would have a limited impact on financial markets, on other institutions and on funding conditions. In addition, the templates have been calibrated with a view to avoiding any unnecessary or duplicate reporting, and in some cases whole templates or fields have been deleted.
9. In some cases, cross references to supervisory templates have been used. It is believed that this approach remains proportionate: where possible the information will be obtained directly from the supervisory, and if that is not the case institutions are already expected to be able to produce the corresponding data.
10. In addition the EBA has sought to preserve consistency with notions, concepts and practices applied in supervisory reporting. Considerable experience has been gained in that area, where institutions and authorities have been applying well-established practices and where EBA has played a central role.

### 3.1 Scope

11. The mandate provided by the BRRD is a minimum harmonisation mandate<sup>7</sup>. As a result, in principle the revised ITS establish a minimum set of information items to be reported by all credit institutions, as well as investment firms and other entities included in the scope of the BRRD.
12. However, the BRRD recognises the right for resolution authorities to determine simplified information obligations for institutions whose failure would have a limited impact on financial markets, on other institutions and on funding conditions<sup>8</sup>. Therefore the present ITS do not affect the right of resolution authorities to set lower requirements when requesting information from institutions eligible to simplified obligations. The methodology to assess eligibility to simplified obligations is being further specified in a different context and is not part of this mandate<sup>9</sup>.
13. In addition the BRRD recognises the right of resolution authorities to request 'all of the information necessary to draw up and implement resolution plans'<sup>10</sup>. These ITS recognise the possibility to request additional information and to do so in the format deemed appropriate by the resolution authority. Likewise, resolution authorities are entitled to collect the information set out in the ITS with a higher frequency or at more levels that set out in the ITS.
14. In any event, in line with general principles of administrative law authorities are expected to exercise the flexibilities above in a proportionate manner.

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<sup>7</sup> Article 11(3) of the BRRD

<sup>8</sup> Article 4 of the BRRD.

<sup>9</sup> See Consultation paper on Draft Regulatory Technical Standards on simplified obligations under Article 4(6) of Directive 2014/59/EU, EBA/CP/2017/05, 8 May 2017, available on EBA's website.

<sup>10</sup> Article 11 (1) of the BRRD.

## 3.2 Procedural requirements

### 3.2.1 Request for information

15. As foreseen in the BRRD and in the current ITS, information in the templates which is already available to supervisory authorities must be shared with the resolution authorities in order to avoid duplicate reporting<sup>11</sup>.
16. 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, the resolution authority will directly request the institution to provide the information.
17. By default a request for information will cover all the information items included in the templates annexed to the ITS which have not been already provided by the supervisory authority. Information will have to be reported in line with the requirements and instructions set out in the ITS, which extend to substance, dates, level, scope and format of reporting.
18. Where a request for information extends to additional information not included in the templates, the resolution authority will set in the request the applicable timeframe, format, scope and level.

### 3.2.2 Frequencies, dates, level and scope of reporting

19. Introducing minimum prescriptions in this area will provide clarity for institutions and contribute to quality and consistency in resolution planning. It will also facilitate automation.
20. As per the ITS, templates must be collected on annual basis. This **frequency** ties in with the obligation for resolution authorities to review, and where appropriate update, resolution plans at least annually and after any material changes<sup>12</sup>.
21. The draft revised ITS also introduce minimum requirements in terms of **level and scope of reporting**.
22. Requirements on level and scope are inherently linked to the rationale of each template. A full view of the scopes and levels envisaged in Table 1 below. The following principles have underpinned those choices:
  - Templates which collect general information on banking groups due to their general nature, should at least be collected at parent level for the entire group.
  - Templates which collect information on critical functions also lend themselves to aggregate reporting for the entire group. In order to determine the resolution strategy it is necessary to dispose of an overview picture of critical functions at group level. The ensuing reporting is not excessive because only entities, systems and services supporting those critical functions will be reported.

<sup>11</sup> Article 11(2) of the BRRD.

<sup>12</sup> Art. 11(6) and 13(3) of the BRRD.



- Templates which collect quantitative information on off- and on-balancesheet items typically cover data in relation to resolution entities or resolution groups and necessary to design and implement the resolution strategy, in particular the bail-in tool. Therefore at a minimum the information should be provided on a consolidated basis at the level of the parent or, where the resolution entity is different from the parent, on a consolidated basis at the level of the resolution entity (i.e. for the whole resolution group).
  - Information necessary to set MREL should also be reported on an individual basis at the level of institutions which are not necessarily covered by the above but are subject to MREL.
  - Information on covered deposits, in line with the scope of coverage of the DGSD, should by definition be collected at credit institution level on an individual basis.
23. For the sake of clarity, it must be recalled that the reporting level must not be confused with the entity which formally transmits the information to the resolution authority. In this regard it stems from the BRRD that for a group it is the Union parent undertaking that submits the corresponding information for all entities in the group to the Group level resolution authority.

#### ***Resolution entity and resolution group***

24. The BRRD recognises the existence of different resolution strategies, and in particular the existence of “multiple-point-of-entry” and single-point-of-entry” resolution strategies<sup>13</sup>. It pertains to resolution authorities to identify, in the context of resolution colleges, the entity or entities at the level of which resolution action is envisaged (resolution entities), and the entities that would be covered by resolution action at any of the points of entry. It is crucial to collect information at the corresponding levels in order to best support the envisaged resolution strategy.
25. For this reason, these draft ITS anticipate some concepts already underpinning the FSB TLAC term sheet<sup>14</sup> and recent Commission proposal to amend the BRRD<sup>15</sup>, and provide for the reporting of certain information at the level of the ‘resolution entity’ and the level of ‘resolution groups’. In line with existing practice of certain resolution authorities<sup>16</sup>, these entities and groups will be identified and designated to the institutions or groups ahead of reporting. At this stage the draft revised ITS provisionally reproduce the definitions contained in the Commission proposal to amend the BRRD. However the EBA will review these draft provisions ahead of the delivery of the draft ITS to the Commission with a view to preventing any possible contradiction with the upcoming revised BRRD.

<sup>13</sup> Recital 80 of the BRRD.

<sup>14</sup> <http://www.fsb.org/wp-content/uploads/TLAC-Principles-and-Term-Sheet-for-publication-final.pdf>

<sup>15</sup> COM(2016) 852 final, 23.11.2016.

<sup>16</sup> See for example [https://srb.europa.eu/sites/srbsite/files/ldt\\_guidance.pdf](https://srb.europa.eu/sites/srbsite/files/ldt_guidance.pdf), page 2.

### 3.2.3 Reporting format and data point model

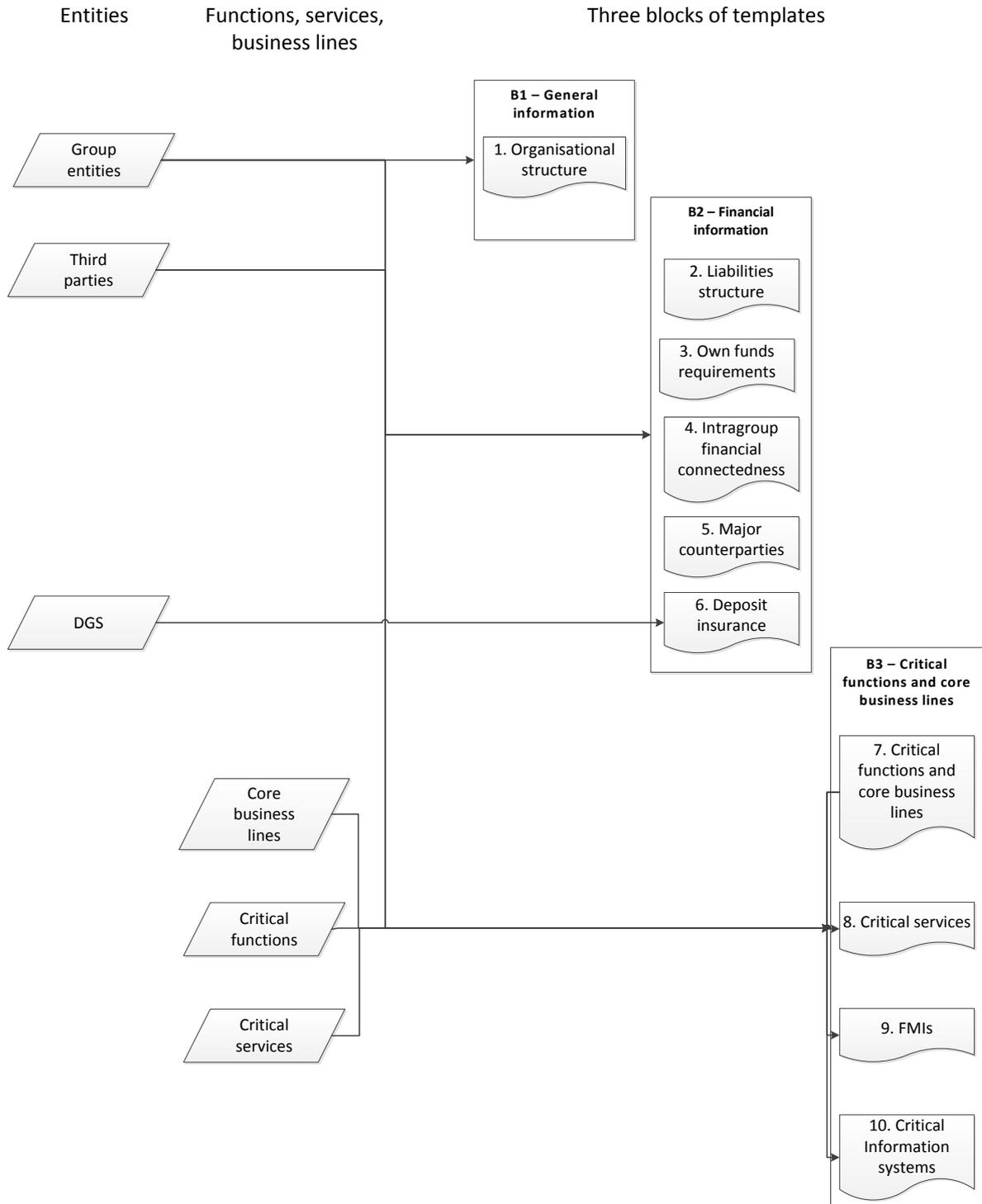
26. Experience in the supervisory area indicates that the collection, quality control, treatment and exchange of large quantities of data on institutions cannot be meaningfully conducted solely on the basis of a visual layout and legal definitions. It requires defining business and IT specifications allowing for automated collection and quality control. In turn the data thus collected enables users (banks and authorities) to produce standard reports and comparisons.
27. In order to reach this objective, the EBA will develop a single data point model (DPM) which will translate the reporting requirements set out in the templates into DPM data definitions. These data definitions will be stored in a consistent and accessible data base. They will have to be complied with when collecting information from banks in the context of the ITS.
28. In addition, the EBA will develop XBRL taxonomies based on the DPM database. These taxonomies will be primarily aimed at facilitating exchange between authorities and between authorities and the EBA. They will also be available for use by banks, and experience in the supervisory area shows that authorities and banks often opt to use those taxonomies for practical reasons.
29. The DPM and taxonomies will be developed by the EBA in parallel with these ITS. They will be consistent with the techniques established in the supervisory area, which many banks and authorities are familiar with. In order to avoid unnecessary duplication of work, they will also leverage on existing specifications developed by some resolution authorities in relation to the current templates or own templates to the extent they are similar to the new templates.
30. As a result of this new, advanced approach to reporting format, institutions will not be subject anymore to duplicate reporting: as long as the minimum information items are collected in line with the definitions, instructions and specifications as set out in the ITS, resolution authorities will be able to collect additional information at the same time.

## 3.3 Requirements on minimum contents and revised templates

31. It is indispensable that the implementing technical standards in this area harmonise the minimum contents of information collected for the purpose of drawing up resolution plans. For this reason, the draft revised ITS reaffirm that institutions must submit the information specified in the templates in accordance with the instructions and the DPM. As explained above, this is without prejudice to the right to apply, proportionately, simplified obligations in relation to institutions whose failure would have a limited impact on financial markets, on other institutions and on funding conditions.
32. The EBA has reviewed the current templates to make sure that their objective and contents were clear enough, and to ensure that they met the needs of resolution authorities in drawing up and implementing resolution plans. Moreover, the EBA has sought to ensure consistency with the approach used in the area of supervisory reporting, avoiding duplicate reporting and allowing for modelling and automation.
33. The new organisation of templates is shown in diagram 1.

Diagram 1 – new templates for resolution plan reporting

# REPORTING FOR RESOLUTION PLANS



### 34. Three main blocks of templates have been identified:

#### (1) Block 1 - general information on a banking group.

This first block of templates collects basic information on an institution or group. It enables the resolution authorities to map a group and locate and its various entities, identify the main distribution of assets and risk weighted assets, consolidation perimeters, and the main contact points. Block 1 consists of 1 template merging current templates I and II. Information on ownership has been simplified to include intermediate parents (direct parent) and their voting rights.

Information on contact details has been deleted as it was considered that it could be obtained in the context of the normal interaction between authorities and institutions and did not have to be templated.

The template on the legal impact of resolution was deleted and replaced with two specific fields in the Critical services and FMI templates. Indeed the stocktake had emphasized that this template raised uncertainty: the assessment of legal impact was difficult to summarise in a template; and given the prohibition of ipso facto termination clauses the scope of this template, beyond contracts subject to third country law, was uncertain.

#### (2) Block 2 - quantitative information on on- and off-balancesheet items

The information in this block of templates will be used for a wide range of purposes such as defining the main financial intragroup interconnections within the group, setting and monitoring MREL or implementing bail-in strategies.

The central template, 'Liability structure', has been restructured to better highlight liabilities not eligible to bail-in, liabilities eligible to bail-in, and own funds. It is inspired from existing own templates of some resolution authorities. Liabilities are broken down by counterparty class and maturity. An 'own funds' template will collect information on own funds requirements. These two templates do not require granular reporting on a counterparty-by-counterparty basis or contract by contract basis.

A new 'intragroup financial interconnections' template, partly corresponding to the current Interconnectedness template, captures intragroup liabilities and guarantees involving the EU parent resolution entity as issuer or underwriter. In contrast to 'Liability structure', this template contains counterparty-by-counterparty information broken down by class of instrument.

Current template IV – Critical counterparties (sections 1, 2 and 3) would be deleted. The notion of "criticality" in relation to counterparties has raised uncertainty and some data items seemed to be available in supervisory reporting templates. Instead, on the asset side, it is assessed that resolution authorities will obtain sufficient information from the supervisory "Large exposure" templates.

On the liability side, a new template captures information on liabilities towards 'major' counterparties defined as the 10 largest in aggregate outstanding amounts, by class. A similar template captures off-balancesheet items received. Once a counterparty is identified

as being included in the top ten, then all the liability items and off-balancesheet items, aggregated by class, for that counterparty, will be reported.

The templates on material hedges and pledged collateral would be deleted. The stocktake highlighted that institutions were not always clear how to assess the materiality of hedges, and that it was difficult for authorities to assess the accuracy and relevance of the information submitted. In relation to pledged collateral, at this stage it is assessed that resolution authorities could obtain meaningful information from the supervisory “Asset encumbrance” templates.

A new template on deposit protection has been introduced. This template will provide an overview of deposit insurance in the group that will facilitate engagement with DGSs within resolution colleges.

(3) Block 3 - critical functions.

This block of templates relates to identifying critical functions, mapping them across group entities and identifying which core business lines, services, financial market infrastructures and information support them. The preservation of critical functions is a central resolution objective and the identification of such functions and mapping across the group is a mandatory task for resolution authorities.

In the existing ‘critical functions and core business lines’ template, institutions are required to report critical functions, with little guidance how to do so and little transparency how they came to this conclusion.

Instead, under a new ‘criticality assessment’ template, institutions are now guided in the analysis of their economic functions and are required to document, at least for each Member State in which a group is active, how they came to the conclusion that a function is critical or not.

Criticality is assessed by a reference to a geographic area. While the framework requires criticality to be assessed at least on a national basis, resolution authorities will be able to require more granular assessments, for example at the level of a region.

Resolution authorities retain the ultimate responsibility to identify critical functions and therefore might take a different view, but the information collected in this template will facilitate their assessment and could inform bilateral engagements with institutions on the matter. In the subsequent templates, institutions are required to map critical functions and core business line to legal entities in the group.

Once critical functions are identified and mapped, additional templates identify financial market infrastructures, services and information systems which are procured in order to perform such critical functions.

35. A more granular view of the templates, the objectives they pursue and the expected level of reporting is provided in the table 1.

**Table 1 – Overview of templates<sup>17</sup>**

<b>Reporting entity:</b> Union parent undertaking		
<b>Frequency of reporting:</b> annual		
<b>Reference date:</b> same as financial reporting with annual frequency (i.e. 31 December of year n-1 unless special rules apply)		
<b>Remittance date:</b> 31 march of year n		
<b>Template</b>	<b>Description and rationale</b>	<b>Level and scope</b>
<b>Block 1 – General information</b>		
1. Organisational structure	Lists all relevant legal entities in the group and basic information associated (type of entity, RWA, LRE etc.). Enables the resolution authorities to obtain the group's institution's legal and ownership structure. Serves as basic repertoire of entities used in other templates. One template will be reported for the entire group.	- EU Parent level - all entities in the accounting consolidation and exceeding minimum relevance thresholds (0.5 % of group total assets, total liabilities, total RWA or total CET1) calculated on a prudentially consolidated level.
<b>Block 2 – Financial information</b>		
2. Liability structure	Granular information on the liability structure of an institution or group.  Identifies liabilities excluded from bail-in, liabilities eligible to bail-in, eligible to MREL and own funds. Liabilities are further broken down by liability classes, counterparty classes and maturity.  Necessary to set and monitor MREL, and determine the resolution strategy, anticipate the execution of the strategy and determine potential impediments to resolvability.	- EU Parent level or, if different resolution entity level, on individual basis - Level of every institution (bank or investment firm), on individual basis, except where solo MREL has been waived - EU Parent level on consolidated basis or, if different resolution entity level for resolution group on consolidated basis.

<sup>17</sup> Notes:

1. The requirements are only minimum - the RA may add another level, extend the scope, or increase the frequency.
2. The requirements are also without prejudice to simplified obligations. Therefore, to the extent an entity has been declared eligible to simplified obligations the RA may go below the minimum
3. Reporting requirements do not impact the obligations of the RA in relation to the plan. For example an annual reporting obligation does not imply an obligation for the RA to modify the plan annually.
4. The assessments made by institutions in their reporting, for example on critical functions, do not bind the resolution authority, which might have a different assessment.

3. Own funds	<p>Information on own funds requirements.</p> <p>Necessary to set MREL.</p>	
4. Intragroup financial interconnections	<p>Lists intragroup liabilities and guarantees involving the EU parent as issuer or underwriter. In contrast to ‘Liability structure’, contains counterparty-by-counterparty information.</p> <p>Necessary to assess the financial interdependencies among group entities, inter alia to assess their separability or to set internal MREL.</p>	<p>- EU Parent level or, if different resolution entity level, on individual basis. Where the resolution entity is different from the EU parent level the intragroup information is by reference to entities that are part of the resolution group.</p>
5. Major counterparties	<p>Information on liabilities towards, and off-balancesheet items received from, major external counterparties defined as the 10 largest counterparties in aggregate amounts of liabilities and off-balancesheet items received.</p> <p>Necessary to identify important third party creditors relevant for the implementation of the resolution strategy, assess potential contagion of the application of resolution tools. Can be also used to identify the main investor-base of MREL-eligible liabilities.</p>	<p>- EU Parent level or, if different resolution entity level, on individual basis.</p> <p>- EU Parent level on consolidated basis or, if different resolution entity level for resolution group on consolidated basis</p>
6. Deposit insurance	<p>Information on covered deposits, DGS membership, IPS membership and additional contractual deposit protection.</p> <p>Provides an overview of deposit insurance in the group that will facilitate engagement with DGSs within resolution colleges.</p>	<p>- Level of every credit institution on an individual basis.</p>
<b>Block 3 – Critical functions and core business lines</b>		
7. Critical functions and core business lines	<p>4 templates to:</p> <p>1/ document the quantitative and qualitative data on the basis of which an institution or group assesses that an economic function is critical or not;</p> <p>2/ map the critical functions thus identified to group entities;</p> <p>3/ list core business lines and map them to group entities;</p> <p>4/ map critical functions to core business lines.</p> <p>The resolution plan has to contain a mapping of the institution’s critical operations and core business lines and a demonstration of how critical functions and core business lines could be legally and economically separated from other functions so</p>	<p>- EU parent level in relation to all critical functions and core business lines in the group.</p> <p>- Specific rule for ‘Criticality assessment of economic functions (R-FUNC 1)’: reported separately at least for each country in which the group is active.</p>

	<p>as to ensure continuity upon the failure of the institution. Core business lines are also important for the assessment of the resolvability of an institution or a group. In resolution, the continuity of critical functions and core business lines may justify an exemption of certain liabilities from the application of the bail-in tool and may also justify its transference to a bridge bank. This is in line with the FSB Key Attributes, which describes principal or essential business lines in this context.</p> <p>Each template will be collected for the entire group, except the 'criticality assessment' template which will be reported per geographic area, and at least for each Member state in which the group is active.</p>	
8. Critical services	<p>Information on services obtained by group entities, from other group entities or third parties, which are considered as indispensable to maintain the continuity of critical functions.</p> <p>Provides crucial information for the determination of the resolution strategy, in particular to determine the options available in order to preserve the continuity of critical functions and the separability of various group entities.</p> <p>The template will be reported once for the whole group.</p>	- EU Parent level, in relation to all critical services in the group.
9. FMI services	<p>3 templates to:</p> <p>1/ identify FMI providers, and users which, within the group, perform critical functions;</p> <p>2/ collect basic information on the services provided;</p> <p>3/ collect information on other ancillary services enabling access to an FMI, e.g. settlement bank, cash correspondent, liquidity provider, communication service.</p> <p>Necessary to ensure the continuity of critical functions by identifying and mapping the FMIs used by entities performing such critical functions.</p>	- EU Parent level in relation of all FMIs used by group entities performing critical functions.
10. Critical information systems	<p>Identifies information systems which are assessed as having a material impact on critical functions.</p> <p>Necessary to ensure the continuity of critical functions alongside, critical services and FMIs.</p>	- EU Parent level in relation to all critical information systems.



### 3.4 Intended timeline of implementation

36. The EBA intends to disclose the data point model and taxonomies at the same time as delivering these draft ITS to the Commission, which could intervene in the first quarter of 2018.
37. Once the draft ITS are endorsed by the Commission, the new framework could be operational for the collection of information with reference date 31 December 2018 (2019 collection exercise).

## 4. Draft implementing standards

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In between the text of the draft ITS that follows, further explanations on specific aspects of the proposed text are occasionally provided, which either offer examples or provide the rationale behind a provision, or set out specific questions for the consultation process. Where this is the case, this explanatory text appears in a framed text box.

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**COMMISSION IMPLEMENTING REGULATION (EU) No .../... laying down implementing technical standards with regard to procedures, standards forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms pursuant to Directive 2014/59/EU of the European Parliament and of the Council, and repealing Commission Implementing Regulation (EU) 2016/1066**

**(Text with EEA relevance)**

**of XXX**

THE EUROPEAN COMMISSION,

Having regard to the Treaty of 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 Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council<sup>18</sup>, and in particular Article 11(3) thereof,

Whereas:

- (1) Commission Implementing Regulation (EU) 2016/1066 specified the procedure and a minimum set of templates for the provision of information by credit institutions or investment firms ('institutions') to resolution authorities for the purpose of drawing up and implementing resolution plans for institutions. Since the adoption of Commission Implementing Regulation (EU) 2016/1066, resolution authorities have gained experience in the area of resolution planning. In the light of that experience, it is necessary to update the minimum set of templates for the collection of information for resolution planning purposes.
- (2) Implementing Regulation (EU) 2016/1066 also aimed to design the procedure and a minimum set of templates 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. However, experience also indicates that a harmonised approach to the collection of that information has only been partially achieved. It is therefore necessary to make sure that resolution authorities collect a minimum core of information relating to an institution across the Union on a regular basis. This should be without prejudice to the power of resolution authorities to collect any additional information they deem necessary to draw up and implement resolution plans or to determine, as set out in Article 4 of Directive 2014/59/EU, simplified information obligations.

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<sup>18</sup> OJ L 173, 12.6.2014, p. 190.



- (3) In order to ensure that resolution plans are based on a minimum set of data of consistently high quality and precision, the data items set out in the reporting templates contained in this Regulation should be transformed into a single data point model, as is the practice in supervisory reporting. The single data point model should consist of a structural representation of the data items, and identify all relevant business concepts for the purpose of uniform reporting for resolution planning and should contain all of the relevant specifications necessary for further developing uniform IT reporting solutions.
- (4) In order to safeguard the quality, consistency and accuracy of data items reported by institutions, the data items should be subject to common validation rules.
- (5) Due to their very nature, validation rules and data point definitions are updated regularly in order to ensure they comply, at all times, with applicable regulatory, analytical and information technology requirements. However, the time presently required to adopt and publish the detailed single data point model and validation rules means that it is not possible to carry out modifications in a sufficiently rapid and timely manner that would ensure permanent provision of uniform information regarding resolution plans in the Union. Therefore, stringent qualitative criteria should be established for the detailed single data point model and the detailed common validation rules which will be published electronically by the European Banking Authority on its website.
- (6) In accordance with Article 11(2) of Directive 2014/59/EU, competent and resolution authorities should cooperate in order to minimise duplicated information requirements. For this purpose, Implementing Regulation (EU) 2016/1066 introduced a cooperation procedure between competent and resolution authorities, which should be maintained so that competent and resolution authorities jointly verify whether some or all of the requested information is already available to the competent authority. Where the information is available to the competent authority, it is appropriate that the latter transmits it to the resolution authority.
- (7) Given the extent of the necessary amendments to Implementing Regulation (EU) 2016/1066, it is preferable, for reasons of legal certainty and clarity, to adopt a new Implementing Regulation and, therefore, to repeal Implementing Regulation (EU) 2016/1066.
- (8) This Regulation is based on the implementing technical standards submitted by the European Banking Authority (EBA) to the Commission.
- (9) 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>19</sup>,

HAS ADOPTED THIS REGULATION

## Article 1

### **Subject matter**

This Regulation lays down implementing technical standards specifying procedures and a minimum set of standard templates for the submission to resolution authorities of information necessary to draw up and implement individual resolution plans, in accordance with Article 11 of Directive 2014/59/EU, and group resolution plans in accordance with Article 13 of that Directive.

## Article 2

### **Definitions**

For the purposes of this Regulation, the following definitions [<sup>20</sup>] apply:

- (1) 'resolution entity' means a group entity or entities which are identified by the resolution authority in accordance with Article 12 of Directive 2014/49/EU as an entity in respect of which it is envisaged to take resolution action;
- (2) 'resolution group' means a resolution entity and its subsidiaries that are not resolution entities themselves and that are not subsidiaries of another resolution entity;

## Article 3

### **Provision of core information for the purpose of individual and group resolution plans**

1. Subject to Article 8 of this Regulation, institutions or, in the cases of groups, Union parent undertakings, shall submit to resolution authorities the information specified in the templates set out in Annex I in accordance with the level of application, frequency and format set out

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<sup>19</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).

<sup>20</sup> [This provision reflects, for the time being, the definitions in Commission proposal COM(2016) 852 final, 23.11.2016. It will be deleted or aligned ahead of the delivery in order to remove any possible contradiction with the final legislation.]



respectively in Articles 3, 4 and 5, and following the instructions set out in Annex II of this Regulation.

2. This Article is without prejudice to simplified obligations applied in accordance with Article 4 of Directive 2014/59/EU and any additional information resolution authorities may require in accordance with Article 11(1) of that Directive.

#### Article 4

##### **Level of application**

1. Institutions that are not part of a group shall submit the information referred to in Article 3(1) of this Regulation, with the exception of templates R 07.02 and R 04.00 of Annex I, on an individual basis.
2. In the cases of groups, Union parent undertakings shall submit the information referred to in Article 3(1) of this Regulation according to the following specifications:
  - (a) the information specified in template R 01.00 of Annex I at the level of the Union parent undertaking in relation to any of the following:
    - (i) all group entities included in its consolidated financial statements which exceed 0.5% of total assets or total liabilities of the group;
    - (ii) all group institutions which exceed 0.5% of the total risk exposure amount or 0.5% of the total Common Equity Tier 1 of the group supervised on a consolidated basis;
  - (b) the information specified in templates R 02.00 and R 03.00 of Annex I:
    - (i) at the level of the Union parent undertaking or, if different, at the level the resolution entity, on an individual basis;
    - (ii) at the level of each group institution not covered by point (i), on an individual basis, except where the resolution authority has fully waived the application of the individual minimum requirement for MREL pursuant to Article 45(11) or (12) of Directive 2014/59/EU to that institution;
    - (iii) at the level of the Union parent undertaking on a consolidated basis or, if different, the resolution entity, on a consolidated or sub-consolidated basis for the resolution group.



- (c) the information specified in template R 04.00 of Annex IR-IFC, at the level of the Union parent undertaking or, if different, the resolution entity, in relation to its financial interconnections with other entities of the resolution group.
- (d) the information specified in templates R 05.01 and R 05.02 of Annex I :
  - (i) at the level of the Union parent undertaking or, if different, the resolution entity, on an individual basis;
  - (ii) at the level of the Union parent undertaking on a consolidated basis or, if different, the resolution entity, on a consolidated or sub-consolidated basis for the resolution group.
- (e) the information specified in template at the level of the Union parent undertaking in relation to all credit institutions within the group;
- (f) the information specified in template R 07.01 of Annex I separately for each country in which the group is active;
- (g) the information specified in templates R 07.02, R 07.03 and R 07.04 of Annex I, at the level of the Union parent undertaking in relation to all critical functions and core business lines within the group.
- (h) the information specified in template R 08.00 of Annex I, at the level of the Union parent undertaking in relation to all group entities included in template R 01.00 of Annex I;
- (i) the information specified in templates R 09.01, R 09.02 and R 09.03 of Annex I, in relation to all FMIs the disruption of which would present a serious impediment or prevent the performance of a critical function as identified in the template ;
- (j) the information specified in templates R 10.01 and R 10.02 of Annex I, at the level of the Union parent undertaking in relation to all critical information systems within the group.

## Article 5

### **Frequency, reference dates and remittance dates**

1. Institutions shall submit the information referred to in Article 3(1) of this Regulation at the latest by 31 March each year in respect of the year ended on the 31st of December of the preceding year or of the applicable relevant financial year. If the 31st of March is not a business day, the information shall be provided on the following business day.



2. Resolution authorities shall provide the necessary contact details to which the information has to be provided within the resolution authority.

## Article 6

### **Format for the submission of information**

1. Institutions or, in the cases of groups, Union parent undertakings, shall submit the information referred to in Article 3(1) of this Regulation in the data exchange formats and representations specified by resolution authorities, respecting the data point definitions included in the single data point model referred to in Annex III and the validation rules referred to in Annex IV as well as the following specifications:
  - (a) information not required or not applicable shall not be included in a data submission;
  - (b) numeric values shall be submitted as facts according to the following:
    - (i) data points with the data type “Monetary” shall be reported using a minimum precision equivalent to thousands of units;
    - (ii) data points with the data type “Percentage” shall be expressed as per unit with a minimum precision equivalent to four decimals;
    - (iii) data points with the data type “Integer” shall be reported using no decimals and a precision equivalent to units.
2. The data submitted by the institutions or, in the cases of groups, by the Union parent undertakings, shall be associated with the following information:
  - (a) reference date for the submission;
  - (b) reporting currency;
  - (c) applicable accounting standards;
  - (d) identifier of the reporting entity;
  - (e) level of application in accordance with Article 4.

## Article 7

### **Provision of additional information for the purpose of individual or group resolution plans**

Subject to Article 8 of this Regulation, where a resolution authority or, in the cases of groups, a group-level resolution authority, considers information not covered by any template set out in Annex I to this Regulation to be necessary for the purposes of drawing up and implementing resolution plans, it shall:



- (a) specify, taking into account the volume and complexity of the required information, the appropriate timeframe within which the institution or, in the case of groups, the Union parent undertaking, shall provide the information to the resolution authority;
- (b) specify the format to be used by institutions or, in the case of groups, by Union parent undertakings in order to provide the information to the resolution authority;
- (c) specify whether the information has to be completed on an individual or group level basis and whether its scope is local, Union-wide or global;
- (d) provide the necessary contact details to which the information has to be provided within the resolution authority.

#### Article 8

##### **Cooperation between competent and resolution authorities**

1. Competent and resolution authorities shall jointly verify whether part or all of the information to be provided to the resolution authority in order to draw up and implement the resolution plan is already available to the competent authority.
2. Where part or all of the information is already available to the competent authority, that authority shall provide such information to the resolution authority in a timely manner.
3. Where additional information is considered to be necessary pursuant to Article 7 and 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 or Union parent undertaking to provide the information.
4. In the cases referred to in paragraph 2, resolution authorities shall ensure that institutions or, in the cases of groups, Union parent undertakings, are properly informed of the information that may not be included in the submission of information referred to in Article 3(1) of this Regulation.

#### Article 9

##### **Transitional period**

1. By derogation to Article 5(1), for a financial year ending on a date between 1 January and 31 December 2018, the remittance date shall be 30 May 2019 at the latest.



2. By derogation to Article 5(1), for a financial year ending on a date between 1 January and 31 December 2019, the remittance date shall be 31 April 2019 at the latest.

#### Article 10

##### **Repeal**

Commission Implementing Regulation (EU) 2016/1066 is hereby repealed with effect from xx xxxx 20xx.

#### Article 11

##### **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.

#### ANNEX I

##### **Templates**

*See separate file.*

#### ANNEX II

##### **Instructions**

*See separate file*

#### ANNEX III

##### **Single data point model**

All data items set out in Annex II shall be transformed into a single data point model which is the basis for uniform IT systems of institutions and competent authorities.

The single data point model shall meet the following criteria:

- (a) provide a structured representation of all data items set out in Annex I;
- (b) identify all the business concepts set out in Annex I;
- (c) provide a data dictionary identifying table labels, ordinate labels, axis labels, domain labels, dimension labels and member labels;
- (d) provide metrics which define the property or amount of data points;
- (e) provide data point definitions that are expressed as a composition of characteristics that univocally identify the financial concept;
- (f) contain all the relevant technical specifications necessary for developing IT reporting solutions producing uniform resolution planning data.

## ANNEX IV

### Validation Rules

The data items set out in Annex I shall be subject to validation rules ensuring data quality and consistency. The validation rules shall meet the following criteria:

- (a) define the logical relationships between relevant data points;
- (b) include filters and preconditions that define a set of data to which a validation rule applies;
- (c) check the consistency of the reported data;
- (d) check the accuracy of the reported data;
- (e) set default values which shall be applied where the relevant information has not been reported.'

## 5. Accompanying documents

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### 5.1 Draft cost-benefit analysis

Article 15(1) of the EBA Regulation provides that when any draft implementing technical standards (ITS) developed by the EBA are submitted to the 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 those options.

#### A. Problem identification and baseline scenario

The stability of the EU financial system and the efficient and orderly functioning of its banking sector depend on the implementation of an effective resolution framework for banks in the EU<sup>21</sup>. As ex-ante planning is a key attribute of such a regime<sup>22</sup>, the availability of sufficient and uniform bank-level information at the disposal of resolution authorities is crucial.

To allow the consistent and effective development of bank-specific resolution plans and

A set of minimum standards for procedures, forms and templates for the collection of information on institutions is necessary for the consistent and effective development of bank-specific resolution plans. It is also necessary in order to provide a common information foundation supporting exchange and collective decision making within resolution colleges.

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<sup>21</sup> European Commission (2009), Communication on "an EU framework for cross-border crisis management in the banking sector", [http://ec.europa.eu/internal\\_market/bank/docs/crisis-management/091020\\_communication\\_en.pdf](http://ec.europa.eu/internal_market/bank/docs/crisis-management/091020_communication_en.pdf).

<sup>22</sup> Financial Stability Board (2014), Key attributes of effective resolution regimes, [http://www.fsb.org/wp-content/uploads/r\\_111104cc.pdf](http://www.fsb.org/wp-content/uploads/r_111104cc.pdf).



Following the above rationale, the EU bank resolution framework (Article 11(3), BRRD<sup>23</sup>) mandated the EBA to develop specific ITS, adopted by the EC in June 2016<sup>24</sup>, laying out in twelve annexes the templates for the information to be provided to resolution authorities<sup>25</sup>. Considering the then early stage of resolution planning and scarce experience in that matter at national and European levels, the EBA has decided to review the current ITS on reporting for resolution planning purposes, to review and build on good practices and address weaknesses identified in the current framework.

In spring 2017, the EBA has conducted a survey amongst resolution authorities, to precisely identify the issues perceived and take on board resolution authorities' suggestions for improvements and further harmonisation needs in its review of the respective ITS.

The responses received from resolution authorities in 20 Member states revealed a broad variety of practices with more, less, or different information being collected, leading in some case to duplicate reporting. To understand the reasons for this divergence, authorities pointed out a number of difficulties they had experienced or on which they had been alerted by the institutions under their jurisdictions, with the following main types of weakness:

- *Insufficient information:*

For example, template I which deal with 'Organisational Structure' needed to include size indicators. Template V dealing with the 'Structure of Liabilities' was considered to be insufficiently granular by comparison to existing own templates on liabilities of some resolution authorities.

- *Format of the template:*

Line by line details of organisational structure or management information systems while useful, needed to support the production of a graphic overview.

- *Too difficult to be filled by banks:*

Authorities reported that banks were not really in position to identify critical functions as part of template III-'Critical Functions and Core Business Lines' without further guidance. To address this issue, one authority reported that it had provided formulas to enter the economic significance of various business functions. Likewise the notion of 'critical counterparties' was difficult to comprehend.

- *Insufficient guidance*

Some requirements raised numerous questions of interpretation, for example the notion of critical counterparty, or the amounts of pledged collateral. Generally resolution authorities considered that the guidance in Annex XIII should be further developed.

<sup>23</sup> 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 (Bank Recovery and Resolution Directive, "BRRD).

<sup>24</sup> COMMISSION IMPLEMENTING REGULATION (EU) 2016/1066 laying down implementing technical standards with regard 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.

<sup>25</sup> The content of resolution plans for EU banks is specified in COMMISSION DELEGATED REGULATION (EU) 2016/1075 supplementing Directive 2014/59/EU with regard to the respective regulatory technical standards.



## B. Policy objectives

In general, these ITS aim at contributing to the stability of the EU financial system and the efficient and orderly functioning of the EU banking sector, by ensuring that banks in the EU can be wound down in an orderly manner without serious negative effects on the financial system, public finances or the real economy. Further, these ITS are intended to contribute to strengthening convergence of practices and efficient cooperation between resolution authorities<sup>26</sup>. More specifically, these ITS are developed with a view to facilitate the drafting and collective adoption of credible and feasible resolution plans, which comply with a minimum level of consistency across banks in different EU Member States.

Operationally, the objectives underpinning the current ITS, and which guide the EBA in its review, are the following:

- a) Provide a minimum set of information for all resolution plans, contributing to a minimum consistent quality in resolution planning in the EU;
- b) Enhance the level of harmonisation of the reporting requirements for all banks, avoiding unlevelled playing field;
- c) Foster the information exchange among resolution authorities, facilitating the decision-making process on resolution planning for cross-border banking groups;
- d) Maintain a proportionate reporting burden for banks consistent with the proportionality principle.

These draft revised ITS aim at progressing further towards these objectives by:

- (i) clarifying the scope of application of this reporting framework
- (ii) further improving standard procedural requirements
- (iii) reinforcing the harmonisation of core contents.

## C. Options considered and preferred options

With regard to these ITS, the EBA has considered the following policy options with the aim to improve the minimum procedural requirements and to update the current reporting framework taking into account the latest experience available.

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<sup>26</sup> EBA, Work Programme 2017,

<https://www.eba.europa.eu/documents/10180/1617016/EBA+Revised+2017+Work+Programme.pdf/59d29b87-d9ca-415d-bdbe-6ebdd54705e8>



## 1. Need for regulatory intervention

Option 1.1: To maintain the current ITS and monitor and assess resolution authorities' compliance (*status quo*);

Option 1.2: To review the current ITS on the EBA's own initiative and incorporate new experience available.

Option 1.1 implies the maintenance of the current practices on resolution planning across the EU. This would not entail new additional compliance costs for both institutions and resolution authorities. Otherwise, none of the problems that have arisen within the current framework would be eased.

Option 1.2 tries to address this issues leaving space for a substantial change in the current practices and processes on resolution planning. The additional compliance costs are expected to be more than offset by the benefits coming from a real improvement of the *status quo*.

Option 1.2 has been retained.

## 2. Procedural requirements

### *2.1 Reporting format*

Option 2.1.1: To develop a data point model (DPM) for more advanced and efficient reporting practices;

Option 2.1.2: To maintain the approach based on visual layout and legal definitions (*status quo*).

Option 2.1.1 proposes to develop a DPM in order to allow the automated collection of the data and to ensure a better data quality control. In addition, data will be collected fully in line with definitions and instructions provided within the ITS, avoiding also duplicate reporting. As a consequence, all the data to be collected would be comparable and the level of harmonisation across EU countries is expected to increase.

On the other hand, the adoption of the DPM would entail implementation costs for the EBA and resolution authorities, due to the development of its specifications<sup>27</sup>. Nevertheless, the model and its taxonomies are going to be consistent with the techniques established in the supervisory area. The experience of the EBA in this filed can make the implementation process and the use of DPM readily operable for all actors involved.

Option 2.1.2 consists in continuing to use the current approach without any additional compliance costs for the EBA and resolution authorities. According to this option, information wouldn't be comparable and precise enough to ensure an efficient reporting process for all the

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<sup>27</sup> DPM will be compulsory only for the submission of the required information from the resolution authorities to the EBA. The model is not going to be compulsory in the relation between banks and resolution authorities.



institutions under the scope. This option is considered not in line with the objectives underpinning the current ITS.

Option 2.1.1 has been retained.

## *2.2 Dimensions of reporting*

Option 2.2.1: To maintain the current flexible approach (*status quo*);

Option 2.2.2: To introduce minimum requirements in terms of frequency, level and scope of reporting.

Option 2.2.1 implies a flexible approach which allows institutions to report data without a defined minimum set of information items. In fact, resolution authorities can autonomously decide about frequency, level and scope of reporting without providing minimum prescriptions. This is in respect of the structural differences across jurisdictions within the EU and consistent with the proportionality principle.

However, divergent practices among the Member States led to a non-harmonised level of information and in some case duplicate reporting. Recent supervisory experience raised the issue of the need to improve the comparability of the information items in order to foster the joint cooperation between resolution authorities and the EBA.

Option 2.2.2 addresses this issue introducing minimum prescriptions. First, templates are expected to be collected on annual basis (*frequency requirement*). Second, specific provisions are laid down in order to define whether data may be submitted at the level of the parent undertaking, on a consolidated level or intragroup (*level and scope of reporting*). The latter will vary according to the nature and the rationale of each template.

Option 2.2.2 has been retained.

## 3. Requirements on minimum contents and revised templates

Option 3.1: To remove only the templates that are not considered necessary or essential;

Option 3.2; To remove all the existing templates and rely only on supervisory templates;

Option 3.3: To add new items into the existing templates and also create new specific ones;

Option 3.4: Comprehensive review of the current templates.

Option 3.1 would simplify the contents of information to be collected requiring institutions to submit only the templates that are considered essential for the purpose of drawing up resolution plans. This option is in line with the proportionality principle but, on the other hand, it doesn't meet the other objectives in terms of enhancement of the level of harmonisation and improvement of the information exchange amongst resolution authorities. The same considerations are valid for Option 3.2 since relying solely on supervisory templates would prevent the collection of a more precise and homogeneous information across Member States.



Option 3.3 aims to address the issues arising from Option 3.1 and 3.2. However, additional items and new specific templates could increase the reporting burden for some institutions, failing to meet the proportionality principle objective.

Option 3.4 addresses all the issues arising from the other options providing more specific and revised set of templates that includes minimum contents to be collected for the purpose of drawing up resolution plans. This option can be considered a combination of the other assessed options and it implies three main groups of templates that collect information about (i) group structure and dependences, (ii) on and off balance sheet items, and (iii) critical functions and core business lines. More detailed required information is not going to negatively affect the proportionality principle since simplified obligations can be applied for eligible institutions<sup>28</sup>.

Option 3.4 has been retained.

#### D. Overall cost-benefit analysis

The aim of these ITS is to set out “procedures and a minimum set of standard forms and templates for the provision of information” in order to draw up resolution plans (BRRD, Art. 11(3)). This is going to affect institutions, resolution authorities and the EBA.

Divergent practices amongst Member States can hinder an effective and precise collection of information for the preparation of resolution plans. Given this, the expected benefits resulting from these ITS refer to the possibility (i) to improve the level of harmonisation of reporting requirements, and (ii) to foster the exchange of information between resolution authorities, and with the EBA, and therefore contribute to collective decision-making within resolution colleges.

Ensuring a minimum harmonised set of reporting requirements is essential to allow resolutions authorities and the EBA to cooperate efficiently. In addition, more defined contents can improve the quality in resolution planning within the EU. This also would contribute to enhance the level playing field.<sup>29</sup>

Benefits are also expected from the improved reporting framework. In this respect, the revised minimum procedural reporting requirements can positively affect the quality of the information to be collected and it would also simplify the collection processes avoiding duplication reporting and varying practices.

In contrast, potential costs are expected from the implementation phase. These ITS entail new processes and, in consideration to this, compliance costs could arise for both institutions and

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<sup>28</sup> Article 4, BRRD. See also: EBA Consultation paper on Draft Regulatory Technical Standards on simplified obligations under Article 4(6) of Directive 2014/59/EU, EBA/CP/2017/05, 8 May 2017, <https://www.eba.europa.eu/documents/10180/1838747/Consultation+Paper+on+the+draft+RTS+on+simplified+obligations+%28EBA-CP-2017-05%29.pdf>

<sup>29</sup> EBA (2017), Annual Report 2016, <http://www.eba.europa.eu/documents/10180/1879387/EBA+Annual+Report+2016.pdf/4c08e80f-ea87-4643-90cb-a2a02230c0a2>



resolution authorities. However, most of the costs would be one-off costs resulting from the implementation of the new reporting processes. The EBA is also expected to face costs since it has to develop the new reporting framework.

Nevertheless, costs would be bearable for the actors involved compared to the dimension of potential benefits. The aim of the resolution plans is, in fact, to identify the actions to be taken by resolution authorities in order to achieve an orderly resolution of the entities under the scope of the BRRD. With this regard, the improvement of the quality of the information to be collected for the purpose of the resolution plans can enhance the supervisory activity positively affecting the financial stability within the EU.<sup>30</sup>

Finally, the reporting burden for institutions is duly taken into account. Following the clarification of scope, the revised ITS preserves, in line with the BRRD, for the possibility for resolution authorities to adjust the reporting requirements in relation to institutions eligible to simplified obligations. These adjustments may relate to scope, level, frequency or any substantial data requirements. In addition, attention has been paid to avoiding unnecessary duplicate reporting with supervisory reporting. Finally the structuring of information in business requirements has part of the DPM is expected to be more in line with the actual practice within institutions and therefore better suited to their need operationally.

In conclusion, it is reasonable to assume that the overall expected benefits resulting from a better harmonised reporting requirements processes and a more homogenous contents of information would exceed the potential costs.

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<sup>30</sup> ECB (2011), The new EU framework for financial crisis management and resolution, Monthly Bulletin – July, [https://www.ecb.europa.eu/pub/pdf/other/art3\\_mb201107en\\_pp85-94en.pdf?099adfac3782d2b53a81b5cad9dc1680](https://www.ecb.europa.eu/pub/pdf/other/art3_mb201107en_pp85-94en.pdf?099adfac3782d2b53a81b5cad9dc1680)

## 5.2 Overview of questions for consultation

Question 1.	Would the envisaged <b>remittance date</b> (31 May to be progressively advanced to 31 March) appropriate for all templates? If not, please justify your answer and indicate, template by template, the alternative remittance date you would suggest.
Question 2.	Are there any technical obstacles or inconsistencies in the template ‘R 01.00 - <b>Organisational structure (R-ORG)</b> ’ which would prevent you from, or make it disproportionate for you, to report the information required thereby?
Question 3.	Are there any technical obstacles or inconsistencies in the <b>second block of templates</b> (R 02.00 - Liability Structure (R-LIAB), R 03.00 - Own funds (R-OWN), R 04.00 - Intragroup financial interconnections (R-IFC), major counterparties, R 06.00 - Deposit insurance (R-DIS)) which would prevent you or make it disproportionate for you to report the information required thereby?
Question 4.	Are there any technical obstacles or inconsistencies in the <b>third block of templates</b> (critical functions and core business lines, R 08.00 - Critical services (R-SERV), FMI services, critical information systems) which would prevent you or make it disproportionate for you to report the information required thereby?
Question 5.	The reporting of <b>FMI and information systems</b> is already required since 2016. In practice are you operationally able to provide such view and do you think it is necessary to set a transition period, for example to progressively build up over the course of three years a full view of the systems within groups?
Question 6.	The reporting of <b>FMI services and enabling services</b> , in templates R 09.02 and R 09.03 could be facilitated if a list of typical services was included. Can you suggest such list?
Question 7.	Does the nomenclature of <b>information systems</b> in template R 10-01 - Critical Information systems (General information) (R-CIS 1) cover the various types of existing systems, and would it in your view enable the authority to properly identify systems that are key in the performance of critical functions?
Question 8.	Are the granularity and content of the revised templates appropriate with regard to <b>investment firms</b> ? If not, please develop specific changes you would suggest in relation to investment firms.