



FEEDBACK ON THE REVIEW OF THE USE, USEFULNESS AND IMPLEMENTATION OF THE EBA SINGLE RULEBOOK Q&A

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Contents

Executive Summary	2
1. Introduction, background and objectives	4
2. Scope, method and coverage	6
3. Summary of findings	7
3.1 Measures to promote the Q&A process/tool and answers and their use	8
3.2 Non-application of Q&A and obstacles to their application	15
3.3 Utility of the Single Rulebook Q&A tool and related answers	17
4. Good practice guidance for institutions	21
4.1 Guidance on promoting the EBA Q&A tool and answers and their use within institutions	21
4.2 Non-application of Q&A and obstacles to their application	23
5. Suggestions on the Single Rulebook Q&A process/tool and related answers	24
5.1 Single Rulebook Q&A process/tool and related suggestions	24
5.2 Assessment of the utility of the Single Rulebook Q&A per se	27
5.3 Assessment of the ISRB	29
6. Next steps and actions to be taken	29
Annex - Questionnaires	31

Executive summary

This report provides an overview of the responses to and findings from a review of the use, usefulness and implementation of the EBA Single Rulebook Questions and Answers (Q&A). The Q&A are developed following a thorough internal process established by the EBA in 2013, involving the EBA, competent authorities (CAs) and the European Commission, with a view to providing common answers to stakeholders' questions on the EU regulatory framework.

Notwithstanding the fact that Q&A have no binding force in law, their importance and contribution to the Single Rulebook is considerable. This is suggested notably by the high number of questions submitted (since inception), by web traffic to the [tool](#) and to the [Interactive Single Rulebook](#) (ISRB) to which the Q&A are linked, but also by the significant resources invested in this work.

Given these factors, it was considered opportune and helpful to undertake a review of how and to what extent the Q&A have been used, and whether there have been issues or impediments regarding their application, and thereby obtain a better understanding of the value added by the process and of the appropriateness of the resources the EBA and CAs dedicate to it.

The scope of the review was limited to final Q&A relating to Regulation (EU) No 575/2013 (Capital Requirements Regulation or CRR) and Directive 2013/36/EU (Capital Requirements Directive or CRD), with a focus on policy issues, on which around 625 Q&A have been answered, thus accounting for about one third of final Q&A.

The review was carried out using questionnaires addressed to CAs and selected industry representatives. (The questionnaire for CAs and that for industry representatives were largely identical). The review was not meant to be comprehensive; rather it aimed to give an overview of practices, approaches and issues.

The main observations can be summarised as follows:

— CAs use regular or ad hoc measures to encourage the use of the process/tool internally:

- Measures observed are similar, but the degree of formality and extent of their use varies.
- Most commonly, the impact of Q&A on practices and procedures at CAs affects areas relating to the supervision of own funds, credit risk, market risk and liquidity risk.

— Similarities have been observed in terms of the measures taken by CAs at institutions level or by institutions internally to promote the Q&A tool and the use of answers:

- Measures applied by CAs at institutions level and by institutions internally are similar.
- Institutions' internal cooperation measures vary but often follow similar patterns of use. The role of associations is noteworthy.

- Q&A play a noticeable role at institution level in the implementation of the CRR and CRD; the relevance of specific Q&A varies between institutions.

— Cases of non-application of Q&A identified by survey participants were limited; based on the responses (end September 2019), there were 29 cases out of around 620 final published CRR/CRD Q&A on policy issues:

- The number of cases of non-application notified by CAs was limited to 11 Q&A, while those notified by institutions attained 23 Q&A (with some duplications between the two).
- Similar obstacles were given as rationales for non-application of those Q&A:
 - inconsistency with Level 1 text/national legislation;
 - different interpretation/disagreement (by CA/institutions);
 - lack of clarity;
 - technical or systems constraints – mostly resulting in a delayed implementation;
 - proportionality considerations.

— CAs and institutions (to a slightly lesser extent) are, overall, satisfied with the utility of the Single Rulebook Q&A tool and the answers, but they make important/far-reaching suggestions for improvement:

- Process-wise, concerns mostly relate to response times and to transparency (i.e. with regard to what is under review) and, for institutions, to the lack of involvement in the process.
- Regarding the tool, concerns and suggestions for improvement related mostly to the search function, but also, to a degree, to the presentation of the final answers.
- Regarding the answers per se, concerns centered on the quality of the answers, on the fact that, at times, answers are perceived to go beyond the Level 1, and also on the quasi-regulatory character of Q&A.
- The ISRB is appreciated, although its functionalities are seen to offer room for improvement.

Based on the above observations, the EBA has put forward non-prescriptive good practice guidance that institutions could adopt with respect to the use of Q&A.

The EBA will consider the comments and suggestions received on the process, tool and answers, as well as on the ISRB, with a view to developing realistic and workable proposals for improvements, also taking into account the outcome of the ESAs review.

The EBA is also considering the reported cases of non-application in more detail to better understand the obstacles and issues in relation to the Q&A, but it expects follow-up actions to be limited to informal exchanges and ad hoc queries to relevant CAs.

1. Introduction, background and objectives

1. The Q&A process was established by the EBA in 2013 and follows a thorough due process involving close and ongoing interaction between the EBA, CAs and the European Commission, with a view to developing common answers to stakeholders' questions that are fully consistent with EU legislative texts.
2. Through a web-based interface (<https://eba.europa.eu/single-rule-book-qa>), CAs, institutions and industry associations, as well as other stakeholders, can submit questions on the practical application and consistent implementation of regulation applicable to the EU banking sector. Since its launch in July 2013, the Q&A process has delivered a continuous stream of clarifications on the CRD and the CRR — with the BRRD, DGSD, PSD2 and MCD added over time¹ — as well as on related delegated or implementing acts, EBA Regulatory Technical Standards, EBA Implementing Technical Standards (adopted by the European Commission) and EBA Guidelines. In doing so, this initiative makes an important contribution to the implementation of the Single Rulebook in banking.
3. Over 4 440 questions had been submitted through the Q&A tool at the end of 2018. Of these, about 1 545 issues could be answered, and around 1 360 that had to be rejected. Notwithstanding some concerns about the time it takes to finalise answers, and in a very few cases about their impact, the feedback from the industry and the supervisory community has been broadly positive.
4. Although Q&A have no binding force in law and are not subject to 'comply or explain', they are widely recognised as offering important supervisory guidance on the regulatory provisions they relate to and thus cannot be ignored. On the EBA's Q&A [web page](#) it is furthermore specified that 'their application will be rigorously scrutinised and challenged by the EBA and national supervisory authorities given their undoubted practical significance to achieve a level-playing field. Peer pressure and market discipline are also expected to play a driving force in ensuring adherence to and compliance with the answers provided in the Q&A process.' At the same time, the application of final Q&A is obviously linked to the relevance they have for institutions' activities.
5. Notwithstanding their non-binding status, the importance and contribution of the Q&A to the Single Rulebook is understood to be considerable. Discussions and exchanges with stakeholders confirm this, as does the increased attention that the work is receiving from European lawmakers. This is also reflected in the fact that the Q&A process was discussed in the context

¹ The BRRD was added in 2015, the DGSD in 2016, the PSD 2 in 2018 and the MCD in 2019.

of the ESAs review and formalised in the founding regulations of the authorities. Their relevance is also illustrated by the continued commitment and resources that CAs dedicate to this work.

6. The added value of the work is not limited to the provision of guidance as regards the consistent implementation and practical application of the regulatory framework. The European Commission's request for an overview of possible errors and inconsistencies in CRR and CRD identified through the Q&A tool (addressed by the EBA in August 2016), and the fact that the Q&A were also reviewed as part of the more recent call for advice to the EBA (issued in May 2018), for the purposes of revising the own funds requirements for credit, operational, market and credit risk valuation adjustment risk, attests to the relevance of this work in the wider context of improving, adjusting and developing specific aspects of the regulatory framework.
7. In conjunction with the high number of Q&A received so far and the continuously high volume of submissions (about 65 questions have been submitted on average each month in recent months), the web traffic to the tool and to the ISRB pages to which Q&A are linked, but also the significant resources invested in this work (at EBA, CAs and Commission level), highlight the importance for the EBA to review the use of the tool and of the Q&A.
8. A review of how and to what extent the Q&A have been used, and of whether there have been issues or impediments regarding their application, should help to provide a better understanding of the value added by the process in terms of consistent application of the Single Rulebook, and of the appropriateness of the resources the EBA, CAs and the European Commission dedicate to this work.
9. On this basis, the Q&A implementation review followed two objectives:
 - provide an overview of the use and effectiveness of the Q&A process and related answers within CAs' supervisory processes and institutions' practices, and gain an understanding of obstacles or reasons that would prevent the application of Q&A (in general or specifically);
 - review the application by CAs or institutions (as relevant, and notwithstanding their non-binding character) of a sample of Q&A on various topics.
10. More specifically, the aim of the first aspect was to gather information from CAs and a sample of institutions, with a view to assessing:
 - how the Q&A tool and related answers are used, and whether any measures are applied by CAs or institutions to encourage their application, notwithstanding their non-binding legal status;
 - what obstacles CAs or institutions may incur when applying Q&A, and what reasons they may have for not applying particular Q&A (i.e. whether this is because of a lack of clarity of the answers, relevance issues, or technical, cost or prudential considerations).

11. The aim of the second aspect was to explore — if necessary — whether and how specific Q&A are applied (or not), to help in understanding the extent to which the Q&A process and related answers assist institutions and their supervisors, and possibly other stakeholders, in facilitating the implementation of the regulatory framework by addressing issues of practical relevance. This aspect was, however, not pursued further for the time being due to shifting priorities and resource constraints.

12. It is emphasised that the review was not intended to be a comprehensive survey; rather it was aimed to give an understanding and overview of practices, approaches and issues based, in the case of institutions, on a more or less representative cross-section of the EU banking sector (which is discussed in more detail in Chapter 2). The findings are expected to help in understanding if any lessons can be learned from the first few years of experience with the process.

13. It is also stressed that the review was not intended to be any of the following:

- a compliance review of the application of Q&A — findings are presented in anonymised form without identifying individual CAs, institutions or jurisdictions;
- a peer review — indeed in the absence of any guidance or benchmark for the application of the Q&A process or its outcome, a peer review is neither possible nor intended;
- a review of the Q&A process per se (or the status of Q&A) — although the EBA, given the discussion of the feedback and the conclusions below, is keeping an open mind and will look into this separately.

14. Finally, it is underlined that the review was not intended to be used to re-open final Q&A.

2. Scope, method and coverage

15. To ensure a manageable level of ambition for this review, the scope was limited to final Q&A relating to the CRR and CRD, with a focus on policy issues, that is, so-called ‘regular’ Q&A.² Amounting to over 625 final Q&A, these account for about one third of all questions submitted.

16. The review of the use and usefulness of the Q&A process and of published answers was carried out using questionnaires addressed to CAs and selected industry representatives. The questionnaires for CAs and that for industry representatives, included in the Annex, were largely identical. They included, after gathering upfront information about the respondents, the following sections:

- measures to promote the Q&A process/tool and answers and their use within CAs;

² Notwithstanding the fact that Q&A relating to supervisory reporting account for about half of all submissions, they are not within the scope of this review.

- measures to promote the Q&A tool and answers and their use at institutions;
- non-application of Q&A and obstacles to their application;
- follow-up queries/questions received;
- the utility of the Single Rulebook Q&A tool/process, of the Q&A per se and of the ISRB.

17. The selection of survey participants benefitted from input from CAs, the EBA's Banking Stakeholder Group (BSG) and industry associations.

18. As regards the supervisory community, all CAs from Member States and EEA countries were invited to take part.

19. The selection of the industry participants was intended to achieve:

- representativeness, by covering a cross-section of EU institutions, including entities of various sizes, with a range of business models, adopting different prudential approaches, etc.;
- geographical spread, by including participants from all EU Member States and EEA countries.

20. The aim was to achieve a representative balance of large, medium and small institutions on the, and of institutions supervised by the Single Supervisory Mechanism or at local level and those supervised by authorities of Member States that are not in the Banking Union.

21. On this basis, 54 selected institutions and 5 associations were approached and invited to participate in the survey. After a webcast providing information on the survey, questionnaires were sent out on 9 August 2018 to CAs and industry participants, with a 21 September deadline for replies.

22. Responses were received from 30 out of 32 CAs (a response rate of 93.8%). For the banking industry, responses were received from 47 out of 54 of the institutions contacted (a response rate of 87.0%). Three responses were received from European industry associations.

3. Summary of findings

23. The responses received from CAs and institutions are summarised in the following sections, broadly based on the structure of the questionnaires set out above (see Annex for details).³

³ As not all Q&A are applicable to all institutions in the same way, for example because they may focus on very specific areas of the regulatory framework that are of importance only to institutions of a particular type or size, or they may focus on particular activities or use specific prudential or regulatory measures etc. the notion of relevant final Q&A is referred to throughout the report to make clear that the review was not intended to check the application of all final Q&A but only those that are indeed of relevance to a particular institution.

3.1 Measures to promote the Q&A process/tool and answers and their use

3.1.1 Measures to promote the Q&A process/tool and their use within CAs

24. The measures that CAs have adopted or applied for the purpose of **promoting the Q&A process/tool and its use within their own organisations** are often similar, although they are not always formalised and the patterns in which they are used vary.

25. One distinguishing characteristic that has been observed is the level of centralisation of coordination or cooperation measures and related responsibilities, although the differences cannot be directly associated with CAs' size and organisation.

26. Measures used by CAs to promote the Q&A process/tool and its use include:

- raising awareness, internally, of the existence of the Q&A tool and the IRSB;
- referral to the EBA Q&A tool and to all or to specifically relevant Q&A, often including the IRSB, through CA internal information platforms or databases, in prudential or supervisory methodologies or on public websites;
- provision of information about new and/or specific Q&A to relevant policy experts and/or supervisory departments across an authority, in varying forms and at varying frequencies;
- provision of ad hoc or regular information or training sessions to policy or supervisory staff to highlight relevant issues addressed in Q&A (and/or other regulatory products);
- establishment of working groups or forums to discuss issues on an ad hoc or regular basis.

27. Although the focus of the review was on the Q&A process/tool, CAs' measures have to be considered in the context of work on other regulatory developments.

28. With respect to **coordination and cooperation measures** between CAs' policy and supervisory (and other) teams to promote the Q&A process/tool and its use, the following observations could be made:

- Interaction between policy and supervisory teams takes place irrespective of the level of formalisation and involves the use of the measures described above.
- Cooperation and coordination most frequently involve policy and supervisory teams but are extended as needed. In smaller institutions, organisational divisions are less pronounced.
- Q&A-related exchanges and cooperation cover most, if not all, areas of the CRR and CRD (and, although these are not covered within the scope of this review, other areas of legislation).

- The outcome or benefits of coordination and cooperation affect ‘business’ but also ‘support’ units within CAs (e.g. supervisory reporting).

29. The **application of relevant final Q&A did not always result in changes in practices/procedures** (be they prudential, supervisory or other practices/procedures). Where changes occurred, Q&A primarily affected the application of regulatory provisions in the areas of supervision of own funds, credit risk, market risk, large exposures, liquidity risk, SREP (given as hypothetical example), governance issues and, not least, supervisory reporting.

30. Examples given by CAs of Q&A that led to changes in supervisory practices included the following:

CRR
<p><u>Own funds</u> (including own funds approval processes and grandfathering assessments).</p> <ul style="list-style-type: none"> • Q&A 2014 1221 - Inclusion of consolidated current and year-end profits in CET1 capital. • Q&A 2014 1352 - CA permission in advance to reducing own funds in case of repurchase of CET 1 instruments, AT 1 instruments, or T 2 instruments for market making purposes. • Q&A 2015 2544 - Deduction from own funds of items entered as assets that are not yet included within equity.
<p><u>Credit risk</u></p> <ul style="list-style-type: none"> • Q&A 2017 3173 - Application of the definition of ‘speculative immovable property financing’ under the Standardised Approach. • Q&A 2017 3078 - Valuation of immovable property performed by statistical model. • Q&A 2014 1263 and 2015 2397 - Scope for using own estimates of conversion factors. • Q&A 2013 686 and 2013 687 - Contractual maturity used for calculating capital requirements. • Q&A 2014 1087 - Specific credit risk adjustments.
<p><u>Large exposures</u></p> <ul style="list-style-type: none"> • Q&A 2014 1659 - Criteria for reducing the value of an exposure secured by commercial immovable property.
CRD
<p><u>Governance</u></p> <ul style="list-style-type: none"> • Q&A 2018 4158 - Calculation of the number of directorships held.

3.1.2 Measures — by CAs or institutions — to promote the Q&A tool and answers and their use at institution level

a) Measures taken by CAs at institution level

31. As regards the **promotion of the Q&A tool and answers and their use by CAs at institution level**, very **few CAs** indicated not having applied any specific measures. As a minimum, CAs refer supervised institutions to the Q&A tool in response to enquiries or in the event of the publication of Q&A that are of particular interest.

32. In the majority of cases, however, and notwithstanding differences as regards the patterns of application and levels of formality, the measures taken by CAs are fairly similar:

- inclusion of links to the EBA Q&A tool and of alert mechanisms highlighting published Q&A on CAs' websites;
- regular or ad hoc communication, by email or newsletter, about the publication of all or selected Q&A;
- referral of institutions, associations or other stakeholders to the Q&A tool and/or to new, specific Q&A, in the context of discussions on regulatory developments or on supervision-related issues or following enquiries;
- education, information and/or training sessions (covering Q&A) given by CAs for the benefit of institutions.

b) Measures taken by institutions internally or by industry associations

33. Similarly to CAs, **most institutions** (about 85%) **have measures in place to promote the Q&A tool and to encourage the use of relevant Q&A answers within their own entities** (or, where relevant, groups), albeit with different levels of centralisation.

34. The following practices have been observed among institutions in that respect:

- dissemination of information on Q&A (often, among other information) through internal newsletters or emails distributed throughout an institution or to relevant units/departments or groups, in varying formats and at varying frequencies;
- use of regulatory platforms, databases or files to allow analysis and information sharing regarding Q&A;
- review and discussion of Q&A in coordination teams in ad hoc meetings and/or internal working groups, or even informal exchanges involving different departments.

35. The EBA news alerts serves as the main means of monitoring the publication of final Q&A.

36. Size seems to be an influencing factor when it comes to institutions' capacity to systematically monitor Q&A, with some institutions relying on CAs and one institution reporting having outsourced the monitoring to an external consultant.

37. Two of the **banking associations** surveyed indicated that they monitor the publication of final Q&A and, where relevant, liaise with member institutions.

3.1.3 Measures — by CAs or institutions — to encourage the application of Q&A

a) Measures taken by CAs at institution level

38. A number of **CAs** indicated not having taken any formal **measures regarding the application of relevant final Q&A** at institution level.

39. Where measures have been taken, there are differences in terms of whether these are applied systematically or, more frequently, on an ad hoc basis (e.g. after receiving an enquiry).

40. Commonly, such measures include one or more of the following:

- communication to institutions about the publication or importance of final Q&A;
- referral to Q&A in discussions, correspondence or supervisory guidance provided both to supervisors and institutions;
- requests or instructions to institutions to change practices, with examples given to illustrate such cases including:
 - Q&A [2014 1087](#) and [2017 3330](#) on specific credit risk adjustments, and
 - Q&A [2017 3173](#) on speculative immovable property financing;
- ad hoc compliance reviews or supervisory checks on specific areas (e.g. capital adequacy and liquidity, or own funds deductions related to repurchases of capital instruments for market-making purposes).

41. As regards the existence of **measures at CA level concerning the use or scrutiny of relevant final Q&A** by CAs' supervisory teams at institution level, some CAs indicated that they:

- ensure coordination between the supervisory teams with policy experts involved in different regulatory areas;
- encourage the application of final Q&A in supervisory engagements;
- incorporate Q&A into the supervisory procedures and tools.

42. Here again, the areas most concerned are own funds, credit risk, market risk, liquidity and funding, as well as supervisory reporting.

b) Measures taken by institutions internally

43. For institutions, measures taken regarding the application of final Q&A are obviously linked to the relevance that individual Q&A have for institutions' activities, with several noting that relevant Q&A are reviewed and implemented as soon as possible and, if necessary, corrective actions are taken.

44. In terms of the measures that were indicated in this regard, institutions mentioned the following:

- active tracking of compliance with relevant EBA Q&A;
- internal communication in the form of emails or newsletters;
- maintenance of databases or spreadsheets of Q&A (or regulatory guidance more broadly) and their implementation;
- internal reviews or discussions (at varying frequencies), often to identify impact and, where applicable and relevant, determine changes to processes, internal manuals or procedures, and support functions (e.g. IT and reporting);
- review of capital requirements calculations;
- training and information/knowledge transfer activities.

45. A number of institutions indicated, however, not having undertaken any particular measures with respect to the application of Q&A.

46. Many of the **coordination and cooperation measures at institution level** have to be considered in the light of the general approaches adopted by institutions to follow and monitor regulatory developments. Generally, it could be observed that, internally, all relevant operational or functional teams — or, in larger institutions, dedicated groups or teams — are involved.

47. Even where the absence of specific cooperation or coordination measures was reported (mostly by smaller institutions), information about newly published Q&A or other regulatory measures was often disseminated on an ad hoc basis.

48. Based on the survey, the **role of associations** as a source of information seems significant. Many institutions appear to rely on associations to provide information and to discuss issues that are of relevance to a wider range of institutions, and sometimes they use them to submit Q&A to the EBA tool; this seems to be the case particularly for less sizeable institutions.

49. **Other sources of information** that were highlighted included exchanges with peers, external service providers and advisers — whose services will be charged for — or local CAs. (In this context, one institution also mentioned the Basel Committee as a source of information.)

3.1.4 Role of Q&A in institutions' processes for implementing CRR/CRD requirements and changes to practices and procedures

50. Most prominent among the **roles that Q&A play in institutions' processes for implementing CRR/CRD requirements and changes to practices and procedures** were the following:

- providing helpful guidance to support the interpretation and a better understanding of the wider legislative CRR/CRD framework;
- providing consultative, informative and clarifying support.

51. Significantly, several institutions also stressed that the EBA Q&A are seen as an integral part of the Single Rulebook in banking regulation.

52. Just over half of the institutions surveyed (57%) indicated that the application of relevant final Q&A has, notwithstanding their non-binding legal status, led to changes in practices and procedures in areas of the organisation, risk management (e.g. in the credit risk control unit), capital requirements calculations in general and more specifically own funds (including the calculation of 'capital absorptions') or of Pillar 1 own funds requirements (or RWA) calculations for credit risk (e.g. calculations of exposures secured by mortgage or the application of the SME factor) and market risk, large exposures and the liquidity coverage ratio, as well as — although this was not the focus of the review — supervisory reporting.⁴

53. Examples given by institutions of Q&A that led to changes in practices included the following:

CRR

Own funds

- [Q&A 2013 588](#) - Application of specific national filters and deductions when computing threshold deductions.
- [Q&A 2014 842](#) - Calculation of the threshold deductions (from CET1) during the transitional period.

⁴ Although not all of the areas indicated were substantiated by specific Q&A, the descriptions made it possible in many cases to guess at or identify the related Q&A, namely:

- [Q&A 2016 2641](#) - (Credit Risk - RW under the SA for an exposure secured by a mortgage on a residential property) and [Q&A 2015 2135](#) (Credit Risk - Capital requirements deduction for credit risk on exposures to SMEs);
- [Q&A 2014 749](#) - (Credit Risk - Risk weighting and prohibition of qualifying holdings outside the financial sector);
- [Q&A 2016 2916](#) - (Credit Risk - Contingent liabilities within the Merchant Services Industry);
- [Q&A 2016 2968](#) - (Credit Risk - Implementation of default definition - retail portfolio);
- [Q&A 2014 1017](#) - (Supervisory Reporting - Exit Criteria NPE).

- [Q&A 2014 1352](#) - Permission given by NCA in advance to reducing own funds for a certain predetermined amount.
- [Q&A 2016 2807](#) - General credit risk adjustment (GCRA) inclusion into Tier 2 capital.

Market Risk

- [Q&A 2016 2658](#) - AVA calculation and tax effects.
- [Q&A 2016 2735](#) - Consideration of collateral in the potential future credit exposure.

Supervisory reporting

- [Q&A 2016 2724](#) - Deferred tax assets that do not rely on future profitability (row 020) in template C 04.00 of Annex II of Regulation (EU) 680/2014 (ITS on supervisory reporting).

3.1.5 Handling of questions received on issues relating to the CRR/CRD Single Rulebook (other than supervisory reporting) or of follow-up questions on Q&A

54. All but four **CAs** have some form or level of internal review of **issues that are raised by stakeholders relating to the CRR/CRD Single Rulebook**, although these are rarely very formalised.

55. The vast majority of CAs carry out one or more of the steps set out hereafter (albeit not always and not always systematically or in the same order):

- encourage enquirers to review relevant legal texts or Q&A or, if necessary, to submit a question using the EBA Q&A tool;
- consider issues internally, involving supervisory and policy teams or relevant subject matter experts depending on the issue in question, after checking internal databases and existing Q&A;
- where a query has not been or cannot be answered, a question is submitted using the EBA Q&A tool, sometimes as a last resort;
- in a few cases, it was noted that if no relevant Q&A existed and/or the query was urgent, a CA would provide a tentative answer and then submit the question using the EBA tool. In some cases CAs indicated that their tentative answer would include a disclaimer that an EBA final answer would prevail over their view.

56. Where issues are addressed directly by CAs, it is not always clear whether interaction with EBA Q&A is taken into consideration and how possible overlaps are avoided or addressed. It is, however, understood that this is done mostly by reviewing guidance issued by CAs once an EBA Q&A on the same issue is published.

57. For **institutions**, the responses confirm that, although a number of them do not have (or do not mention) formal processes for handling questions received on issues related to the CRR/CRD Single Rulebook, most of the entities surveyed adopted a sequential approach to addressing such questions:

- The issue is raised internally in a relevant unit/function/department, or with the relevant ‘article owner’, with checks of or searches in internal databases, supervisory manuals and/or the EBA Single Rulebook and/or Q&A.
- Unresolved issues may be raised with peers or forwarded to banking or trade associations for discussion. In a significant number of cases external consultants, advisers or auditors are involved, either systematically or on an ad hoc basis.
- Institutions often contact their CAs with issues that cannot be resolved.
- Where this still does not address the issue (or does not address it as desired), institutions turn to the EBA Q&A tool.

58. These steps are not always all followed or followed in the order set out above. It is not uncommon for institutions to submit issues using the Q&A tool immediately after discussions within the institution or with peers (whether directly or through an industry association).

59. In some cases, it was noted that where issues are addressed internally or after discussions with peers (directly or through an industry associations), without having resorted to the EBA Q&A tool, the outcome is afterwards checked against the Single Rulebook Q&A and, where necessary, adjustments are made.

60. A very small number of institutions indicated that the EBA Q&A tool is used only as a last resort, mainly because of concerns regarding response times and a lack of clarity in the answers.

61. As regards **follow-up queries received internally or externally on issues relating to the CRR/CRD Single Rulebook, CAs and institutions** largely reported that they followed the same approaches as for newly identified issues.

62. In a number of cases, **CAs indicated** that policy and supervisory teams consider follow-up queries and may provide written or oral guidance on these and final EBA Q&A, or raise any issues with the EBA. If issues remain unresolved, this could lead to the submission of a follow-up question using the tool.

3.2 Non-application of Q&A and obstacles to their application

63. Significantly, only 4 out of 30 **CAs** surveyed indicated that they were aware of **cases of relevant final Q&A that are not applied by the authorities themselves or by institutions** they supervise. (Two CAs noted that the application of one Q&A was subject to further consideration.) Specific

cases of final Q&A for which non-application was reported or discovered are limited to 11 instances — 4 of which relate to the same issue.

64. For **institutions**, about one quarter of institutions surveyed — 12 institutions in 7 jurisdictions — indicated that they were aware of **cases of relevant final Q&A that are not applied**. Of the 12 institutions, 8 are from 3 jurisdictions, all of which had also been identified in the CAs’ responses. The total number of cases of non-application identified by institutions amounts to 23, 4 of which, as above, relate to the same issue.

65. The table below provides an overview of the number of cases of non-application identified by CAs and/or institutions, grouped by topics and giving the reason for non-application.

Topic	Reason	No of Q&A (CA)	No of Q&A (INST)
<u>Own funds</u>	Disagreement with /different interpretation of answer	2	—
	Disagreement with /different interpretation of answer	4	4
	Inconsistency with Level 1 text	—	2
<u>Credit risk</u>	Lack of proportionality	1	4
	Systems constraints	—	1
	Disagreement with /different interpretation of answer	1	2
<u>Market risk</u>	Lack of clarity of answer	—	5
	Inconsistency with Level 1 text	—	2
	Systems constraints	—	1
<u>Large exposures</u>	Lack of clarity of answer	—	1
	Inconsistency with Level 1 text	1	—
<u>Liquidity risk</u>	Lack of proportionality	1	—
	Systems constraints	—	1
<u>SREP and Pillar 2</u>	Lack of awareness (at institution level identified by CA)	1	—
Total		11	23

66. As there is some overlap between the cases identified by CAs and institutions, the total number of Q&A identified is 29 rather than 34 (or 26 if we consider only those that relate to separate issues). This accounts for around 4.6% of the approximately 625 final Q&A on CRR/CRD-related issues (or around 4.2% in terms of separate issues).

67. For CAs, the non-application rate, attributable to around 13% of authorities surveyed, accounts for less than 1.8% of all final CRR/CRD-related Q&A (1.1% in terms of separate issues). For the institutions surveyed, the non-application rate, is attributable to just over one quarter of institutions, is slightly higher, at 3.7% of all final CRR/CRD-related Q&A (3.0% in terms of separate issues).

68. Overall, the number of cases of non-application is fairly low, which is encouraging given the large number of final Q&A and their non-binding legal status. However, it should be borne in mind that the sample of institutions surveyed was fairly small, and therefore caution should be exercised in extrapolating from these observations to draw broader conclusions.

69. Where unintentional, cases of non-application are mostly addressed as soon as they are identified. Identification of such cases normally takes place in discussions with supervisors or during supervisory reviews or inspections, in discussions with peers or banking associations, during internal reviews or discussions at institution level, or through the implementation of the supervisory reporting framework.

70. The reporting of identified cases of non-application of Q&A by CAs to the EBA is not that common. At institution level, reporting to CA is not usual either.

71. Although only 6 out of 30 CAs (or 20%) indicated that there were **obstacles or difficulties preventing the application of relevant final Q&A**, the number of **institutions** commenting on such obstacles or difficulties was slightly higher: 12 out of 51 institutions (or 23,5%).

72. The reported obstacles and difficulties preventing the application of Q&A are fairly similar and can be grouped under the reasons given in table above, although the arguments put forward differed slightly.

73. The EBA is currently considering the reported cases of non-application in more detail with the aim of better understanding the obstacles and issues in relation to the Q&A (rather than to identifying or challenging non-application per se). Based on its assessment, the follow-up actions are expected to be limited to informal exchanges with and ad hoc queries to relevant CAs.

3.3 Utility of the Single Rulebook Q&A tool and related answers

3.3.1 Assessment of the utility of the Single Rulebook Q&A process/tool and related suggestions

74. With two exceptions, **CAs' assessment of the utility of the Single Rulebook Q&A process** was positive, with about 93.1% of CAs surveyed indicating that they were either satisfied or even very satisfied (one CA, or 3.4% of CAs surveyed).

75. Notwithstanding this high level of satisfaction, many respondents provided comments or suggestions in this context; however, many also gave reasons for their positive assessment of the process tool:

- It has an important 'standard-setting function' for a harmonised interpretation and application of EU law and for clarifying critical issues related to the EU legislation, despite Q&A not having binding force in law.

- The Single Rulebook Q&A process is well organised, useful and easily usable (some comments also mentioned the search function).
- It adds value, and, generally speaking, the process works well and produces useful and informative answers.

76. Comments on the Q&A tool/process, and related suggestions for improvements, are summarised in Section 5.1.

77. Overall, all **CAs** expressed at least their satisfaction with the **utility of the Single Rulebook Q&A tool**.

78. A large number of CAs noted among the positives that the Q&A tool:

- is important for the promotion of supervisory convergence;
- strengthens the harmonised application of regulatory requirements across the EU and contributes to the effective banking supervision;
- is comprehensive, intuitive, user-friendly/easy-to-use;
- is useful, especially in conjunction with the ISRB.

79. About half of the CAs that responded to the questionnaire provided suggestions on how the Q&A tool could be improved (again, see Section 5.1 for a summary of the suggestions.)

80. The **assessment of the utility of the Single Rulebook Q&A tool by institutions and associations surveyed** was positive overall, with over 91% of institutions indicating that they were at least satisfied. However, about 9% of institutions (corresponding to four respondents) indicated that they were dissatisfied with the tool.

81. As for the reasons for positive assessments respondents indicated that the Q&A tool:

- contributes to a level playing field and more transparent and harmonised legislation;
- helps stakeholders to understand and interpret the legislative framework;
- identifies issues of importance to CAs;
- informs and educates, including regarding issues identified by other institutions;
- is comprehensive, easily accessible, user friendly and intuitive, and appropriately structured;
- has an efficient and practical search function.

82. **Institutions' comments on the Q&A tool and related suggestions for improvement** very much echoed those of CAs, although they had a greater focus on presentational/structural issues, on

transparency aspects and on the search function. (See Section 5.1 for a summary of the suggestions).

83. One aspect to highlight among the more process-related suggestions is the timeliness of responses. In this context, it was noted by some that long response times create uncertainty. Institutions are concerned about receiving an answer long after the question has been asked and, in case where they had to act with a view to applying (sometimes regulatory) deadlines before receiving a formal answer, that the final Q&A might contradict an institution's own understanding with, potentially, adverse effects on capital measures and risk management practices or business practices. It was stressed here that timely answers would be particularly important for Q&A submitted in the context of the CRR/CRD5 implementation phase.

3.3.2 Assessment of the utility of the Single Rulebook Q&A per se

84. All the **CAs** expressed that they were at least satisfied with the **utility of the Single Rulebook Q&A per se**, with a large number considering them as helpful.

85. For some, the answers, like the tool:

- support the creation of a level playing field;
- promote more transparent and harmonised legislation and prove useful in interpreting the CRR/CRD;
- serve as an important source of information and resource to find answers on unclear issues.

86. It was nevertheless noted by some that this all hinges on timely responses. At the same time, the (non-)enforceability of the answers was raised as a point deserving attention or consideration.

87. In addition, Q&A are seen as helpful for identifying aspects of the Level 1 or 2 text that may require amendments in future legislation. (Comments and suggestions on improving the utility of the Q&A answers per se have been summarised in Section 5.2.)

88. Among the **institutions**, a large majority of respondents stated that they were at least satisfied with the **utility of the Single Rulebook Q&A per se**. This leaves eight institutions (or 17% of respondents) dissatisfied with the utility of the Single Rulebook Q&A per se. Two out of three associations indicated that they were dissatisfied with the utility of the Single Rulebook Q&A.

89. Positive feedback focused on the following aspects (which are similar to those noted by CAs) included:

- promotion of a more transparent and harmonised legislation and provision of assistance with interpretation of the CRR/CRD;

- support of and contribution to the creation of a level playing field, preventing CAs from issuing divergent interpretations and acting as first port of call on definitional queries about the CRR/CRD;
- easily accessible and embedded in a user-friendly tool, with (it was sometimes noted) answers that are useful, understandable and clear, shedding light on complex topics in the absence of direct exchanges with the supervisor;
- provision of educational and information, sometimes flagging up issues that have not been considered or identified internally.

90. Overall, the drawbacks indicated included the EBA's overstepping its remit, given the impact of answers (going beyond just referencing or paraphrasing a legal act, article, etc.); issues related to legal status or implementation and regulatory expectations, and the quality of the answers. (Comments and suggestions on improving the utility of the Q&A per se have been summarised in Section 5.2.)

91. While overall the Q&A tool is considered useful, as it increases consistency across the industry and strengthens the Single Rulebook, the concerns with regard to the current Q&A process are noticeable, with long response times increasing uncertainty for stakeholders and potentially discouraging the use of the tool.

3.3.3 Assessment of the ISRB

92. Only 13 of the **CAs** surveyed (around 45% of the sample) provided **comments on the ISRB**, with 7 making comments on this resource and/or suggestions for improvements.

93. Those who commented appreciate the ISRB for the following reasons:

- It is useful for CAs to address CRR/CRD requirements and to clarify related uncertainty.
- It allows stakeholders to manage the implementation of regulation and regulatory guidance.
- It is useful, helpful and efficient, and worth maintaining.
- It provides links to applicable Guidelines/ITS/RTS/Q&A.

94. Among the **institutions**, 28 (60% of the institutions in the sample) **commented on the ISRB**, with 23 providing positive comments. Similarly, three associations consider the ISRB as a useful tool.

95. The main reasons for viewing the ISRB positively were the following:

- it makes it possible to check the various articles of CRR/CRD and to search the related standards, Q&A and EBA products in one place;
- it offers rapid access to specific elements of the regulatory framework;

- it is a valuable tool for navigating the legislation and regulatory frameworks it covers;
- it gives an overview of the documents published by the EBA to be taken into consideration for various supervisory topics and helps compliance with supervisory requirements.

96. Less positive feedback included the following (from two institutions):

- the ISRB is slow to consult and difficult to navigate;
- certain Q&A are not linked to articles and can be found only through the Q&A search tool.⁵

(Specific suggestions for improvements of the ISRB have been summarised in Section 5.3.)

4. Good practice guidance for institutions

97. This chapter discusses the lessons to be drawn from the review of the use and usefulness of the EBA's Single Rulebook Q&A process and of the Q&A answers per se. The approaches and practices presented here are non-prescriptive and are mainly intended as guidance that institutions could adopt in using the EBA Q&A.

4.1 Guidance on promoting the EBA Q&A tool and answers and their use within institutions

4.1.1 Measures to promote the EBA Q&A tool and its use

98. For the purpose of **promoting the Q&A tool and its use within their own organisations** institutions could use the following measures, with possible adjustments proportional to organisational and size differences:

- raise awareness of the existence of the Q&A tool and the ISRB within their organisation;
- include references to the EBA Q&A tool and to relevant Q&A, as well as to the ISRB, in relevant internal business procedures;
- monitor developments in relation to new and/or specific Q&A and ensure dissemination of information to the relevant experts/departments, using suitable forms and frequencies of communication;

⁵ It has since been clarified that this comment related to Q&A that pertained to more than one article, where in a very few cases a link had not been established with all relevant articles.

- provide information or training sessions to relevant staff to convey issues addressed in relevant Q&A, for example as part of other regulatory developments.

99. **Coordination and cooperation measures** within institutions could ensure the following:

- the involvement of all relevant teams (and experts, as needed);
- the implementation of relevant changes to practices/procedures brought about by final Q&A in a timely manner.

100. Where language and translation issues arise, institutions could consider raising these with the relevant CA.

4.1.2 Measures and policies regarding the application of Q&A

101. For **institutions**, measures that could be taken regarding the application of final Q&A would obviously need to take into account the relevance of individual Q&A for their activities. Therefore, institutions are encouraged to:

- monitor the application of EBA Q&A that are relevant for their activities;
- undertake internal reviews or discussions and, where applicable and relevant, adapt processes and/or regulatory treatments, internal manuals or procedures, and support functions;
- communicate internally concerning relevant Q&A in the form of emails, newsletters, etc.;
- reflect the content of Q&A and their implementation in internal regulatory procedures and/or databases.

102. To ensure appropriate coordination or cooperation within institutions, and taking into consideration issues such as the size or complexity of their activities, institutions could foresee the following:

- ensure that all relevant teams or units are involved in internal exchanges in which Q&A are considered as part of wider regulatory or supervisory issues;
- undertake training and information/knowledge transfer activities.

103. **Industry associations** are encouraged to usefully contribute to exchanges and dissemination and could act as information channels and offer support, especially for less sizeable institutions. Interaction with peers and CAs could also be relevant and important in this context.

4.1.3 Roles of the EBA Q&A in institutions' processes for implementing CRR/CRD requirements and changes to practices and procedures

104. Institutions are encouraged to consider Q&A in the context of implementing CRR/CRD requirements and changes to practices and procedures, in particular as offering:

- guidance to support the interpretation and a better understanding of the wider legislative CRR/CRD framework;
- consultative, informative and clarifying support.

4.1.4 Handling of questions received on issues relating to the CRR/CRD Single Rulebook (other than supervisory reporting) or of follow-up questions on Q&A

105. As regards questions received internally or externally on issues relating to the CRR/CRD Single Rulebook or follow-up questions on Q&A, institutions are encouraged to:

- consider issues internally involving relevant teams and/or subject matter experts to check the existence of a Q&A on a specific issue;
- review relevant legal texts and/or Q&A or, where no Q&A has been published on a subject, submit a question using the EBA Q&A tool.

4.2 Non-application of Q&A and obstacles to their application

106. Institutions are encouraged to inform their CA and/or the EBA in case they are not applying a relevant Q&A.

107. **In cases of non-application of Q&A for the following reasons, the corresponding course of action is encouraged:**

- Inconsistency with the Level 1 text (or with national legislation) — where this is perceived to be the case, seek guidance from their CA or the EBA (using the Q&A tool).
- Different interpretation/disagreement (on the part of the CA/institutions) — where this is perceived to be the case, seek contact with their CA or the EBA (using the Q&A tool).
- Lack of clarity — where this is perceived to be the case, seek guidance from their CA or the EBA (using the Q&A tool).
- Technical or systems constraints — these should only lead to delayed implementation.
- Language barrier — where this is perceived to be an issue, seek guidance from their CA.

108. Where institutions consider that non-application could be justified for one of the following reasons, they are encouraged to inform or consult their CA or the EBA:

- proportionality considerations, specifically affecting smaller institutions; (proportionality considerations should not be amalgamated with materiality considerations, which may be relevant to a wider range of institutions or stakeholders);
- ongoing discussion on a topic – either at CA or at EBA level.

109. Where a case of non-application as a result of lack of awareness is identified, for example in the context of a supervisor’s on-site inspection, adjustments are encouraged and, if necessary, to be communicated as appropriate within an institution.

5. Suggestions on the Single Rulebook Q&A process/tool and related answers

110. The sections hereafter summarise the comments and suggestions received from respondents on the Q&A process/tool and the Q&A per se, as well as suggestions for improvements.

111. This summary represents a compilation of the measures put forward by respondents, and thus the suggestions may at times may pursue conflicting or incompatible objectives. **Additional work is necessary to develop a realistic and workable set of proposals for improvements. The EBA is looking into this, also taking into consideration any changes needed to address the ESAs review.**

112. In some cases, the EBA’s view has been added in square brackets, notably where it was felt that a comment or suggestion from respondents did not reflect current practice.

113. It is noted in that respect that, given some of the findings or comments, additional guidance on how to submit a Q&A, respectively to search for Q&A has been added in the Q&A page (<https://eba.europa.eu/single-rule-book-qa>).

5.1 Single Rulebook Q&A process/tool and related suggestions

114. Areas of the **Q&A process** highlighted by respondents as offering room for improvement included the following:

- The speed or timeliness of responses should be improved to avoid disincentivising stakeholders from using the process/tool. Consideration could be given to the following suggestions:
 - Increase the speed of the process — in one case, 2-3 months was given as an example of the time it should take for a response to be received. [This suggestion is difficult to

implement given the number of questions and the process to follow.] Consideration should be given to streamlining the process, for example by reducing the number of review stages.

- Prioritise important and urgent questions using a fast-track process; there were some suggestions regarding prioritising questions submitted by CAs and/or institutions over those submitted by other stakeholders (e.g. consultants or academics).
- Establish/develop a due process for the review period, which should not exceed a given duration, and communicate a more precise timeline once a first assessment has taken place.
- Where longer review periods are needed (e.g. to consult), provide updates on the revised timing. One suggestion was to regularly (perhaps annually) check questions under review to identify important gaps or issues requiring priority treatment.
- Consider implementing a quicker process for answering follow-up questions about published Q&A.
- Industry consultation/involvement :
 - Consider enabling stakeholders to comment more widely and/or more systematically on specific issues and evaluate the potential impact before finalisation (beyond the scope of the current, ad hoc, BSG involvement), possibly based on an initial assessment of the question and of any comments/proposals. Suggestions about the need for transparency of Q&A under review also come into play here. [Careful consideration is needed to avoid further increasing processing times.]
 - Post-publication feedback and review:
 - regularly check published Q&A for relevance and consistency with new Q&A; [this is already done];
 - enable feedback on final EBA Q&A, possibly as an alternative to a full industry consultation, and make it possible to re-open final Q&A where they lack clarity;
 - consult submitters on the final (or perhaps near-final) answer to gauge added-value;
 - consult the banking industry regularly on published Q&A (e.g. every 2 years).
 - use Q&A answers to identify and communicate problems, lack of precision or other issues in legally binding regulations or guidelines subject to a 'comply or explain' mechanism, with a view to driving change and improvements; [this is already done where relevant or feasible, e.g. as part of the CRR/CRD review].

- Impact assessment: consider the need for impact assessments and, where relevant, industry consultation based on a materiality assessment, with CAs helping to identify cases. [This is already done, although consultation is currently limited to ad hoc BSG involvement.]
- Rejections: limit the number of rejections and provide justifications (in particular if issues relate to a disagreement between an institution and a supervisor). [Although this is not the objective of the tool, it appears that institutions, at times, rely on the Q&A process to resolve such cases. Justifications for rejecting a question are already provided in standardised form, and to the extent that relevant EU regulation is considered to be clear on an issue raised, clarified by adding references to relevant articles in the standard rejection. Occasionally this is supplemented by additional bilateral follow-up.]
- Other process-related issues:
 - Extend the scope of the Q&A tool to cover other legislation that is part of the EBA's remit, such as the AMLD. [The inclusion of this legislative text is in planning.]
 - Reporting Q&A [although these are not in the scope of the survey]: address the issue of retrospective application and for how many periods this should be done. [This issue is under consideration, albeit in a separate context.]

115. **Q&A tool-related comments and suggestions** included the following:

- Improvements to the search function:
 - Improve the user-friendliness and structure of search results, and enable more precise/differentiated searches, including filtering of initial search results by various criteria, and improved search filters, as the definitions are not always clear (e.g. period posted versus publication). Increase the search proficiency, add features (e.g. additional 'Google-like' features) and improve speed.
 - Widen searchable references to all relevant articles, sections, chapters, parts, titles, etc., of legislative acts, etc., while allowing restricted searches (e.g. by keyword or publication date). [Word match searches are already available.] Allow searches for Q&A that cross-reference or cover several articles.
 - Allow a Q&A to be linked to several topics, with links to articles in the ISRB. In addition, consider more specific topics for Q&A, as currently they are too general (notably for supervisory reporting).
- Improve presentation
 - Improve the presentation structure of final published Q&A. [This is understood to relate to the fact that recently published Q&A appear first.] To get a clearer structure,

search users need to resort to search filters. Allow grouping of final Q&A, for example by topic, chapter, etc. [It is already possible to search by topic.]

- Create a hierarchy of importance for Q&A (or assign priority flags). The EBA should distinguish between Q&A that deal with interpretation issues and those that clarify legal provisions.
- Include cross-references and hyperlinks to related topics, articles and Q&A.
- Include the date of publication in the preview of the final Q&A (in the search results).
- Bundle the most important clarifications and release them as new versions of the underlying acts, to avoid a constant drip-feed.
- Transparency/usability:
 - Publish Q&A under review and all rejections (not just those from the last 2 months) to prevent duplication of submissions. [Although this was the practice initially, it did not prevent duplications.]
 - Regroup issues to reduce the amount of disparate references.
 - Publish Q&A in other official EU languages. [This would come at a considerable cost in terms of translation, time and changes to the tool/ISRB.]
 - Enable downloading of Q&A in a database, Excel and/or Word formats, not just PDF. In addition, a printable list of all published Q&A (that can be sorted, for example, by content and publication date) should be made available, rather than only the possibility to use the 'Export function'.
- Other tool-related suggestion: Include CEBS Q&A in the tool. [This is understood to refer to the CRD 1 Transposition Q&A managed by the European Commission.]

5.2 Assessment of the utility of the Single Rulebook Q&A per se

116. To improve the utility of the Q&A per se, respondents made the following suggestions:

- Clarity/homogeneity of Q&A: increase the clarity and homogeneity of draft answers. Consider including examples, although a balance between providing detail and concision is important, and limit reiterations of Level 1 text.

In addition, it was suggested that the EBA further standardises the drafting and language of Q&A answers, although it was recognised that this would not always be straightforward. Answers are sometimes institution-specific and thus not always easy to comprehend.

Specificity of final Q&A: not all legal forms of institutions and/or national specificities/peculiarities/regulations are taken into consideration in Q&A. [This suggestion is not realistic.] Similar suggestions were made for banks operating in third countries. In addition, it was noted that the application of Q&A should not be up for CAs to decide, as this would go against the principles of the Single Rulebook. [The Q&A are part of the Single Rulebook, notwithstanding their non-binding legal character.]

117. Other suggestions/considerations included the following:

- The EBA is sometimes seen to overstep its remit, given the impact of the answers, which lead to changes in market and supervisory practices. [Generally, it is considered that such impacts are the consequence of answers clarifying what should be the correct, appropriate or prudent practices.] The Q&A should focus on clarifying the practical implementation of the relevant provisions.
- Legal status or implementation issues:
 - Many stakeholders noted that there was a perception that users should seek (where relevant) to comply with the ‘guidance’. [Despite the non-binding status, CAs and EBA do indeed have such an expectation.] Some comments raised questions about the (non-) enforceability of the answers.
 - Consider providing guidance, in consultation with stakeholders, on general timeframes for the application of Q&A, for example within 6 months from the date of publication, or longer for complex issues. [As Q&A, in principle, clarify the legal framework, application should in principle be immediate.]
 - Consider involving the European Commission as an active participant in the process to further strengthen the standing of Q&A. [This is already the case.]
- The EBA should consider (in cooperation with Commission, where relevant) the use of concrete warnings and follow-up actions to address and resolve lacunae (identified by way of the Q&A mechanism) in legally binding or ‘comply or explain’ regulations, with a view to addressing these issues following an established due process. [This is already done, although there is limited scope for amendments to Level 1 and Level 2 texts.] Similarly, Q&A that have or will become obsolete due to new regulation(s) should be highlighted. [This is already done].
- The EBA should ensure coordination between regular CRR/CRD Q&A and supervisory reporting Q&A, given the potential for the latter to have policy implications. [This is already done.]
- A few respondents noted that there was potential for a conflict of interest, as the EBA as a standard-setter is clarifying its own standards.

- Some respondents suggested considering developing a taxonomy for the standardisation of possible cases of non-application (setting out possible rationales and circumstances). [This has not been retained given the discussion in Section 3.2.]

5.3 Assessment of the ISRB

118. Several suggestions for improvements were put forward:

- Increase the visibility of the ISRB on the EBA website.
- Include comprehensive references to all relevant guidelines and standards, including (valid) CEBS guidelines. In addition, consider more hyperlinks to other articles/regulations/legal texts and to definitions in the text, and include the Q&A ID. Include Q&A that are indirectly relevant to a particular article/provisions.
- Create a distinction between Q&A that offer an interpretation and those that purely clarify the application of a provision.
- Include 'hover text' (text shown by holding the cursor over a cross-reference) so that cross-references to parts/titles/sections/articles of legislative texts and Q&A can be viewed easily; improve the speed of the website.
- Develop a 'time travel' function, allowing users to set a date (past or future) and view the rulebook in force at that point.
- Consider publishing the ISRB in other official EU languages.
- Consider simplifying sign-in requirements. [This is presumed to refer to the submission of Q&A.]
- Improve the ISRB for supervisory reporting.

6. Next steps and actions to be taken

119. As noted, the EBA is currently considering the reported cases of non-application in more detail with the aim of better understanding the obstacles and issues in relation to the Q&A (rather than to identifying or challenging non-application per se). Based on its assessment the follow-up actions are expected to be limited to informal exchanges and ad hoc queries to relevant CAs.

120. In parallel, the EBA will consider the 'Suggestions on the Single Rulebook Q&A process/tool and related answers' set out in Chapter 5 in more detail and assess to what extent and how these can best be implemented. As part of this assessment, possible implications for the Q&A

process arising from the ESAs review will have to be considered. A review of the process/tool will be undertaken, presumably, in Q3 and Q4 of 2019 and should lead to improvements that may allay many of the concerns raised in the context of this review.

121. In the meantime, the EBA considered it useful to share findings from this review not only with institutions taking part in the exercise but more widely. The EBA also invites all institutions and associations to consider the 'Good practice guidance for institutions' in Chapter 4 and to follow this to the extent possible and as appropriate for their situations.

Annex — Questionnaires

1. QA implementation review: Review of use and utility of Q&A process/tool and output- Questionnaire for CAs



QA implementation
review - Questionna

2. QA implementation review: Review of use and utility of Q&A process/tool and output- Questionnaire for Industry



QA implementation
review - Questionna



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