



**Single
Rulebook
Q&A**

Question ID	2020_5661
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - COREP (incl. IP Losses)
Article	99
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	Annex II
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Reporting of the Securitisation of liabilities in C_14 report (SEC DETAILS) when the ultimate underlying is originally issued by another entity than the reporting institution.
Question	When financial liabilities are the ultimate underlying of a given securitisation and when those liabilities have originally been issued by another institution than the reporting one, how should the column c160 (type of underlying assets) be reported ?
Background on the	According to instructions given in Annex II of the Draft ITS, a securitisation

<p>question</p>	<p>of for which ultimate underlying is originally issued by the reporting institution should be identified as such in column c160 (with values “Covered bond” or “Other liabilities”). Furthermore, many columns such as c221 (Kirb), c223 (Ksa), c430 (RWA before Cap) and c440 (RWA after Cap) should not be reported when the type of underlying assets are Covered bond or Other liabilities. But, the RWAs are not computed when the underlying is issued by the reporting institution; RWAs are calculated when the underlying financial liabilities are issued by another institution. So, if the same is applied to the latter case, the RWA computed are not declared in C_14 report whereas they are considered in other reports such as C_13 (CR SEC) and C_19 (MKR SEC).</p>
<p>EBA answer</p>	<p>According to the template instructions from Annex II of Regulation (EU) No 680/2014 (ITS on Reporting), paragraph 100, CR SEC template (C 13.01) shall be reported where institutions acts as originator, for all securitisations for which a significant risk transfer is recognized. Where the institution acts as investor, all exposures shall be reported.</p> <p>Regarding paragraph 110, SEC DETAILS templates gather information on all securitisations the reporting institution is involved in. These templates are to be reported for: a) securitisations originated/sponsored by the reporting institution (including where it holds no position) b) securitisations, the ultimate underlying of which are financial liabilities originally issued by the reporting institution and (partially) acquired by a securitization vehicle; c) Positions held in securitisations where the reporting institution is neither originator nor sponsor.</p> <p>These instructions (see also Q&A 2013_204) limit the use of values “Covered bonds” and “Other liabilities” in column 160 to the cases of securitization of liabilities issued by the reporting institution.</p> <p>The exposure as investor to this type of bond, issued by an institution (originator) that is not the reporting institution, is outside the scope of C 13.01 since it is not considered a securitization position in the terms of article 2(1) of Regulation (EU) 2017/2402, since payments are not dependent upon the performance of the pool of exposures. It is also outside the scope of SEC DETAILS as none of the three cases of paragraph 110 apply. The corresponding own fund requirement for this exposure should be calculated and reported in the credit risk templates.</p> <p>It should also be clarified that the exposure as investor to a securitization position where the securitized assets include any type of bond issued by a third party should be considered a “securitization of assets” and column 160 should be reported with the corresponding value from “Residential mortgages” to “Other wholesale exposures” (depending on the ultimate</p>

	<p>underlying pool of assets if this provision applies).</p> <p>Whenever an institution has to report a securitization under SEC DETAILS template, as per any of the three cases stated in paragraph 110, column 160 shall always be reported.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2020_5661

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