

# Single Rulebook Q&A

<b>Question ID</b>	2021_5752
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Supervisory reporting - Liquidity (LCR, NSFR, AMM)
<b>Article</b>	430
<b>Paragraph</b>	-
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Regulation (EU) 2021/451 - ITS on supervisory reporting of institutions
<b>Article/Paragraph</b>	Annex 13
<b>Date of submission</b>	22/02/2021
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<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Other
<b>Subject matter</b>	Reporting of a net reverse repo when the collateral leg has a higher RSF factor
<b>Question</b>	How should we report a net reverse repo (resulting from the netting of SFTs) when the collateral leg has a higher RSF factor?
<b>Background on the question</b>	We enquire about the consistency between Amended delegated act on NSFR and ITS on supervisory reporting. According to the regulation CRR2, Art. 428e we should calculate and report the net cash legs of SFTs if all the conditions are met. On the other hand, according to the ITS Annex XIII on NSFR, Art. 10, in the case of reverse repo, we should report the collateral leg if it has a RSF factor higher than the RSF factor of the cash leg. So on one hand, we are not supposed to net the collateral legs but on the other hand, we should report the collateral leg. How should we report a net reverse repo which results from the netting of SFTs? Can we agree that the instructions on Art. 10 of the ITS on supervisory reporting concern only the reverse repos which are out of the scope of the netting of SFTs?
<b>EBA answer</b>	The netting of repos and reverse repos is set out in Article 428e of Regulation (EU) No 575/2013 (as amended by Regulation (EU) 876/2019 and paragraph 8 of Part 1 ('General instructions') of Annex XIII of Commission

	<p>Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014, for the purpose of reporting the Net Stable Funding Ratio as specified in Title IV of Part Six of Regulation (EU) 575/2013. Accordingly, the amount of assets and liabilities resulting from securities financing transactions with a single counterparty and the same type of collateral underlying (level 1 or non-level 1 collateral) pursuant to Delegated Regulation (EU) 2015/61 shall be reported on a net basis where Article 428e of Regulation (EU) No 575/2013 (as amended by Regulation (EU) 876/2019) applies.</p> <p>In contrast, the last sentence in Paragraph 10 of Part 2 (“Specific remarks”) of Annex XIII of Commission Implementing Regulation (EU) 2021/451 refers to the case of a reverse repo set out in Article 428p (2) CRR, 2nd subparagraph, i.e., where the collateral received is not booked on balance sheet, but of which the institution has beneficial ownership. In application of 428c(3), in such a case the higher RSF for either the reverse repo or the collateral should apply in order, on the one hand, to account for the fact that the collateral needs to be considered in the NSFR if the bank has beneficial ownership, and, on the other hand, to avoid double RSF for both the reverse repo and the collateral. Hence, Paragraph 10 of Part 2 of Annex XIII of Commission Implementing Regulation (EU) 2021/451 does not refer to the netting of reverse repos and repos and, consequently, has no relation to Article 428e.</p>
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2021_5752">https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2021_5752</a>

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