

# Single Rulebook Q&A

<b>Question ID</b>	2021_6281
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Liquidity risk
<b>Article</b>	428j
<b>Paragraph</b>	3
<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>	23
<b>Date of submission</b>	16/11/2021
<b>Published as Final Q&amp;A</b>	22/12/2022
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Competent authority
<b>Subject matter</b>	Distribution of retail and wholesale term deposits in the ASF tables of the NSFR report according to the remaining term of the contract.
<b>Question</b>	<p>What is the term in the ASF tables of the NSFR report for longer than 6 months term deposits which a depositor has the right to terminate earlier and can withdraw these deposits in less than 6 months, when penalties are not applied?</p> <p>Do the same provisions apply to retail and wholesale deposits?</p>
<b>Background on the question</b>	<p>Institutions shall treat deposits with fixed notice periods in accordance with their notice period and shall treat term deposits in accordance with their residual maturity. It is not clear to us which term should be assigned for more than 6 months term deposits, the contract of which the depositor may terminate and withdraw the deposits in less than 6 months, and when penalties are not applied. It is unclear whether it is correct to consider that such term deposits fall under the category of “deposits with fixed notice periods” and must be reflected in accordance with their notice period, i.e. according to the earliest possible term of termination of a deposit agreement and withdrawal of the deposit, i.e. column up to 6 months.</p>
<b>Final answer</b>	According to Article 428j(2) of Regulation (EU) No 575/2013 (CRR),

	institutions shall take into account existing options in determining residual maturities of liabilities, retail or wholesale, under the assumption that a counterparty will redeem call options at the earliest possible date. In the case of term retail deposits, options for early withdrawals are, hence, to be considered, unless the criteria for exemption are met as stipulated by Article 428j(3) of the CRR.
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2021_6281">https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2021_6281</a>

European Banking Authority, 23/03/2023

[www.eba.europa.eu](http://www.eba.europa.eu)