

Single Rulebook Q&A

Question ID	2021_6328
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Liquidity (LCR, NSFR, AMM)
Article	430
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2021/451 - ITS on supervisory reporting of institutions
Article/Paragraph	Annex 13 NSFR
Date of submission	23/12/2021
Published as Final Q&A	17/02/2023
Disclose name of institution / entity	No
Type of submitter	Industry association
Subject matter	How shall open maturity repos be reported in C 81.00 and with which ASF factor ?
Question	<p>It is not totally clear what the term 'unless otherwise specified' in Article 428k of Regulation (EU) No 575/2013 CRR, as amended by Regulation (EU) 2019/876, means for an open repo. Does the use of the term 'unless otherwise specified' in the sentence 'unless otherwise specified in Articles 428l to 428o, all liabilities without a stated maturity, including short positions and open maturity positions, shall be subject to a 0 % available stable funding factor' mean that an ASF factor corresponding to the type of counterparty must be applied as per the article 428l to 428o CRR first?</p> <p>One answer is to allocate to the open maturity repo an ASF factor based on the counterparty as for the other kind of liabilities, thus 50% for non financial counterparties and 0% else, considering the open maturity repos are in the first bucket 0-6 months.</p> <p>An alternative is that articles 428l to 428o CRR are only valid for deals with a maturity and thus the ASF factor should be 0% whatever the type of counterparty.</p> <p>About the reporting C 81.00, in the first case, the proposal is to report the</p>

	<p>open repo with other liabilities of the same counterparty type, thus potentially in section 2.3 for non-financial customers or section 2.5 for financial ones to keep coherence on the ASF factors. For the alternative, the open repos must be reported in 2.9.4 as specified in the ITS.</p>
Background on the question	<p>Applying 0% or 50% asf factor on open maturity repo has a really big impact on the NSFR asf amount as open maturity repos are very common.</p>
Final answer	<p>According to Articles 428c and 428i of Regulation (EU) No 575/2013 (CRR), for the purpose of calculating their net stable funding ratio, institutions shall apply the appropriate stable funding factors set out in Chapters 3 and 4 to the accounting value of their assets, liabilities and off-balance-sheet items, unless otherwise specified in this title.</p> <p>Regarding the available stable funding (regulated under chapter 3), and unless otherwise specified in this chapter, it shall be calculated by multiplying the accounting value of various categories or types of liabilities and own funds by the available stable funding factors to be applied under Section 2. As such, article 428j CRR points that, and also unless otherwise specified in the chapter, institutions shall take into account the residual contractual maturity of their liabilities and own funds to determine the available stable funding factors to be applied under Section 2.</p> <p>Under Section 2, the available stable funding factors are specified: 0% (article 428k CRR); 50% (Article 428j CRR); 90% (Article 428m CRR); 95% (Article 428n CRR); 100% (Article 428o CRR), applying depending on the residual maturity, type of product and counterparty.</p> <p>In light of the above, Article 428k CRR highlights those cases for which it would apply the factor 0%. Moreover, paragraph 1 states that, unless otherwise specified in Articles 428l to 428o CRR, all liabilities without a stated maturity, including short positions and open maturity positions, shall be subject to a 0 % available stable funding factor, with the exception of deferred tax liabilities and minority interests. That is, if any of these articles establishes any different, Article 428k CRR would not apply, and so the 0% factor.</p> <p>As long as none of the cases regulated under these articles matches with the definition of “open repos” type of product, the factor 0% would be applied as established under Article 428k CRR.</p> <p>Concerning reporting in template C 81.00 of Annex XII to Regulation (EU) 2021/451, 'open repos' shall be reported in row 0430 as it covers open maturity positions.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2021_6328</p>

