

<b>Question ID</b>	2022_6386
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Liquidity risk
<b>Article</b>	460
<b>Paragraph</b>	1
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Delegated Regulation (EU) 2015/61 - DR with regard to liquidity coverage requirement
<b>Article/Paragraph</b>	32
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<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Competent authority
<b>Subject matter</b>	Definition of 'past due' for the purpose of the LCR
<b>Question</b>	What is the definition of 'past due' for the purpose of calculating liquidity inflows under Article 32(1) of Delegated Regulation (EU) 2015/61 in the LCR? Does the regulation allow for grace periods when determining monies due that are past due?
<b>Background on the question</b>	Delegated Regulation (EU) 2015/61 (DR with regard to liquidity coverage requirement) does not provide a clear definition of when a liquidity inflow can be considered being 'past due' but just specifies that liquidity inflows shall comprise only contractual inflows from exposures that are not past due and for which the credit institution has no reason to expect non-performance within 30 calendar days. The LCR DR may therefore potentially leave some room for maneuver to also consider as liquidity inflows those flows from monies due that are delayed (by e.g. one or two days) merely for technical/operational reasons rather than because such monies due being non-performing.
<b>Final answer</b>	Delegated Regulation (EU) 2015/61 (DR with regard to liquidity coverage requirement) does not provide for any grace periods meaning that all payments that are delayed, even if just for only one single day and even if

	<p>only for technical reasons, have to be considered as being past due for the purposes of the LCR calculation of liquidity inflows. This line of reasoning is consistent with the general approach of excluding contingent inflows from the calculation of liquidity inflows in the LCR. The above approach is also consistent with <a href="#">Q&amp;A 6050</a>, which clarifies that assets shall qualify as past due where any amount of principal, interest or fee has not been paid at the date it was due.</p>
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2022_6386">https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2022_6386</a>

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