

<b>Question ID</b>	2022_6530
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Supervisory reporting - COREP (incl. IP Losses)
<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>	n.a.
<b>Date of submission</b>	28/07/2022
<b>Published as Final Q&amp;A</b>	21/04/2023
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Consultancy firm
<b>Subject matter</b>	C 34.08 - Reporting of received collateral
<b>Question</b>	<p>Regarding the columns pertaining to the 'Fair value of collateral received' of template C 34.08 of Annex 1 of Regulation (EU) 2021/451 (i.e. columns 0010 - 0040 and 0090 - 0130), both the general guidance for the template (paragraph 131) along with the specific guidance for these columns provided in Annex II state that the institution shall report the fair values of received collateral that is used in CCR exposures.</p> <p>Is the correct interpretation of the term 'used in CCR exposures', that only the portion of received collateral that is actually used to offset CCR exposures should be reported in C 34.08, and not the full original fair value of collateral received relating to CCR exposures?</p>
<b>Background on the question</b>	Take the following SFT scenarios: Scenario 1: exposure value before haircut of 80 which, including haircut, is an exposure value of 100, and collateral received before haircut of 250 which, including haircut, is collateral received of 200 Therefore 100 of received collateral (including haircuts) is required to reduce the exposure to zero out of an available 200 of received collateral (including haircuts). Therefore 50% of the received collateral haircut value

	<p>has been used in the CCR calculation and so the correct amount of the fair value of the collateral received to report would be <math>250 * 50\% = 125</math>.</p> <p>Scenario 2: exposure value before haircut of 120 which, including haircut, is an exposure value of 140, and collateral received before haircut of 100 which, including haircut, is collateral received of 90 Therefore 90 of received collateral (including haircuts) is used to reduce the exposure out of an available 90 of received collateral (including haircuts). Therefore 100% of the received collateral haircut value has been used in the CCR calculation and so the correct amount of the fair value of the collateral received to report would be <math>100 * 100\% = 100</math>.</p>
<b>Final answer</b>	<p>According to Regulation (EU) 2021/451, Annex II, the template C34.08 shall be filled with fair values of collateral (posted or received) used in CCR exposures.</p> <p>The fair values of collateral (posted or received) must be reported in full, after the application of haircuts. This implies also that received collateral must be reported independent of the portion that is actually used to offset a CCR exposure.</p>
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2022_6530">https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2022_6530</a>

European Banking Authority, 04/12/2023  
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