

Single Rulebook Q&A

Question ID	2022_6582
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - COREP (incl. IP Losses)
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 II - reporting on own funds and own funds requirements
Date of submission	20/09/2022
Published as Final Q&A	21/04/2023
Disclose name of institution / entity	No
Type of submitter	Individual
Subject matter	C 14.00, columns 0302 and 0303
Question	C 14.00: When is a tranche considered to be sold and must be reported in columns 0302 and 0303?
Background on the question	<p>According to Annex II to Regulation (EU) 2021/451, the following should be reported in columns 0302 and 0303 in C 14.00: Column 0302 - Attachment point of risk sold (%): Originators, only, shall report the attachment point of the most subordinated tranche sold to, in case of traditional securitisations, or protected by, in case of synthetic securitisations, third parties. Column 303 - Detachment point of risk sold (%): Originators, only, shall report the detachment point of the most senior tranche sold to, in case of traditional securitisations, or protected by, in case of synthetic securitisations, third parties. Validation rule v7370_m specifies that columns 0302 and 0303 cannot be empty in own securitisations with risk transfer. However, the fact of having risk transfer does not imply that there is a tranche completely sold to the market. Risk transfer is assumed when is retained 20% or less of the first loss tranches or, in case of not having equity tranches, 50% or less of the mezzanine tranches. Therefore, it is possible to have risk transfer and only have sold 60% of mezzanine tranches, for example.</p>

Final answer	<p>The attachment and the detachment point of the risk sold refers to the tranche for which the originator has sold a position in a traditional securitisation. Similarly, it refers to the tranche to which the protection has been provided in a synthetic securitisation. Even if the tranche is not completely sold to the market (or protected by the protection providers), institutions shall report the attachment and detachment points (columns 302 and 303 of C 14.00) of the tranche of the securitisation in which the risk was sold or transferred.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2022_6582</p>

European Banking Authority, 05/10/2023
www.eba.europa.eu