

Single Rulebook Q&A

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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, Solvency
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Disclose name of institution / entity	No
Type of submitter	Competent authority
Subject matter	Reporting of securitisation positions when Article 244(1), point (b), CRR is applied
Question	It is not clear how to report in C 13.01, C 14.00 and C 14.01 the securitisation positions held when Article 244(1)(b) CRR is applied.
Background on the question	Article 244(1) of the CRR states that “the originator institution of a traditional securitisation may exclude underlying exposures from its calculation of risk-weighted exposure amounts and, where relevant, expected loss amounts if either of the following conditions is fulfilled: (a) significant credit risk associated with the underlying exposures has been transferred to third parties; (b) the originator institution applies a 1 250 % risk weight to all securitisation positions it holds in the securitisation or deducts these securitisation positions from Common Equity Tier 1 items in accordance with point (k) of Article 36(1).” Therefore, in the case described by point (b), the institution should calculate its own funds requirements based on the securitisation positions it is holding. That is, they should be reported in C 13.01 (CR SEC). However, according to the instructions for this template in paragraph 106 of Annex 2 to the Regulation (EU) 451/2021 (ITS on Supervisory Reporting), “where institution acts as originator, the information

	<p>in this template shall be required for all securitisations for which a significant risk transfer is recognised.” Since technically no SRT is achieved in the case article 244(1)(b) is applied, it seems that the securitisation positions cannot be included in C 13.01. In the same way, the instructions for column 0060 of C 14.00 state that “where own funds requirements are based on securitisation positions held in the banking book (as a significant risk transfer was achieved), the information on the calculation of own funds requirements for credit risk shall be reported in the CR SEC template.” This paragraph should contemplate the case of article 244(1)(b), that is, not achieving SRT and still base the own funds requirements on the securitisation positions held. This would also allow the reporting of this type of transaction in C 14.01, sheet “1250% RW”. Finally, if the institution opts for the deduction of these positions from CET1 instead of applying the 1250% risk weight, C 13.01 and C 14.01 should still contain the information, indicating that the exposure is deducted from own funds (columns 0190 and 0420 respectively).</p>
Final answer	<p>Point (b) of Article 244(1) of the CRR refers to situations where the 'originator institution applies a 1 250 % risk weight to all securitisation positions it holds in the securitisation or deducts these securitisation positions from Common Equity Tier 1 items”. These cases should be captured in the securitisation templates of Annex 1 to the ITS on Supervisory Reporting.</p> <p>The instructions will be amended accordingly to reflect this.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2023_6693</p>

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