

Single Rulebook Q&A

Question ID	2013_150
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Liquidity (LCR, NSFR, AMM)
Article	415
Paragraph	3
Subparagraph	(a)
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	ITS, Annex XIII Part 2 outflows notes to rows 960 990
Date of submission	09/08/2013
Published as Final Q&A	14/02/2014
Disclose name of institution / entity	Yes
Name of institution / submitter	HSBC Holdings PLC
Country of incorporation / residence	UK
Type of submitter	Credit institution
Subject matter	Liquidity: Instructions on reporting outflows in relation to custody, clearing and cash management
Question	Are the references to the Basel rules correct? Looking at the January 2013 Basel document, paragraphs 75 and 76 referred to in the instructions do not appear to be the relevant in this context, as they refer to stable retail deposits.
Background on the question	Deposit outflows under article 422 (3a) and (4)
EBA answer	The cross reference in Annex XIII. Part 2, notes to rows 960 to 990 of the C 52.00 template is incorrect and still refers to the Basel LCR framework of December 2010 where operational relationships were addressed in paragraphs 75 and 76. In the final rules text from January 2013 the new definitions of clearing, custody and cash management relationship are in paragraphs 101 to 103 and now reads as follows:

	<p>101. A clearing relationship, in this context, refers to a service arrangement that enables customers to transfer funds (or securities) indirectly through direct participants in domestic settlement systems to final recipients. Such services are limited to the following activities: transmission, reconciliation and confirmation of payment orders; daylight overdraft, overnight financing and maintenance of post-settlement balances; and determination of intra-day and final settlement positions.</p> <p>102. A custody relationship, in this context, refers to the provision of safekeeping, reporting, processing of assets or the facilitation of the operational and administrative elements of related activities on behalf of customers in the process of their transacting and retaining financial assets. Such services are limited to the settlement of securities transactions, the transfer of contractual payments, the processing of collateral, and the provision of custody related cash management services. Also included are the receipt of dividends and other income, client subscriptions and redemptions. Custodial services can furthermore extend to asset and corporate trust servicing, treasury, escrow, funds transfer, stock transfer and agency services, including payment and settlement services (excluding correspondent banking), and depository receipts.</p> <p>103. A cash management relationship, in this context, refers to the provision of cash management and related services to customers. Cash management services, in this context, refers to those products and services provided to a customer to manage its cash flows, assets and liabilities, and conduct financial transactions necessary to the customer's ongoing operations. Such services are limited to payment remittance, collection and aggregation of funds, payroll administration, and control over the disbursement of funds.</p>
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