Single Rulebook Q&A

Question ID	2013_318
Status	Final Q&A
Legal act	Directive 2013/36/EU (CRD)
Topic	Supervisory reporting - COREP (incl. IP Losses)
Article	99
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	Annex II, C0903, paragraph 82
Date of submission	02/10/2013
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	How should IRB-institutions exclude exposures according to art 140.4?
Question	Institutions should exclude the exposure classes in art 112 (a) to (f) when calculating the institution-specific countercyclical capital buffer rates. How should this be applied for Institutions that are not using the Standardised approach but IRB approach? It in addition not not clear in the instruction if C0903 should be filled in even though the directive not yet has been implemented in the country. I.e. should C0903 be filled in as per end March 2014, even though an Institution not should report any buffer as per that date?
Background on the question	Art 140.4 does only express in "Std-terms" which exposure classes that should be excluded. For example: the exposure class IRB Institution is not the same as STD Institutions. Treatment of defaulted exposures, covered bonds, immovable property etc are different. It is not sufficient clear how IRB Institutions should fill in C0903 with regards to art 140.4.
Final answer	Article 140(4) of Directive 2013/36/EU (CRD) specifies exposure classes relevant for the calculation of institution-specific countercyclical capital buffer rates by reference to Article 112 of Regulation (EU) No 575/2013 (CRR) without reference to the approach for credit risk.

	Given that Article 112 of the CRR simply lists the different types of exposure classes (in the same way as Article 147 of the CRR), for the application of Article 140(4) of the CRD, one should consider exposure classes of Article 112 irrespective of the method for credit risk calculation under the CRR. The template C 09.03 (CR GB 3) shows the amount which is the basis for the calculation of the institution-specific countercyclical capital buffer. As stated in Q&A 2013_107, the reporting obligation starts in 2014 regardless of the fact that the institution specific countercyclical capital buffer is applicable from 2016 onwards. Please note that, according to Article 162(2) of CRD, the provisions of the institution-specific countercyclical capital buffer in Title VII, Chapter 4 shall apply from 1 January 2016. However, as stated in Article 160(6) and (7) CRD, Member States may impose shorter transitional periods, which could be recognised by other Member States too.
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