

Single Rulebook Q&A

Question ID	2013_407
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Liquidity (LCR, NSFR, AMM)
Article	421
Paragraph	1
Subparagraph	a - b
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	17
Date of submission	18/10/2013
Published as Final Q&A	21/03/2014
Disclose name of institution / entity	No
Type of submitter	Individual
Subject matter	Doubt about Annex XV - Validation Rules
Question	<p>The validation rules test if the sum of NSFR ({{C 61.00.b, r040, (c010-050}}) is equal to the sum of LCR ({{C 52.00.a, c010, (r020-030}}). In my opinion this condition is NOT always valid. In LCR ({{C 52.00.a, c010, (r020-030}} I have understood to report the AMOUNT of retail deposits which have open maturity OR maturity within 30 days (considering all possible prepayment clauses). This is the amount which has to be multiplied by "at least" 5% in order to calculate the corresponding OUTFLOW. At the same time in LCR ({{C 52.00.a, c010, (r020-030}} we do NOT report the AMOUNT of retail deposits having maturity beyond 30 days without any prepayment clause. Consequently in LCR ({{C 52.00.a, c010, (r020-030}} there is NOT the FULL perimeter of retail deposits. Then it is NOT possible to compare the LCR amount with the NSFR ({{C 61.00.b, r040, (c010-050}}), where the FULL perimeter is actually reported (FULL maturity profile). So, have you considered the possibility to have retail deposits with maturity beyond 30 days without any prepayment clause?</p>
Background on the question	Need to clarify the correct amounts to be reported in LCR ({{C 52.00.a, c010, (r020-030}}).

<p>Final answer</p>	<p>In essence, as stated in Annex XIII. Part 2. paragraph 3 of the <u>Regulation (EU) No 680/2014</u> 13 ITS on supervisory reporting of institutions^{ITS}, non-maturity deposits and deposits with maturity beyond 30 days, that cannot be withdrawn without a penalty as described in Article 421 (5), are exempt from being reported under the outflow template of the liquidity coverage requirement, but should be reported under items providing stable funding template.</p> <p>Consequently r040-r060 of C61.00.b should include deposits that meet the criteria of Article 421 (5), but if not would have been treated according to the rules of Article 421 (1)-421(2).</p> <p>The correct validation rules should therefore be:</p> <ul style="list-style-type: none"> • v1541_m: $\text{sum}(\{C\ 61.00.b, r040, (c010-050)\}) \geq \text{sum}(\{C\ 52.00.a, c010, (r020-030)\})$ • v1542_m: $\text{sum}(\{C\ 61.00.b, r050, (c010-050)\}) \geq \text{sum}(\{C\ 52.00.a, (r040-050), c010\})$ • v1543_m: $\text{sum}(\{C\ 61.00.b, r060, (c010-050)\}) \geq \text{sum}(\{C\ 52.00.a, c010, (r060-090)\})$ • v1548_m: $\text{sum}(\{C\ 61.00.x, r040, (c010-050)\}) \geq \text{sum}(\{C\ 52.00.w, c010, (r020-030)\})$ • v1549_m: $\text{sum}(\{C\ 61.00.x, r050, (c010-050)\}) \geq \text{sum}(\{C\ 52.00.w, (r040-050), c010\})$ • v1550_m: $\text{sum}(\{C\ 61.00.x, r060, (c010-050)\}) \geq \text{sum}(\{C\ 52.00.w, c010, (r060-090)\})$ <p><i>*As of 1/8/2014 the content of this answer was modified to reflect the publication of the final ITS on supervisory reporting of institutions in the Official Journal of the European Union. As a result, the references to the ITS were updated and the disclaimer deleted. For reasons of transparency, revisions are highlighted in track changes.</i></p>
<p>Link</p>	<p>https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_407</p>