

<b>Question ID</b>	2013_466
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Supervisory reporting - Liquidity (LCR, NSFR, AMM)
<b>Article</b>	Art. 116 &&&& Art. 120
<b>Paragraph</b>	-
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
<b>Article/Paragraph</b>	Art. 116 &&&& Art. 120
<b>Date of submission</b>	31/10/2013
<b>Published as Final Q&amp;A</b>	21/03/2014
<b>Disclose name of institution / entity</b>	Yes
<b>Name of institution / submitter</b>	Dar Consultancy Ltd
<b>Country of incorporation / residence</b>	United Kingdom
<b>Type of submitter</b>	Consultancy firm
<b>Subject matter</b>	0% Risk Weight Exposure Public Sector Entities
<b>Question</b>	<p>In reference to the requirement under ID 3.3.4 transferable securities with a 0% risk weight... representing claims on or claims guaranteed by non-central government public sector entities (Annex XII - Liquidity ration template). Under Chapter 2, Title II of Part Three, Exposures to public sector entities shall be assigned a risk weight as per Art. 116 or as per Art. 116(2) shall treat in accordance with Art. 120. In any case, none of this guidance indicates a 0% Risk Weigh for public sector entities.</p>
<b>Background on the question</b>	<p>The only time that I can see public sector entities attracting a 0% RW is in Art. 116(4), and even then, if the public sector entities are treated as exposure to that jurisdiction central government which may attracting a 0% Risk Weigh, it would then be reported under 3.3.2. claims guaranteed by sovereigns</p>
<b>Final answer</b>	

	<p>Items reported under section 3 of the template C.51.00 are those listed in Annex III of the Regulation (EU) n°575/2013 (CRR).</p> <p>Claims on or guaranteed by non-central government public sector entities with a 0% risk weight shall be reported in line 3.3.4. This might happen when exposures to these public sector entities are treated as exposures to the central government, regional government or local authority in whose jurisdiction they are established according to article 116 paragraph 4 of the CRR. In this case, they still have to be reported as exposures to PSE and not as exposures to sovereigns, even if they benefit from the treatment of sovereigns. In a similar way, exposures to regional governments or local authorities with a 0% risk weight shall still be reported as such and not as exposures to sovereigns.</p> <p>Claims on or guaranteed by non-central government public sector entities with a 20% risk weight shall be reported in line 3.5.4.</p>
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_466">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_466</a>

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