

Question ID	2013_530
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
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
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Disclose name of institution / entity	Yes
Name of institution / submitter	Association for Financial Markets in Europe
Country of incorporation / residence	Europe
Type of submitter	Industry association
Subject matter	Template C18.00 - Market Risk: Standardised Approach for Position Risks in Traded Debt Instruments (MKR SA TDI)
Question	COREP: With regards to MKR SA TDI: All Positions, the instructions state that columns c010 [Long] and c020 [Short] should exclude underwritten positions subscribed or sub-underwritten by third parties. Can the EBA confirm whether this exclusion applies across the whole template?
Background on the question	For example, we would like to clarify if the Net Positions columns (i.e. c030 [Long] and c040 [Short]) should include or exclude underwritten positions.
Final answer	According to the instructions for columns 010 and 020 of C 18.00 (MKR SA TDI), the amounts to be reported are gross positions not netted by instruments but excluding underwriting positions subscribed or sub-underwritten by third parties. Indeed, Article 345 of Regulation (EU) No 575/2013 (CRR) sets that in the case of the underwriting of debt and equity

instruments, an institution may use the following procedure to calculate its own funds requirements:

1. Deduct the underwriting positions which are subscribed or sub-underwritten by third parties on the basis of formal agreements. The resulting amounts are the gross positions (i.e not netted by instrument) to be reported in columns 010 and 020 "All positions". Those are the positions retained by the reporting institution.
2. Reduce the retained gross positions reported in columns 010 and 020 by applying the reduction factors in Table 4 of Article 345 of CRR. The resulting amounts shall be reported in columns 030 and 040 "Net positions".

The institution shall then calculate its own funds requirements using the reduced underwriting positions reported in columns 030 and 040.

Link

https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_530

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