

<b>Question ID</b>	2013_557
<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>	422
<b>Paragraph</b>	2
<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	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (repealed)
<b>Article/Paragraph</b>	Annex XIII, Part 2 outflows: tab 52 , c20 - 40 - 60
<b>Date of submission</b>	25/11/2013
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<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Consultancy firm
<b>Subject matter</b>	LR: Amount due for secured lending transaction
<b>Question</b>	<p>Hi For secured lending transaction, Amount due corresponds to the amount of outflows : does it mean after the application of the rate defined in article 422.2 of the regulation, or before application of this rate? Same question regarding tab 53 and inflows (cell c 010, 030, 050) Regarding tab 53, Row 990 (total cash inflows excluded due to the cap), does this value have to be computed by the report or will be filled with an automatic formula based on the different cells ? Where could we find this formula ? Thanks for your answer Regards</p>
<b>Background on the question</b>	<p>For a repurchase agreement with a counterparty that is not a central bank, with a cash amount of 100 and a collateral with a value of 90 (only of high liquidity and credit quality) , results could be : Market value (c 010) = 90, amount due (c 040) = <math>0\% * (90 * (1-0.15\%)) + 100\% * (100 - 90 * (1-0.15\%)) = 23.5</math> value according to Art. 418 CRR (c 050) = <math>90 * (1-0.15\%) = 76.5</math> or Market value (c 010) = 90 , value according to Art. 418 CRR (c 050) = <math>90 * (1-0.15\%) = 76.5</math>, amount due (c 040) = 76.5 , amount due for other liquidity and credit quality (C 60 ) = 23.5 or Market value (c 010) = 90 , value according to Art. 418 CRR (c 050) = <math>90 * (1-0.15\%) = 76.5</math>, amount due (c 040) = 100</p>

<p><b>Final answer</b></p>	<p>Secured lending and secured funding transactions are treated as follows:</p> <p>a) for repo transactions and other secured funding transactions where the institution is the liquidity receiver (rows 120 to r950 in C 52.00, Liquidity coverage-Outflows):</p> <ul style="list-style-type: none"> <li>• the "market value" of assets used as collateral is reported in column 010;</li> <li>• the "amount due" corresponds to the total amount of the transaction maturing over the next 30 days and shall be reported in one of the seven "Amount due" columns (c020, c040, c060, c070, c090, c110 and c120) depending on the type of collateral and the type of counterparty;</li> <li>• the "value according to Art. 418 CRR" corresponds to the market value of assets provided as collateral net of the haircuts applicable in accordance with Article 418. This value shall be reported in one of the four columns "Value according to Art. 418 CRR" (columns 030, 050, 080 and 100), depending on the type of collateral and the type of counterparty.</li> </ul> <p>b) for reverse repo transactions and other secured lending transactions where the institution is the liquidity provider (rows 120 to 930 in C 53.00, Liquidity coverage-Inflows):</p> <ul style="list-style-type: none"> <li>• the "amount due" corresponds to the total amount of the transaction maturing over the next 30 days and shall be reported in one of the three "Amount due" columns (c010, c030 and c050), depending on the type of collateral received to secure the transaction;</li> <li>• the "market value of the asset securing the transaction" shall correspond to the market value of assets provided as collateral net of the haircuts applicable in accordance with Article 418 if applicable. This value shall be reported in one of the three "Market value of the asset securing the transaction" columns (c020, c040 and c060), depending on the type of collateral received to secure the transaction. The heading of the column will be changed to "Value according to Art. 418 CRR" to avoid the confusion about its content. (See Q&amp;A 274).</li> </ul> <p>In general the reporting templates do not include any formulas, as the calibration of the LCR awaits the delegated act from Commission due 30 June 2014 specifying the LCR. This template is for reporting purposes only. Therefore the applicable cap shall be calculated by the institutions in accordance with Article 425, point 1 of Regulation (EU) No 575/2013 and inflows excluded due to this cap shall be reported in row 990 of C 53.00.</p>
<p><b>Link</b></p>	<p><a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_557">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_557</a></p>

