

Question ID	2013_648
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - COREP (incl. IP Losses)
Article	99
Paragraph	1
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (repealed)
Article/Paragraph	Annex II, chapter 5.5.2, page 136
Date of submission	13/12/2013
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Disclose name of institution / entity	Yes
Name of institution / submitter	Swedish Bankers' Association
Country of incorporation / residence	Sweden
Type of submitter	Industry association
Subject matter	Instructions regarding unmatched positions, Foreign Exchange Risk
Question	<p>It doesn't seem logical that unmatched positions should be added to column 040 or 050 (net positions) according to the instructions to template C 22.00. We believe that this is not correct but instead the unmatched positions should be added to column 060 or 070 (positions subject to capital charge). Is it correctly interpreted that unmatched positions should be added to column 060 or 070 instead?</p>
Background on the question	<p>In the instructions to column 060-070 (Annex II, template C 22.00, Foreign Exchange Risk, page 136), it says that "unmatched positions are added to positions subject to capital charges for other currencies (row 030) in column (040) or (050) depending on their short or long arrangement". We believe that this is not correct but instead the unmatched positions should be added to column 060 or 070 (positions subject to capital charge). If reporting is done according to current instructions, the unmatched position would be</p>

	accounted for twice in column (040) and (050), i.e. both on row (020) and row (030).
Final answer	<p>The comment of the submitter is correct. An allocation of the residual open position in closely correlated currencies to columns 040 or 050 of C 22.00 template as currently described in the instructions (Annex II of the Regulation (EU) No 680/2014 13 ITS on supervisory reporting of institutions Draft ITS on Supervisory reporting) would lead to a double reporting of the open position in closely correlated currencies, because the amount in those columns would be reported in row 020 and in row 030, too.</p> <p>The residual open position of closely correlated currencies has to be considered when determining the net open position which is subject to capital charge (see Art 354 (5) of Regulation (EU) No. 575/2013 (CRR)). The instructions have to be amended accordingly.</p> <p>An example is provided to clarify the reporting of foreign currency risk (see Annex)</p> <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>
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_648

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