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Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Asset Encumbrance
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	99
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Asset Encumbrance - Treatment of Intraday
Question	Where institutions hold surplus assets to manage intraday risk we would expect these assets should be reported as encumbered in AE-ASS and AE-COL (if security is held via reverse repo for example). In what line would the source encumbrance be reported on in the AE-SOU?
Background on the question	Encumbered assets and collateral in the AE-ASS and AE-COL respectively must reconcile to the source of encumbrance in the AE-SOU.
EBA answer	According to the definition of asset encumbrance, provided in section 1.7 of the general instructions (Annex II) on reporting asset encumbrance: “an asset shall be treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralize or credit enhance any transaction from which it cannot be freely withdrawn”. For instance, regarding liquidity risk, the ITS states, in its summary of main issues and responses to the consultation and the EBA’s analysis, that liquid assets held in order to comply with the LCR are not deemed to be encumbered for Parts A, B, C and E. Similarly, surplus assets held by the reporting institution to manage intraday risk are not deemed, by that mere fact, to be encumbered; they should only be categorized as encumbered if they fall within any of the

	cases covered by the above definition.
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1491

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