



**Single  
Rulebook  
Q&A**

<b>Question ID</b>	2019_4971
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Liquidity risk
<b>Article</b>	412
<b>Paragraph</b>	-
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Delegated Regulation (EU) 2015/61 - DR with regard to liquidity coverage requirement
<b>Article/Paragraph</b>	32(2)(g)
<b>Date of submission</b>	29/10/2019
<b>Published as Final Q&amp;A</b>	24/09/2021
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Individual
<b>Subject matter</b>	Commitment received to upgrade collateral from Level 2B to Level 1
<b>Question</b>	If a credit institution received a unilateral commitment from another credit institution to trade in 2 business days a collateral upgrade from Level 2B assets to Level 1 assets which last more than 35 business days, could this trade be considered as an inflow?
<b>Background on the question</b>	There are a lot of commercial offers related to collateral upgrade granted unilaterally from a credit institution to another in place of fee payment. Can the right to call the higher liquidity security back in two days give an

	advantage in terms of inflow?
<b>EBA answer</b>	<p>In accordance with Article 32(3)(g) of Delegated Regulation (EU) 2015/61 as amended by Delegated Regulation (EU) 2018/1620 (hereinafter 'LCR DR'), commitments received, other than those referred to in the second subparagraph of Article 31(9) LCR DR and in Article 34 LCR DR, shall not be taken into account as an inflow.</p> <p>In case the commitment has already been exercised at the reporting reference date, thus effectively constituting a forward contract contractually becoming effective within 30 calendar days, and the conditions according to section 1.3. paragraph 20 of the instructions on liquidity inflows (Part 3) of Annex XXV of Implementing Regulation (EU) 2021/451 are fulfilled (i.e., in particular that the return of the assets is beyond the 30 calendar day time horizon), the credit institution should consider an inflow according to the net effect of the initial swap of assets (i.e., taking into account LCR haircuts) which would need to be reported under {C 74.00, r260}.</p>
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2019_4971">https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2019_4971</a>

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