



**Single
Rulebook
Q&A**

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Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Liquidity (LCR, NSFR, AMM)
Article	415
Paragraph	1
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 XII - Templates for reporting liquidity ratios
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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	Validation of LCR Submission
Question	<p><u>Is validation rule v1512_m correct?</u></p> <p>v1512 m – C52.00, Row 1140 – 1210, Additional Outflows: As it is not explicitly clear from the rules or guidance as to how to treat cash assets (e.g.</p>

	<p>cash held at a bank) in this particular section, it has been interpreted that the columns to be populated are as follows: - {c030} Market Value: Represents the market value of non-cash assets (i.e. excludes cash balances) - {c040} Value according to Article 418: Represents (i) the market value of non-cash assets after the deduction of an appropriate haircut as per Article 418, plus (ii) the full value of cash balances, in line with Article 416(1)(a). - {c020} Outflow: Outflow calculated based on cash and non-cash assets as prescribed by Article 423. Based on the interpretation above, as cash balances are excluded from {c030} Market Value, validation v1512_m fails.</p>
<p>Background on the question</p>	<p>See above.v1512 m - C52.00, Row 1140 - 1210, Additional Outflows:As it is not explicitly clear from the rules or guidance as to how to treat cash assets (e.g. cash held at a bank) in this particular section, it has been interpreted that the columns to be populated are as follows: - {c030} Market Value: Represents the market value of non-cash assets (i.e. excludes cash balances) - {c040} Value according to Article 418: Represents (i) the market value of non-cash assets after the deduction of an appropriate haircut as per Article 418, plus (ii) the full value of cash balances, in line with Article 416(1)(a). - {c020} Outflow: Outflow calculated based on cash and non-cash assets as prescribed by Article 423. Based on the interpretation above, as cash balances are excluded from {c030} Market Value, validation v1512_m fails.</p>
<p>EBA answer</p>	<p>Please note that templates C 72.00 to C 76.00 of Annex XXIV to Regulation (EU) No 680/2014 (ITS on Supervisory Reporting) and the related reporting instructions in Annex XXV to the ITS on Supervisory Reporting fully replaced templates C 51.00 to C 54.00 of Annex XII to the ITS on Supervisory Reporting and the related reporting instructions in Annex XIII for credit institution subject to the Regulation (EU) 2015/61.</p> <p>Consequently, the answer provided below only applies to investment firms subject to liquidity reporting according to Articles 6(4), 11(3) and 415 of Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 (CRR2), unless otherwise specified.</p> <p>Regarding the treatment of cash assets in the additional outflows requirements defined in Article 423 of Regulation (EU) No. 575/2013, as amended by Regulation (EU) 2019/876 (CRR2), Q&A_2013_302 states that cash collateral should be taken into account in all requirements set out in this Article except for Article 423(1) CRR2, which refers to collateral other than assets referred to in Article 416(1) (a) to (c) CRR2.</p> <p>In this context:</p> <ul style="list-style-type: none"> - In row 1140 of template C 52.00 of Annex XII to Regulation (EU) No 680/2014 (ITS on Supervisory Reporting), cash collateral is not relevant and will not affect the validation rule comparing column 030 (Market value) and column 040 (Value according to Article 418). - In rows 1150 to 1200 of template C 52.00 of Annex XII to ITS on Supervisory Reporting, cash collateral is relevant and should be reflected in column 030 (Market value) and column 040 (value according to Article 418).

	<p>The validation rule is correct for these rows.</p> <p>- In row 1210 of template C 52.00 of Annex XII to ITS on Supervisory Reporting, institutions shall report deposits received as collateral. This will not affect the validation rule comparing column 030 (Market value) and column 040 (Value according to Article 418).</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1473</p>

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