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Public hearing on amendments to the ITS on disclosures and reporting on MREL and TLAC

Virtual meeting, 21 July 2023

Purpose of the amending ITS

Amend the ITS on disclosures and reporting on MREL and TLAC to reflect

- Prior permissions framework
- Daisy chain framework
- Other (minor) clarifications mainly regarding insolvency ranking templates

Shortened consultation period given:

- The limited scope of the changes
- The date of application of the daisy chain framework

Timeline for the finalisation of the draft amending ITS



Publication of the technical package (data point model, validation rules, XBRL taxonomy) as part of **framework release v3.4**

Overview over the changes

Content

... plus many editorial changes because of change of referencing style

Prior permissions framework

Already applicable
[Q&A 6576](#)

Daisy chain framework

Applicable from
1 January 2024

Other (minor) clarifications
mainly regarding insolvency ranking templates

Several Q&As,
mainly [Q&A 5833](#)

Impact: Reporting

- Additions and amendments in templates M 02.00 and M 03.00
- Changes to the instructions for all templates
- No change to reporting population, reference dates or submission deadlines

Impact: Disclosures

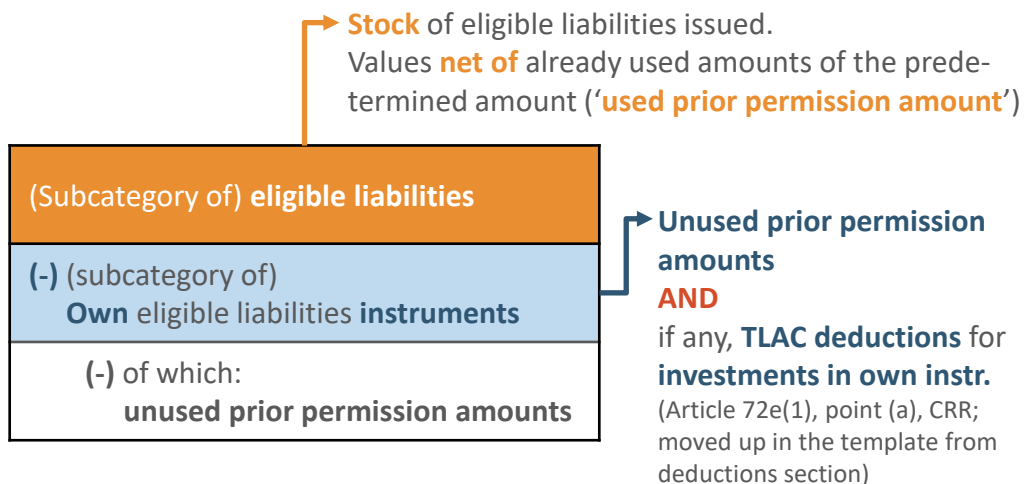
- No additional granularity (opening of two cells), but possibly narrative explanations
- A few clarifications in the instructions

Updated draft of the mapping between reporting and disclosures published alongside the CP

Prior permissions framework

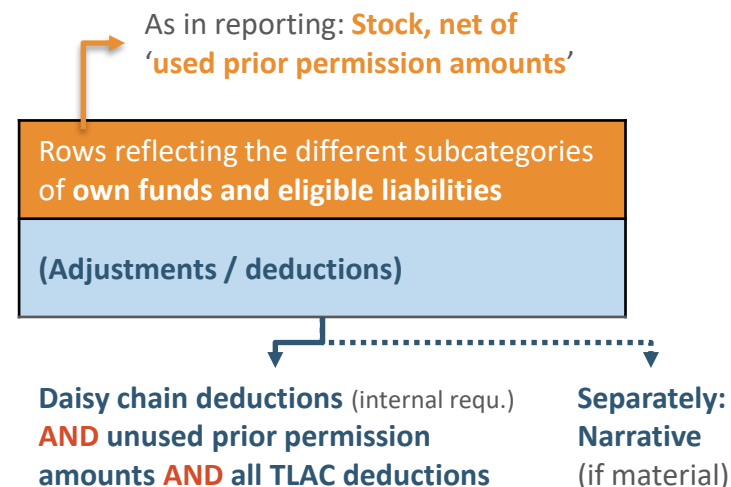
Reporting

*‘Gross’ presentation – like in COREP for own funds.
Please also refer to the example in the Background & rationale of the consultation paper.*



Disclosures

*‘Gross’ presentation, but low granularity:
Unused prior permission amounts shown together with amounts pertaining to other adjustments and deductions.*



Daisy chain framework

Reporting

Disclosures

See slide on prior permissions

M 03.00 - Internal MREL and internal TLAC (ILAC)	
0010	Level of application
	Total risk exposure amount and total exposure measure
0100	Total risk exposure amount (TREA)
0102	of which: exposures to liquidation entities of the same resolution group
0110	Total exposure measure (TEM)
0112	of which: exposures to liquidation entities of the same resolution group
	Eligible own funds and eligible liabilities
0200	Eligible own funds and eligible liabilities
0210	Eligible Own funds
...	...
0251	Eligible liabilities and guarantees
0260	Eligible liabilities (excluding guarantees)
...	...
0290	(-) Own funds instruments and eligible liabilities instruments issued by non-resolution entities of the same resolution group
0292	(-) of which: Instruments issued by liquidation entities
0295	Excess of deductions from eligible liabilities over eligible liabilities
...	...

Investments in **liquidation entities** may be subject to a special treatment (Commission proposal)

Already existing row accommodating daisy chain deductions modified (new label, updated legal references, row opened for TLAC)

Added, as deductions may exceed the stock of eligible liabilities now

Clarification on insolvency ranking templates

Clarification on the scope of instruments/items to be included

- (a) CET1 items, }
(b) AT1 items, }
▪ *Everything on the ‘right side of the balance sheet’: Instruments, share premium, reserves, ...;*
▪ *but not deductions (excl. investments in own instruments) or adjustments like unused prior permission amounts*
-
- (c) T2 instruments and the associated share premium (incl. amortised part) } *Not included: e.g. IRB surplus*
-
- (d) liabilities instruments eligible to meet }
the internal/external requirements }
▪ *Included: uncapped amount of non-subordinated eligible liabilities*
▪ *Excluded: e.g. daisy chain deductions*
-
- (e) other bail-in-able liabilities }
(f) liabilities excluded from bail-in, to the extent that they rank pari passu with }
or junior to any instrument included in the amount of eligible liabilities } *Where applicable*

All applicable to both reporting and disclosures; no change in substance

Thank you for your attention!



EBA Regular Use

Please remember to provide

your written response

by submitting it via the

[EBA consultation paper page.](#)

Deadline: **18 August 2023**

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