



EBA/CP/2022/05

16 May 2022

Consultation Paper

Draft Implementing Technical Standards

specifying the templates to be used by credit institutions for the provision of information referred to in Article 15(1) of Directive (EU) 2021/2167 in order to provide detailed information on their credit exposures in the banking book to credit purchasers for the analysis, financial due diligence and valuation of a creditor's rights under a non-performing credit agreement, or the non-performing credit agreement itself (NPL Transactions Data Templates)

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1. Responding to this consultation

The EBA invites comments on all proposals put forward in this paper and, in particular, on the specific questions summarised in Section 5.3.

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternative regulatory choices the EBA should consider.

Submission of responses

To submit your comments, click on the 'send your comments' button on the consultation page by 31 August 2022. Please note that comments submitted after this deadline, or submitted via other means may not be processed.

Publication of responses

Please clearly indicate in the consultation form if you wish your comments to be disclosed or to be treated as confidential. A confidential response may be requested from us in accordance with the EBA's rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA's Board of Appeal and the European Ombudsman.

Data protection

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EU) 1725/2018 of the European Parliament and of the Council of 23 October 2018. Further information on data protection can be found under the Legal notice section of the EBA website.

2. Executive Summary

Article 16 (1) of Directive on credit servicers and credit purchasers¹ mandates the EBA to develop draft implementing technical standards (ITS) to specify the templates to be used by credit institutions for the provision of information to credit purchasers when selling or transferring non-performing loans. These data templates shall provide detailed information on credit institutions' credit exposures in the banking book for the credit purchasers' analysis, financial due diligence, and valuation of a creditor's rights under a non-performing credit agreement, or of the non-performing credit agreement itself.

The objective of the draft ITS is to provide a common standard for the NPL sale transactions across the EU enabling cross-country comparison and thus reducing information asymmetries between the seller and buyers of NPL, which was identified as one of the key impediments for the development of efficient functioning NPL secondary markets in the EU. Having necessary information standardised by means of common templates, data fields with their definitions and characteristics as set out in the draft ITS would facilitate the sales of non-performing loans on secondary markets and reduce entry barriers for small credit institutions and smaller investors wishing to conclude transactions.

The draft ITS is built around the templates for provision of loan-by-loan information regarding counterparties related to the loan, contractual characteristics of loan itself, any collateral and guarantee provided with the associated enforcement procedures and historical collection and repayment schedule of the loan. The information included in the templates is the actual file to be filled in by a credit institution when selling non-performing loans. The NPL data templates are also complemented by a data glossary and the instructions for filling in the templates.

In addition, the draft ITS set out the requirements for the treatment of confidential information being exchanged between the credit institutions and the buyers as well as governance requirements for the credit institutions to ensure that the information being provided is complete, accurate and consistent.

In accordance with the requirements of Article 16(3) of Directive (EU) 2021/2167 the draft ITS is built around the principle of proportionality by setting different information requirements for smaller and larger non-performing loans. In particular, the draft ITS specifies smaller number of mandatory data fields for loans with carrying amount below the materiality threshold of 25 000 euros, and more data fields for the non-performing loans above this threshold. In addition to the size of the loan, the proportionality principle is embedded in the scope of application of the data fields which varies in relation to the nature of the borrower (private individual or corporate), the nature of the loan (secured or not).

The EBA has developed the draft ITS leveraging on the experience gained with the use of the voluntary NPL data templates that the EBA has developed in 2017-2018 and reflecting the industry feedback

¹ Directive (EU) 2021/2167

regarding the use of these templates and wider market practices. The EBA collected these experiences during developing the discussion paper that was published in May 2021 and during the public consultation on that discussion paper. Whilst following the basic design of the templates that has been introduced in 2018 and further revised in 2021, in these draft ITS the EBA has further streamlined the data fields and clarified their definitions and use in order to ensure that those are closer aligned with the market practices and also meet the needs for the financial due diligence and valuation of non-performing loans to be made by prospective buyers before entering into a sale-purchase contract.

This consultation paper provides the EBA proposal for the draft ITS explaining the background and rationale for the proposed requirements supported by the impact assessment, which also incorporates elements of the analyses of the feedback received by the EBA to its May 2021 discussion paper. The consultation paper also includes 13 questions for the stakeholders to help the EBA to finalise the draft ITS.

Next steps

The draft ITS will be finalised following the completion of the public consultation and delivered to the European Commission by the end of 2022.

3. Background and rationale

1. Article 16 (1) of Directive on credit servicers and credit purchasers² mandates the EBA to develop draft implementing technical standards (ITS) to specify the templates to be used by credit institutions for the provision of information to credit purchasers when selling or transferring a creditor's rights under a non-performing credit agreement, or the non-performing credit agreement itself. These data templates shall provide detailed information on credit institutions' credit exposures in the banking book for the credit purchasers' analysis, financial due diligence, and valuation of a creditor's rights under a non-performing credit agreement, or of the non-performing credit agreement itself.
2. In accordance with this mandate, the EBA has developed these draft ITS considering the criteria specified in Article 16(4) of the Directive (EU) 2021/2167, in particular, existing market practices and user experience with the existing EBA non-performing loans transaction templates.
3. The Consultation Papers set out the EBA proposal of the draft ITS that specify granular loan-by-loan information to be provided by the credit institutions when selling non-performing loans with the aim to enable prospective buyers to conduct their analysis, financial due diligence and valuation of non-performing loans in the context of a transaction.
4. The objective of the draft ITS is to provide a common standard for the NPL sale transactions across the EU enabling cross-country comparison and thus reducing information asymmetries between the seller and prospective buyers of NPL, which was identified as one of the key impediments for the development of efficient functioning NPL secondary markets in the EU. Having necessary information standardised by means of common templates, data fields with their definitions and characteristics as set out in these draft ITS would facilitate the sales of non-performing loans on secondary markets and reduce entry barriers for small credit institutions and smaller investors wishing to conclude transactions.
5. The extended use of the NPL data templates is also expected to widen the investor base, reduce the barriers to entry in EU NPL markets both for credit institutions selling NPL and for prospective buyers, and facilitate the work of the existing and emerging NPL electronic auction or transaction platforms. The standardised NPL templates could also offer a solid data basis for the establishment of the NPL data hub at the EU level.
6. The draft ITS does not introduce any supervisory reporting requirements but they shall be used for the exchange of information by the parties potentially involved in a NPL transaction. The requirements set out in the draft ITS apply in relation to direct sales or transfers of non-performing

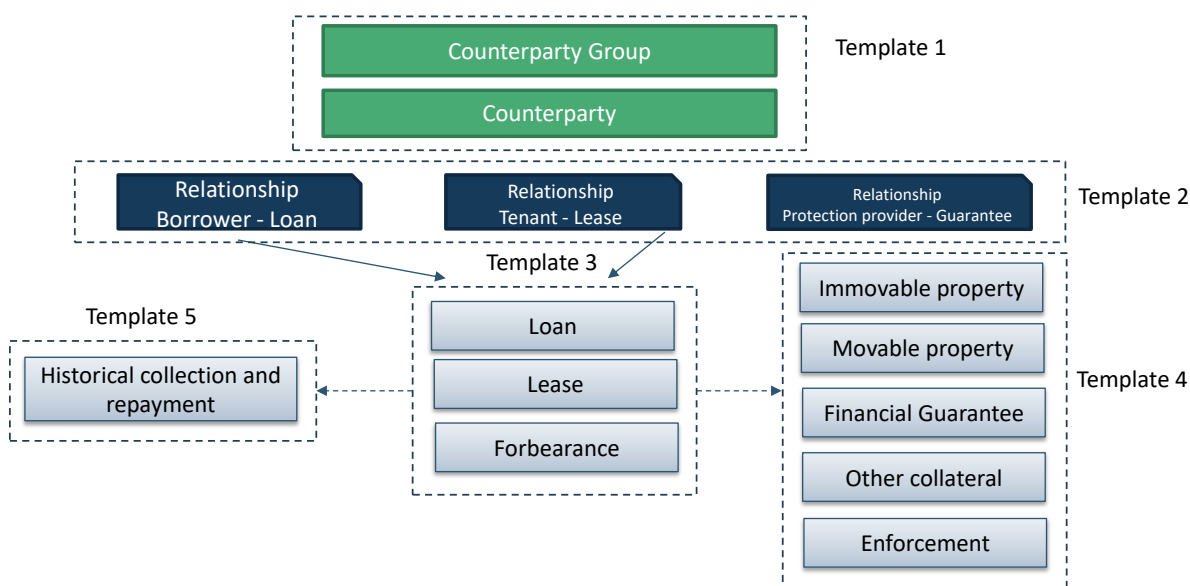
² Directive (EU) 2021/2167

loans between credit institutions and prospective buyers where the latter can be either credit purchasers in the meaning of Directive (EU) 2021/2167 or other credit institutions.

7. The templates provided in these draft ITS do not apply to the disposals of non-performing loans through their securitisation since the latter is covered by the Regulation (EU) 2017/2402 and the associated information needs by the Commission Delegated Regulation (EU) 2020/1224 and Commission Implementing regulation (EU) 2020/1225, whereas this Regulation applies in relation.

Structure and content of the draft ITS and NPL data templates

8. The focus of the draft ITS is on specifying the requirement for the information to be provided by the credit institutions to prospective buyers of NPL. In addition, the draft ITS set out the requirements for the treatment of confidential information being exchanged between the credit institutions and the prospective buyers as well as governance requirements for the credit institutions to ensure that the information being provides is complete, accurate and consistent.
9. The draft ITS is built around the templates for provision of information regarding counterparties related to the loan, contractual characteristics of loan itself, any collateral and guarantee provided with the associated enforcement procedures and historical collection and repayment schedule of the loan. The information included in the templates is the actual file to be filled in by a credit institution when selling non-performing loans. The NPL data templates are also complemented by a data glossary and the instructions for filling in the templates. The following graph shows an overview of the structure of the templates.



10.

11. The data tape is organised in the following five templates:

- a. **Counterparty (Template 1)** covers information for the identification of the counterparty group and the counterparty, where the latter can assume one of the following roles: ‘borrower’, ‘tenant’ and ‘protection provider’. Specifically, for private individual borrowers, the template includes, among others, information on the counterparty’s age, his residence and nationality. For corporate borrowers, the template presents, among others, data fields on the

counterparty's location and its latest available financial statement amounts including fixed and current assets, liabilities, cash balances, annual turnover, and EBIT. These data fields aim to capture the main accounting data as a starting point of the valuation process, and they give insight into the solvency of the counterparty from an accounting point of view. The template also covers information on any legal procedure undertaken to the counterparty, both to private individuals and to corporates.

Relationship (Template 2) sets out the relationships between the counterparty and the loan, and with any related collateral and guarantee provided. The different NPL data templates are linked to each other using their respective unique identifiers (counterparty identifier; counterparty group identifier; contract identifier; instrument identifier and protection identifier).

For example, one borrower may have several loans that are identified by the related contract and instrument identifiers. A loan may in turn have one or more counterparties. A counterparty may be, but does not have to be, part of a counterparty group. Further, a loan may have several collaterals and a collateral may be associated with several loans. The template also shows the relationship between any immovable property collateral and its tenants, and between any collateral or guarantee received and its protection provider.

- b. **Loan (Template 3)** covers information on the contractual loan agreement. It includes among others, data fields on the cut-off date, the asset class to which the loan belongs to, the type of instrument, the non-performing category, loan balances and its currency, the amortisation type, last payment made, whether the loan is provided by a syndicate or consortium of two or more credit institutions, past-due and default status of the loan. Detailed information on interest rates and payment frequencies are requested only for non-performing loans that are included in the categories of 'unlikely to pay that are not past-due or past-due <= 90 days' or 'Past-due > 90 days and <= 1 year' as defined in FINREP template F 18.00. The template also covers data fields related to any lease agreement and forbearance measure granted, wherever applicable.
- c. **Collateral, guarantee and enforcement (Template 4)** gathers data fields on any immovable and movable property collateral, other type of collateral, guarantees and relevant information on the enforcement procedure that may be applicable to these assets. Where the credit institution is a lessee in a lease contract, any lease asset (i.e., right-of-use assets) recognised in its financial statements in accordance with the applicable accounting standards will be also presented in this template.

For immovable property collateral, the template provides detailed information on the specificities of the immovable property including its location, type and sector, lien position, mortgage amount, type of occupancy, building area and completion of the immovable property. Similarly, for movable property, other collateral and guarantee, the template includes data fields on the type and features of the collateral, including the legal owner and the currency of assets, the activation and eligibility of any financial guarantee, the ISIN number of any equity and debt securities collateral. Furthermore, the template collects information on

the latest estimated value of the collateral, which have been provided either internally or externally. Where both internal and external valuations are available, both valuations with the related valuation dates are to be provided to the prospective buyer.

The template also covers data fields on the enforcement status to help the prospective buyers estimate time to recovery and recovery value. To this end, the template includes data fields related to jurisdiction of court, currency of enforcement, court appraisal as well as other relevant information about the court auction for the specific collateral that may have taken place.

- d. **Collection and repayment (Template 5)** covers information on historical collection, including external collection, and the expected repayment schedule related to the loan. For historical balance data fields, annual amounts are requested for the last two years before the cut-off date. The data fields related to the expected repayment schedule are instead required over a period of 36 months from the cut-off date. Monthly amounts are requested only for the first year following the cut-off and then annual expected amounts are to be provided.

12. The templates are supplemented by the data glossary that provides the list of all the data fields with the relevant information to be used under the scope of the NPL data templates. The data glossary lays down common definitions for each data field included in the templates. To avoid duplication and reduce the data processing costs for credit institutions, the data glossary is built, to the extent possible, on existing common EU definitions set out in the EU regulatory, supervisory, and reporting framework (FINREP), the European Central Bank's AnaCredit and the ESMA templates used for the NPL securitisation purposes. The data glossary therefore includes, where possible, legal references to the data fields used in those existing templates that are considered also relevant for the NPL transaction valuation. The data glossary also specifies which data fields are mandatory, their nature and their applicability in relation to different borrower and loan types.

Treatment of confidential and personal information

13. In addition to defining data fields necessary for financial due diligence and valuation of non-performing loans, the draft ITS also set out requirements for treatment of confidential information and internal governance procedures to be put in place by the credit institutions to ensure that the data provided is complete, consistent, and accurate.

14. Information needed for financial due diligence and valuation of non-performing loans may contain elements that may be considered confidential by the credit institutions based on applicable Union or national legislation on data protection³, data confidentiality and bank secrecy legislation, or based on internal rules or market practices. It is therefore not always possible to set out in a comprehensive manner all data fields specified in the draft ITS that can be considered as

³ For general reference, see, for example, European Commission homepage on protection of personal data (https://ec.europa.eu/info/law/law-topic/data-protection/data-protection-eu_en), and see, for example, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, applicable from 25 May 2018.

confidential. This determination should be made by the credit institutions on the basis of the applicable legislation and internal considerations.

15. It is important, however, to ensure that any information deemed confidential by credit institutions shall be shared with the appropriate confidentiality arrangements in place and through secure channels. Such secure channels could be electronic virtual data rooms set up by credit institutions where data and information for NPL transactions purposes is shared with the prospective buyers. It is important for credit institutions to ensure that such virtual data rooms meet the applicable industry standards for confidentiality and data security. Where such virtual data rooms are offered by third parties, credit institutions should choose only reputable technology providers

Internal governance arrangements

16. It is important for prospective buyers to get complete, consistent, and accurate information for performing their financial due diligence and valuation of NPL. In this regard, credit institutions are responsible for the completeness, consistency, and accuracy of the information that they provide to prospective buyers on the basis of these draft ITS. To facilitate the discharge of this responsibility, the draft ITS set out requirements for the internal governance arrangements around the provision of data specified in the templates. To this end, the information provided to prospective buyers in accordance with these draft ITS are to be subject to appropriate internal governance arrangements, covering policies and processes for data collection and aggregation across the credit institution that are similar to those used, for example, for supervisory or other regulatory reporting purposes.

17. To this end, the draft ITS requires credit institutions to establish internal process ensuring that the information being provided to the prospective buyers have been validated by staff independent from the staff involved in the sales process, and is subject to an appropriate managerial approval.

18. Any errors or inaccuracies in the information provided to the prospective buyer shall be rectified by the credit institution without undue delay.

Proportionality

19. In accordance with the requirements of Article 16(3) of Directive (EU) 2021/2167 the principle of proportionality is important element in the design of the templates and draft ITS. In particular, the draft ITS set out different information requirements for smaller and larger non-performing loans by specifying smaller amount of mandatory data fields for the loans with carrying amount below the materiality threshold of 25 000 euros, and more data fields for the non-performing loans above this threshold.

20. In addition to the size of the loan, the proportionality principle is embedded in the scope of application of the data fields which varies in relation to the nature of the borrower (private individual or corporate), the nature of the loan (secured or not). Furthermore, some data fields are to be provided only when certain conditions specified in the data glossary are met (e.g., certain data fields are required only for most recent non-performing loans).

21. The mandatory data fields under each template are identified in the data glossary and are to be provided by credit institutions, except for limited 'not applicable' circumstances specified in the instructions on 'no data option' convention. These data fields are those that have potentially the most relevant impact on the valuation of the non-performing loans.
22. The scope of application of the data fields also varies in relation to the nature of the borrower (private individual or corporate) and the nature of the loan (secured or not) as specified in the data glossary set out in Annex II of this Regulation.
23. Altogether the templates include 157 data fields, out of which 91 data fields are mandatory for loans with carrying amount below 25 000 euros, and 133 data fields are mandatory for loans exciding this materiality threshold.
24. Moreover, other data may be relevant for NPL transactions, and they are identified as 'non-mandatory' data fields in the data glossary. For these data fields, credit institutions are encouraged to provide the data, but in their absence, they shall explain the reason for unavailability of data using one of the relevant 'no data' options specified in the instructions. Although such non-mandatory data fields are still important for the purposes of financial due diligence and valuation analysis, they may not have a significant impact on the valuation of the non-performing loans.

Using the NPL templates and providing data

25. Information regarding NPL should be provided early enough in the sale process to allow prospective buyers to perform their analysis before committing to a specific price. However, considering the level of the detail of the information needed for the purposes of financial due diligence and valuation of non-performing loans and associated confidentiality implications, such information should be provided only to the prospective buyers that are really interested in purchasing the assets in question, and therefore all the detailed information cannot be provided very early in the transaction process to all prospective buyers that may be interested in purchase, but not necessarily committed to the purchase.
26. Before commencing the sales process, as a practice, credit institutions will need to decide whether to organise the sale of non-performing loans in one phase or in two phases, where the latter is split between 'non-binding offer' phase and 'binding offer' phase. In the case of the two-phased sale process, credit institutions shall provide the information needed for the financial due diligence and valuation at the beginning of the second 'binding offer' phase and only to those prospective buyers that have signed specific non-disclosure agreements that have been prepared in conformity with the applicable legislation and market practices. Information to provide to the prospective buyer shall refer to a date (cut-off date) as close as possible before the expected date of the NPL transaction and they shall be subject to appropriate internal governance arrangements as specified above.
27. The draft ITS does not specify any specific formats or protocols for the exchange of information between the credit institutions and prospective buyers beyond setting out common definitions for the data fields as such formats will largely depend on the mode of exchange of information. Given the level of application of the draft ITS, the transfer of non-performing loans may happen as

bilateral transaction between two parties, where the parties may agree on the channels that are most suitable to their needs. Whereas, where credit institutions use electronic auction platforms or electronic transaction platforms to organise the sales or transfer process of non-performing loans, further requirements for the electronic and machine-readable format may be set out by such platforms.

28. Where credit institutions are not able to provide the information specified in the draft ITS, and in particular the mandatory information, except when 'No data options' are permitted, credit institutions should be aware that they may not be able to organise the sales of non-performing loans (or portfolios of such) through electronic auction platforms or electronic transaction platforms, should such platforms require all mandatory information to be provided in order to allow the access to the platform and selling the portfolios through the platforms.

29. Taking into account the specific features connected to each transaction, any party potentially involved in a NPL transaction may request further information not included in the NPL data templates.

30. Using the templates does not discharge the users or any other parties potentially involved in the NPL transaction from any legal, accounting, tax, professional, supervisory or obligations, including those related to data protection regulation or any other Union or national legislation on data protection and data confidentiality, as well as bank secrecy. The application and impact of legislation can vary widely over time or based on specific conditions.

Considerations for the development of the draft ITS and NPL data templates

31. When developing the draft ITS the EBA duly considered all past work done in this area, and criteria set out in Article 16(4) of Directive (EU) 2021/2167, in particular (1) existing NPL transaction templates and industry experience in using them, (2) existing market practices, (3) similar requirements at the level of Member States, and (4) the importance of minimising processing cost for credit institutions and prospective buyers of NPL. The latter aspect is considered in the impact assessment in Section 5 of this Consultation Paper.

Existing EBA NPL transaction templates and market practices

32. As part of the EU's response to tackling the high level of non-performing loans (NPL) after the Great Financial Crisis, the Council of the European Union in its July 2017 Action Plan⁴ invited the EBA, the ECB and the Commission itself to propose initiatives "to strengthen the data infrastructure with uniform and standardised data for NPL and consider the setting-up of NPL transaction platforms in order to stimulate the development of this secondary market".

33. Following the invitation from the European Council July 2017 Action Plan, in December 2017, the EBA published standardised NPL data templates⁵ with the aim to facilitate the NPL transactions in

⁴ The Council of the EU's Action Plan to tackle non-performing loans in Europe (<https://www.consilium.europa.eu/en/press/press-releases/2017/07/11/conclusions-non-performing-loans/>).

⁵ <https://www.eba.europa.eu/risk-analysis-and-data/npls>

the secondary market, which represents one of the tools available to credit institutions to manage and reduce the NPL on their balance sheets.

34. Despite the fact that the EBA NPL templates were not mandatory for the use in the NPL sales transactions, they were created with the ambition to be used as a market standard for NPL transactions, by encouraging credit institutions to provide the information specified in the templates which can help prospective buyers in their financial due diligence and valuation of NPL transactions. In addition to being available on the EBA website, the templates have been also made available for the use on various electronic NPL transaction platforms and by electronic data providers.
35. Since the publication of the templates, the EBA has been engaging with various market participants, e.g., credit institution, investors, credit services, advisors and transaction platforms, operating in the EU to understand the market uptake of the NPL data templates in real market transactions and actual market practices in sharing information in the NPL transactions.
36. In these engagements, the EBA received feedback that while the templates could be an effective tool to enhance the granularity, quality and comparability of NPL data, the market uptake is below desirable levels. On several occasions, market participants informed the EBA that the NPL data templates were too complex and disproportionate, and in some cases, the data fields did not reflect the information exchanged by market participants in real transactions, urging a significant review and revision of the templates.
37. This feedback from the market participants has prompted the EBA to review its NPL templates first in September 2018 and then in May 2021. The latter more thorough revision of the NPL data templates came also in response to the European Commission's Communication on tackling NPL in the aftermath of the COVID-19 pandemic (December 2020)⁶ that, amongst others, requests the EBA to review the templates based on a consultation with market participants in the course of 2021.
38. To this end, the EBA published a discussion paper in May 2021⁷. The discussion paper presented a significant streamlining of the data fields compared to the original templates done based on the feedback received from the template users that the EBA had collected through various contacts with the market participants and through an ad-hoc industry survey conducted during the beginning of 2021 on their experience of using the existing NPL data templates and, specifically focusing on the availability of the data considered as critical in the templates.
39. In response to the consultation on the discussion paper the EBA has received feedback from 25 market participants (19 public responses published on the website) including from credit institutions (sellers of NPL), investors, consultants and electronic auction or transaction platforms. The EBA has used the feedback received from stakeholders in the public consultation to develop these draft ITS.

⁶ https://ec.europa.eu/info/publications/201216-non-performing-loans-action-plan_en#:~:text=The%20European%20Commission's%20NPL%20action,of%20the%20COVID%2D19%20crisis.&text=The%20strategy%20aims%20to%20ensure,they%20need%2C%20throughout%20the%20crisis.

⁷ <https://www.eba.europa.eu/calendar/discussion-review-npl-transaction-data-templates>

Existing market practices and similar requirements in Member States

40. The revision of the templates in May 2021 also took into account existing similar requirements at Member State, especially in those Member States with significant amount of NPL transactions on the secondary markets. As part of the development of the Discussion Paper, the proposed EBA templates have been mapped across to some of such requirements and the results of that mapping fed into the discussion paper.

Application

41. In accordance with Article 16(7) of Directive (EU) 2021/2167 the templates specified in this draft ITS shall be used for loans that are originated on or after 1 July 2018 and that became non-performing after 28 December 2021. The fact the draft ITS does not apply to the sale of any other non-performing loans falling outside this time window does not mean that for those non-performing loans there are different information needs for financial due diligence and NPL valuation. When selling non-performing loans originated before 1 July 2018 or between 1 July 2018 and the date of entry into force of the ITS, credit institutions should have regard to the templates and requirements of these draft ITS and fill in the templates on the best-efforts basis with information that is available to them.

42. Whilst the templates specified in the draft ITS are meant to be used in NPL sale transactions between credit institutions and prospective buyers and there is no formal role for the competent authorities in monitoring the use of the templates and enforcing the use of the draft ITS at the point of sale of NPL, competent authorities may, nevertheless, assess the availability of information and use of the template as part of their supervisory activities in the area of NPL management or credit risk management by the credit institutions.

4. Draft implementing technical standards

COMMISSION IMPLEMENTING REGULATION (EU) No .../...

of **XXX**

specifying the templates to be used by credit institutions for the provision of information referred to in Article 15(1) of Directive (EU) 2021/2167 in order to provide detailed information on their credit exposures in the banking book to credit purchasers for the analysis, financial due diligence and valuation of a creditor's rights under a non-performing credit agreement, or the non-performing credit agreement itself (NPL Transaction Data Templates)

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive (EU) 2021/2167 of the European Parliament and of the Council on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU, and in particular to Article 16 (6) thereof,

Whereas,

- (1) Having access to granular loan-by-loan information regarding the loan itself, counterparty, collateral, guarantees, enforcement procedures and also regarding historical collection and repayment is an important element for the sales of non-performing loans by credit institutions, as this information allows prospective buyers to perform their financial due diligence and carry out valuation of non-performing loans. Access to this information helps in addressing asymmetry of information between the prospective buyers and sellers of non-performing loans and allows for better price discovery on the secondary markets for non-performing loans. Having necessary information standardised by the means of common templates, data fields, their definitions and characteristics, as set out in this Regulation, should facilitate the sales of non-

performing loans on secondary markets and reduce entry barriers for small credit institutions and smaller investors wishing to conclude transactions.

- (2) Credit institutions have different possibilities for disposal of non-performing loans from their balance sheet, with most common being sales or transfers of such loans to other investors or credit institutions, or through securitisation. This Regulation should apply in relation to direct sales or transfers of non-performing loans between two or more parties, while the disposals of non-performing loans through securitisation, where Regulation (EU) 2017/2402⁸ applies and the provision of the related information is governed by the Commission Delegated Regulation (EU) 2020/1224⁹ and Commission Implementing Regulation (EU) 2020/1225¹⁰, should not be in scope of this Regulation. Furthermore, this Regulation should not apply to sales of non-performing loans as part of sales of branches, sales of business lines or sales of clients' portfolios which are not limited to non-performing loans and transfers of non-performing loans as part of an ongoing restructuring operation of the selling credit institution within insolvency, resolution or liquidation proceedings. Finally, this Regulation should not apply to sales or transfers of exposures that are not classified as non-performing in accordance with Article 47a of Regulation (EU) No 575/2013¹¹.
- (3) The templates specified in this Regulation should be used and information be provided in relation to the loans that are originated on or after 1 July 2018 and that became non-performing after 28 December 2021. For loans originated before 1 July 2018 or between 1 July 2018 and the date of entry into force of this Regulation, credit institutions should have regard to the requirements of this Regulation concerning the templates used when selling these non-performing loans and complete them with available information on a best-efforts basis.
- (4) The principle of proportionality should be observed for the purposes of this Regulation. In particular, the Regulation should set out different requirements in relation to the information to be used in the templates depending on the size of the non-performing loans by specifying a smaller number of mandatory data fields for the loans amounting below the materiality threshold of 25,000 euros, while additional mandatory data fields are requested for the non-performing loans above this threshold.
- (5) Where credit institutions are not able for various reasons to provide the required information for the data fields that are not mandatory, they should explain the reasons by using the 'no data option' provided in the instructions to the templates set out in Annex III of this Regulation. This is important for the prospective buyers in order to

⁸ Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitization and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012

⁹ Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitization to be made available by the originator, sponsor and SSPE

¹⁰ Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardized templates for making available the information and details of a securitization by the originator, sponsor and SSPE

¹¹ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012

understand whether such information may or not be provided at a later stage of the sales process.

Where credit institutions are not able to provide to prospective buyers the information specified in this Regulation, and, in particular, mandatory information, where no specific ‘No data options’ are permitted by the data glossary, credit institutions should be aware that they may not be able to organise the sales of particular non-performing loans (or portfolios of such) through electronic auction platforms or electronic transaction platforms, should such platforms require all mandatory information to be provided in order to allow the access to the platform and selling the portfolios through the platforms.

- (6) Information to be provided by the credit institutions to prospective buyers of non-performing loans is important for the purposes of financial due diligence and valuation of non-performing loans that is performed by the prospective buyers before entering into the buy-sell transaction. To this extent, information should be submitted by the credit institutions early enough in the sale process to allow prospective buyers to perform their analysis before committing to a specific price.

However, considering the level of the detail of the information needed by the prospective buyers for the purposes of financial due diligence and valuation of non-performing loans and associated confidentiality implications, such information should be provided by the credit institutions only to the prospective buyers that are seriously interested in purchasing the assets in question. For the reason of protecting confidentiality of information, all the detailed information should not be provided very early in the transaction process to all prospective buyers that may be interested in purchase, but not committed to it.

The sale of non-performing loans may be done by the credit institutions in one or two phases, which should be decided before commencing the sale process of the non-performing loans. In the case of the two-phased sale process which is split between the ‘non-binding’ offer phase and ‘binding offer’ phase, credit institutions shall provide the prospective buyers the information needed for the financial due diligence and valuation as specified in this Regulation at the beginning of the ‘binding offer’ phase and only to the prospective credit purchasers that have signed non-disclosure agreements drafted in compliance with the applicable legislation and market practices.

- (7) Information needed by the prospective buyers for financial due diligence and valuation of non-performing loans may contain elements considered confidential by the credit institutions on the basis of the requirements applicable to them based on confidentiality and bank secrecy legislation, or on the basis of commercial considerations. This Regulation does not specify what data fields should be considered confidential, as this determination should be made by the credit institutions providing the information on the grounds of the applicable legislation, internal rules or on the basis of commercial practices. It is important, however, to ensure that all confidential information should be shared through secure channels and only after appropriate confidentiality arrangements have been put in place between the credit institution and the prospective buyers. Such secure channels may be electronic virtual data rooms set up by the credit institutions to grant access to the prospective buyers to the infor-

mation requested in accordance with this Regulation. Credit institutions should ensure that such virtual data rooms meet the applicable industry standards for confidentiality and data security requirements and, if offered by third parties, these should qualify as reputable technology providers.

- (8) In addition to respecting confidentiality of certain information in the process of exchange of information, credit institutions should ensure that any personal information within the meaning of Regulation (EU) 2016/679¹² should be treated and exchanged in accordance with the requirements of that Regulation.
- (9) Credit institutions should be responsible for the completeness, consistency and accuracy of the information provided to prospective buyers on the basis of this Regulation. To facilitate the discharge of this responsibility, the information provided to prospective buyers in accordance with this Regulation should be subject to appropriate internal governance arrangements that are similar to the arrangements put in place in the credit situations, for example, for supervisory or other regulatory reporting. Such internal governance arrangements should include internal validation of information being provided by the functions/staff independent from the functions/staff responsible for the sale of non-performing exposures. Credit institutions should also establish internal processes ensuring that the information being provided to the prospective buyers has been approved by the relevant management with sufficient degree of seniority that may commit the credit institution to the responsibility for the completeness, consistency and accuracy of the information provided.
- (10) Any inaccuracies in the information identified by the credit institutions after submission of the information to prospective buyer during the period of their due diligence, should be rectified by the credit institutions as part of their responsibility for the completeness, consistency and accuracy of the information provided. Errors should be corrected without undue delay and corrected set of information provided to the prospective buyers.
- (11) This Regulation is based on the draft implementing technical standards submitted by the European Supervisory Authority (European Banking Authority) to the Commission.
- (12) European Banking Authority has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010¹³.

HAS ADOPTED THIS REGULATION:

¹² Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)

¹³ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

CHAPTER 1

SUBJECT MATTER, SCOPE AND DEFINITIONS

Article 1

Subject matter

This Regulation lays down the templates to be used by credit institutions for the provision of information to credit purchasers, referred to in Article 15 (1) of Directive (EU) 2021/2167 and other credit institutions as referred to in Article 16 (8) of that Directive, when selling or transferring non-performing loans, the data glossary and the instructions on how to use such templates.

Article 2

Scope of application

- (1) This Regulation shall apply to the sales or transfers of non-performing loans held on the balance sheet of credit institutions, that meet the time criteria set out in Article 16 (7) of Directive (EU) 2021/2167¹⁴.
- (2) The Regulation shall not apply to following:
 - (a) sales of non-performing loans as part of sales of branches, sales of business lines or sales of clients' portfolios which are not limited to non-performing loans and transfers of non-performing loans as part of an ongoing restructuring operation of the selling credit institution within insolvency, resolution or liquidation proceedings;
 - (b) sales or transfers of non-performing loans through securitisation, where Regulation (EU) 2017/2402 applies and provision of the related information is governed by Commission Delegated Regulation (EU) 2020/1224 and Commission Implementing Regulation (EU) 2020/1225;
 - (c) sales or transfers of exposures that are not classified as non-performing in accordance with Article 47a of Regulation (EU) No 575/2013.

Article 3

Definitions

For the purposes of this Regulation the following definitions apply:

- (1) 'Carrying amount' means the amount as defined in paragraph 27 of Part 1 of Annex V to Implementing Regulation (EU) No 451/2021;
- (2) 'Counterparty' means either a borrower, protection provider or tenant in relation to the non-performing loan being sold or transferred;
- (3) 'Cut-off date' means the reference date for the information that is being provided in accordance with this Regulation;

¹⁴ Directive (EU) 2021/2167 of the European Parliament and of the Council on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU

- (4) ‘Non-performing loan’ means creditor’s rights under a non-performing credit agreement, or the non-performing credit agreement as defined in Article 3, point (13) of Directive (EU) 2021/2167;
- (5) ‘Non-performing loan portfolio’ means a group of non-performing loans which are object of a sales or transfer transaction in the scope of this Regulation;
- (6) ‘Loan’ means credit agreement in accordance with Article 3, point (4) of Directive (EU) 2021/2167;
- (7) ‘Buyer’ means a credit purchaser as defined in Article 3, point (6) of Directive (EU) 2021/2167 or a credit institution that is the party receiving the non-performing loans in a transaction with another credit institution.

CHAPTER 2

INFORMATION TO BE PROVIDED BY CREDIT INSTITUTIONS

Article 4

Information to be provided by credit institutions

- (1) Credit institutions shall provide prospective buyers with information on the loan-by-loan basis regarding the following:
 - (a) Counterparty, as set out in Template 1 of Annex I of this Regulation;
 - (b) Loan, as set out in Template 3 of Annex I of this Regulation;
 - (c) Collateral, guarantee and enforcement, as set out in Template 4 of Annex I of this Regulation;
 - (d) Historical collection and repayment, as set out in Template 5 of Annex I of this Regulation.
- (2) Information referred to in the previous paragraph shall be provided in accordance with criteria and definitions specified in the data glossary as set out in Annex II and with the instructions set out in Annex III of this Regulation.
- (3) When providing the information specified in paragraph 1, credit institutions shall also show the relations between the data fields as set out in Template 2 of Annex I of this Regulation.

Article 5

Information granularity, completeness and consistency

- (1) Information provided by the credit institutions to prospective buyers in accordance with Article 4 of this Regulation shall be complete, consistent and follow the data governance process set out in Article 8 of this Regulation.
- (2) Credit institutions shall provide information for all data fields marked as mandatory in the data glossary set out in Annex II of this Regulation, except where the data fields are not applicable in accordance with the criteria specified in the instructions set out in Annex III of this Regulation.
- (3) For loans with carrying amount at cut-off date exceeding twenty-five thousand (25 000)

euros, credit institutions shall provide information for additional mandatory data fields as specified in the data glossary set out in Annex II of this Regulation.

- (4) Credit institutions shall make reasonable efforts to provide information for the data fields that are marked as non-mandatory in the data glossary set out in Annex II of this Regulation. Where the information is not available for non-mandatory data fields, credit institutions shall provide reasons for unavailability using the appropriate ‘No Data Option’ (‘ND’) values in accordance with the instructions set out in Annex III of this Regulation.
- (5) For the purposes of the previous paragraph, credit institutions shall not use provision of any ND values to circumvent the requirements in this Regulation.
- (6) Where a credit institution identifies errors in any information already provided to the prospective buyers, it shall provide, without undue delay, a corrected set of information and inform prospective buyers accordingly.

CHAPTER 3

OPERATIONAL PROCEDURES, INTERNAL GOVERNANCE, AND CONFIDENTIALITY ARRANGEMENTS FOR PROVISION OF INFORMATION

Article 6

Operational procedures for provision of information

- (1) Credit institutions shall provide the information specified in this Regulation prior to entering into a contract for the sell or transfer of non-performing loans as provided in Article 15 (1) of the Directive (EU) 2021/2167 and in accordance with the arrangements for treatment of confidential and personal data as set out in Article 7 of this Regulation.
- (2) Credit institutions shall provide the information specified in this Regulation in an electronic and machine-readable form unless agreed otherwise between the credit institutions and the prospective buyers.
- (3) Where a credit institution uses electronic auction platforms or electronic transaction platforms to organise the sales or transfer process of non-performing loans, specific requirements for the electronic and machine-readable format may be set out by such platforms.

Article 7

Treatment of confidential and personal information

- (1) When providing information specified in this Regulation to prospective buyers, credit institutions shall:
 - (a) identify and treat personal information regarding counterparties in accordance with the requirements of the Regulation (EU) 2016/679;
 - (b) identify what information shall be considered as confidential in accordance with relevant Union or national legislation on data confidentiality or banking secrecy applicable to them, or on the basis of own internal rules or market practices;
 - (c) ensure adequate protection of confidential information by applying the requirements set out in relevant Union or national legislation on data confidentiality or

banking secrecy applicable to them. As part of ensuring the protection of confidential information, before providing such information to prospective buyers, credit institutions shall sign confidentiality arrangements such as non-disclosure agreements drafted in conformity with applicable legislation and market practices.

- (2) To ensure the protection of personal and confidential information, credit institutions shall use secure channels to provide information specified in this Regulation to prospective buyers. Such secure channels shall meet the applicable industry standards, where relevant.
- (3) Where credit institutions decide to use virtual data room or similar electronic means as secure channels to provide the information, such virtual data rooms shall meet the applicable industry standard and be offered by reputable technology providers.

Article 8

Credit institutions' data governance arrangements

- (1) Credit institutions shall set up adequate and effective internal governance and data governance arrangements to ensure the completeness, consistency and accuracy of the information provided to prospective buyers in accordance with this Regulation. Such internal governance and data governance arrangements shall include internal validation of information by functions that are independent from those preparing the information.
- (2) Credit institutions shall ensure that the information provided to the prospective buyers is subject to an appropriate managerial approval process confirming that the credit institution is responsible for the completeness, consistency and accuracy of the information provided.

CHAPTER 4

FINAL PROVISIONS AND APPLICATION

Article 9

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

The President

ANNEX I

Templates for loan-by loan information (loan data tape)

ANNEX II
Data Glossary

ANNEX III

Instructions for filling loan data tape

These instructions explain the use of the non-performing loan (NPL) data templates provided in Annex I and the data glossary set out in Annex II to this Regulation. The instructions are structured into two parts, where Part 1 contains general instructions including references, conventions applicable to the templates and an explanation of how to use the data glossary and Part 2 provides specific instructions in relation to the data templates.

PART 1

GENERAL INSTRUCTIONS

1. REFERENCES

1. For the purpose of the NPL data templates, the definitions in Article 3 of this Regulation shall apply. In addition, the following definitions and abbreviations shall apply for NPL data templates and data glossary:
 - (a) ‘Loan Agreement’: the contract and any addendums to the original loan agreement;
 - (b) ‘Secured loan’: a loan for which either collateral has been pledged or financial guarantees have been received; the unsecured part of a partially secured or partially guaranteed exposure shall be included in the amount of ‘secured loan’;
 - (c) ‘CRE’: Commercial Real Estate defined in article 2 of the Commission delegated regulation (EU) 2020/1224 of 16 October 2019¹⁵ as any income-producing real estate, either existing or under development, and excludes social housing and property owned by end-users;
 - (d) ‘RRE’: Residential Real Estate defined in article 2 of the Commission delegated regulation (EU) 2020/1224 of 16 October 2019 as any immovable property, available for dwelling purposes (including buy-to-let housing or property), acquired, built or renovated by a private household and that is not qualified as commercial real estate;
 - (e) ‘CRD’: the Capital Requirements Directive (EU) No 2013/36/EU¹⁶ as amended and in force;
 - (f) ‘CRR’: the Capital Requirements Regulation (EU) No 575/2013 as amended and in force;

¹⁵ Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and the details of a securitisation to be made *available* by the originator, sponsor and SSPE (C/2019/7334). (OJ L 289, 3.9.2020, p. 1–216) and Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019 laying down implementing technical standards with regard to the format and standardized templates for making available the information and details of a securitisation by the originator, sponsor and SSPE (C/2019/7624) (OJ L 289, 3.9.2020, p. 217–284)

¹⁶ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC

- (g) ‘FINREP’: Commission Implementing Regulation (EU) No 2021/451¹⁷ (Annexes III, IV and V);
- (h) ‘ANACREDIT’: Regulation (EU) No 2016/867 of 18 May 2016¹⁸ (ECB/2016/13);
- (i) ‘ESMA securitisation templates’: Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 and Commission Implementing Regulation (EU) 2020/1225 of 29 October 2019;
- (j) ‘SME’: micro, small and medium-sized enterprises defined in Commission Recommendation No 2003/361 of 6 May 2003¹⁹;
- (k) ‘EBIT’: Earnings Before Interest and Tax;
- (l) ‘IAS’ or ‘IFRS’: ‘International Accounting Standards’, as defined in Article 2 of the IAS Regulation No 1606/2002²⁰;
- (m) ‘ISO 3166 ALPHA-2’: a list of country codes²¹, defined by 2 letter code;
- (n) ‘ISO 4217’: a list of global currencies²², defined by the 3 letter codes;
- (o) ‘ISO 17442’: the latest version of Financial Services LEI code;
- (p) ‘LEI code’: the global Legal Entity Identifier assigned to entities, which uniquely identifies a party to a financial transaction;
- (q) ‘ISIN’: the international securities identification number assigned to securities, composed of 12 text characters, which uniquely identifies a security issue;
- (r) ‘NACE codes’: codes defined in Regulation (EC) No 1893/2006 of the European Parliament and of the Council²³;
- (s) ‘NUTS3’: the latest version of Nomenclature of Units for Territorial Statistics²⁴. The number refers to the economic territory, where ‘3’ is small regions for specific diagnoses;
- (t) ‘UN/LOCODE’: latest version of United Nations Code for Trade and Transport Locations²⁵ list.

¹⁷ Commission Implementing Regulation (EU) No 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014.

¹⁸ Regulation (EU) 2016/867 of the European Central Bank of 18 May 2016 on the collection of granular credit and credit risk data (ECB/2016/13).

¹⁹ Commission Recommendation No 2003/361 of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (C (2003)1422) (OJ L 124, 20.5.2003, p. 36).

²⁰ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11/09/2002, p. 1).

²¹ <https://www.iso.org/obp/ui/#search>

²² <https://www.currency-iso.org/en/home/tables/table-a1.html>

²³ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

²⁴ [Background - NUTS - Nomenclature of territorial units for statistics - Eurostat \(europa.eu\).](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&code=sdg_10_10_1)

²⁵ <http://www.unece.org/cefact/locode/service/location>

2. CONVENTIONS

2. If not otherwise stated in the instructions, all numerical values are provided as positive numbers.
3. Where the field type is 'boolean' the field choice is 'Yes' or 'No'.
4. Where the field type is 'choice', credit institutions shall select from a list the relevant choice that is applicable to the data field. The choice field shall be entered as the full name of the choice option. For example, where the choice field is '(a) 'Private individual'', the credit institution shall enter 'Private individual'' into the data template.
5. Where the field type is 'alphanumeric', credit institutions shall enter free text into that data field. The latter can consist either of alphabetical and numerical symbols or of a finite sequence of characters.
6. Where the field type is a 'number', credit institutions shall enter a number expressed to two decimal places. Foreign currency amounts shall be converted into euro at the respective ECB euro foreign exchange reference rates (i.e., the mid-rate) at the cut-off date.
7. Where the field type is a 'percentage', credit institutions shall enter a percentage expressed as a ratio to two decimal places.
8. Where the field type is a 'date', the format 'DD/MM/YYYY' shall be used.

2.1. 'NO DATA OPTIONS' CONVENTION

9. For non-mandatory data fields as identified in the data glossary, when information required by the template is not available, the data field shall not be left blank. Instead, the below codes for 'no data options' shall be used to provide information about the reasons of the data missing:
 - ND 1: data not collected by the credit institution;
 - ND 2: data collected but not loaded into the credit institution's reporting system or loaded into a separate system from the credit institution's reporting system;
 - ND 3: data collected but only available from DD-MM-YYY (DD-MM-YYYY must be completed);
 - ND 4: data field not applicable in relation to the underwriting criteria specified in the description of the data field or in relation to the borrower type or the loan type.
10. For mandatory data fields as identified in the data glossary, a value shall be provided except where the information is not applicable, i.e., credit institutions are allowed to use only the option 'ND 4' above.

3. DATA GLOSSARY

11. The data glossary, which is an integral part of the NPL data templates, includes all the relevant information on the data fields to be provided under the scope of the NPL data templates, in order to understand the content of each data field, the nature of the data fields, their applicability in relation to both the borrower type and the loan type and any legal references for the content of these data fields.

12. With the data glossary, credit institutions are able to identify their internally available data for the valuation of NPL transactions and compare them with the data glossary. Specifically, the data glossary contains the list of all the data fields included in the NPL data templates with their specifications, including:
- (a) index number for each data field included in the NPL data templates;
 - (b) label of each data field included in the NPL data templates;
 - (c) description of the content of each data field included in the NPL data templates;
 - (d) borrower type to which each data field is applicable, including: corporates, private individuals or all;
 - (e) loan type to which each data field is applicable including: secured loan or all (secured and unsecured loans);
 - (f) field status which can be: mandatory or non-mandatory, separately for loans below the threshold of 25 000 euros and for loans above the threshold of 25 000 euros;
 - (g) field type which can be one of the following: ‘boolean’, ‘choice’, ‘date’ (DD/MM/YYYY), ‘alphanumeric’, ‘percentage’ and ‘number’;
 - (h) nature of each data field which is: static when the data field is unlikely to change over time, or dynamic when the data field would presumably need to be updated to a date as close as possible to the expected transaction date;
 - (i) legal references: where available, references are made to ESMA securitisation templates, AnaCredit, Finrep, Articles of the CRR, IAS/IFRS, in order to ensure consistency where possible with existing definitions included in other regulatory frameworks.

PART 2

TEMPLATE RELATED INSTRUCTIONS

1. COUNTERPARTY (Template 1)

13. Template 1 provides the information for the identification of the counterparty where the latter can assume different roles: ‘borrower’; ‘protection provider’ and ‘tenant’ in relation to the different loan contracts. The counterparty may, in turn, be a private individual or a corporate and the latter may or not be part of a counterparty group. In addition, template 1 covers information on any legal procedure undertaken to the counterparty, both to private individuals and to corporates.
14. Information in Template 1 shall be provided in accordance with the specifications included in the data glossary of Annex II to this Regulation. Template 1 is linked to the other templates through the use of the counterparty identifier and the counterparty group identifier which are also included in Template 2.

2. RELATIONSHIP (Template 2)

15. Template 2 provides the relationships between Template 1 and the other templates through the use of unique identifiers applied to each counterparty, loan contract, instrument and protection which are assigned by credit institutions to identify the non-performing loans that are object of a sale or transfer transaction.
16. One borrower may have several loans that are identified by the related instrument identifiers. A loan may in turn have one or more counterparties. A counterparty may be a part of a counterparty group. Further, a loan may have several collaterals, and a collateral may be related to several loans. These types of relationships are shown in Template 2. In addition, the Template 2 shows the relationships between any immovable property collateral and its tenants, and between the collateral or guarantee received and its protection provider.
17. Information in Template 2 shall be provided in accordance with the specifications included in the data glossary of Annex II to this Regulation.

3. LOAN (Template 3)

18. Template 3 provides information on the contractual loan agreement, including any lease agreement and forbearance measure granted.
19. Information in Template 3 shall be provided in accordance with the specifications included in the data glossary of Annex II to this Regulation. The Template 3 is linked to the other templates through the use of the contract identifier and the instrument identifier which are also included in Template 2.

4. COLLATERAL, GUARANTEE AND ENFORCEMENT (Template 4)

20. Template 4 provides information on any immovable and movable property collateral, and other type of collateral and guarantees which secure a loan. In addition, the template covers relevant information on any enforcement procedure that is applicable to these assets.
21. Where the credit institution is a lessee in a lease contract, any lease asset (i.e., right-of-use assets) recognised in its financial statements in accordance with the applicable accounting standards shall be presented on the basis of its nature in Template 4.
22. In case of mortgage loans, the credit institution shall provide the mortgage amount as defined in the data glossary. Further, other data fields including 'lien position', 'higher ranking loan', 'register of deeds number' shall be provided in relation to the mortgage loans.
23. Credit institutions shall also provide the latest estimated value of any collateral before or at the cut-off date. The latest estimate value can be either calculated internally by the credit institution, or by an external valuer. When both internal and external valuations are available, both values with the related valuation dates shall be provided to the prospective buyer.
24. Information in Template 4 shall be provided in accordance with the specifications included in the data glossary of Annex II to this Regulation. The Template 4 is linked to

the other templates through the use of the protection identifier which is also included in Template 2.

5. HISTORICAL COLLECTION AND REPAYMENT (Template 5)

25. Template 5 provides information on historical collection for each loan before the cut-off date, including when the credit institution has used an external collection agent. In addition, the template covers information on the expected repayment schedule after the cut-off date.
26. For historical collection, annual amounts shall be provided for the last two years before the cut-off date and after the default date. If the latter occurred within the last two years from the cut-off date, the total amount collected from the default date to the cut-off date shall be provided. In case the collection has been made externally at counterparty level, the collection amounts shall be anyway presented at loan level in the template.
27. For the expected repayment schedule, monthly amounts shall be provided for the following year after the cut-off date, while annual amounts shall be provided for the other next two years.
28. Information in Template 5 shall be provided in accordance with the specifications included in the data glossary of Annex II to this Regulation. The Template 5 is linked to the other templates through the use of the contract identifier and the instrument identifier that are also provided in Templates 2 and 3.

5. Accompanying documents

5.1 Additional clarifying example on the relationship Template 2

The following example is only included for illustrative purposes. It presents how the links between the counterparties, loan contracts and collateral are reported in the proposed template 2 'Relationship' by using the identifiers.

Counterparty A is part of the Counterparty group CG_2126 and has the following two loan contracts (C_1560; C_1350) with the related instrument identifiers (I_1560; I_1350):

- a. I_1560 is a loan collateralised by: Col_XXXX, which effectively collateralises the 50% of the loan, and by Col_YYYY which collateralises the remaining 50% loan.
- b. I_1350 is an unsecured loan.

Counterparty B is part of the same Counterparty group CG_2126 and has a loan contract C_3430 and the related instrument I_3430 which is guaranteed (G_5072) by the Counterparty A.

The above relationships will be shown in template 2 in the following way:

Index	2.00	2.01	2.02	2.03	2.04	2.05
Data field	Counterparty Identifier	Role of the counterparty	Counterparty Group Identifier	Contract Identifier	Instrument identifier	Protection Identifier
	Counterparty_A	Borrower	CG_21126	C_1560	I_1560	Col_XXXX
	Counterparty_A	Borrower	CG_21126	C_1560	I_1560	Col_YYYY
	Counterparty_A	Borrower	CG_21126	C_1350	I_1350	n/a
	Counterparty_B	Borrower	CG_21126	C_3430	I_3430	G_5072
	Counterparty_A	Guarantor	CG_21126	C_3430	I_3430	G_5072

5.2 Draft cost-benefit analysis / impact assessment

As per Article 15(1) of Regulation (EU) No 1093/2010 (EBA Regulation), before submitting draft implementing technical standards (ITS) to the Commission, the EBA shall analyse potential related costs and benefits of the standards by the means of an Impact Assessment (IA).

This analysis presents the IA of the main policy options included in this Consultation Paper on the draft ITS on NPL Transaction Data Templates and instructions. The IA is high level and qualitative in nature.

A. Problem identification and background

Article 16 (1) of Directive (EU) 2021/2167 on credit servicers and credit purchasers mandates the EBA to develop draft implementing technical standards (ITS) to specify the templates to be used by credit institutions for the provision of information to credit purchasers when selling or transferring a creditor's rights under a non-performing credit agreement, or the non-performing credit agreement itself.

In accordance with this mandate, the EBA has developed these draft ITS considering the criteria specified in Article 16(4) of the Directive (EU) 2021/2167, and in particular considering existing market practices and user experience with the existing EBA non-performing loans transaction templates published in 2017. These voluntary templates of 2017 were published with a view to facilitate the sales and transfers of NPLs by credit institutions and prospective buyers in the EU but, since their publication, the EBA has received mixed views from market participants regarding their effectiveness in supporting the NPL transactions in secondary markets. For this reason, the EBA first reviewed the templates in 2018 and then in May 2021 in view of the expected mandate to the EBA that was given in the Directive (EU) 2021/2167 published in the Official Journal in November 2021. Therefore, the EBA has developed these draft ITS based also on the feedback received from the public consultation on the Discussion Paper published in May 2021.

B. Policy objectives

The draft ITS on NPL Transaction Data Templates presented in this consultation paper seek to establish a complete, accurate and consistent data tape for credit institutions wishing to sell their NPL. In particular, they aim at providing relevant information on loan-by-loan basis to prospective buyers for performing their financial due diligence and carrying out valuation of non-performing loans.

C. Options considered, assessment of the options and preferred options

Section C. presents the main policy options discussed and the decisions made during the development of the ITS on NPL Transaction Data Templates. Advantages and disadvantages, as well as potential costs and benefits from the qualitative perspective of the policy options and the preferred options resulting from this analysis, are provided.

The starting point for the work on the data tape was the Discussion paper published in 2021 and the feedback received from the public consultation. This approach is in line with the mandate for the draft ITS as provided in Article 16(4) of Directive (EU) 2021/2167 requiring the EBA to consider experience with EBA NPL templates, industry experience from using them and existing market practices. Therefore, the alternative starting point for the development of this draft ITS is not considered as a policy option and is not assessed from the cost-benefit perspective. Therefore, the following options are considered in relation to the content and data fields included in the Discussion Paper.

Setting out operational requirements for the use of data templates

Standardising and specifying the data needs for the NPL sale transactions is a way to improve the functioning of secondary markets for NPL, but having only the data requirements may not be enough. In the developing of the draft ITS the EBA has considered whether to specify only the data templates and associated data fields, or aim at putting the templates also into the operational context and explain how the templates can be used in different stages of the transition, including data preparations and data exchange. To this end, the EBA assessed whether the templates should be also complemented with operational and data governance requirements to ensure that the information provided in the templates is complete, consistent and accurate. The following options have been considered:

Option 1a: specify only the templates and the data fields.

Option 1b: specify templates and data fields and set out the requirements for the use of the templates, including internal governance requirements.

Whilst specifying only the templates and data fields can be considered as a minimum way to achieve the data standardisation requirements, it alone will not ensure that the templates are used correctly, and the information is provided in the templates is accurate and complete. The EBA also observed from its contacts with the industry stakeholders that there are established practices observed by many credit institutions with respect to the preparation of data needed for the NPL transactions and sharing the information using virtual data rooms and various forms of confidentiality agreements. In accordance with the December 2020 European Commission action plan on tackling NPL, the industry is also working together on the development of voluntary guidelines setting out industry best practices for the sales of NPL.

To this end **Option 1b has been chosen** as preferred option with the draft ITS setting out requirements for the internal governance arrangements, such as independent data validation and managerial approval to be put in place in order to ensure that the information provided in the templates is complete and accurate, and also introduce the requirements for using virtual data rooms as secure channels for information exchange and for appropriate non-disclosure agreements to ensure the confidentiality of information exchanged. Both sets of the requirements introduce the common approach to the use of the templates before and during NPL transactions whilst reflecting existing market practices.

Consistency with existing definitions in other regulatory and reporting frameworks

Option 2a: keep the current definitions of the data fields included in the voluntary version of the NPL data templates.

Option 2b: align, wherever possible, the definitions and the labels of the data fields with the ones already included in other EU regulatory, supervisory and reporting frameworks, in particular with the supervisory financial reporting framework (FINREP), the European Central Bank's AnaCredit and the ESMA securitisation templates as well as references to the CRR and the IAS/IFRS.

In the Discussion Paper published in May 2021, the definitions of the data fields reflected the ones already used in the currently applicable voluntary version of the NPL data templates. Therefore, Option 2a would be in continuity with the past. However, the feedback received from the industry on the Discussion Paper were in the direction of referring, whenever possible, to existing regulatory definitions. This would help credit institutions identify their internally available data for NPL transactions purposes, then it would reduce their data processing costs. On these grounds, the **Option 2b has been chosen** as the preferred option. Then, the definitions of the data fields in the data glossary have been aligned- to the extent possible, considering the different purposes - with the ones already included in other EU regulatory, supervisory and reporting frameworks and the related legal references were also added in the data glossary.

Identification of the counterparty

Option 3a: add the following fields for the identification of the counterparty.

Option 3b: exclude the following fields for the identification of the counterparty.

In the Discussion Paper published in May 2021, the following eight data fields of Template 1 related to the identification of the counterparty of non-performing loans were proposed to be deleted in comparison with the currently applicable voluntary version of the NPL data templates:

- Name of counterparty group;
- Name of counterparty;
- Related party;
- Date of birth for private individual counterparties;
- Nationality for private individual counterparties;
- National identifier for corporate counterparties (previously named 'Registration number' in the Discussion Paper);
- Source of national identifier for corporate counterparties (previously named 'Source of registration number' in the Discussion Paper);

- Counterparty deceased for private individual Counterparties.

Following the feedback received from the public consultation on the May 2021 Discussion Paper, this information is considered as crucial for the financial due diligence and valuation of NPL transactions since it allows to better identify the counterparties of the loan contracts. Indeed, the identification of the counterparty is an essential starting point for any recovery process of loan claims by a prospective buyer. This information can be also useful for the prospective buyer to assess whether the NPL acquisitions may create an increase of its concentration risk. For these reasons, **Option 3a has been chosen as the preferred option**: it enables the prospective buyer to take more informed decisions on the NPL transaction and the benefits are considered to outweigh the additional costs of collecting and providing the data by the seller. This information is generally available from seller side since they are normally collected in the credit institution's loan process. However, given that for private individual counterparties this information would be considered as personal information, any exchange of such information should take place in accordance with the GDPR provisions.

Private individual counterparties' personal data fields

Option 4a: keep data fields for the private individuals' personal data.

Option 4b: exclude data fields for the private individuals' personal data.

In the Discussion Paper of May 2021, the following four data fields of Template 1 related to the private individuals' counterparties of non-performing loans were proposed to be kept:

- Annual income;
- Currency of annual income;
- Income self-certified;
- Employment status.

These data fields are generally collected by the seller at the origination of the loan contract but they are not systematically updated over time. As for this type of information, an up-to-date data is key for the prospective buyers to get an accurate valuation of the NPL, these data fields might not be useful because they are not always reliable and they would anyway require further checks by the prospective buyer. For these reasons, **Option 4b has been chosen** as the preferred option: These data fields would give a small benefit to the prospective buyer as they will not be always reliable for the valuation of the NPL transaction and the costs of recovering updated information by the seller would overcome the benefits.

Ratings and market capitalisation

Option 5a: add data fields for the ratings and market capitalisation.

Option 5b: exclude data fields for the ratings and market capitalisation.

In the Discussion Paper published in May 2021, the following seventeen fields included in Template 1 and 3 respectively for counterparties and loans were proposed to be kept. They are related to internal and external ratings of counterparties and loans respectively, together with the market capitalisation field for the corporate counterparties:

- Internal and external credit ratings (current and at origination) attributed to counterparties and loans respectively;
- Source of external credit ratings (current and at origination) attributed to counterparties and loans respectively;
- External credit scoring (current and at origination) attributed to private individual counterparties;
- Source of external credit scoring (current and at origination) attributed to private individual counterparties;
- Market capitalisation for corporate counterparties.

Information on counterparty's ratings, loan ratings and market capitalisation are generally relevant for the valuation of loans but in case of valuation of non-performing loans, they may become less relevant since they could not give a meaningful indication of the 'ability to pay' of the counterparty.

With specific regard to internal credit ratings, this information may lack of independence since it is produced by the seller itself. For this reason, this information should be accompanied by the internal methodology used to produce the rating and its evolution since the loan origination, but this would cause additional costs for credit institutions. Regarding market capitalisation and external rating, this information is generally publicly available for prospective buyers. For these reasons, **Option 5b has been chosen** as the preferred option: there might be an interest for the internal ratings fields for prospective buyers, but this would give them a small benefit compared to a higher cost of provision of data for the seller.

Maturity date and other data fields related to interest rate

Option 6a: keep data fields for the maturity and interest rate for all non-performing loans.

Option 6b: delete data fields for the maturity and interest rate for all non-performing loans.

Option 6c: keep data fields for the maturity and interest rate only for loans that have recently entered the non-performing status.

In the Discussion Paper published in May 2021, the following data fields were proposed to be kept:

- Legal final maturity date (previously named 'Current maturity date' in the Discussion Paper);
- Interest rate (previously named 'Current interest rate' in the Discussion Paper);
- Interest rate type (previously named 'Current interest rate type' in the Discussion Paper);
- Description of interest rate type (previously named 'Description of current interest rate type' in the Discussion Paper);
- Interest rate spread/margin (previously named 'Current interest margin' in the Discussion Paper);
- Reference rate (previously named 'Current interest rate reference' in the Discussion Paper);
- Interest rate reset frequency (previously named 'Interest payment frequency' in the Discussion Paper);
- Payment frequency (previously named 'Principal payment frequency' in the Discussion Paper);

The feedback received from the public consultation on the Discussion Paper of May 2021 were mixed regarding the usefulness of these data fields for the financial due diligence and valuation of the NPL transactions. On one hand, this information is generally used to estimate the future cash flows of loans. On the other hand, in case of non-performing loans, this information may become less relevant, especially when borrowers enter in a gone-concern status and the related loans are managed following a liquidation approach. Providing this information would be costly for sellers and the added value of this information for prospective buyers in case of old non-performing loans managed with a liquidation approach would be minimal. For this reason, **Option 6a has been rejected.**

However, in case of loans that have recently entered the non-performing status, this information would be still relevant for the loan valuation by prospective buyers. For this reason, **Option 6c has been chosen** as the preferred option: the above fields have been kept only for loans that have recently entered the non-performing status, where the latter have been identified by referring to the first three FINREP categories of template F 18.00 (i.e. 'Unlikely to pay that are not past-due or past-due <= 90 days' or 'Past-due > 90 days and <= 1 year').

Mortgage guarantees

Option 7a: create a dedicated template for mortgage guarantees.

Option 7b: include the mortgage guarantees in the template 4 'Collateral, guarantees and enforcement'.

The feedback received from the public consultation on the Discussion Paper published in May 2021 raised the issue of including information on mortgage guarantees, which were currently not foreseen by the proposed templates of the Discussion Paper. Mortgage guarantees were considered as critical for a clear representation of the NPL portfolio. Differently from other types of collateral and guarantees, mortgage guarantees have generally their own registration amounts which might differ from the underlying collateral amounts and the credit institution's 'lien position' is defined at mortgage level rather than at property level.

To include this information, an ad-hoc data template could have been created but this would have increased the number of data fields and the complexity of the relationships of this new template with the template 3 'Loan' and the template 4 'Collateral, guarantee and enforcement'. For this reason, **Option 7a has been rejected.**

To keep the structure of the NPL data templates both simple and comprehensive, **Option 7b has been chosen**: the information on the mortgage guarantees have been included in Template 4 'Collateral, guarantee and enforcement'. Specifically, the field 'mortgage amount' has been added and the fields on 'Lien position' and 'Register of Deeds number' are to be reported at 'mortgage level' when applicable, as specified in the descriptions of these fields in the data glossary.

Collateral valuation

Option 8a: require the provision by the credit institution of the latest valuation amount of the collateral at or prior to the cut-off date, where the latest valuation can be performed internally or by an external appraiser.

Option 8b: require the provision by the credit institution of both the internal latest valuation amount and the external latest valuation amount when both valuations are available at or prior to the cut-off date.

The external valuation may be more appropriate than internal valuation for the purpose of setting the purchase price. Therefore, in case the latest valuation of the collateral at or prior to the cut-off date has been performed internally by the credit institution, useful information coming from the external valuation would be lost. For this reason, **Option 8a has been rejected.**

To provide prospective buyers with unbiased and useful information, the seller should provide both valuations when the latter are available at or prior to the cut-off date. Therefore, **Option 8b has been chosen** as preferred option: credit institutions will provide the latest valuation amounts with the related dates and types of valuation for both internal and external valuations, if available. Since

the provision of this information is linked to its availability, the costs for credit institutions should not increase.

Template on historical collection and repayment schedule

Option 9a: keep the structure and the content of the Template 5 as proposed in the Discussion Paper, where the historical collections (for the last 36 months) and the future instalments foreseen by the repayment plans (for the next 36 months) are reported on monthly basis under the same columns.

Option 9b: review the structure and the content of the Template 5 by using different columns for reporting the historical collections before the cut-off date and the future instalments foreseen by the repayment plans after the cut-off date, and by reviewing the number and the description of the data fields.

The Discussion Paper of May 2021 proposed to merge the information on ‘historical collection’ and ‘repayment plans’ in one single template. The proposed structure of the template didn’t envisage different columns for the last 36 months and for the next 36 months from the cut-off date. Further, from the feedback received from the public consultation of the Discussion Paper, these fields are not always available by credit institutions and their collection would have required a huge effort. In addition, for historical collection fields, a time period shorter than 36 months was considered enough for valuation purposes. For this reason, **Option 9a has been rejected.**

To clearly identify the historical amounts and the expected amounts, different columns before and after the cut-off date have been provided in the template. This avoids any misunderstanding on the provision of the data fields. In addition, to reduce the burdensome for credit institutions, the number of the data fields has been reduced and the requirements of the data fields have been reviewed. Specifically, for historical collections, annual amounts are requested for the last two years before the cut-off date. For the repayment schedule, monthly amounts are requested for the first year following the cut-off date and then annual expected amounts are to be provided for the other two next years. This solution should alleviate the reporting costs for credit institutions and at the same time it allows to keep the most essential information for the valuation of non-performing loans. For this reason, **Option 9b has been chosen** as the preferred option.

Proportionality principle on loan nature: applicability of the data fields

Option 10a: keep the columns of the data glossary on the applicability of the data fields by asset class.

Option 10b: replace the columns of the data glossary on the applicability of the data fields by asset class with the applicability of the data fields by secured versus unsecured loans, in addition to the existing column on the applicability of the data fields by borrower type (private individual versus corporate).

Article 16(3) of Directive (EU) 2021/2167 mandates the EBA to develop draft implementing technical standards that shall be proportionate, among others, to the nature of credits and credit portfolios.

In the Discussion Paper published in May 2021, the data glossary included separate columns for asset classes to which the data fields apply. The asset class breakdown was similar – with some distinctions – to the exposure types included in the ESMA securitisation templates. Following the feedback received from the public consultation of the Discussion Paper, it seems that the applicability of the data fields is not so much determined by the asset class of the loan but mostly by variables such as the borrower type (private individual or corporate) or the existence of a collateral. For this reason, **Option 10a has been rejected**. The breakdown by asset class has been replaced by a breakdown by secured versus unsecured loans. This breakdown gives a simpler and immediate representation of the applicability data fields to the macro types of loans. Furthermore, the more granular information on the asset class to which data fields belong is anyway included as a specific data field in the template 3 ‘Loan’. Therefore, **Option 10b has been chosen** as preferred option.

Proportionality principle on loan size

Option 11a: setting a threshold in relation to the size of the loan.

Option 11b: not setting a threshold in relation to the size of the loan.

Article 16(3) of Directive (EU) 2021/2167 mandates the EBA to develop draft implementing technical standards that shall be proportionate, among others, to the size of credits and credit portfolios. The consideration of the size of a loan can be incorporated through differentiating the required information depending on the size of the loan by the means of using monetary threshold. Alternatively, the data tape provided in the draft ITS could be set out as mandatory for all loans irrespective of their size, and prospective buyers could have a possibility of requesting additional information not specified in the draft ITS for larger loans. Whilst the latter could offer flexibility for prospective buyers, it will not achieve the data standardisation objective and may also lead to additional costs to credit institutions as those may be faced with additional and unstructured information requests without prior knowledge of what additional information may need to be prepared for the transaction.

In order to meet the data standardisation objectives whilst minimising potential additional costs associated with preparing not specified information **Option 11a has been chosen** as the preferred option with a threshold in relation to the size of the loan has been set up is in line with the one used in AnaCredit (25 000 euros).

Option 12a: identify a set of mandatory data fields only for loans above a certain threshold and keep all the data fields as non-mandatory for loans below the threshold.

Option 12b: identify a set of mandatory data fields for loans below a certain threshold and a larger set of mandatory data fields for loans above the size threshold.

Option 12c: identify all the data fields as mandatory regardless of the size the loan.

In accordance with Article 16, points (2) of Directive (EU) 2021/2167, the EBA has, among others, to identify which data fields are mandatory. In addition, in accordance with the point (3) of the same article, the draft implementing technical standards shall be, among others, proportionate to the size of credits and credit portfolios. Since the NPL data templates are to be used for transactions which may involve a single loan or a portfolio of loans, the size of NPL transactions can vary widely. Then, the Option 12a might have excluded lots of transactions involving small loans. **For this reason, Option 12a has been rejected.** Option 12c would have covered all transactions regardless of their size, but it would have not fulfilled the principle of proportionality set out in point (3) of Article 16. Therefore, **Option 12c has been rejected as well.**

Option 12b has been chosen as the preferred one. This option has the benefit of being applicable to all types of NPL transactions involving both small loans and large loans. Indeed, it provides for mandatory data fields for both loans which are below a certain threshold and loans above the threshold. Proportionality is also taken into account since the set of mandatory data fields is different in relation to the size of loans. Additional mandatory data fields are only required for loans above the threshold.

Proportionality principle on NPL's portfolio size

Option 13a: setting a NPL portfolio-based threshold

Option 13b: not setting a NPL portfolio-based threshold to the NPL's portfolio size

Setting a threshold to the NPL's portfolio size would increase complexity due to the interaction between this threshold and the loan-based threshold, with marginal added value since the information of the NPL data templates shall be provided on loan-by-loan basis. Requesting the seller to provide more data for a portfolio of small loans exceeding a certain threshold would be inconsistent with the provision of less loan-by-loan data. For portfolios of large loans exceeding a certain threshold, its larger amount is already taken into account through a loan-based threshold by requesting more mandatory data fields at loan-by-loan level. For this reason, **Option 13b has been chosen.**

D. Conclusions

The development of the ITS on NPL Transaction Data Templates is necessary to comply with Article 16 (1) of Directive (EU) 2021/2167. The aim of these ITS is to provide "detailed information on their credit exposures in the banking book to credit purchasers for the analysis, financial due diligence and valuation of a creditor's rights under a non-performing credit agreement, or of the non-performing credit agreement itself." The voluntary EBA NPL transaction templates published in 2017 do not meet this aim, due to their voluntary nature and not fully reflecting the information exchanged by market participants in real market transactions. Thus, new templates should be developed.

The templates provided in this draft ITS try to reach the above aim, whilst at the same time accommodating experience from real market transactions, offering continuity with the 2017 NPL templates and their later developments, which were used as the basis for the development of the draft ITS. The templates hence should achieve the goals of transparency and development of functioning secondary markets for NPLs in the EU, with as little extra effort and burden on banks as possible.

5.3 Overview of questions for consultation

1. Do the respondents agree that these draft ITS fits for the purpose of the underlying directive?
2. What are the respondents' views on the content of Template 1? **Please provide any specific comment you may have on the data fields in the dedicated columns of the data glossary (Annex II to the draft ITS) added for your feedback.**
3. What are the respondents' views on the content of Template 3? **Please provide any specific comment you may have on the data fields in the dedicated columns of the data glossary (Annex II to the draft ITS) added for your feedback.**
4. What are the respondents' views on the content of Template 4? **Please provide any specific comment you may have on the data fields in the dedicated columns of the data glossary (Annex II to the draft ITS) added for your feedback.**
5. What are the respondents' views on the content of Template 5? **Please provide any specific comment you may have on the data fields in the dedicated columns of the data glossary (Annex II to the draft ITS) added for your feedback.?**
6. Do the respondents agree on the structure of Template 2 to represent the relationship across the templates? If not, do you have any other suggestion of structure?
7. Do the respondents agree on the structure and the content of the data glossary? **Please provide any specific comment you may have on the data fields in the dedicated columns of the data glossary (Annex II to the draft ITS) added for your feedback.**
8. What are the respondents' views on the content of instructions?
9. Do the respondents agree on the use of the 'No data options' as set out in the instructions?
10. What are respondents' views on whether the proposed set of templates, data glossary and instructions are enough to achieve the data standardisation in the NPL transactions on secondary markets, or there may be a need for some further technical specifications or tools to support digital processing or efficient processing or use of technology (e.g., by means of the EBA Data Point Model or XBRL taxonomy)?
11. What are the respondents' views on the approach to the proportionality, including differentiating mandatory data fields around the threshold? **Please provide any specific comment you may have on the data fields in the dedicated columns of the data glossary (Annex II to the draft ITS) added for your feedback.**
12. Do the respondents agree with the proposed calibration of 25 000 euros threshold in line with AnaCredit Regulation? If not, what alternative threshold should be introduced, and why?

13. What are the respondents' views on the operational procedures, confidentiality and data governance requirements set out in the draft ITS?