



# Review of ITS on reporting for resolution plans

Public hearing, EBA premises, 26 September 2017

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Logic of resolution reporting and BRRD system

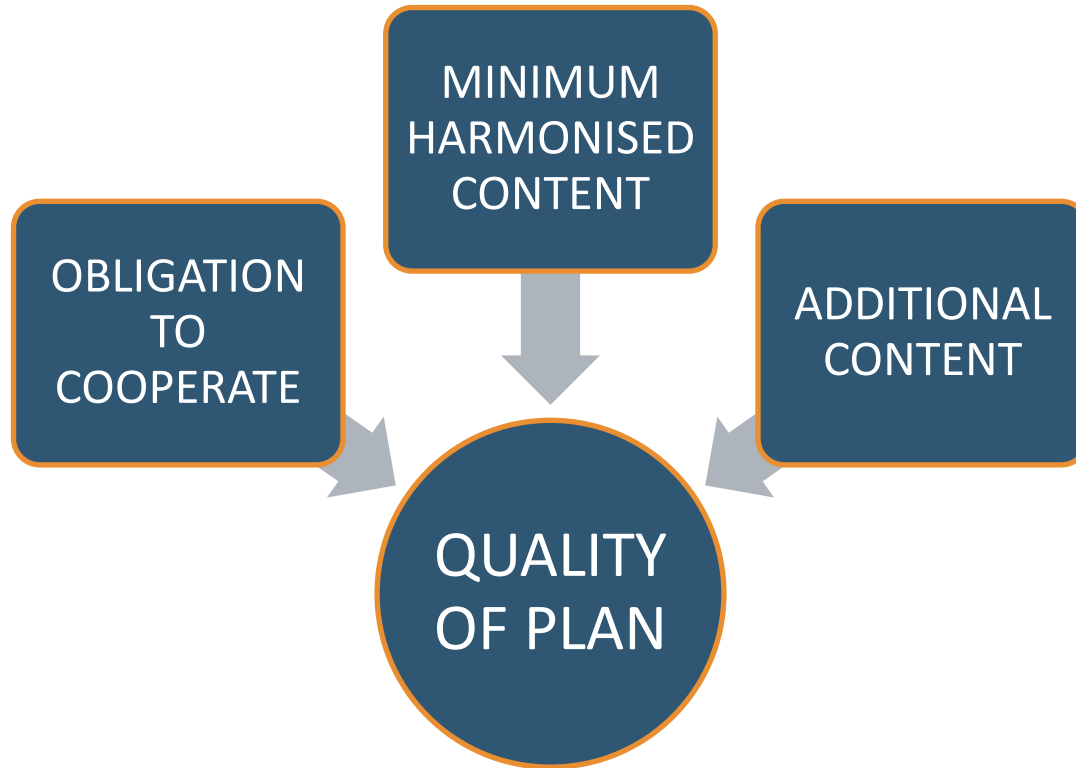
Reasons for the review and main elements

Overview of individual templates

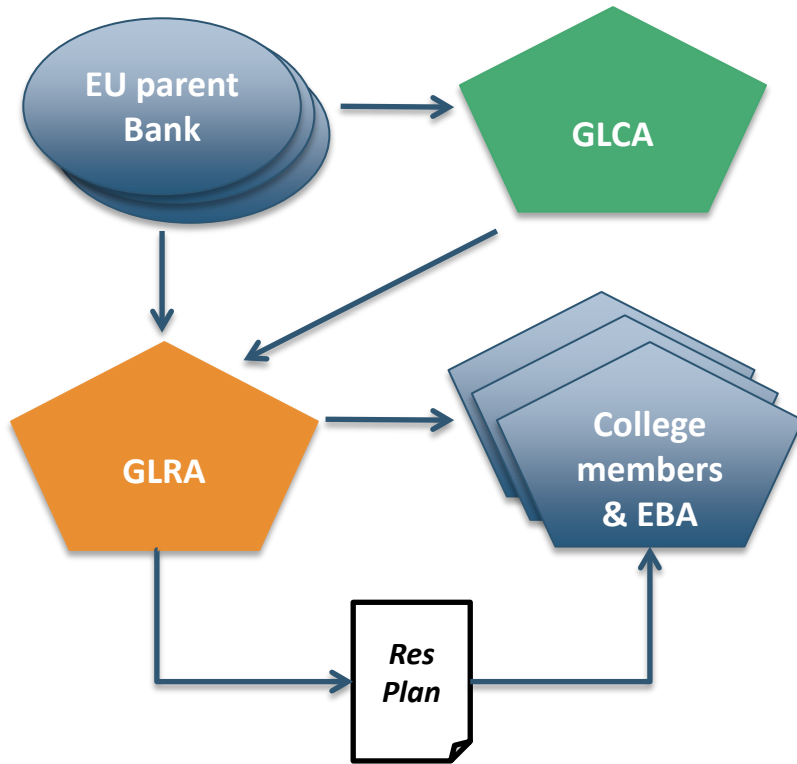
Summary of questions for consultation

# 1 – LOGIC OF RESOLUTION REPORTING AND BRRD SYSTEM

# Data contributes to the quality of resolution plans



# Resolution data follows a hub-and-spoke flow



GLRA centralises  
Supervisor is involved  
Collective process

## 2 - REASONS FOR THE REVIEW AND MAIN ELEMENTS

# Reasons for the review



1. The original ITS were developed in 2012-2014, based on limited experience in resolution planning and do not reflect the latest experience of what is necessary for a good plan
2. Divergence in practices has been observed: more, less, or different information was collected, leading in some case to duplicate reporting
3. Absent a data point model, data is only defined at a superficial level, prone to divergence in data quality
4. Absent a data point model, authorities miss the tools for automated data collection, quality control, process and exchange
5. This might explain why the subsequent exchange of information between authorities, and between authorities and the EBA, has been inconsistent

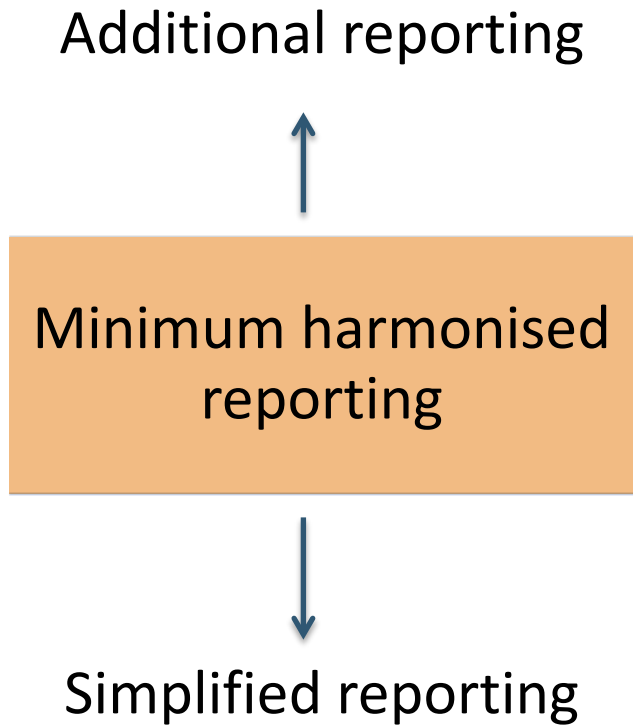
# Approach envisaged



1. Clarify the scope
2. Clarify and develop format and procedural requirements
  - a) DPM, taxonomies and validation rules
  - b) Minimum prescriptions on scope, level and schedules
3. Clarify and develop the contents requirements
  - a) Restate the principle: data items must be collected, as defined and instructed
  - b) Review the individual templates to take stock of recent resolution planning experience



# Scope of the ITS

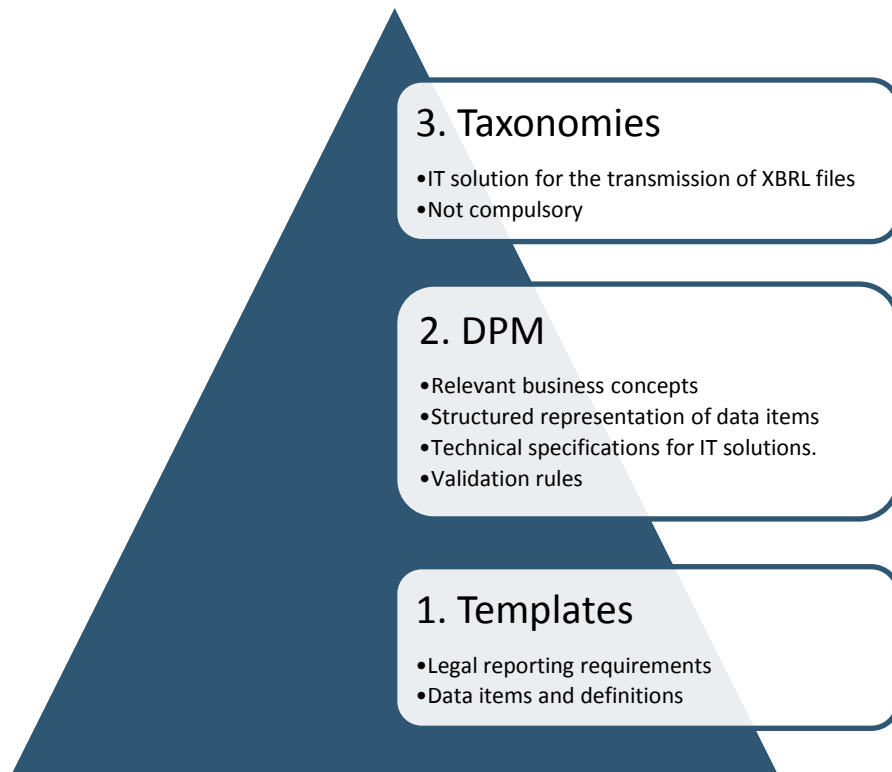


3. Resolution authorities can collect additional information they deem necessary

1. The ITS set out minimum information to be collected from any institution ...

2. Without prejudice to the right to determine simplified reporting obligations for banks the failure of which would have limited impact on financial stability (RTS on simplified obligations)

# Format requirements



Rely on existing supervisory dictionary

Ensure consistency in data definition and quality

Allow automated collection, exchange and quality control

Minimum information defined in data points can be integrated in own templates

No risk of duplicate reporting or affecting the European framework

# Reporting level

All information transmitted by Union parent undertaking, for:

## Entire group (all entities aggregated)

- Organisational structure: all group entities
- All critical functions & core business lines, critical services & systems in the group

## Prudential group or resolution group (consolidated)

- Liabilities and own funds requirements

## Entity level (solo)

- Financial information at point of entry (parent or if different resolution entity)
- Liabilities and own funds requirements at institution level for MREL purpose
- Deposit insurance information reported for each credit institution

# Reporting dates and schedules

## Frequency

- Most templates seem suitable for an annual collection in line with the resolution planning cycle
- Transitional build-up periods are explored for critical services, FMIs and information systems

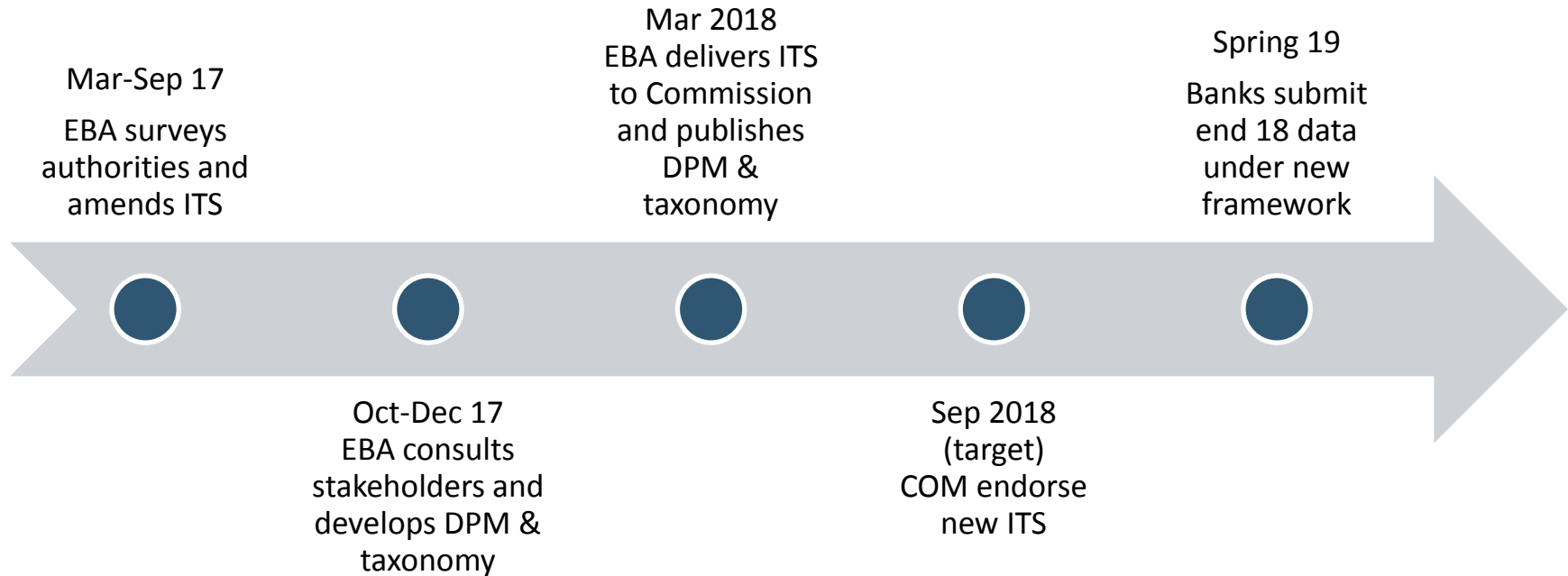
## Remittance dates

- A progressive acceleration is being explored (May, April, March)

## Reference date

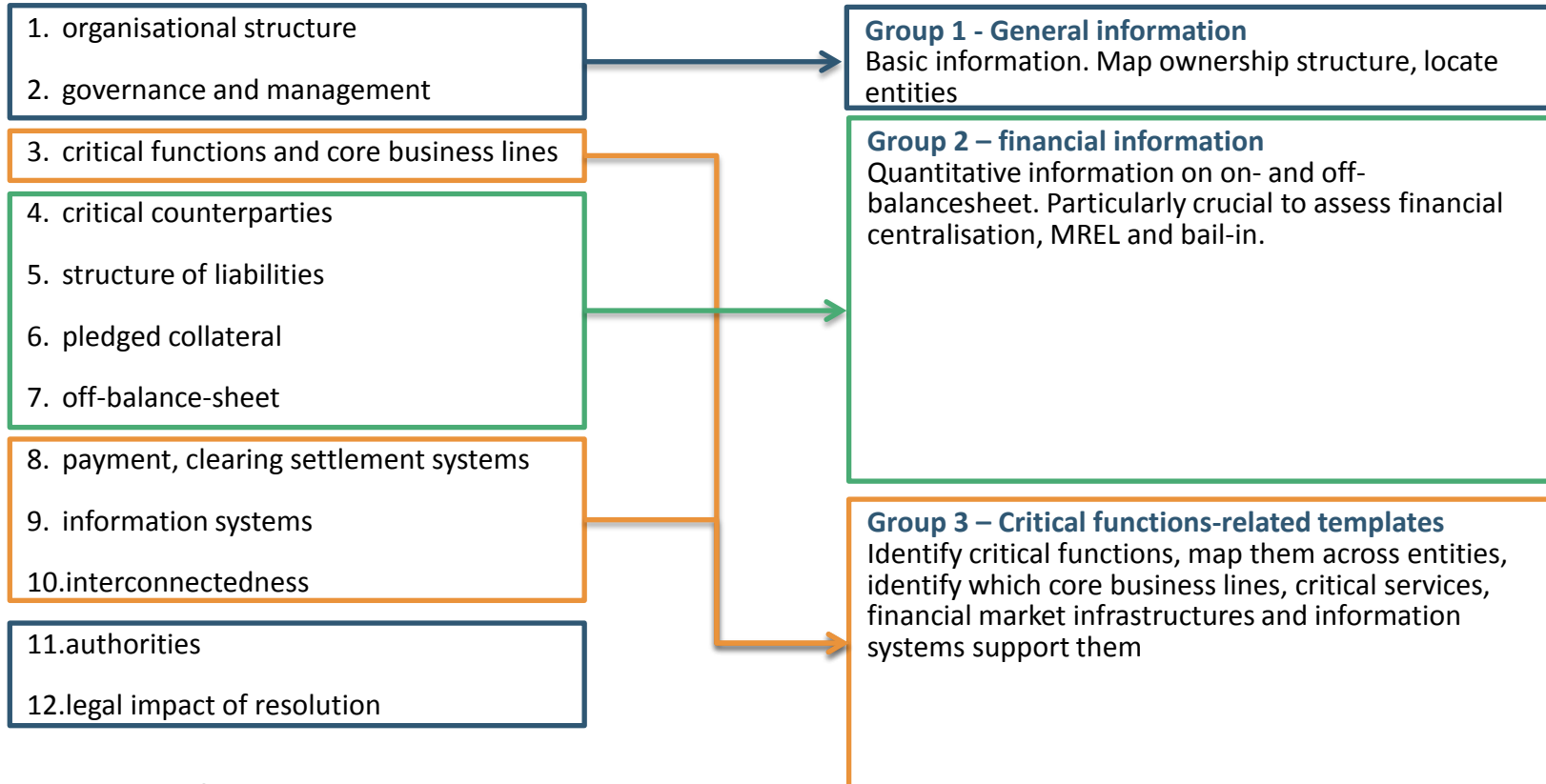
- Align with financial information reporting (end of date in most cases).

# Targeted timeline

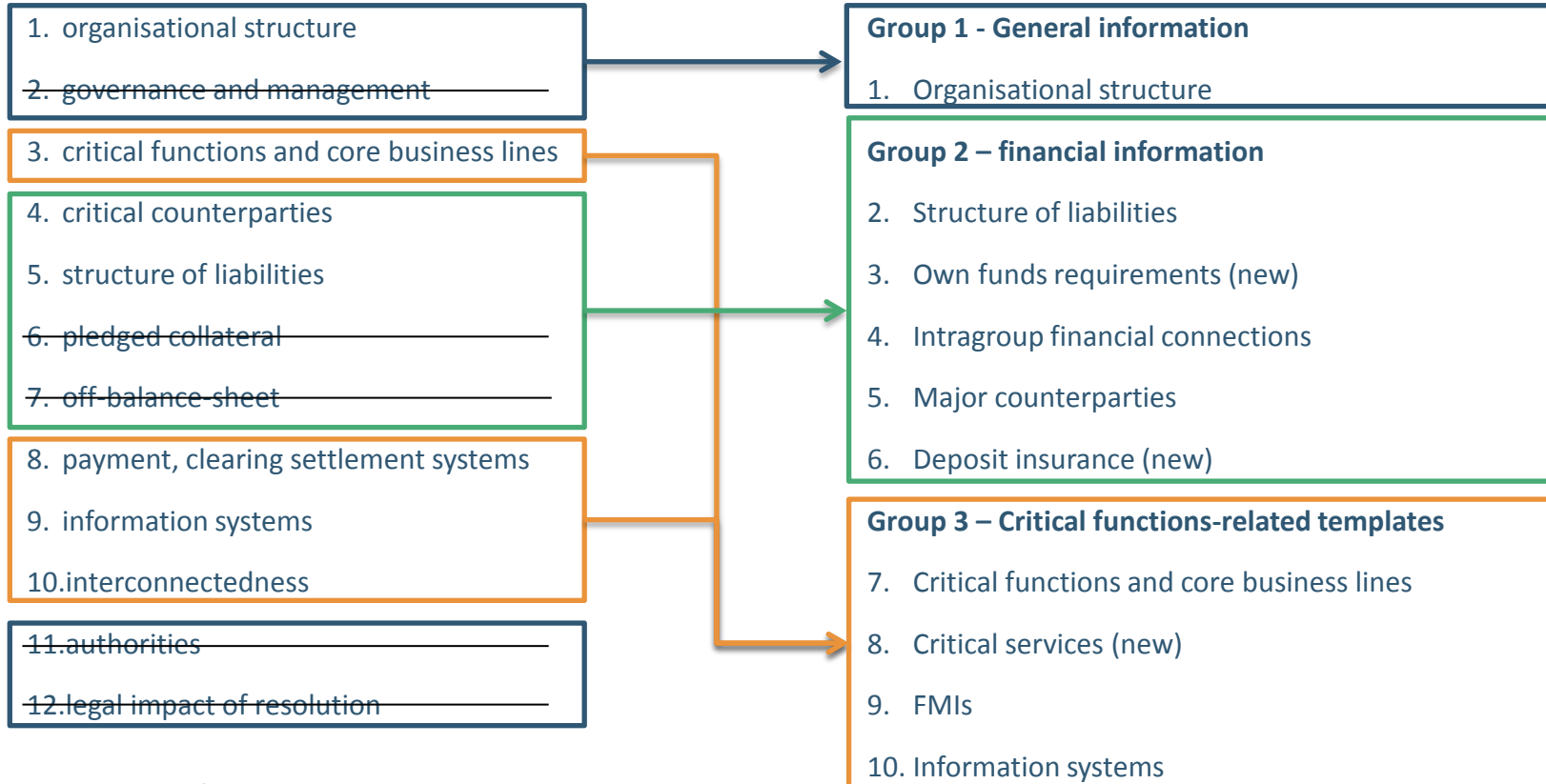


## 3 – OVERVIEW OF INDIVIDUAL TEMPLATES

# Review of individual templates



# Review of individual templates





# Organisational structure template

- organisational structure
- governance and management



## Group 1 - General information

- organisational structure

### R 01.00 - Organisational structure (R-ORG)

Entity												Direct Parent				
Name	Code	LEI code	Entity type	Country code	Art 7 CRR Waiver	Total assets	Risk Exposure Amount (REA)	LRE	Contribution to total consolidated assets	contribution to total consolidated REA	Contribution to consolidated Leverage Ratio Exposure	Name	Code	LEI code	Share Capital	Voting rights in the entity
010	020	030	040	050	070	080	090	100	110	120	130	140	150	160	170	180
			-													

## Main changes:

- Governance and management merged with Organisational structure
- Authorities and Legal impact of resolution deleted

# Financial information templates

- critical counterparties
- structure of liabilities
- pledged collateral
- off-balance-sheet



## Group 2 – financial information

- Structure of liabilities
- Intragroup financial connections
- Major counterparties – liabilities
- Deposit insurance

## Main changes:

- **Liabilities structure**

Revamped to better highlight excluded liabilities, bailinable liabilities and MREL-eligible. On a class by class, counterparty class by counterparty class.

- **Intragroup financial connections**

More granular counterparty by counterparty information.

- **Critical counterparties**

Replaced with simpler 'Major' counterparties Liabilities and off balancesheet items. Assets and material pledges deleted.

- **New deposit insurance dashboard**

# Critical functions templates

- critical functions and core business lines
- payment, clearing settlement systems
- information systems

## Group 3 – Critical functions-related templates

- Critical functions and core business lines
- Critical services
- FMIs
- information systems

## Main changes:

- **New ‘criticality assessment’ template**

To guide and document the identification of critical functions

- **New ‘Critical services’ template**

To report services from other entities (within or without the group) indispensable to provide critical functions (e.g. treasury, accounting). Mandatory under delegated act on critical functions.

- **Streamlined FMI and information systems templates**

Only FMIs and system indispensable for provision of critical functions

## 4 – SUMMARY OF QUESTIONS FOR CONSULTATION

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- describe alternative regulatory choices.

**by 11.12.2017**

# Summary of questions for consultation

Are remittance dates appropriate?

Technical feasibility of each block of templates?

Transition period for FMI and information systems?

Nomenclatures of FMI services, enabling services and information systems?

Is this framework suitable for investment firms?

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