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| **BBA response to EBA CP on draft implementing technical standards on currencies for which the justified demand for liquid assets exceeds the availability of those assets under Article 419(4) of Regulation (EU) 575/2013** |

**Introduction**

The British Bankers’ Association (“BBA”) is the leading association for UK banking and financial services for the UK banking and financial services sector, speaking for over 220 banking members from 60 countries on the full range of the UK and international banking issues. All the major banking players in the UK are members of our association as are the large international EU banks, the US banks operating in the UK and financial entities from around the world. The integrated nature of banking means that our members are engaged in activities ranging widely across the financial spectrum encompassing services and products as diverse as primary and secondary securities trading, insurance, investment banking and wealth management, as well as deposit taking and other conventional forms of banking.

The BBA is supportive of the EBA’s work to deliver the prudential requirements for liquidity reporting. Please find our comments on the requested questions in the annex below.

Yours sincerely

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**Annex**

**Q1: Do you agree with the method for estimating the level of free-floating assets required for a market to remain liquid? If not, what alternative methodology would you suggest and what percentage would you deem to be appropriate? Please substantiate your response.**

The method as outlined in this paper is acceptable.

**Q2: Are the assumptions regarding locked-up assets reasonable and, if not, what alternative assumptions should be made? Please substantiate your response.**

In this instance the assumptions made are reasonable. However, should this be needed to review other countries in the future, there may need to be some changes made to these assumptions depending on the economic situation at the time, and any individual characteristics of the country being assessed.

**Q3: Is 110% a reasonable assumption for an institution’s target liquidity coverage**

**requirement? If not, please outline what you deem to be a reasonable assumption regarding an institution’s target liquidity coverage requirement. Please substantiate your response.**

We agree that 110% is a reasonable target for the overall liquidity coverage requirement, but this should not be applied to individual currencies, as there will be some cases where this will not realistically be possible.

**Q4: Do you agree with the general approach and its results?**

Yes, we agree with the general approach and results.

**Q5: Do you agree with the above analysis of the cost and benefit impact of the proposals**

We have no comments on this question.