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*(submitted via EBA online submission form)*

**Re: Consultation Paper – Draft Implementing Technical Standards on specific supervisory reporting requirements for market risk (EBA/CP/2019/13)**

## **Introduction**

The Bank of New York Mellon Corporation (BNY Mellon) is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. As one of the world's largest investment services and investment management firms, BNY Mellon welcomes the opportunity to respond to the European Banking Authority's consultation on draft implementing technical standards on specific supervisory reporting requirements for market risk.

BNY Mellon operates in Europe through: (i) branches of The Bank of New York Mellon (a New York state chartered bank) and (ii) directly established and duly authorised subsidiaries established in certain EU jurisdictions and branches of those entities operating in core EU member states. BNY Mellon provides services to clients and end-users of financial services globally. Accordingly, BNY Mellon is keen to ensure global financial markets operate fairly and consistently, and that common standards are implemented in a way that ensures a level playing field.

## **General Comments**

BNY Mellon's recommendation is that the first reference date is aligned with other projected COREP first reference dates, ie, 30 June 2021 instead of 31 March 2021.

This will enable institutions moving to the Alternative Standardised Approach to Market Risk, to implement all changes to the COREP reporting requirements to the same timeframe, and to provide a sufficient period for design and testing of systems and software used for reporting purposes.

We suggest some drafting in Annex 2 of this response.

We also noticed a typographical error in the first line of Recital (3) of the draft ITS – where it should say “market risk” rather than “marekt risk”.

## **Responses to Specific Questions**

Our responses to the specific questions raised by the EBA are contained in Annex 1 of this response.

BNY Mellon looks forward to further engagement with the EBA in regard to this Consultation Paper and any future consultation papers on this topic.

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## **ANNEX 1 – Responses to Specific Questions**

**Q1: The ‘thresholds’ template requires a breakdown of the ‘on- and off-balance sheet business subject to market risk’ into on-balance and off-balance sheet business.**

**Is that breakdown clear, or would you need ad-hoc definitions for differentiating ‘on-balance sheet items’ from ‘off-balance sheet items’ to ensure a proper implementation of the reporting requirements?**

**Are there particular challenges or a burden involved in differentiating between on- and off- balance sheet items?**

BNY Mellon’s main concern in relation to the draft ITS is the application date of the requirements. We recommend that the application date is changed to 1 June 2021, so that the first reference date is 30 June 2021.

This would align the first reference date with the other projected COREP first reference dates.

This will enable institutions moving to the Alternative Standardised Approach to Market Risk, to implement all changes to the COREP reporting requirements to the same timeframe, and to provide a sufficient period for design and testing of systems and software used for reporting purposes.

We would therefore recommend that in Recital (5) and Article 6 of the draft ITS, the date of “1 March 2021” is replaced by “1 June 2021”. If this change is made, the derogation in Article 6 would no longer be required.

We suggest some drafting in Annex 2 of this response.

**Q2: Are the scope and level of application of the reporting requirements and the contents of the templates and the instructions clear?**

Subject to our response to question 1, we did not have any further comments.

## ANNEX 2 – Suggested Drafting

Please find below our suggested drafting solutions:

### Recital (3)

“(3) Institutions will only apply the Alternative Standardised Approach for ~~market~~ ~~marekt~~ risk, if ...”

### Recital (5)

“(5) Considering the conditions for the date of application of the specific reporting requirements for market risk as provided for in Article 430(b)(1) and (2) of Regulation (EU) No 575/2013, as well as the benefits of a fixed application date, this Regulation should apply from 1 ~~June~~ ~~March~~ 2021.”

### Article 6

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

It shall apply from 1 ~~June~~ ~~March~~ 2021.

~~By derogation from Article 2(1) of this Regulation, institutions shall commence reporting the information referred to in Article 4 of this Regulation on 30 June 2021, where the size of the institutions' on- and off-balance-sheet trading-book business as of 31 March 2021 would be considered small, if it is determined in accordance with the provisions of Article 94 of Regulation (EU) No 575/2013 as applicable from 28 June 2021.”~~

Note: the change of the first reference date to 30 June 2021 means that the derogation in Article 6 would no longer be required.