

## **Subject: EBF response to the EBA/CP/2024/18 - Public consultation on draft Implementing Technical Standards overhauling the EBA resolution planning reporting framework**

### **Introduction**

This document has been prepared by the European Banking Federation (EBF) as an answer to the European Banking Authority's (EBA) public consultation on draft Implementing Technical Standards (ITS) overhauling the EBA resolution planning reporting framework (EBA Consultation Paper).

The EBF welcomes the simplifications introduced by this draft ITS. However, we believe that, and as mentioned by the EBA and the Single Resolution Board (SRB) during the EBA Public Hearing held on 12<sup>th</sup> September 2024, other changes introduced by this draft ITS are material. In particular, the expectation for banks to shorten their reporting process by one month from 2026 is highly worrying for the industry. The earlier submission, combined with scope extensions and new data points, will require further IT developments and extra human resources to absorb the additional workload and avoid bottlenecks generating substantial additional costs. In our view, it constitutes a burden for banks with no particular benefit foreseen whilst putting at risk the data quality of the reporting.

Our members find it inconsistent that, despite EBA's efforts to reduce the burden of reporting, new granular data requirements are now introduced after banks having invested in costly IT projects to automatise the resolution reporting. The absence of finalized templates, validations rules and detailed guidance further hampers preparation for the 2026 deadline. A phased implementation, with a minimum two-year timeline, is essential to align with banks' budget cycles.

Additionally, we would like to question the discretionary powers (Article 8), which allow the Resolution Authorities (RAs) to require extensive data or replace templates and instructions developed by the EBA, undermining harmonisation efforts. We believe that, in case of resolution, the use of directly usable synthetic information is more suitable for the regulator than increasingly granular data. The existence of these discretionary powers contradicts the legal mandate from Article 11(3) Bank Recovery and Resolution Directive (BRRD) to achieve the minimum harmonisation. It is essential, considering the unrealistic timeframe given to the banks to comply with this draft ITS, that the SRB confirms as soon as possible that there will not be any change to these templates (as announced during the EBA Public Hearing), be it on the format or on the datapoints requested (scope and definitions).

The EBF would also welcome an effort to avoid overlaps between similar reports required for other purposes, using very close but not perfectly similar glossaries, which generates confusion and high administrative burden. We would be grateful for harmonised glossaries

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and streamlined reporting across different regulatory frameworks to reduce redundancy and confusion (see examples below in 5.2.6. iii).

Finally, we urge the EBA and the RAs to:

- **stabilise** the different reporting requirements as the banks are now well advanced in their IT projects to automatise as much as possible the data feeding, notably to meet the SRB's Management Information System (MIS) expectations, and
- **better assess** the need for data granularity, notably considering DORA mapping for IT, while checking and taking in account proportionality with the resolution reporting confirmed needs. It would be more efficient to focus on specific data necessary for resolution and avoid duplicating requirements that are largely covered by other frameworks.

### Question 1: Are the instructions and templates clear to the respondents?

The instructions and templates accompanying the EBA Consultation Paper are necessary in the context of additional data points required for certain reports, and more generally because of the different changes brought by these new ITS. This will help banks understand better what is expected (namely in terms of data sources, required scopes of reporting, etc.). This does not mean, however, that all these changes can be managed easily by the banking industry, as each bank will have to analyse whether and how it can answer to these new requests.

While the general feedback from EBF members is that the proposed instructions and templates are, in general terms clear, as they are broadly aligned to the existing definitions of the SRB, for some data points, further guidance is needed:

- It is of major importance to ensure full consistency between the content of the EBA Consultation Paper and the templates provided, as some marginal discrepancies have been identified. For example, on page 12 of the EBA Consultation Paper, the request is as follows: *"For the Lending activities, the risk weighted assets per economic function as well as the outstanding amount of cross border values have been added"*. However, in the 'Z0701 FUNC 1 LEN' tab of the template (Annex I), there is no trace of the RWAs requested in the former template or in the EBA Consultation Paper itself, which plans to add them.
- In the Z07.01 FUNC 1 PAY: the number of ATM is not requested, and the EBA Consultation Papers does not mention this removal of information. However, this datapoint has been so far requested in the SRB's guidance. It would be appreciated if the EBA and the SRB could please confirm that the number of ATM is no longer required.
- In the Z07.01 FUNC 1 LEN: the value committed is not requested and the EBA Consultation Paper does not mention this removal of information. However, this datapoint has been so far requested in the SRB's guidance. It would be very helpful if the EBA and the SRB could please confirm that the value committed is no longer required.
- The same question can also be raised regarding the off-balance sheet data requested by the SRB in the 'Liabilities Structure' of the Liability Data Report (LDR) that is not present in the EBA Z02 Template. It would be appreciated if the EBA and the SRB could please confirm this point.

- For a bank under the SRB's remit, it is not clear, at this stage, if going forward, only EBA Resolution Planning templates have to be submitted to the EBA or if there will still be a dual reporting obligation.
- Although it was noted from the EBA Public Hearing held on 12<sup>th</sup> September 2024 that the SRB will supplement its current LDR/CFR/FMIR reports/templates with those of EBA, EBA's ITS and annexes are far from providing for as many details as SRB's guidance which are essential documents to understand how to properly fill in reporting templates. We therefore expect SRB to officialise such transition and – shortly after the publication of the final ITS i.e., March 2025 – update accordingly its various resolution reporting guidance (if possible, using track changes).
- It is quite difficult to identify the changes in the accompanying documents. In the excel templates, the new templates or cells that have been added or modified are not coloured as it has been done previously for other consultations. In Annex II, the track change is not very helpful either, as large parts are deleted and replaced by other very large sections. It would be appreciated if the EBA could please publish the updates by using a different colour, which helps to clearly identify the changes introduced.
- Regarding the reporting scope, the instructions are sometimes ambiguous. For instance, Article 3.3(a) indicates that Z02.00 should be provided for Relevant Legal Entities (RLE) subject to iMREL requirement on an individual basis. However, the reporting scope for Z05.01, Z05.02, Z06.00, Z07.01 and Z07.04 under Article 3.8 has no symmetrical constraint, which, in our opinion, is hard to justify. The overall reporting scope under Article 3 should be limited to the resolution entity, whereas the Union parent undertaking, and other relevant legal entities subject to iMREL requirement and templates listed under Article 3.8 should be limited to the Union parent undertaking.
- As this was also emphasized by many participants during the EBA Public Hearing on 12<sup>th</sup> September 2024, setting precise expectations, definitions and guidance is pivotal for banks to ensure budget and resources for preparations to accommodate these changes as part of next year's book of work.
- It is unclear whether the RAs shall have the power to decide on the reporting scope independently as it currently does.
- Essentially, the ITS draft proposes combining four reports into a single delivery. Generally, we see this as recommendable. However, in this case, we would suggest dividing the templates into two reports: one containing templates included in SRB's Liability Data Report and one containing the rest. The reasoning is that the Liability Data Report contains quantitative data not (directly) related to other templates presented. This would limit the amount of information to be resubmitted should any errors be found.
- We further welcome the aim of the EBA to reduce their burden by removing the reporting obligation when the datapoints have already been provided in the COREP, FINREP or the MREL-TLAC reports. In some banks where the reporting of these data has been automatised, it will require however to delete the sourcing of this data.

- Template Z07.01 – Column 0040 - Value of transaction of which recurrent - It would be appreciated if the EBA could please explain how *'with 5 monthly transactions on average over the 6 months preceding the cut-off date'* should be interpreted.
- Template Z01.01 - Legal entities (ORG 1):
  - Annex II: Article II.1.1 General Remarks (2) the explanation of RLE is not aligned with the RLE definition in 3.2.3 of the EBA Consultation Paper. The definition in the Annex (2) indicates that even entities outside of the group should be included. In addition, many of the financial fields would not provide any added value for 'Service' entities. Lastly, the RLE description does not line up with the actual definition. We propose leaving this additional guidance out and keeping the prior definition.
  - Annex II: Article II.1.1 General Remarks (1) states that *"international branches shall be considered as entities for this template."* It would be appreciated if the EBA could please clarify if the legal entity, which these international branches are part of, should be reported including these branches. If that is the understanding of EBA, that would result in a double count in Z01.01. If branches should be reported separately, then the sum of, for example, TREA will not match the Group's consolidated TREA. In other words, it is extremely important that the instructions are fully clear and that the template itself does not create validation issues.
- Template Z01.02 - Ownership Structure - additional data is requested to define (i) shareholders and (ii) shareholdings of the group's entities. It would be appreciated if the EBA could please clarify whether:
  - In the first case (i), shareholders of the legal entities of the group should be identified (2% share capital threshold), meaning that Column 0010 'Investor' should be fed with the owner of the shares (internal or external), while Column 0040 'Investee' represents the legal entity, in which the shareholder invested.
  - In the second case (ii), all shareholdings of the legal entities of the group (internal and external) should be reported (with no threshold), meaning that Column 0010 'Investor' should be fed with legal entities that owns shares of the 'Investee' (Column 0040).  
More details would be needed since such approach would generate multiple rows to be indicated for same legal entities in both roles as 'Investor' and 'Investee' with a huge impact on the reporting entity.
  - The guidance is not clear, namely, if a single template shall be submitted for each group or each group entity within the scope of accounting consolidation. It would be appreciated if the EBA could please (1) provide an example for simplified group structure; (2) define 'Investor' and 'Investee'. Besides this, banks would be grateful if the EBA could please clarify what additional value this information would bring to RAs knowing that the ownership % of each consolidated entity is already provided at Group level in FINREP (FIN40). It is also not fully clear how this more granular information requested in Z01.02 is consistent with the simplification objective set by the EBA.
- Templates Z08.01 – Z08.05 - Relevant Services:
  - The data model for the new Z08 report remains unclear. It is not fully clear if 'Service Identifier' data is:
    - an incremental value for identifying each line of each tab of the report, used independently in each tab of the report (tab SERV1 would have its own incremental list which would not correspond to SERV2-3's own incremental

lists, those 3 lists being linked in SERV4 and serv5 to respectively Critical Functions (CF) and Core Business Lines (CBL)), or

- a unique reference to identify services in SERV1, to be used as a key data to be linked to assets, roles, CF and CBL in other tabs of the matrix.

It would be appreciated if the EBA could please clarify the correct understanding of data mode.

- Template Z08.01 - Column 0020 - Unique service title as per bank taxonomy and the corresponding instructions (Annex II, page 64), banks are expected to report the services at a more granular level than the reporting provided for Level 2 (Column 0010), so that each particular service is defined in a precise and targeted way. This significantly exceeds the current requirement. It is not sufficiently clear why this level of granularity is needed to improve the level of operational continuity. It would be very helpful if the EBA could please clarify this point.
  - Template Z08.01 - Columns 0150-0170 - Resolution Resilience - We would appreciate further clarification by the EBA on the resilience clauses in the context of the Business Reorganisation Plan (BRP), namely if during the implementation of a BRP (possibly a several years period), the ordinary termination rights of service providers cannot be drawn.
  - Template Z08.01 - Column 0170 - Alternative mitigating actions - a list/definition and/or guidance is missing. It would be appreciated if the EBA could please add it.
  - Template Z08.02 - Column 0040 - Type of Assets - The instructions provided are not sufficiently clear as to which asset type additions are required for IT-related reporting. We would welcome receiving more specific definitions, guidance as well as the purpose and rationale for inclusion.
  - Templates Z08.02 - Mapping to operational assets (SERV 2) - and Z08.03 - Mapping to roles/staff (SERV 3) - it would be very helpful if banks could be provided with examples of the granularity and structure.
  - Template - Z08.03 - Column 0040 - Role Name - In general, we have problems in comprehending this tab, since the key terms, including 'Role' were not explained. Banks would welcome the clarification whether 'Role' should be interpreted as a 'Business Process' or rather as a 'HR Role'.
- Template Z10.06 - Securities financing transactions, excluding intragroup (LIAB-G-6) - It would be appreciated if banks could be provided with the missing guidance for the Column 'Type of Liability'.
  - Template Z10.07 - Other Non-Financial Liabilities - LIAB G 7 - this template requests that reporting agents "*group these liabilities by type and insolvency ranking*". It would be appreciated if the EBA could please clarify if the 'Type' is the 'Type of Identifier' or the 'Type of Non-Financial Liabilities'. Additionally, if the Type means the Type of Non-Financial Liabilities, banks would welcome the clarification of whether the items should be grouped first by Type of Non-Financial Liability (as listed in the guidance) or by Insolvency Ranking.
  - EBA Consultation Paper, Page 17 - Article 5 - Adjustments to group resolution reporting - It is unclear if the meaning of the last part of Article 5 paragraph 2 "*on an individual, sub consolidated and consolidated level, as appropriate*" is to give the authority a mandate to decide on the reporting scope as they see fit, or only to refer to the scopes defined in Article 3. As there should be a level playing field between groups as defined in Article 2 (1), point (83b), (b) BRRD and other groups, we would suggest for this part

to be removed, or at least clarified that the idea is not to broaden the mandate of the authority.

**Question 2: Do the respondents need further clarification to understand which of the minimum reporting obligations would apply to their specific profile (Resolution entity, Liquidation entity, RLE, non-institution...)?**

Further clarification would be welcomed on the following aspects:

- Is it expected that the RAs will continue to specify ex-ante the scope of reporting for each legal entity of the Group?
- According to the ITS, RLEs are only requested to deliver a limited number of reports, and RAs maintain the right to apply simplified obligations for smaller entities. We believe that it would be important for banks to understand in advance which reports can be required by RAs, when will the organisations be informed by their RAs, and which specific resolution templates for which RLEs should be submitted in resolution reporting cycle.
- It would be useful to get additional and specific information regarding the reporting obligations by type of entity. More precisely, each bank should receive the list of the reports due per entity, specifying the classification of each of these entities (Resolution entity, Liquidation entity, RLE, non-institution). Communication of this information sufficiently in advance regarding the need to apply these new ITS for the 2026 data collection exercise would be relevant to anticipate and adjust data collection requirements by type of entity.
- It would be appreciated if the EBA could please clarify whether the rule currently prevailing (when there is an overlap between the EBA and the SRB reporting requirement) is maintained, considering that it has proved to be particularly useful for banks and would contribute to the objective of not duplicating data. It provides more specifically that:
  - where an SRB Replacement Report exists (e.g. Z02.00 is replaced by T01.00), only the replacement report should be sent by the bank (T 01.00);
  - Where no SRB Replacement Report exists (e.g. Z10.01), then the Z report needs to be sent (if requested by the NRA/SRB from the reporting entity).
- Definitions and additional clarification would be required to determine the reporting scope (e.g. Z0101 with regard to “legal entities” and “international branches”). Further guidance is also needed on how non-resolution entities should be included and how subsidiaries of third-country banking groups should be treated in the report.

More generally, it would be helpful if each bank would be given information before the 2026 data collection exercise about how these ITS specifically apply to them, especially when some of the requirements vary according to the profile of the entity/bank. This would ensure a shared understanding of requirements and enable each bank to better anticipate the work it needs to carry out to respond to the different requests:

- Directive (EU) 2024/1174) introduced the concept of a ‘Liquidation Entity’ in the BRRD. This is defined as:

*"a legal person established in the Union in respect of which the group resolution plan or, for entities that are not part of a group, the resolution plan, provides that the entity is to be wound up under normal insolvency proceedings,  
or  
an entity, within a resolution group other than a resolution entity, in respect of which the group resolution plan does not provide for the exercise of write-down and conversion powers."*

Taking into consideration the definition above, the status of an entity as 'Liquidation Entity' is clear in case an express determination has been made by the RA that a given entity is to be regarded as a 'Liquidation Entity' (i.e. in the context of internal MREL decisions). However, for other entities within a resolution group for which such express determination has not been made it is unclear whether they should or should not be regarded as a 'Liquidation Entity' per the second part of the definition above as there is no indication on their activity, their nature or the type of control the Group exercises on them. This might lead to a very extensive and possibly inappropriate scope. For example, this definition might lead to include insurance entities, which are subject to their specific resolution planning, or corporates held by a banking group whereas other corporate entities not belonging to a financial Group are not subject to a resolution supervision).

In view of the above, we recommend that liquidation entities, especially those that are not RLE nor subject to simplified obligations, are not subjected to reporting requirements beyond the Z01 templates. One could wonder how relevant it is to ask for data for entities already identified as 'Liquidation Entities'. If the objective is to confirm the assessment, it is not sufficiently clear on which basis the first assessment would have been made. We understand that proportionality is an important principle for the EBA, and we find it difficult to understand the need for data related to 'Liquidation Entities' in that context.

Compared to RLE, where banks can anticipate the scope based on the definition (financial thresholds and the presence of Critical Functions), so far it is not possible to do so with the 'Liquidation Entities'. More transparency on the methodology and objective criteria for the assessment would be welcome.

- For some of our members, it is not clear to whom the bank should report in 2026. For example, a G-SIB (Resolution Entity, RLE etc.) is forced to report to the SRB or the RAs (in the case of subsidiaries). Will this change? To whom should the Liquidation Entity as part of a banking group report?
- Regarding Critical Functions, banks would be grateful if the EBA could please provide a definition of the exact scope of entities to be reported in the sheets Z07.01. For instance, it is not clear whether non-EU entities should be reported under certain criteria.
- RAs should generally be obliged to use the proposed approach (table 3.2.4) to ensure that administrative burden for the bank is reasonable and reflects applicable legislation and resolution strategy. This is especially relevant when the EU parent undertaking is outside the Banking Union, but part of the EU. For example, the SRB has historically required information from the banks in the Banking Union (which have an EU parent, with an SPE resolution strategy) as those subsidiaries would be the resolution point-of-entry. This seems to be excessive and EU co-legislators should ensure that RAs

request information which is relevant for them and have cooperation agreements within the EU to share information within the Resolution College.

- Finally, we would appreciate the confirmation of the understanding that banks that are not under the remit of the SRB, only report Z-charts and not T-charts. The extension of the Z-charts will be a very resource intensive change.

**Question 3: Do the respondents identify any discrepancies between these templates and instructions and the determination of the requirements set out in the underlying regulation?**

The following discrepancies have been identified:

- On page 12 of the EBA Consultation Paper, the request reads: *"For the Lending activities, the risk weighted assets per economic function as well as the outstanding amount of cross border values have been added"*. However, in the 'Z0701 FUNC 1 LEN' tab of the template (Annex 1), there is no mention of the RWAs requested in the former template or in the EBA Consultation Paper itself, which asks for them to be added.
- Some of the reporting templates, in particular concerning the 'relevant services', request very detailed information and seem to be merely based on SRB's *Expectations for Banks* document and SRB's Operational Guidance documents rather than on Level 1 regulation(s).
- It is not fully clear what is meant in Question 3 with the reference to 'underlying regulation' – is it referring to the Commission Implementing Regulation (EU) 2018/1624 of 23 October 2018?
- The instructions are showing, in some cases, only three digits instead of four in the column 'Columns': e.g. Annex II, page 95 II.33 Z10.03:

Columns	Instructions
005	<b>Governing law</b>

- In some cases, the same column number appears twice in the instructions, whereas in the template, there are two different numbers: e.g. Annex II, page 97 II.34 Z10.04:

Columns	Instructions
007	Governing law
007	<b>Type of financial liabilities</b>

Template:

Governing Law	Type of financial liabilities
c0070	c0075

- Inclusion of intra-entity services in the scope of reporting is not in line with the SRB's Operational Continuity in Resolution (OCIR) guidelines (which do not include them for identification and mapping requirements) and is deemed as an extension of the scope.
- Templates Z08.04 – Relevant Services – Mapping to critical functions (SERV 4) and Z08.05 – Relevant Services – Mapping to core business lines (SERV 5) - The relevance of the service to the Critical Function (Low to High); Fields: Relevance for the Critical Function / Core Business Line (Column 0050). We identify 'Essential Services' as per definition reiterated in section II.8.1 General instructions (4) i.e. all essential services that would seriously impede or prevent the performance of Critical Functions/Core Business Lines. We would see all those items of high relevance and therefore we find this fields contradicting the definition and redundant.
- It could be made clearer that RAs have to respect the format and cannot require additional forms. In addition, it is not fully clear why LIAB1 and LIAB 2 is needed for RLEs both at individual and sub-consolidated level. It would be appreciated if the EBA could please clarify that those reports are only for the scope where iMREL is applied (for example sub-consolidated), this should be sufficient. For example, LIAB1 reporting according to applicable reporting requirements can be significant admin burden even if there is just one subsidiary with very simple balance sheet - therefore such request should be targeted for the specific needs, meaning in case LIAB1 datapoints are not known to influence iMREL calibration or Resolution Strategy, as they should not be needed at individual level.
- The instructions and templates related to the mapping of Core Business Lines to legal entities (Z07.03) provide a mandatory pre-determined list of service types (Z07.03 Column 010) which do not correspond to the organisation of many banks: some activities in the list may be performed by more than one business line, some business lines may perform more than one activity in the list, and some activities that can be organised as business lines are absent from the list (e.g., payments, securities services). This instruction is not aligned with Article 7(2) of the Commission Delegated Regulation 2016/778 which specifies that 'Core business lines shall be identified on the basis of an institution's internal organisation, its corporate strategy and how much those core business lines contribute to the financial results of the institution'. This is all the more important as the datapoint Z07.03 Column 010 is the key used for the mapping of Critical Functions to Core Business Lines (Z07.04) and the mapping of essential services to Core Business Lines (Z08.05). We therefore suggest that the internal names of the Core Business Lines are used in this datapoint instead of the predetermined list. This predetermined list could be used for information only, as another datapoint in Z07.03 only. Finally, we have also identified an inconsistency in the instructions to the Template Z09.02 Column 0060 as it is expected to map Financial Market Infrastructure (FMIs) with the ID of Core Business Lines which is provided in Column 0020 and not in Column 0010 of Z07.03.

**Question 4: Cost of compliance with the reporting requirements: Is or are there any element(s) of this proposal for new and amended reporting requirements that you expect to trigger a particularly high, or in your view disproportionate, effort or cost of compliance? If yes, please:**

**- specify which element(s) of the proposal trigger(s) that particularly high cost of compliance,**

- Element #1 - The change of the submission date from April 30 to March 31. Please see answer to Question 5.2.1.
- Element #2 - The extension of the current scope of reporting on services to services mapped to Core Business Lines ('Essential Services' and mapping with DORA declarations for IT providers and services).
- The reporting capabilities must be adjusted with significant effort (development, testing) and the extension of scope to Core Business Lines would also increase the scope in terms of entities. These need to be considered in the implementation timelines.
- Elements #3 and #4 - The additional taxonomy required for the identification of Core Business Lines (Z07.03 - Column 010 and Z07.04 - Column 030), as well as for the 'Level 3' for services (Z08.01, Z08.02, Z08.03, Z08.04, Z08.05 - Column 0020), implies a deep review of the current methodology that the banks implemented over the past years. Different banks identify their own business lines following with their business model. Retrieving data could be very difficult and less reliable for business lines in case they do not match with internal reporting view. Changing the business lines generates very significant costs both in economic and in workload terms, requiring a complete revision on the current method of data aggregation (both financial and qualitative ones). Furthermore, the identification of Core Business Lines is strictly connected with the determination of essential services, for which the methodology should be revised accordingly. Similarly, the inclusion of a new sub-aggregated taxonomy for the identification of critical services entails a different way to map all data (assets, staff, contracts) in a furtherly more granular way, changing de facto all the instruments and methodologies developed so far.

**- explain the nature/source of the cost (i.e. explain what makes it costly to comply with this particular element of the proposal) and specify whether the cost arises as part of the implementation, or as part of the ongoing compliance with the reporting requirements,**

- Element #1 - Reporting teams would need to be reinforced to be able to issue the reports in a shorter timeframe with the same quality.
- Element #2 - Reporting teams would need to be reinforced to cope with the additional workload to report essential services and DORA mapping for IT.
- Element #3 - Reporting teams would need to be reinforced to cope with the additional workload to report new business lines with entities / economic functions. Moreover, significant costs could arise from the necessity of retrieving financial and qualitative data aggregated differently from the institution internal reporting.
- Element #4 - Reporting teams would need to be reinforced to cope with the additional workload to report new service levels with all the relevant attributes. Significant costs are necessary for revising the current IT tool currently in place. Furthermore, such a magnitude of that request asks for cannot be achieved in just 1-year time horizon.

**- offer suggestions on alternative ways to achieve the same/a similar result with a lower cost of compliance for you.**

- According to the EBA Consultation Paper, a planned review of the policy RTS on resolution plans will trigger further changes in the ITS on resolution plans reporting. Depending on the time horizon, the review should be awaited, and the need for change should be implemented in a coordinated manner. This would lower coordination and implementation costs for banks.
- Over the recent years, banks have invested significant financial and human resources in setting up an IT infrastructure for the automated production of resolution reports. The proposed changes will result in additional adaptation costs to the new and amended reporting requirements. A cost-benefit analysis at European level is warranted.
- The costs are unnecessarily high in case the same information needs to be provided multiple times in different reports/templates/layouts. According to Page 19 of the EBA Consultation Paper, Article 9(1) of the draft ITS: NCAs and RAs shall jointly verify whether part or all of the information to be provided to the RA. Furthermore, it is mentioned in the EBA Consultation Paper, that duplications and overlapping datapoints with MREL/TLAC, COREP and FINREP (where the reporting entity has already submitted this data) will be removed. Costs of compliance will be higher when banks become responsible for avoiding duplications. Instead, RAs should assess duplications and avoid these in reporting requests.
- Costs for non-financial reporting are higher when reporting of descriptions are required in English, as is the case with the EBA CIR templates. Extending the scope of the EBA CIR templates to internal services makes it more difficult to use automated sources when wording in the national language is not accepted.
- Banks were requested by the SRB to automatise the production/filling-in of these reports, including the implementation of data quality controls. As such, these changes have a significant impact (both in terms of time and cost). Consequently, the reporting requirements should be as much stabilised as possible, considering that banks are already doing great efforts and investments in order to be able to produce information in a timely manner and with high-quality standards in an automatised way. When proposing changes, Authorities must take into account that every change that occurs in the templates requires banks to rebuild their reporting process and supporting documentation.
- Concerning all proposed changes, when new fields (i.e. columns) are introduced, the codes of the fields that remain unchanged should not change, as adjusting all the codes to the introduction of new fields makes it more difficult for banks to implement the proposed changes.
- Previously Template Z01.00 was limited to entities exceeding certain thresholds. Now, these thresholds are eliminated, effectively expanding the scope of Z01.00 to include a lot more of our subsidiaries. This will increase the required effort.
- IT Asset Type attribute inclusions into reporting like Hardware, Server, Data centre etc. is costly to achieve. Data is distributed in various golden sources and consolidation of these would initially need to be manual with further investment in a strategic automated solution. If indeed required, then the implementation needs to be planned, including funding, capacity, time, and resources required. For some banks, processes,

capabilities, and risk assessments focus on applications. The application view by design traces and considers the underlying attributes like Hardware, Server, and Data centre. They are based on typically application independent standards and controls, defined in rule-setting documents (Policies, Procedures, KODs). Example: Whether an application is hosted in datacentres A, B or C, has no direct influence on the criticality or risk as all data centres follow the same standards. Application allocation takes place based on capacity considerations. Upon request/if required, underlying application attributes could be retrieved from various sources; however, as stated above, this needs planning.

- Reporting institutions expect to incur significant additional costs to implement the changes required, including to comply with these reporting requirements, some of which appear to overlap with existing reporting requirements for the SRB, such as FMIs for which substantial investments have already been made in automated systems and processes. These new requirements will require a major overhaul of existing technical solutions and processes and investment in new IT projects. This will significantly impact costs and resources across business areas and IT.
- Banks are particularly concerned by the short timescale for report production especially at a time when finance and reporting teams focus on year-end reporting. Please refer to the answer to Question 5.2.1.
- On the Critical Functions Report the main new elements which will trigger high cost of compliance are:
  - the subsets of recurrent elements – value on the recurrent account and number of recurrent accounts for deposits, value of recurrent transactions for payment services to non-MFIs – requested on deposits and payments functions (Z07.01 FUNC 1 DEP & PAY) combined with a split by type of counterparties (please see point ii. below); the notion of 'recurrent' accounts or transactions is not monitored today by some banks or business lines of banks, or at least not with the same definitions as indicated in the instruction, so its calculation will require costly developments for an information that is not always deemed useful. Would it not be relevant to use the notion of stable deposits used for IRRBB or liquidity purposes?
  - the split by type of counterparties (households, non-financial corp. SMEs or non-SMEs) on multiple datapoints (quantitative data, qualitative data) of the payments function.
- Information on onboarding on deposits and payment services activities requested in a recurring way and not as an *ad hoc* questionnaire that was previously requested later than the annual submission date. We do not understand the point in requesting these data on an annual basis. They are not of the same nature as the other recurring information, their determination requires estimations to be performed by different teams, who are not usually involved in the reporting process, and they do not evolve significantly over the years.
- Moreover, those datapoints are not useful for the resolution planning of the reporting institution itself. Therefore, we question such request.

- All the more, so as onboarding significant numbers of new clients involves an ad hoc project mode (rather than business as usual mode), an analysis of the types of clients involved and of the interest of the bank in acquiring these new clients. Besides, estimations made on a theoretic situation are rarely realistic, and the templates require merging estimates made by different business lines with different stakes (different business lines will not tackle the issue similarly and will apply different hypotheses based on the client typology, and for some categories, the onboarding will be tailor-made).
- High costs result from the number of entities/business units subject to Critical Functions reporting performing deposits and payment functions and, therefore, to the number of tools from which extracting the data and the number of processes computing such metrics to be adapted.
- The introduction of an earlier submission deadline for the resolution reports, which will necessarily entail significant operational difficulties and costs for the banks:
  - All the more as banks will have to provide additional data points and be constrained to extend the scope of the entities subject to these report requirements. As a result, data collection will be necessarily more time-consuming, complex, and burdensome.
- The anticipated consequences of these changes are the following ones:
  - An increased operational workload and more pressure put on teams responsible for these reports, who may also have to manage the simultaneous submission of different reports (given the alignment in the submission date of the various reports due).
  - Higher costs associated with the elaboration of these reports, as additional IT developments could have to be launched in order to obtain the additional data points required.
  - Questioning of IT projects already underway and aiming at automating the production of some of the reports targeted by the consultation. This would lead to increased IT development costs and delays in the completion of these projects.

More generally, the need to avoid parallel data collection highlighted in the EBA Consultation Paper is not really proven. Up to now, there have been limited *ad hoc* requests from the Internal Resolution Teams, and they have generally not been renewed once requested. Therefore, the need to provide this data brought by these ITS on a permanent basis is questionable.

- Element: **Local financial input based on local Accounting Standard** [reference: tab: Z01.01 - Legal Entities (ORG 1); fields: 0110 Total Asset, 0150 Total Risk Exposure Amount, 0160 Total Exposure Measure, 0170 Total operating income]
  - **Nature / source of cost:** We had interpreted these four fields as the financial input based on the local Accounting Standard (indicated in field 0210). These numbers cannot be sourced centrally from any tool from one banking group (which is part of EBF). We ran in the past a bottom-up process to ask each local Finance team from the entities in scope to fill up these fields. Based on previous scope

definition we used to have ca. 15 entities in scope, so this process could be finished on time.

The new ITS will change the entity scope to 'all entities' (according to Annex II also including branches), which means for one banking group (which is part of EBF) over 500 entities. This change will make the bottom-up exercise not possible.

**Alternative ways:**

- Alternative 1) The entity scope should be limited.
- Alternative 2) In case all entities need to be included, we suggest that these four fields be carved out.

- Element: **Intra-entity services** [reference: tab: Z08.01 - Relevant services (SERV 1); fields: Service Provider - Service delivery (0110)]

- **Nature / source of cost:** Mapping / ensuring data availability in relevant structure and cross-relevance to CFs and CBLs and underlying processes. Upgrading IT infrastructure.

**Alternative ways:** The majority of those intra-entity services would be related to infrastructure services e.g. payroll services by HR, AFC/KYC screening, compliance etc.

We would suggest reporting on Supporting Infra services – which are bank-wide i.e. those cannot be linked directly to Critical Functions or/and Core Business Lines but could be precisely reported in terms of bank's capability to ensure operational continuity.

- Element: **Extended type of asset, especially around hardware, IT Infrastructure** [reference: tab: Z08.02 - Relevant Services - Mapping to Operational Assets (SERV 2); fields: Type of Asset (Column 0040)]

- **Nature / source of cost:** *[Caveat: definitions and scope need to be clarified in guidance/expectations]* Data is distributed in various golden sources and consolidation of these would initially need to be manual with further investment in a strategic automated solution affecting additional planning, funding, capacity, and resources. Mapping / ensuring data availability for additional asset type categories (predominantly IT hardware and infrastructure) in relevant structure and cross-relevance to Critical Functions and Core Business Lines. And underlying processes.

**Alternative ways:** Reporting on the application level. Processes, capabilities, and risk assessments focus on applications. The application view by design traces and considers the underlying attributes like Hardware, Server, and Data centre. They are based on typically application independent standards and controls, defined in rule setting documents (Policies, Procedures, KODs).

IT Asset Type attribute inclusions into reporting like Hardware, Server, Data centre etc. is costly to achieve. If indeed required then the implementation needs to be planned, including funding, capacity, time, and resources required.

Processes, capabilities, and risk assessments focus on applications. The application view by design traces and considers the underlying attributes like Hardware, Server, and Data centre. They are based on typically application independent standards and controls, defined in rule setting documents (Policies, Procedures, KODs). Example: Whether an application is hosted in datacentres A, B or C, has no direct influence on the criticality or risk as all data centres follow the same standards. Application allocation takes place based on capacity considerations.

Upon request/if required underlying application attributes could be retrieved from various sources, however as stated above this needs planning.

### 5.2.1 Reporting deadlines

#### Question 5: Change of the submission date from April 30 to March 31

**The ITS update introduces an earlier submission deadline for resolution reports. This is expected to provide additional time for Resolution Authorities to assess data quality, in particular given the introduction of granular reporting to supplement the aggregate liability data currently in scope of the ITS.**

#### **i. How does this change impact your organisation's ability to report resolution data in a timely manner while still retaining data quality?**

The proposal to change the submission date is a major concern for reporting institutions. It would have a substantial negative impact, resulting in an increased reporting burden and cost on banks.

Bringing forward the submission date by one-month results in a substantial increase of workload for teams that are already responsible, besides the collection of additional granular data, for producing several other reports since the submission date interferes, among others, with the annual results, annual report and prudential supervisory reports including ICAAP and ILAAP and (at least bi-annually) with the EBA stress test.

The earlier deadline will also impact several areas of banks that have their activities planned in order to provide the necessary information considering the final deadline of April 30.

This will definitively hamper the ability of banks to provide data that is both exhaustive and of high quality, even though the aim is precisely to improve data quality.

We believe that the earlier submission dates will have an impact on reporting institutions' ability to produce accurate resolution reports, as the underlying data on which the reports are based will not have been subject to final audit. As such, resubmissions of all reports would be inevitable, unnecessarily increasing costs and consuming valuable resources while mobilizing teams over a longer period of time.

Furthermore, the expected implementation of the ITS by the end of 2025 is very ambitious providing banks with too short implementation time. New processes and a major change to the IT infrastructure will require substantial respective planning, budgeting, data and IT quality assurance processes and proper governance of a complex process, involving multiple templates. A sufficient implementation period is required for the first annual submission of the new/enhanced format, to enable impacted banks to rework existing data sources and associated processes, to facilitate accurate responses to the required data points. This would be facilitated by receiving confirmation of the finalised reporting requirements as early as possible in H1 2025, as well as clarity on overlapping SRB requirements.

In conclusion, the anticipation by one month of the submission of all resolution reports (except liability ones) combined with scope extensions and new data points will require further IT developments and extra human resources to absorb the additional workload and

avoid bottlenecks and will therefore generate additional costs. It is a burden for banks with no particular benefit foreseen, whilst jeopardizing the data quality of the reporting.

Following the initiatives by the EBA to alleviate the burden in terms of reporting, it is inconsistent that in a time when banks have been investing in costly IT projects to automatise the resolution reporting, new data and different granularity are now introduced in the requirements. A stabilisation of the reports would be an important relief for the banks as well.

Finally, based on the EBA Public Hearing held on 12<sup>th</sup> September 2024, we understand that the quality assurance processes for LDR submissions at the RA level requires more time compared to other reports. As a result, the submission deadline for LDR was set to March 31<sup>st</sup>. We further learned that this is one of the reasons why the submission deadline of the new consolidated EBA ITS Reports could not be moved to April 30<sup>th</sup>. We would like to kindly inquire whether a cost analysis has been conducted to evaluate the potential additional investments required at the RA level to accelerate the quality assurance process. Such an analysis would be valuable in comparing against the anticipated costs for banks, both in terms of human resources and IT infrastructure to deliver all reports on 31<sup>st</sup> March.

### 5.2.2 Relevant legal entity (RLE)

**Question 6: The Relevant Legal Entity (RLE) threshold defined in the ITS is proposed to be reduced from 5% to 2%. The threshold is referenced to the resolution group. An absolute threshold based on total assets (above 5 billion EUR) has also been added.**

**i. Do you have any comment on the changes in the definition of the RLE threshold, including the absolute threshold of 5 billion EUR?**

While some EBF members note that there is no impact since thresholds are already applied by the SRB to all banks under its remit, other EBF members stress that the change from 5% to 2% will create a reporting burden as it will include under the reporting scope entities of the Group with insignificant contribution.

Clarification would be welcomed on the following aspects:

- Could the EBA please clarify whether the conditions set out in Article 1 (definition of RLE), which should be determined on 'individual level', include or exclude intercompany exposures towards other group entities?
- Although the definition of RLE is clear we would welcome clarifications by the EBA on the exact scope of RLEs potentially subject to resolution reporting requirements in Annex I – Index tab:
  - Could the EBA please confirm that the geographical scope of '*RLEs that are institutions*' is strictly limited to credit institutions or investment firms established in the Union, as well as related branches established outside the Union, i.e. no reporting will be requested from institutions established outside the Union?
  - Could the EBA please confirm that 'Other RLEs' would be strictly limited to financial institutions and holding companies established in the Union, i.e. no reporting will be requested from insurance companies, important service providers and other entity types established in or outside the Union?

### 5.2.3 Organisational Structure

#### Question 7: Identification of the legal vs the resolution group structure

The previous reporting obligations on the organisational structure limited the scope of reporting to relevant legal entities that were part of the legal structure of the group. Under the revised ITS, the authorities would like to remove this threshold to get a more comprehensive view of the legal structure. At the same time, the ITS introduces the identification (LEI code), for each entity listed, of the resolution group to which it belongs. The information is expected to be in line with the details of the current resolution plan. Where an entity is not part of a resolution group, "N/A" would be reported in this field.

Note that this table is not expected from institutions that are not part of a group.

**i. Do you identify any issues with expanding the scope of Z01.01 to all entities in the group, bearing in mind that this report would only be requested at the level of the Group?**

There are diverse views among EBF members that are worth highlighting. While some have not identified particular issues, others, especially large groups, stress substantial challenges with the expansion of the scope:

- The scope change will cause massive additional effort, which cannot be finished by the deadline of March. For example, the following four fields (*0110 Total Asset, 0150 Total Risk Exposure Amount, 0160 Total Exposure Measure, 0170 Total operating income*) are interpreted as the financial terms based on local Accounting Standard (indicated in field 0210). These figures are generally not centrally available. Banks have run in the past a bottom-up process to ask each entity's local finance to fill up these fields. Based on the previous scope definition used by these banks, this process could be finished on time (given the reduced number of entities in scope).

However, when the scope is changed to '*all entities*' (according to Annex II also including branches), it means for some banks adding hundreds of entities in scope making the bottom-up exercise not possible. Accordingly, two potential alternatives could be considered (i) The entity scope should be limited (with Material Legal Entities as a scope for Z01.01) or (ii) not submitting these four fields in case all entities must be included.

- Data is not always available centrally in the form of individual subsidiary level data, i.e. this data may have been included in sub-consolidated levels and forms of data aggregation, which typically suffices for prudential reporting purposes, but poses challenges in the case of more entity-by-entity forms of reporting requirements for resolution planning purposes. So, the impact of addressing this can be significant and will require structural changes to the reporting infrastructure for banks where this is the case. This probably requires a far more extensive scope or request it from the entities, which implies a lot of manual work.
- The General Remarks of §II.1.1.2) in Annex II related to the "*Concept of relevant legal entities*" creates confusion on the scope of entities to be reported in the Z01.01 template. We would welcome clarifications and clear definitions from the EBA.

**ii. Do you see an issue in the ability of the group to identify the resolution group to which each entity reported in the organizational structure belongs?**

We do not see any issue in identifying the resolution group to which each entity reported in the organisational structure belongs.

#### **5.2.4 Aggregate Liability Data**

**Question 8: The expectation is that all reporting entities, at a minimum, are required to report on their Liability Structure, at an aggregate level, in line with the current reporting obligations. In particular, the reporting introduces the notion of “Carrying Amount” in addition to the “Outstanding Amount”, to support ongoing policy developments on MREL.**

**In terms of Own Funds reporting, this is not required for Liquidation entities as the data is not considered relevant in this case. The ITS review also introduces targeted data points for reporting of Own Funds by Investment Firms, which fall under different reporting obligations.**

**In the case of groups, additional reporting is expected on intergroup financial connections, which also applies to liquidation entities that are part of a group. This reporting covers both liabilities excluded from bail-in (new) and liabilities not excluded from bail-in (already covered in the current ITS), in order to better assess financial interconnections within the group, influencing the decision on the SPE vs MPE approach.**

**i. Are the data-point definitions provided for reporting of the Carrying Amount sufficiently clear?**

Further guidance is needed concerning the Carrying Amount since it is not fully clear for each type of instrument and liability product how the carrying amount is calculated. Some banks are reporting Carrying Amount to the SRB in line with the definition in the SRB’s Guidance on the LDR.

Template Z02.00 - Liability Structure (LIAB 1); **Field:** Credit institutions (Columns 0040-0041. **Issue:** Please clarify the guidance if the reporting should include intragroup institutions as defined in Article 2 (23) BRRD.

Comment that SPE vs MPE approach decision: it is not entirely clear how foreseen reporting can in practice influence this decision.

**ii. Do the revised data points for the reporting of Own Funds by Investment Firms better correspond to the reporting obligations for these types of Institutions? If not, please elaborate what changes you deem appropriate.**

No issues have been yet identified.

**iii. Do you anticipate any difficulties in providing the additional data required for the reporting of intragroup financial connections (for liabilities excluded from bail-in)?**

Since not all requested additional data points are automatically available, the main difficulty is that some manual adjustments will be necessary. Therefore, it will take extra time to provide the required data and to automate the template in the future.

Comments on a few specific points:

- Additional guidance is required to clarify under which row the intragroup liabilities, excluded from bail-in, should be presented.
- Intragroup liabilities excluded from bail-in in Z04 will not reconcile with Z02 row 210 because: 1) some intragroup excluded liabilities are reported in rows previous to 210, because according to instructions “Where a liability meets multiple criteria and may be reported in several rows in the range of r0110 to r0210, report it only in one row, being the one with the lowest row number in this template”; and 2) in Z04 banks report also intragroup liabilities to sister and parent entities while in Z02 row 210 banks can only exclude liabilities towards subsidiaries. Nonetheless, RAs ask for such a reconciliation.
- It is not fully clear what the purpose of Z04 is. Financial connections regarding deposits received from subsidiaries are already covered in Z10.01 (Intragroup liabilities, excluding derivatives). Hence there seems to be large overlap between Z04 (on Consolidated level) and Z10.01 (on Individual level). It could be argued that Z10.01 (Ind) should not be required when Z04 (Consolidated level) is requested. For example, for a bank’s parent, Z10.01 is required on Individual level, while Z04.00 would be required on Consolidated level. It would be appreciated if the EBA could please clarify this point.
- In Z04.00 reference is made to Z02.00 account line (e.g. 0310). As Z02.00 will be submitted on a consolidated level only, intragroup transactions will never be reported as part of Z02.00. Hence reconciling between Z02.00 (Consolidated level) and Z04.00 (Consolidated level) will not be possible.
- In addition, as highlighted in the table above, Z04.00 is requested on a consolidated level for Group-resolution entities. As in consolidated reports, intercompany transactions are eliminated by definition, no exposures will be reported in Z04.00.
- It might be more logical to put Z02.00, in terms of ordering the templates, closer to the related granular liability data sheets (Z10.01-Z10.07). Similar to the ordering of the LDR templates as done by the SRB before.

Template	Template Description	Short Name	Institutions and Groups under Simplified Obligations	Institutions that are not part of a Group		Groups						
				Resolution Entity	Liquidation entity not subject to Simplified Obligations	Liquidation Entity not subject to Simplified Obligations		Union Parent Undertaking or Resolution Entity		REs that are institutions		Other REs
						(Sub-)	(Sub-)	(Sub-)	(Sub-)	(Sub-)	(Sub-)	
				Individual	Individual	Consolidated	Individual	Consolidated	Individual	Consolidated	Individual	Individual
<b>Organisational Structure</b>												
Z0101	Legal Entities	ORG 1			*	*	*	*				
Z0102	Ownership Structure	ORG 2	*	*	*	*	*	*				
<b>Aggregate Liability Data</b>												
Z0200	Liability Structure	LIAB 1	*	*	*	*	*	*	*	*		
Z0301	Own Funds Requirement	LIAB 2	*	*	*	*	*	*	*	*		
Z0302	Own Funds Requirement - Investment Firms	LIAB 3	*	*	*	*	*	*	*	*		
Z0400	Intragroup Financial Interconnections	LIAB 4		*		*	*	*	*	*		
Z0501	Major Liability Counterparties	LIAB 5	*	*	*	*	*	*	*	*		
Z0502	Major Off Balance Sheet Counterparties	LIAB 6	*	*	*	*	*	*	*	*		
Z0600	Deposit Insurance	LIAB 7	*	*	*	*	*	*	*	*		
<b>Critical Functions</b>												
Z0701	Criticality assessment of economic functions	FUNC 1	*	*	*	*	*	*	*	*		
Z0702	Mapping of economic functions by legal entity	FUNC 2			*	*	*	*	*	*		
Z0703	Mapping of core business lines to material legal entities	FUNC 3			*	*	*	*	*	*		
Z0704	Mapping of critical economic functions to core business lines	FUNC 4	*	*	*	*	*	*	*	*		
<b>Relevant Services</b>												
Z0801	Relevant Services	SERV 1	*	*	*	*	*	*	*	*		
Z0802	Relevant Services – mapping to assets	SERV 2	*	*	*	*	*	*	*	*		
Z0803	Relevant Services – mapping to roles	SERV 3	*	*	*	*	*	*	*	*		
Z0804	Relevant Services – mapping to critical functions	SERV 4	*	*	*	*	*	*	*	*		
Z0805	Relevant Services – mapping to core business lines	SERV 5	*	*	*	*	*	*	*	*		
<b>Financial Market Infrastructures</b>												
Z0901	FMI Services – Providers and Users	FMI 1	*	*	*	*	*	*	*	*		
Z0902	FMI Services – Mapping to Economic Functions	FMI 2	*	*	*	*	*	*	*	*		
Z0903	FMI Services – Key Metrics	FMI 3	*	*	*	*	*	*	*	*		
Z0904	FMI Services – CCPs – Alternate provider	FMI 4	*	*	*	*	*	*	*	*		
<b>Granular Liability Data</b>												
Z1001	Intragroup Liabilities, excluding Derivatives	G-LIAB 1						*	*	*		
Z1002	Securities (including CET1, AT1 & Tier 2 Instruments, Excluding Intragroup)	G-LIAB 2	*	*	*	*	*	*	*	*		
Z1003	All Deposits (excluding Intragroup)	G-LIAB 3	*	*	*	*	*	*	*	*		
Z1004	Other financial Liabilities (not included in other tabs, excluding Intragroup)	G-LIAB 4	*	*	*	*	*	*	*	*		
Z1005	Derivatives	G-LIAB 5	*	*	*	*	*	*	*	*		
Z1006	Secured Finance, excluding Intragroup	G-LIAB 6	*	*	*	*	*	*	*	*		
Z1007	Other Non-Financial (not included in other tabs, excluding Intragroup)	G-LIAB 7	*	*	*	*	*	*	*	*		

**iv. Do you see merit in providing additional clarification about any data-point definition existing in the previous version of the CIR on Resolution Reporting? If so, for which specific data points?**

The SRB annually publishes the Guidance for templates except for the CIR templates. Accordingly, it would be useful to have the CIR templates added to the Guidance on the SRB website.

Specific data points:

- Z02.00 Liability Structure row 0334 - Sum of net liability positions taking into account prudential netting rules. After the introduction of the SA-CCR approach in CRR2, the SRB amended the method for reporting derivatives liabilities for the purpose of the SRF through Commission Delegated Regulation (EU) 2023/662 of 20 January 2023 amending Delegated Regulation (EU) 2015/63 as regards the methodology for the calculation of liabilities arising from derivatives, essentially going back to the Mark-to-Market Method. It is not fully clear why the EBA has not decided to align with this method. This method is easier to implement, and banks would have to maintain only one calculation method for derivatives liabilities instead of two. This comment also applies to r210 (excluded intragroup liabilities in case they are derivatives).
- Z02.00:
  - A separate line could be created under liabilities excluded from bail-in in order to present any liabilities that are not practically bail-inable but that do not fall under any of the excluding categories r100-r210 (e.g. liabilities due to accounting entries, provisions).
  - As regards the outstanding amount, the guidelines should be clear about what excluding insolvency set-off means (e.g. excluding commitments before netting with past-due credit exposures).

- Intragroup liabilities may relate to entities of the group that fall under Deposit Guarantee Schemes (DGS) in the categories of Micro & SME and Corporate which in r210 are blocked cells.
- Other MREL eligible liabilities may contain part of the liability that falls in the bucket of <1y (e.g. accruals from eligible instruments). An update in the guidelines is needed where the remaining part should be presented in the template. The same applies to the Own Funds instruments that are presented as nominal amount under r500-r531, and their accruals should be presented separately. In addition, in T04, for those cases, only one line can be selected.
- Z03.00:
  - Guidelines should mention the capital buffers to be reported for each period.
  - Additional rows to present the combined buffer requirement also in % would be useful.
  - We do not understand why the capital requirements are requested at all since they are already reported in the COREP.

### 5.2.5 Critical Functions

**Question 9: The revised ITS introduces the possibility of reporting on critical functions at a Regional Level, where this is relevant for a given jurisdiction, in addition to reporting at the EU and national levels.**

**In general, the reporting obligations have been expanded with regards to the Impact and Substitutability analyses, in order to provide a more effective assessment by banks and resolution authorities of the bank's critical functions. Among these changes is the introduction of the Onboarding capacity of the bank (limited in this ITS to Deposits and Payments functions), which aims to assess the theoretical capacity of an entity to absorb the critical functions of a failing bank.**

**A comments section has also been added to each of the functions assessed, which provides a channel via which the reporting entity can explain the reasoning behind its assessment.**

**i. Do you have questions on how the new instructions on Onboarding Capacity should be interpreted for your organization?**

First, this data corresponds to new accounts received from another institution in case of a potential resolution, rather than the respondent's own resolution. In that respect we question its relevance.

The Onboarding Capacity can vary based on many factors, e.g., client type, type of account (current account, term deposit, savings account), and availability of customer identity documents. Therefore, we do not consider it feasible or useful to provide an aggregated figure for each row, given the wide variance in actual onboarding based on the factors outlined above.

In addition to the issue of availability of data, the relevance of Onboarding Capacity at an entity level is questionable as it may be very dependent on the profile of new customers and the banking services it needs.

It also stresses an overlap in terms of providing the timeframe for the onboarding of new customers, within the 2023 SRB's questionnaire Criticality Assessment of Deposit and Payment Functions, where the SRB already asked for such assessment.

Furthermore, we note that Onboarding Capacity could potentially be quickly adapted and scaled up in a relatively short timeframe by assigning more resources or accelerating/adapting existing onboarding processes. Accordingly, it is not possible to assess in advance how capacities could change, given this would be based on market conditions and management strategic decision-making.

For those banks that have received instructions on Onboarding Capacity when a questionnaire on the criticality assessment was requested, the situation should however be clear as long as the new instructions are the same as in the questionnaire and also included in the ITS and the SRB's Guidance on the CFR.

- Paragraph 40 of the consultation indicates that Onboarding Capacity will be assessed for 1, 7 and 14 days – but Annex I appear to show only 1 day for deposits (Column 0190 in tab Z07.01 FUNC 1 DEP) and 1 and 7 days for payments (Columns 0200 and 0210 in tab Z07.01 FUNC 1 PAY) – could the EBA please clarify whether this is correct?
- Z07.01 reporting scope should be limited to Member States (identified as 'country') in which the group is active and has one or more functions considered critical in the market for the relevant country i.e., should the institution be active but has no Critical Functions in a given country, that country should be left outside of the reporting scope.
- How will the RAs use these additional data when identifying Critical Functions?
- Business As Usual banks must comply with ex-ante KYC obligations when onboarding a new customer, the complexity and, therefore, the duration of the KYC process may vary depending on the customer's criticality and whether or not the client had any previous interaction with the bank. Should the assessment of Onboarding Capacity consider standard onboarding processes (i.e., including ex-ante KYC process) or purely the IT/technical steps? Should the Onboarding Capacity also be included in the Critical Function Reports at the Member State level? In any situation, the process is taking time to clear the regulatory obligations, notably in terms of KYC checks and due diligence and banks may encounter further difficulties if a precise volume is expected in the template instead of a pure high-level estimation/range.
- Is the onboarding information only required for payment services activities as said during the EBA Public Hearing of 12<sup>th</sup> September 2024 or does it also include securities settlement services, Central Counterparty (CCP) clearings service; custody service, depository function; NAV production and register and transfer agency activities? How would RAs assess this information for non-payment services?
- Additionally, clarification would be extremely helpful on this data field as to determine whether in-scope institutions are requested to report the average timeframe to complete an application or the average number of applications that can be completed

in a given timeframe. If the client onboarding process takes more than 7 days, would institutions be expected to report zero or shall the field be left blank.

**ii. Do you find the availability of a comments section useful to explain your assessment of the critical functions? Would you suggest another means of doing this, and if so, what?**

While we see this comment section useful, we consider this should not prevent banks from either submitting comments via a separate document (which allows for longer and more detailed commentary and use of tables, footnotes, cross-references, etc.), or from posting the report should this comment section remain empty.

### **5.2.6 Relevant Services**

**Question 10: The reporting on Critical Services has evolved into reporting on Relevant Services. The primary objective is to improve the analysis of operational continuity and separability in resolution. The changes also seek to avoid excessive reporting by banks by incorporating certain key elements of the assessment of operational continuity which are currently not included in the ITS and are requested ad-hoc from reporting entities.**

**This reporting will apply to resolution entities that are not part of a Group and at the Group level for institutions that are part of a group.**

**i. Do you see any issue in identifying “relevant services” as defined in the revised ITS?**

Further clarity would be welcomed on the distinction between ‘Relevant services for operational continuity’ and ‘Essential Services’ (defined as essential to the delivery of Core Business Lines). Likewise, intra-entity services are out of scope of the current service mapping and may be difficult to obtain as they are not identified in the regular operational risk referential. It would be also useful to have more details on the required granularity of business units providing/receiving services.

- If intra-entity services are deemed to be in scope of identification, detailed guidance would be required to limit the scope given that no contractual arrangement exist between departments of the same entity. Moreover, the one-off identification exercise would require significant resources from all entities in scope. Also, existing validation rules from the templates/ tools in place should be redeveloped (e.g. similar supplier and provider).
- Furthermore, we would welcome further clarifications by the EBA on the following points:
  - Further clarifications would be necessary regarding the new requirement on the ‘Name of the (ultimate) parent company of the service provider’. Namely, it would be appreciated if the EBA could please confirm if banks need to report the parent entity of the external service provider. If this is the case, additional clarity is necessary on what should be reported in this information as it is not available to banks.
  - Template Z08.01— Relevant services (SERV 1):

- Columns 0030-0060 – Provided that service recipient/provider names&codes are required to be identical in the case of intra-entity services, how should banks identify the recipient/provider business units?
  - Column 0020 – ‘Unique service title as per banks taxonomy’ represents a novelty, which entails a furtherly more granular split of services. It requires a change in the current working method that has been developed since several years and, in our opinion, it should be left as optional.
  - Column 0120 – Criticality – only critical or essential services are in scope, which implies that the separability analysis of Group entities, which are not part of Core Business Lines, or which do not perform Critical Functions, cannot benefit from this mapping.
  - Column 00160 – BRP – ‘N/A’ value condition is not fully clear.
  - Column 00170 – Alternative mitigating actions – ‘N/A’ value condition is not entirely clear.
- Z08.02 – Relevant services – Mapping to operational assets (SERV 2):
- Column 0100 – Resolution Resilience features – banks question the relevance of the values proposed, as operational assets are concerned and not services.
  - Column 0110 – BRP – banks question the relevance of the values proposed, as operational assets are concerned and not services.
- Z08.02 - Relevant services - Mapping to operational assets (SERV 2); Field: Type of asset (Column 0040):
- The definition of asset types is vague:
    - “*Type of asset*
      - *IT and communication hardware*
      - *Other IT infrastructure (such as workstations, telecommunication, servers, data centres and related assets)*
      - *Premises and storage*
      - *Intellectual property (such as patents, trademarks, etc.)*
      - *Other*”
  - We assume this also includes critical and essential Information Systems similarly as per current CIR.
  - Moreover, hardware is a significant extension to the current scope and needs to be more precisely defined as the expectations leave a lot for interpretation.
  - Hardware is not perceived as a service and hence it causes a problem to interpret the requirement / regulatory expectations.
- Z08.03 - Relevant services - Mapping to roles (SERV 3; Field: Role Name (Column 0040):
- As mentioned in our answer to Question 1, in general, we have problems in comprehending this tab, since the key terms, including ‘Role’ were not explained. Banks would welcome the clarification whether ‘Role’ should be interpreted as a ‘Business Process’ or rather as a ‘HR Role’.
  - If the expectation is equal to ‘Business Process’ linked to a particular service, then it makes sense for us and brings value added to the tab. However, if this is meant to be a ‘HR Role’ then this is a bit cumbersome. Following this logic, for example, a service is an Information System software license – how should banks report here if any role is expected to be reported here?

- Z08.03 — Relevant services – Mapping to roles (SERV 3):
  - Granularity, the definition of roles and usage would benefit from further clarification.
  - It should also be confirmed that nominative information about key staff is no longer requested in our internal OCIR referential.
  - Column 0060 – Criticality - it is not clear if criticality refers to the role or to the service. If it relates to the service, this information is redundant with SERV4.
- Z08.04 — Critical services – Mapping to critical functions (SERV 4):
  - Column - 0050 - Relevance for the Critical Function – this is a new data requirement which could be difficult to obtain without requiring a major enhancement of the current reporting process.
- Z08.05 — Essential services – Mapping to core business lines (SERV 5):
  - Column - 0050 Relevance for the Core Business Line – this is a new data requirement which could be difficult to obtain without requiring a major enhancement of the current reporting process.
- The additional data points included in the templates require more guidance (e.g. link to BRP, DORA, staff and roles, resolution resilient features on asset level).

Until now, in the SRB's Z10 Report on Critical Systems, banks reported mostly on their Critical IT Applications. It was done globally in sub report Z10.01 and, for the subset of Critical IT Applications linked to Critical Services, in Z10.02. This approach is widely used for various reporting to European and National regulators by banks when it comes to IT Assets, since IT application identifier is a universal key that enables to easily find out internally the underlying technical and commercial assets the given application relies on (Servers, Routers, Datacentres, Editors licenses, etc.) whenever the reporting is on incidents, resiliency, cybersecurity, resolution etc. In this context:

1. Could the EBA please clarify why does the Z08 SERV2 do not consider the Critical IT Applications as eligible assets to declare and rather focuses on the underlying technical and commercial assets? (This is opposite to how banks manage IT cartography)
2. How can Z08 SERV2 be used to declare IT Assets which are critical in case of resolution but currently not linked to a Critical Service?

**iii. Do you see any overlap between this data request and related data requests on relevant/critical services raised by your Resolution Authority as part of the resolvability assessment?**

We see the following overlaps:

- o with the SRB's Expectations for Banks that led to the establishment of significant capabilities to carry out and maintain comprehensive identification of "relevant services" within a searchable up-to-date database. The outputs of this database are already shared with the SRB's Internal Resolution Teams on a regular basis and therefore do not merit inclusion in the annual resolution templates as well. Duplication of this requirement would require revision and investment to ensure the information is

- provided in a new format, as well as undermining the case for the database, which came with multi-million-euro investments from affected firms at the time.
- with CASPER for outsourcing and DORA reporting for ICT services, while the reporting structure is not the same between these 3 requirements, which increases the workload.
  - with SRB's Operational Continuity in Resolution where, as part of annual deliverables, banks submit the inventory relevant operational assets, an overview of the relevant contracts essential data fields and an overview of the relevant services to the SRB, in line with the requirements of the SRB.

The extension of scope with services supporting CBLs is in line with the SRB's *ad hoc* requests from 2023 and 2024.

### 5.2.7 Financial Market Infrastructures

**Question 11: The ITS introduces reporting on substitutability of CCP segments. The ITS also introduces data points on contracts identification, notional amount for derivatives and clarifies instructions of existing data fields.**

**i. Is the definition of "substitutability" provided in the new reporting on Alternative CCP providers (Z09.04 c0030) sufficiently clear? If not, what clarifications do you think would be necessary?**

The definition is not sufficiently clear for all EBF members. While the ITS provides several aspects, this does not provide specifications per aspect. Additional clarity and guidance would be helpful on practical substitutability and alternative CCP providers. A potential way to address this could be to mirror the SRB's Guidance on Critical Functions Report where, for example, the specification on substitutability per aspect is provided.

An additional matter is that given the time required to set up new relationships and the lowered requirement to meet membership criteria, it may be likely that seeking alternative providers may not be viable whilst in a crisis.

A specific point concerns the substitutability definition, which states the ability of the user to substitute the clearing service provider in Column 0020. However, Column 0020 of the same tabs has the 'Product Type'; for which it would be useful to specify the exact tab name or the Column 0020 reference.

The purpose of the new table regarding CCP substitutability is not sufficiently clear. From our perspective, the only plausible scenario is to replace one CCP with another CCP and not with another FMI provider. Besides this, substituting a CCP seems only theoretical as the only requirement from any CCP, is that even when going into resolution, the financial institution needs to fulfil any financial obligations to maintain access. If the financial institution will not be able to fulfil obligations towards one CCP, it is very unlikely that it will be able to move to an alternative CCP as they all have the similar requirements.

**ii. Are there additional or modified data points that you propose to include in Z09.03 to adequately capture the activity of the reporting entity with FMI service providers?**

No. In our view, the existing data points are adequate to capture the activity of the reporting entity with FMI's service providers and no additional information should be added.

- FMI code: ISO MIC (Market Identifier Code) codes should be allowed for the FMI's trading venues.

- We should be able to have several lines when we use several connectivity providers.
- It is recommended not to alter the codes of the Report fields, so that they are identical to the EBA reporting proposal. This would avoid further IT impacts.

**iii. Are the instructions across Z09.01-Z09.04 sufficiently clear and detailed, and if not, what clarifications do you think are necessary and where?**

In our view, a few attributes require additional details:

- Cumulated Notional Amount;
- Operator of the FMI – Taking into consideration the information available, it is still not clear what is expected to be reported in this field. It would be appreciated if the EBA could please clarify if the field 'Operator of the FMI' is only required when the operator is different from the FMI, such as with payment systems;
- Z09.01 – Definition of the exact scope of entities to be reported;
- Z09.01 – Column 0120 – Contract ID – FMI contracts are often organised in a federated way making it challenging to gather sufficient contract information in given time. FMI contracts are usually not captured in a single FMI contract repository;
- Z09.01 – Column 0120 – Contract ID – Contract ID may not be relevant for some FMI type as memberships are not in the form of a contract (CCP, trading venues);
- Z09.03 – Columns 0080-0090 – Number of transactions on proprietary and client accounts – As 'Value of transactions on proprietary and client accounts' is already required in Columns 0100-0110, banks would be grateful if the EBA could please clarify what would be the use of these new datapoints. We would be thankful if the EBA please share the rationale for the additional attributes, i.e., the number of transactions and cumulative notional value and their value added to FMIR;
- Concerning the resolution-resilience features in contracts with FMI intermediaries to be considered resolution resilient, it would be appreciated if the EBA could please clarify if a contract with an FMI intermediary should contain at least one, two, three or all four features proposed by EBA;
- Concerning the resolution-resilience features in contracts with FMI intermediaries – This new datapoint does not seem to apply as rulebooks are applied to all counterparties and there is no possible negotiation of terms; and
- It would be very helpful if the EBA could please explain if it only requests the EU27 based trading venues because only those are 'Regulated Markets, Multilateral-Trading Facilities and Organized Trading Facilities'. Otherwise, the definition should be reviewed.

### 5.2.8 Granular Liability Data

**Question 12: In order to harmonise reporting by institutions that are part of the Banking Union (for which granular liability data reporting was introduced several year ago) and non-Banking Union institutions, the ITS introduces granular reporting of liability data.**

**In an effort to limit the overall reporting burden on banks, this reporting is limited to individual level, and, with the exception of the reporting of intragroup transactions which applies to all relevant legal entities, the scope of institutions required to report granular liabilities is limited to resolution entities.**

**The level of granularity required is as follows:**

- **Securities – granularity at the level of ISIN code issuances and potentially of the counterparty**
- **Deposits – All deposits at contract level, except Not-Covered Not-Preferred deposits with a residual maturity of less than 1 year and Covered deposits and Not Covered but Preferential deposits (regardless of their residual maturity), which should be grouped by counterparty type, by insolvency ranking, and the whether the deposit is secured or unsecured.**
- **Derivatives – granularity at the level of Master Agreement ID**
- **Secured Finance - granularity at the level of Master Agreement ID**
- **Other Financial and Non-Financial Liabilities – contract level granularity and potentially of the counterparty.**

**i. Are the data-point definitions provided for reporting of the Granular Liability Data sufficiently clear? If this is not the case, for which data points would you require additional clarifications?**

For some EBF members, the definitions provided in the EBA Consultation Paper are not detailed enough. Since the SRB has a detailed Guidance on the LDR, a way to provide additional details could be either (i) that the definitions should be the same that in SRB's LDR granular tabs or (ii) by possibly including this SRB's Guidance in the ITS.

Furthermore, there is uncertainty as to what the practical value of templates will be, both for resolution planning and in times of resolution, given that these are required on a very detailed level.

Below there are specific examples where additional clarification is needed:

- As regards deposit products, further guidance is needed concerning the 'Outstanding Amount' since it is not entirely clear for each type of instrument and liability product how the outstanding amount is calculated;
- As regards other financial and non-financial liabilities, identification at a contract level of granularity and potentially at the counterparty level is difficult since, for many of the liabilities, this information is not available at that level of detail;
- The differences between (other) non-financial liabilities and residual liabilities - these are errors in the instructions for the Z03.01 tab in the COREP references;
- For template Z10.03 - All Deposits (excluding intragroup), all "*Not-Covered-and-Not-Preferred deposits with a residual maturity of less than 1 year, all covered deposits and all Not-Covered-but-Preferential deposits [should be grouped] by category of liability, counterparty type and insolvency ranking*". We understood that the main requirement is to report Not-Covered-and-Not-Preferred deposits with a residual maturity > 1 year individually ("must"). Therefore, banks should have more flexibility with the above-mentioned level of aggregation in line with the approach which was established for LDR purposes. In our opinion, aggregation by category of liability, counterparty type and insolvency ranking should be minimum granularity. But more level (and a higher granularity), e.g. consideration of governing law, should be possible. This would give banks more flexibility in the technically consistent implementation.

- Template Z10.04 - Other Financial Liabilities (not included in other tabs, excluding intragroup) (LIAB-G-4):
  - **Field:** General remarks (Annex Instructions); **Issue:** Additional remark should be included: 1. For the purposes of this table, liabilities have to be reported on a transaction basis, i.e. each transaction reported as an individual row item. 2. No reporting thresholds are applicable in this respect.
  - **Field:** Insolvency Ranking: The insolvency rank shall be one of the ranks included in the insolvency rankings published by the RA of that jurisdiction. (Column 0040); **Issue:** How is resolution authority defined?  
GSIB -> SRB Annex 3 - Insolvency Ranking in the Jurisdictions of BU? Non-GSIB -> National Authority (e.g. BaFin)?
  - **Field:** Type of financial liability to be chosen among the following options 'Borrower Note Loan', 'Registered note bond', 'Bill of exchange', 'Silent Partnership Contributions', 'Financial Liabilities Other Than Debt Securities Issued, Deposits, Promissory Notes, Registered Notes, Bills of Exchange, Silent Partnership Contributions'. (Column 0075); **Issue:** 'Borrower Note Loan' is not included in MC35 list of values but Promissory Note.
  - **Field:** Outstanding Principal Amount (Column 0090), Accrued Interest (Column 0100); **Issue:** Please clarify the guidance in which currency (if amount in FX) the reporting of these values should be done? By reading in the instructions (track changes) the words 'The EUR (counter) value of the' are deleted.
  - **Field:** Current Interest Rate (%); **Issue:** Please clarify the guidance if the reporting should be in percentage or in absolute value and how many decimals places are expected.
  - **Field:** Amount meeting the conditions for MREL eligibility (Column 0205); **Issue:** The outstanding amount of the own funds and eligible liabilities counting towards the requirement set in accordance with Article 45a(1) of the Directive 2014/59/EU, please confirm if the Article 45a(1) BRRD is the correct one. SRB LDR Guidance instructions refer to Article 45b BRRD.
  - **Field:** Amount Qualifying as Own Funds (Column 0220); **Issue:** Please clarify the guidance if the reporting should consider phase out and in which currency the reporting of the amounts (if in FX) is expected.