EBA/ITS/2021/08

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Final report

Draft implementing technical standards

on supervisory reporting requirements, amending Commission Implementing Regulation (EU) 2021/451 regarding COREP, asset encumbrance, ALMM and G-SII reporting

Contents

1. Executive summary

This report sets out the draft ITS amending the ITS on supervisory reporting as regards COREP, asset encumbrance, additional liquidity monitoring metrics (ALMM) and G-SII reporting. Proportionality was a key consideration in the proposed changes with a view to making reporting requirements better adapted to the size and risk of the institutions. In particular, the scope of the reporting of ALMM by *small and non-complex institutions* (SNCI) is being reduced to half the number of templates currently requested, while *medium institutions*[1] will benefit from the exemption from one template. In addition, SNCIs will be further exempted from reporting the more detailed data on asset encumbrance.

Other amendments introduced by the draft ITS touch upon different areas of the reporting framework and are meant to support supervisory authorities in fulfilling their tasks by providing the necessary information or bringing further clarity to the instructions. The following areas are affected, in addition to the ALMM reporting: asset encumbrance (AE), securitisations, reporting for the purposes of identifying G-SIIs and assigning G-SII buffer rates. In addition, the amendments also include a number of minor changes to the reporting on own funds and own funds requirements.

Reporting on additional liquidity monitoring metrics (ALMM)

The amendments to ALMM reporting are mainly driven by the introduction of new proportionality measures for SNCIs, in line with the CRR2 provisions requesting the EBA to specify which additional liquidity monitoring metrics shall apply to these types of institutions. Proportionality measures have been considered with respect to evidence drawn from the study on the cost of compliance[2] (CoC) and consist of full exemption from reporting certain templates. In this respect, the number of templates to be reported is reduced by half in the case of SNCIs (in particular, they are no longer required to report on metrics that capture the concentration of funding by product type, the volume and prices of funding for various maturity lengths and information about the volume of funds maturing and new funding obtained (roll-over funding)). In addition, by implementing the recommendations from the study on CoC, medium institutions are also exempted from reporting metrics on roll-over funding.

Given the need to amend the ITS with respect to ALMM, following the CRR2 provisions and the study on CoC, further amendments to the reporting templates and annexes are being implemented to respond to the data needs of supervisors identified based on evidence from supervisory practices and to the need to streamline the reporting requirements in certain areas following the preliminary recommendations in the cost of compliance study. In addition, clarifications brought forward by a series of question and answers (Q&As) have been incorporated.

[1] Throughout this report, medium institutions should be understood as institutions that are neither large nor small and non-complex as defined in the CRR2.

[2] See https://www.eba.europa.eu/regulation-and-policy/supervisory-reporting/cost-compliance-supervisory-reporting

Asset encumbrance

In line with the recommendations presented in the study on the cost of compliance with supervisory reporting requirements, these ITS set out a proposal for (i) exempting small and non-complex institutions from the reporting of more detailed data on asset encumbrance (F 33, F 34 and F 36) and (ii) changing the definition of the level of asset encumbrance to create a level playing field between entities applying different accounting standards.

COREP securitisations

Amendments to the securitisation framework came into force in April 2021, including amendments to the Securitisation Regulation (Regulation (EU) No 2017/2402) and to the CRR (Regulation (EU) No 575/2013) in the context of the Capital Markets Recovery Package (CMRP) as part of the Commission's overall coronavirus recovery strategy. These changes should be reflected in COREP reporting requirements to keep reporting aligned with the prudential requirements.

Given the need to amend the COREP own funds module with respect to securitisations, further amendments to the reporting templates and instructions based on lessons learnt from the implementation of the reporting framework v3.0 have been considered in these ITS.

Reporting for the purposes of identifying G-SIIs and assigning G-SII buffer rates

The ITS propose extending the reporting obligation to standalone entities that meet the relevant criteria, i.e. have a total exposure measure >= EUR 125 bn and are located inside the Banking Union.

Next steps

The draft ITS will be submitted to the Commission for endorsement before being published in the *Official Journal of the European Union*. The first reference date for the application of these technical standards is expected to be 31 December 2022. The expected implementation period for the proposed changes is one year.

The EBA will also develop the data point model (DPM), XBRL taxonomy and validation rules based on the final draft ITS. These draft ITS will be part of the reporting framework release 3.2, phase 1, which is expected to be published in Q1 2022.

2. Background and rationale

1. The EBA reporting framework (as reflected in the Implementing Technical Standards (ITS)) is uniformly and directly applicable to reporting institutions, ensuring a level playing field in the area of reporting and facilitating data comparability. The EBA reporting framework has evolved over the years, ever since the first reporting framework was published in 2013. The EBA has periodically reviewed the content of the reporting requirements to ensure its continued relevance and alignment with the underlying regulation. In addition, the EBA has developed and maintained the technical package and the version management system to facilitate the implementation of and support the reporting processes.

2. The Single Rulebook aims to provide a single set of harmonised prudential rules for credit institutions and other entities of the financial sector throughout the EU, helping to create a level playing field for all regulated institutions and providing high protection to depositors, investors and consumers. These draft ITS reflect the Single Rulebook provisions at the reporting level and are an integral part of it for credit institutions in Europe. These standards become directly applicable in all Member States once adopted by the European Commission and published in the Official Journal of the EU.

3. Regulation (EU) No 575/2013 ('the CRR')[3] mandates the EBA, in Article 430(7), to develop uniform reporting requirements. These reporting requirements are included in the proposed ITS and they will become final following their adoption by the European Commission. These standards cover information on institutions' compliance with prudential requirements as put forward by the CRR and related technical standards as well as additional financial information required by supervisors to perform their supervisory tasks. Hence, the ITS on supervisory reporting need to be updated whenever the underlying legal requirements change or it is necessary to improve supervisors' ability to monitor and assess institutions.

4. The proposed amendments introduced to the ITS on supervisory reporting touch upon different areas of the reporting framework: securitisations, asset encumbrance, reporting for the purposes of identifying G-SIIs and assigning G-SII buffer rates and the reporting of additional liquidity monitoring metrics (ALMM). In addition, they include a number of minor amendments to the reporting on own funds and own funds requirements.

[3] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R0575&from=fr

2.1 The cost of compliance study[4] and proportionality

5. Proportionality is a key principle for European legislators, and the revision of the EU banking package[5] that started to take effect in 2021 follows this spirit. The package aims to enhance proportionality, as the rules are better adapted to the size, risk and systemic importance of the institutions. In addition, it foresees that SNCIs will have to deal with less stringent requirements for reporting, disclosure and remuneration.

6. In this context, the EBA was mandated and made a big effort to measure and gain insights into the costs that institutions incur when complying with the supervisory reporting requirements, and in particular with those set out in the EBA's ITS on supervisory reporting. The EBA was also tasked with assessing whether these reporting costs are proportionate compared to the benefits delivered for the purposes of prudential supervision. Based on that assessment, the EBA made recommendations on how to reduce reporting costs, particularly for SNCIs. The findings from this analysis have been published in an EBA report and delivered to the European Commission.

7. The report on the cost of compliance study put forward the proposal for specific simplifications for SNCIs and medium institutions in the areas of asset encumbrance and ALMM reporting. The amending implementing technical standards included in this report aim to put these simplifications into effect by the end of 2022. Following the recommendations of the cost of compliance study, the scope of reporting on ALMM by SNCIs will be reduced by half the number of templates, while medium institutions benefit from the exemption from reporting one template. In the area of asset encumbrance reporting, SNCIs will, by default, only report a core set of data points and will be exempted from reporting supplementary details.

2.2 COREP securitisations

2.2.1 Revised securitisations framework

8. On 24 July 2020, the European Commission adopted a Capital Markets Recovery Package as part of the Commission's overall coronavirus recovery strategy. These measures aim to make it easier for capital markets to support European businesses to recover from the crisis. The package proposes targeted changes to capital market rules, which will encourage greater investment in the economy, allow for the rapid re-capitalisation of companies and increase banks' capacity to finance the recovery.

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https://www.eba.europa.eu/sites/default/documents/files/document_library/Publications/Reports/2021/1013948/Study%20of%20the%20cost%20of%20compliance%20with%20supervisory%20reporting%20requirement.pdf

5 The banking package covers extensive amendments to the Capital Requirements Regulation (CRR), the Capital Requirements Directive (CRD), the Bank Recovery and Resolution Directive (BRRD) and the Single Resolution Mechanism Regulation (SRMR). Regulation (EU) 2019/876 amending the CRR includes a number of key measures, including a definition of small and non-complex institutions (SNCIs), as well as amendments to the reporting requirements, as reflected in the reporting framework v3.0.

9. The package contains targeted adjustments to the Prospectus Regulation, MiFIDII and securitisation rules. Changes to the securitisations framework comprise Regulation (EU) 2021/558 of the European Parliament and of the Council of 31 March 2021 amending CRR[6] and Regulation (EU) 2021/557 of the European Parliament and of the Council of 31 March 2021 amending the Securitisations Regulation[7].

10. The aim of these changes is to facilitate the use of securitisation in Europe's recovery by enabling banks to expand their lending and to free their balance sheets of non-performing exposures. It is helpful to let banks transfer some of the risk of SME (small and medium-sized enterprises) loans to the markets so that they can keep lending to SMEs. In particular, the Commission proposes creating a specific framework for simple, transparent and standardised on-balance-sheet securitisation that would benefit from a prudential treatment reflecting the actual riskiness of these instruments. In addition, the Commission proposes to remove existing regulatory obstacles to the securitisation of non-performing exposures. This could help banks offload non-performing exposures, which are expected to grow because of the coronavirus crisis.

2.2.2 Implementation in reporting requirements

11. The changes to the securitisations framework introduced a number of new concepts that are not captured in the current reporting framework. Competent authorities will need this information to verify if the new regulation amendments are being implemented correctly. Besides this, the EBA is mandated to draft reports which will rely on this data, namely on NPE securitisations, the application of collateralisation practices and STS on-balance sheet securitisations.

12. These new concepts were introduced alongside the securitisations templates (C 13.01, C 14.00 and C 14.01) as follows:

a. **STS on-balance sheet securitisations:**

   i. Introduced as a new row in C 13.01;

   ii. Two more rows in these templates had to be adjusted accordingly.

b. **NPE securitisations:**

   i. A new block of rows containing information on NPEs and qualifying NPE securitisations was introduced in C 13.01 for each securitisation role;

   ii. The options to report the 'securitisation type' in C 14.00 were adjusted to include these new concepts;

[6] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R0558&qid=1619095803079
[7] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R0557&qid=1619095803079

iii. The specific treatment of senior tranches for qualifying NPE securitisations was included as a new approach in the columns of C 13.01, in the RWA and exposure amount breakdowns. Moreover, it was included as a new sheet in C 14.01. The specific treatment of senior tranches for qualifying NPE securitisation was also added to the breakdown by approaches in the market risk templates C 19.00 and C 20.00 following the public consultation.

c. Synthetic excess spread:

i. The type of excess spread was included in C 14.00;

ii. The amount of synthetic excess spread was included both in C 14.00 and C 14.01 as part of the off-balance sheet items and derivatives.

d. Collateralisation practices:

i. Information on the amortisation system, collateralisation options and overcollateralisation and funded reserves accounts was included in C 14.00.

2.3 Other amendments to COREP own funds

2.3.1 Intangible software assets exempted from the deduction from CET1 capital

13. The Risk Reduction Measures (RRM) package adopted by the European legislators included, inter alia, an amendment to Article 36(1) point (b) CRR that introduced an exemption for '*prudently valued software assets, the value of which is not negatively affected by resolution, insolvency or liquidation of the institution*' from the deduction of intangible assets from Common Equity Tier 1 (CET1) items. This amendment was accompanied by a mandate for the EBA to develop draft regulatory technical standards '*to specify the application of the deductions referred to in paragraph 1, point (b), including the materiality of the negative effects on the value which do not cause prudential concerns*' (RTS on software).

14. In response to this mandate, the existing RTS on own funds requirements for institutions[8] were amended via Commission Delegated Regulation (EU) 2020/2176. This Delegated Regulation introduced a treatment of software assets based on their prudential amortisation over a maximum period of three years and has been applicable since 23 December 2020.

15. Given the level of attention that the legislators gave to the treatment of software assets, this report sets out proposals for limited amendments to COREP with the aim of collecting information on:

- the portion of software assets that is deducted from CET1 items pursuant to the new prudential treatment, and

[8] Delegated Regulation (EU) No 241/2014

- the amount of software accounted for as intangible assets that is risk-weighted in accordance with Articles 113(5) and 156 CRR.

16. In the context of the development of the RTS on software, it was noted that some institutions might opt to continue deducting intangible software assets in full, for operational or other reasons, instead of applying the provisions of the RTS on software. Where an institution chooses to apply a stricter treatment such as this in accordance with Article 3 CRR, it can continue to report the full deduction in the row reserved for these software assets instead of splitting the amount between the mandatory deduction required by the RTS and the voluntary additional deduction in accordance with Article 3 CRR.

2.3.2 Implementation in reporting requirements (and other technical amendments)

17. The reporting templates have been slightly modified to include the values relating to the software assets (C 01.00, C 02.00, C 04.00).

18. In addition, a number of minor amendments to the templates and instructions on reporting have been made, which aim to improve the clarity of the reporting requirements without entailing substantive changes. These amendments have been driven by answers to questions raised in the context of the Single Rulebook Q&A mechanism (e.g. regarding the reporting of exposures to collective investment undertakings subject to the fall-back approach), the experience of supervisors of analysing the reported data, the feedback received from institutions compiling the data in the data quality assurance process, as well as the completion of technical standards by the EBA. In addition, typos, erroneous references and formatting inconsistencies have been corrected.

2.4 Asset encumbrance

19. In line with the recommendations presented in the study on the cost of compliance with supervisory reporting requirements, the draft amending implementing technical standards included in this final report (i) exempt small and non-complex institutions (SNCIs, see criteria of Article 4 (1), point (145) CRR) from reporting more detailed information on asset encumbrance (F 33, F 34, F 36) and (ii) change the definition of the level of asset encumbrance to create a level playing field between entities applying different accounting standards.

20. Until this amendment, SNCIs – as well as medium institutions– submitted the data included in templates F 33, F 34 and F 36 of the asset encumbrance reporting framework where their asset encumbrance level, as determined in accordance with the provisions of the ITS on supervisory reporting, reached or exceeded 15%. The amending ITS included in this report replace this risk-based threshold with a generic exemption for SNCIs from this part of the reporting obligations (i.e. the exemption would be granted solely based on institutions' size and complexity, irrespective of their level of asset encumbrance risk). The original risk-based threshold continues to apply to medium entities.

21. In the context of the cost of compliance study, several institutions criticised the definition of the asset encumbrance level. They argued that the threshold specified in the ITS on supervisory reporting is often already broken solely because of the inclusion of promotional loans in its calculation. These institutions suggested that this kind of transaction should benefit from preferential treatment given its role in supporting economic recovery, development and other political objectives. Moreover, Q&A 2019_4969 highlights the differences in the treatment of *promotional loans that take the form of fiduciary assets* between IFRS and nGAAP. Under certain nGAAPs, fiduciary assets, albeit not entailing credit risk for the reporting entity (but only the guarantor), have to be included in the balance sheet and consequently reported as encumbered in asset encumbrance reporting. In contrast, the same type of asset is not part of the balance sheet under IFRS and therefore falls outside the scope of asset encumbrance reporting.

22. Against this background, the draft amending ITS included in this report keep the scope of items covered by asset encumbrance reporting unchanged – i.e. all assets on the balance sheet continue to be reported across all templates. However, a row labelled '*of which: qualifying fiduciary assets*' has been added to template F 32.01. This row captures the abovementioned fiduciary assets that are accounted for differently under nGAAP and IFRS. The formula for determining the level of asset encumbrance has been amended in order to exclude these fiduciary assets both from the numerator and the denominator of the ratio when assessing whether an institution exceeds the threshold of 15%. All fiduciary assets would continue to be reported in all the asset encumbrance templates, but they will not be accounted for in the 15% threshold calculation.

23. In addition to the substance amendments to asset encumbrance reporting, a small number of editorial amendments (e.g. updates to references) are included. Moreover, the row, column and sheet numbers of the templates have been updated to a four-digit-format.

2.5 Reporting for the purposes of identifying G-SIIs and assigning G-SII buffer rates

24. The draft amending ITS included in this report extend the obligation to report core information for the purposes of identifying G-SIIs and assigning G-SII buffer rates in accordance with the EU-specific methodology – currently only applicable to banking groups at consolidated level – to standalone entities (entities not subject to supervision on a consolidated basis in the EU) that meet the relevant criteria, i.e. have a total exposure measure >= EUR 125 bn and are located inside the Banking Union. This extension has the merit of fostering a level playing field across very large institutions of the EU, regardless of their legal form.

25. While a standalone institution is, in principle, less likely to bear or amplify systemic risk, it is noted that the indicators through which systemic importance is measured in the G-SII framework are equally quantifiable for both banking groups and standalone institutions. The aim of this extension is therefore to ensure that standalone institutions are also covered by this specific reporting obligation. No additional reporting is being introduced for banking groups or

their affiliates, as these are already subject to existing reporting requirements for the purposes of identifying G-SIIs at the highest level of consolidation.

26. Besides the extension of the scope of application of the reporting requirement, the draft amending ITS included in this report also align the list of indicators to be reported by potential G-SIIs with the latest version of the Basel Committee on Banking Supervision's G-SII assessment data template and methodology. In this context, the label of several indicators has been adjusted and one indicator has been revised. Also, one of the items considering the Banking Union as one single jurisdiction has been dropped.

2.6 Reporting on additional liquidity monitoring metrics (ALMM)

27. Article 415(3a) CRR mandated the EBA to specify which additional liquidity monitoring metrics shall apply to SNCIs in the EU. The mandate does not detail how proportionality should be applied (i.e. reduced frequency, simplified templates, introduction of thresholds, etc.). In order to ensure that the most effective and efficient measures are taken to achieve proportionality, the work on the mandate on ALMM was temporarily placed on hold until further evidence on this matter was obtained from the cost of compliance study. Results helped to understand how this proportionality could be applied to effectively reduce the reporting costs for SNCIs, while preserving the necessary data to ensure adequate supervision.

28. In the context of the cost of compliance study, the responses to the industry questionnaire show that the different ALMM reporting templates rank among those perceived to be the most costly by institutions: in each size class, two ALMM templates rank among the top 10 of the costly reporting requirements – C 66.01 and C 71.00 for SNCIs, and C 66.01 and C 70.00 for medium[9] and large institutions. Also, roughly two thirds of respondents consider the 1% threshold applied to template C 68.00 rather ineffective, as all the potentially-to-be-reported data points need to be calculated to check if the threshold is exceeded or not. At the same time, the information included in the ALMM framework, and C 66.01 and C 71.00 in particular, is of rather high importance to NCAs and is frequently and regularly used. At least half of the authorities considered it particularly relevant not only for large and medium institutions, but also for SNCIs. According to the results of the NCA questionnaire, the information in templates C 69.00 and C 70.00 attracts less supervisory attention than the rest of the ALMM templates.

29. These observations, as well as some additional explanations and arguments presented by respondents to the cost of compliance questionnaires, form the basis for this proposal on how to apply proportionality to effectively reduce the costs of ALMM reporting for SNCIs.

30. Since the ALMM module was going to be subject to changes due to the proportionality measures implemented, the opportunity was taken to gather views from supervisors on ways to improve templates and instructions. Relying on past reporting of the package and experience of data usage is crucial to progress on the reporting framework and to ensure adequate supervisory monitoring of its elements. In addition, some clarifications or corrections were

[9] Medium institutions are those institutions that are neither large, nor small and non-complex as defined in the CRR2

implemented in templates/instructions of templates C 66.01 to C 69.00 due to pending and published Q&As.

2.6.1 Proposed proportionality

31. The proportionality measures proposed in this package are twofold:

a. Frequency: it is proposed to keep the reduced quarterly frequency for the information that SNCIs need to report, as already included in reporting framework v3.0.

b. Subset of templates: the responses to the cost of compliance study strongly advocate, in different contexts, exempting SNCIs from reporting full templates in order to reduce the reporting costs, rather than creating simplified versions of these templates. Some respondents argue that there are noteworthy implementation costs where a new version of these templates (even if they are simplified) has to be reported, and many point out that they would in any case need to calculate the full set of information (e.g. if they are part of a group subject to fully-fledged ALMM reporting).

32. There is a common view among the supervisory authorities that template C 66.01 is crucial to monitor the liquidity position of the reporting institution and, in particular, to monitor the maturity mismatch of an institution's activity. A simplified version of this template would neither deliver relevant information to the authorities, nor is it expected to significantly reduce the cost for SNCIs. As well as this template, information on the concentration of funding and counterbalancing capacity by counterparty/issuer (templates C 67.00 and C 71.00) was also deemed to provide very important ALMM metrics for these institutions.

33. The remaining 3 templates (C 68.00, C 69.00 and C 70.00) were deemed to provide comparatively less essential information for monitoring SNCIs' liquidity position during the supervisory activities, and it has therefore been proposed that they be excluded from the scope of reporting by these institutions. In particular, given the small size and complexity of these institutions, the concentration by product type and the maturity structure of funding prices are less relevant as such institutions usually have a simple funding structure and have less market power in influencing the prices. The complexity of template C 70.00 and the fact that such information has greater relevance in times of crisis than as an ongoing monitoring tool has led supervisors to consider institutions, other than large ones, to be exempted from reporting it, in the spirit of proportionality.

34. Furthermore, template C 70.00 is very large and detailed, encompassing reporting on daily accumulated variations of roll-over funding. Given the level of detail of the information required in the template, it was deemed necessary to reduce the reporting burden relating to this template for other institutions as well, namely for medium institutions. Information on roll-over funding is still deemed crucial for supervisors to monitor large institutions in times of stress, since this type of information is unique and cannot be found anywhere else in the reporting framework.

Table 1 - Summary of reporting requirements per type of institution

Type of institution	C 66.01	C 67.00	C 68.00	C 69.00	C 70.00	C 71.00
Large	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Medium	Monthly	Monthly	Monthly	Monthly	*-Exempted-*	Monthly
SNCIs	Quarterly	Quarterly	*-Exempted-*	*-Exempted-*	*-Exempted-*	Quarterly

2.6.2 Further amendments and improvements to the reporting templates and instructions

Main changes proposed – C 66.01

35. Central bank refinancing was disentangled from the outflows from liabilities resulting from secured lending and capital market-driven transactions of other counterparties given the growing importance of this type of funding in the current scenario. Information on central bank refinancing is reported with less granularity than for item 1.2 since it was deemed not to be so relevant as in item 1.2.

36. To distinguish open maturity items from items with contractual maturities, a separate 'of which' column – column 0020 – detailing open maturity items was introduced.

37. In the counterbalancing capacity (CBC), a separate row was included for own issuances eligible for central banks provided that they are eligible as collateral for central bank operations in the counterbalancing capacity, so that these amounts can be more easily identified by supervisors.

38. The intragroup or institutional protection scheme (IPS) flows were moved to the main inflows/outflows part of the template as memo items instead, to improve data quality. During times of stress, more detailed information about intragroup and IPS flows is important as it enables supervisory authorities to observe and assess more accurately the (potential) liquidity impact in a crisis on different group entities.

39. In order to further clarify the reporting requirements for derivatives other than FX swaps, regarding the flows generated by the derivative instrument and the treatment of the underlying collateral, the proposal, further exemplified in Section 4.1, includes:

    a. As an exception, CBC flows at maturity, in the case of physically settled derivatives (e.g. gold forwards) that are margined, shall be reported (example 3 from Section 4.1).

b. The revision that collateral already received/posted in the context of collateralised derivatives does not have to be reversed in the stock position of CBC (if the asset already received qualifies as CBC). To accommodate any concern over the reporting burden, it is clarified that any return of collateral received/posted shall not be reported (i.e. no reporting in the later time buckets). More generally, the exclusion of flows relating to adequately collateralised derivatives in the maturity ladder shall be upheld (the currently applicable maturity ladder has this exclusion) (example 1 and 2 from Section 4.1).

c. Clarifications of the term 'adequately collateralised' and that discrepancies relating to minimum transfer amounts shall still mean that a derivative is adequately collateralised.

d. Clarifications of 'partially collateralised derivatives' and that the return of collateral already received/posted does have to be reported in the CBC section in the time bucket corresponding to the maturity date. This avoids double counting of gains and losses (note that the settlement flow at maturity is reported in the corresponding time bucket of row 1.5 or 2.4) (examples 4 and 5 from Section 4.1).

40. A row on 'Outflows from uncommitted funding facilities' was added to obtain more insight into the time by which these kinds of facilities could be withdrawn at the earliest (e.g. overnight, week 2, or at a point in time beyond the LCR horizon and hence not visible in the LCR reporting). In line with the objective of the maturity ladder, the reported outflows should represent maximum amounts (and not what is likely/expected to happen under stress) (example 6 from Section 4.1).

Main changes proposed – C 67.00 to C 71.00

41. According to the responses to the cost of compliance study, both institutions and authorities support removing the 1% threshold in C 68.00[10]. Institutions consider it inefficient with regard to the objective of reducing reporting costs, while authorities are concerned by the incomplete view of concentration risk.

42. For C 69.00, it was deemed relevant to separate secured funding from central banks and non-central banks in the rows breakdown. The opportunity was taken to have a full and more structured breakdown in order to improve data quality in this template.

43. Other small amendments and clarifications were included throughout the instructions.

44. There are no changes envisaged regarding template C 71.00.

[10] The EBA Consultation paper proposed removing the 1% threshold also for template C 67.00; however, the feedback received deemed the threshold to be effective in implementing proportionality (see feedback table section).

3. Draft implementing technical standards

COMMISSION IMPLEMENTING REGULATION (EU) …/...

of XXX

amending Commission Implementing Regulation (EU) 2021/451 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012[11] and in particular Article 430(7), first subparagraph, Article 430(9), second subparagraph, and Article 430b(6), first subparagraph thereof,

Whereas:

(1) Without prejudice to the competent authorities' powers under of Article 104(1), point (j) of Directive 2013/36/EU[12] and with a view to increasing efficiency and reducing the administrative burden, a coherent reporting framework should be established on the basis of a harmonised set of standards. Commission Implementing Regulation (EU) No 2021/451[13] specifies, on the basis of Article 430 of Regulation (EU) No 575/2013, the modalities according to which institutions are required to report information relevant to their compliance with Regulation (EU) No 575/2013. That Regulation should be amended to reflect prudential elements introduced in Regulation (EU) No 575/2013 as amended by Regulation (EU) No 2019/876.

(2) Regulation (EU) No 2019/876, amending Regulation (EU) No 575/2013, has introduced Article 415(3a), that mandated the EBA to develop specific simplified reporting requirements on additional liquidity monitoring metrics (ALMM) for small and non-complex institutions in the EU, which should be included in the reporting framework.

[11] OJ L 176, 27.6.2013, p. 1

[12] Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338)

[13] Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014 (OJ L 97, 19.3.2021, p. 1–1955)

(3) Regulation (EU) 2021/558[14], amending Regulation (EU) No 575/2013, together with Regulation (EU) 2021/557[15], amending Regulation (EU) No 2017/2402[16], have introduced targeted adjustments to the securitisations framework, which should be included in the reporting framework. These changes came in the context of the Capital Markets Recovery Package, as part of the Commission's overall coronavirus recovery strategy.

(4) Commission Delegated Regulation (EU) 2020/2176[17], amending Delegated Regulation (EU) No 241/2014[18], detailed the exemption of software assets from the deduction from CET 1 items. Minor amendments to the reporting are needed to provide supervisors with some basic information on institutions' implementation of the requirements of that delegated regulation.

(5) The study on the cost of compliance with supervisory reporting requirements in accordance with Article 430 (8) of Regulation (EU) No 575/2013 recommended to exempt small and non-complex institutions from the reporting of certain asset encumbrance templates and to make adjustments to the definition of the level of asset encumbrance. Regulation (EU) 2021/451 needs to be updated to implement these recommendations.

(6) Regulation (EU) 2021/451 includes already the reporting of core information for the purposes of identifying G-SIIs and assigning G-SII buffer rates in accordance with an EU-specific methodology on consolidated level. However, the indicators through which systemic important is measured in the G-SII framework are equally applicable to banking groups and individual institutions. Therefore, amendments to Regulation (EU) 2021/451 are needed to extend the reporting obligations to standalone entities that meet the criteria for being included in the G-SII assessment exercise.

(7) Further amendments to Implementing Regulation (EU) 2021/451 are also required to improve competent authorities' ability to effectively monitor and assess the institutions' risk profile and identify the risks posed to the financial sector.

(8) In order to give clarity and sufficient time for the implementation of the new requirements introduced with this Regulation, institutions should start reporting in accordance with this amending Regulation by the fourth quarter of 2022. In addition,

[14] Regulation (EU) 2021/558 of the European Parliament and of the Council of 31 March 2021 amending Regulation (EU) No 575/2013 as regards adjustments to the securitisation framework to support the economic recovery in response to the COVID-19 crisis (OJ L 116, 6.4.2021, p. 25–32)

[15] Regulation (EU) 2021/557 of the European Parliament and of the Council of 31 March 2021 amending Regulation (EU) 2017/2402 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation to help the recovery from the COVID-19 crisis (OJ L 116, 6.4.2021, p. 1–24)

[16] Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35–80)

[17] Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020 amending Delegated Regulation (EU) No 241/2014 as regards the deduction of software assets from common equity tier 1 items (OJ L 433, 22.12.2020, p. 27–29)

[18] Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for own funds requirements for institutions (OJ L 74, 14.3.2014, p. 8–26)

this is done with respectiong the requirements provided in Article 430 (7) of Regulation (EU) No 575/2013.

(9) This Regulation is based on the draft implementing technical standards submitted by the European Banking Authority (EBA) to the Commission.

(10) EBA has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010[19] in relation to those.

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EU) 2021/451 is amended as follows:

(1) Article 18, paragraph 1 is replaced by the following:

'(1) In order to report information on additional liquidity monitoring metrics in accordance with Article 430(1), point (d) of Regulation (EU) No 575/2013 on an individual and a consolidated basis, institutions shall submit the following information:

(a) Institutions that meet the conditions set out in Article 4(1), point (146) of Regulation (EU) No 575/2013 shall submit with a monthly frequency the information set out in template 66.1 of Annex XXII in accordance with the instructions in Annex XXIII, templates 67, 68, 69 and 70 of Annex XVIII in accordance with the instructions in Annex XIX and template 71 of Annex XX in accordance with the instructions in Annex XXI;

(b) Institutions that meet all the conditions set out in Article 4(1), point (145) of Regulation (EU) No 575/2013 shall submit with a quarterly frequency the information set out in templates 66.1 Annex XXII in accordance with the instructions in Annex XXIII, template 67 of Annex XVIII in accordance with the instructions in Annex XIX and template 71 of Annex XX in accordance with the instructions in Annex XXI;

(c) All other institutions shall submit with a monthly frequency the information set out in template 66.1 of Annex XXII in accordance with the instructions in Annex XXIII, templates 67, 68 and 69 of Annex XVIII in accordance with the instructions in Annex XIX and

19 Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2020, p. 12)

template 71 of Annex XX in accordance with the instructions in Annex XXI;'

(2) Article 19, paragraph 2 and 3 are replaced by the following:

2. The information referred to in paragraph 1 shall be submitted with the following frequency:

(a) the information specified in Annex XVI, Parts A, B and D, with a quarterly frequency;

(b) the information specified in Annex XVI, Part C, with an annual frequency;

(c) the information specified in Annex XVI, Part E, with a semi-annual frequency.

3. The information referred to in paragraph 1 shall be submitted as follows:

(a) Institutions shall submit the information specified in Annex XVI, Part A.

(b) Large institutions shall submit the information specified in Annex XVI, Parts B, C and E.

(c) Institutions that are neither large institutions nor small and non-complex institutions shall submit the information specified in Annex XVI, Parts B, C and E, where the asset encumbrance level of the institution, as calculated in accordance with Annex XVII, point 1.6, sub-point 9, is equal to or above 15 %.

(d) Institutions shall report the information specified in Annex XVI, Part D, only where they issue bonds referred to in Article 52(4), first subparagraph, of Directive 2009/65/EC of the European Parliament and of the Council .

The entry and exit criteria of Article 4(3) shall apply.

(3) Paragraph 4 of Article 19 is deleted.

(4) Article 20 is replaced by the following:

Article 20

Supplementary reporting for the purposes of identifying G-SIIs and assigning G-SII buffer rates

1. In order to report supplementary information for the purposes of identifying G-SIIs and assigning G-SII buffer rates under Article 131 of Directive 2013/36/EU, EU parent institutions, EU parent financial holdings and EU parent mixed financial holdings shall submit the information as specified in Annex XXVI, in accordance with the instructions in Annex XXVII, on a consolidated basis with a quarterly frequency, where both of the following conditions are met:

(a) the total exposure measure of the group, including insurance subsidiaries, is equal to or exceeds EUR 125 000 million;

(b) the EU parent or any of its subsidiaries or any branch operated by the parent or by a subsidiary is located in a participating Member State as referred to in Article 4 of Regulation (EU) No 806/2014 of the European Parliament and of the Council[20].

2. In order to report supplementary information for the purposes of identifying G-SIIs and assigning G-SII buffer rates under Article 131 of Directive 2013/36/EU, institutions shall submit the information as specified in Annex XXVI, in accordance with the instructions in Annex XXVII, on an individual basis with a quarterly frequency, where all of the following conditions are met:

(a) the total exposure measure of the institution is equal to or exceeds EUR 125 000 million;

(b) the institution is located in a participating Member State as referred to in Article 4 of Regulation (EU) No 806/2014 of the European Parliament and of the Council;

(c) the institution is not part of a group that is subject to consolidated supervision in accordance with Chapter 1, Title II, Part One of Regulation (EU) No 575/2013 ('standalone institution').

3. By way of derogation from Article 3(1), point (b), the information referred to in paragraphs 1 and 2 of this Article shall be submitted by close of business on the following remittance dates: 1 July, 1 October, 2 January and 1 April.

4. By way of derogation from Article 4, the following shall apply with regard to the thresholds specified in paragraph 1, point (a), and paragraph 2, point (a), of this Article:

(a) the EU parent institution, EU parent financial holding, EU parent mixed financial holding or standalone institution, as applicable, shall immediately start reporting the information in accordance with this Article where its leverage ratio exposure measure exceeds the specified threshold as of the end of the accounting year, and shall report this information at least for the end of that accounting year and the subsequent three quarterly reference dates;

(b) the EU parent institution, EU parent financial holding, EU parent mixed financial holding or standalone institution, as applicable, shall immediately stop reporting the information in accordance with this Article where its leverage ratio exposure measure falls below the specified threshold as of the end of their accounting year.

(5) Annex I to Regulation (EU) 2021/451 is replaced by Annex I to this Regulation.

(6) Annex II to Regulation (EU) 2021/451 is replaced by Annex II to this Regulation.

[20] Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1).

(7) Annex XVI to Regulation (EU) 2021/451 is replaced by Annex III to this Regulation.

(8) Annex XVII to Regulation (EU) 2021/451 is replaced by Annex IV to this Regulation.

(9) Annex XVIII to Regulation (EU) 2021/451 is replaced by Annex V to this Regulation.

(10) Annex XIX to Regulation (EU) 2021/451 is replaced by Annex VI to this Regulation.

(11) Annex XX to Regulation (EU) 2021/451 is replaced by Annex VII to this Regulation.

(12) Annex XXI to Regulation (EU) 2021/451 is replaced by Annex VIII to this Regulation.

(13) Annex XXII to Regulation (EU) 2021/451 is replaced by Annex IX to this Regulation.

(14) Annex XXIII to Regulation (EU) 2021/451 is replaced by Annex X to this Regulation.

(15) Annex XXVI to Regulation (EU) 2021/451 is replaced by Annex XI to this Regulation.

(16) Annex XXVII to Regulation (EU) 2021/451 is replaced by Annex XII to this Regulation.

Article 2

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

It shall apply from 1 December 2022.

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

Done at Brussels,

For the Commission
The President

ANNEXES

Please see separate files:

Annex I – Annex I (Solvency – templates)

Annex II – Annex II (Solvency – instructions)

Annex III – Annex XVI (Asset encumbrance – templates)

Annex IV – Annex XVII (Asset encumbrance – instructions)

Annex V – Annex XVIII (ALMM – templates)

Annex VI – Annex XIX (ALMM – instructions)

Annex VII – Annex XX (ALMM: counterbalancing capacity – templates)

Annex VIII – Annex XXI (ALMM: counterbalancing capacity – instructions)

Annex IX – Annex XXII (ALMM: maturity ladder – templates)

Annex X – Annex XXIII (ALMM: maturity ladder – instructions)

Annex XI – Annex XXVI (G-SII data – templates)

Annex XII – Annex XXVII (G-SII data – instructions)

4. Accompanying documents

4.1 Additional clarifying examples for template C 66.01 (ALMM)

4.1.1 Derivatives

Example 1 At the reporting reference date the institution has EUR 5,000 in the form of level 1 CQS4+ which is non-encumbered and available for encumbrance. These CBC assets have been received as collateral from a fully/adequately collateralised derivative that is EUR 5,000 in the money at the reporting reference date. The receipt of EUR 5,000 in level 1 CQS4+ collateral took place when the derivative was subject to market valuation changes some days before the reporting reference date and has since been kept unchanged on the balance sheet and is non-encumbered and available for encumbrance. For simplicity, the institution did and does not have any other level CQS4+ CBC. Further note that the derivative matures in 2.5 months from the reporting reference date.

Transaction	Residual maturity	Value	Collateralisation	Value of collateral received
Derivative transaction other than FX swaps	2.5 months	EUR 5,000 in the money	**Fully/adequately collateralised**	EUR 5,000 (Level 1 (CQS4) asset)

Analysis: Since it is a fully/adequately collateralised derivative, no mutation is reported in the 2-3 month time bucket (i.e. no mutation in CBC and also no inflow in the inflow section/row 0670). The transaction is reflected in Template C66.01 as follows:

0730-1080	3	COUNTERBALANCING CAPACITY	Initial stock
0800	3.3.1.4	Level 1 (CQS4+)	5,000

Example 2 At the reporting reference date the institution has EUR 102,000 in the form of Level 1 covered bonds (CQS1) which is non-encumbered and available for encumbrance. This amount is the result of collateral received and paid in the context of two fully/adequately collateralised derivatives: one that is EUR 6,000 in the money at the reporting reference date and another 4,000 out of the money (both collateralised with Level 1 covered bonds (CQS1)). The collateral transfers took place when the derivatives were subject to market valuation changes some days before the reporting reference date and have since been kept unchanged on the balance sheet and are non-encumbered and available for encumbrance. The institution had EUR 100,000 of Level 1 covered bonds (CQS1) before that, which it has kept. Further note that the derivative matures in 3.5 months.

Transaction	Residual maturity	Value	Collateralisation	Value of collateral received
Derivative transaction other than FX swaps	3.5 months	EUR 6,000 in the money EUR 4,000 out of the money	**Fully/adequately collateralised**	EUR 100,000 initial collateral + EUR 2,000 (Level 1 covered bond (CQS1))

Analysis: Since they are fully/adequately collateralised derivatives, no mutation is reported in the 3-4 month time bucket (i.e. no mutation in CBC and also no inflow/outflow in the inflow/outflow section row 0670/0360). The transaction is reflected in Template C66.01 as follows:

0730-1080	3	COUNTERBALANCING CAPACITY	Initial stock
0810	3.3.2	Level 1 covered bonds (CQS1)	102,000

Example 3 The institution has a fully/adequately collateralised derivative in the form of a physically settled gold forward: in 6 weeks' time the institution will physically deliver a certain amount of gold against a pre-agreed amount of money. The gold is to be delivered at a value of EUR 3,000 in exchange for EUR 4,000 in cash. Initially, when the contract was signed several weeks before the reporting reference date, the value of gold was at EUR 4,000. The depreciation of EUR 1,000 has led to EUR 1,000 of Level 2A corporate bonds (CQS1) collateral posted with the institution in advance of the reporting reference date. At the reporting reference date the EUR 1,000 of Level 2A corporate bonds (CQS1) collateral is non-encumbered and available for encumbrance.

Transaction	Residual maturity	Value	Collateralisation	Value of collateral received
Physically settled gold forward	6 weeks	Pay EUR 3,000 (gold to be settled) Receive EUR 4,000	**Fully/adequately collateralised**	EUR 1,000 (level 2A corporate bond)

Analysis: It is clarified in ANNEX X that the exception for CBC flows at maturity of physically settled derivatives that are margined are to be reported. The transaction is reflected in Template C66.01 as follows:

0390-0720	**2**	**INFLOWS**		**Greater than 5 weeks up to 2 months**
0670	**2.4**	**Derivatives amount of receivables other than those reported in 2.3**		4,000
0730-1080	**3**	**COUNTERBALANCING CAPACITY**	**Initial stock**	**Greater than 5 weeks up to 2 months**
0830	3.4.1	Level 2A corporate bonds (CQS1)	1,000	
0980	3.6.7	Other tradable assets		-3,000

Example 4. At the reporting reference date the institution has EUR 1,500 in the form of Level 1 (CQS2, CQS3) which is non-encumbered and available for encumbrance. These CBC assets have been received as collateral from a partially collateralised derivative that is EUR 4,500 in the money at the reporting reference date. The receipt of EUR 1,500 in Level 1 (CQS2, CQS3) collateral took place when the derivative was subject to market valuation changes some days before the reporting reference date and has since been kept unchanged on the balance sheet and is non-encumbered and available for encumbrance. For simplicity, the institution did and does not have any other Level 1 (CQS2, CQS3), and for simplicity no other collateral has been exchanged in relation to this derivative. Further note that the derivative matures in 1.5 weeks from the reporting reference date.

Transaction	Residual Maturity	Value	Collateralization	Value of collateral received
Derivative transaction other than FX swaps	1.5 weeks	EUR 4,500 (in the money)	Partially collateralised	EUR 1,500 (Level 1 (CQS2, CQS3) asset)

Analysis: Since it is a partially collateralised derivative, the settlement flow and return of the collateral at the time of maturity needs to be reported. The transaction is reflected in Template C66.01 as follows:

0390-0720	**2**	**INFLOWS**		**Greater than 7 days up to 2 weeks**
0670	**2.4**	**Derivatives amount receivables other than those reported in 2.3**		4,500
0730-1080	**3**	**COUNTERBALANCING CAPACITY**	**Initial stock**	**Greater than 7 days up to 2 weeks**
0790	3.3.1.3	Level 1 (CQS2, CQS3)	1,500	-1,500

Example 5. At the reporting reference date the institution has EUR 998,000 in the form of Level 1 (CQS 1) which is non-encumbered and available for encumbrance. Several days before the reporting reference date the institution still had EUR 1,000,000 in the form of Level 1 (CQS 1); however, solely due to a negative market valuation change of a partially collateralised derivative just before the reporting reference date the institution has posted EUR 2,000 of Level 1 (CQS 1). For simplicity no other collateral has been exchanged in relation to this derivative. Further note that the derivative matures in 3.5 weeks from the reporting reference date and is EUR 3,500 out of the money at the reporting reference date.

Transaction	Residual maturity	Value	Collateralisation	Value of collateral posted
Derivative transaction other than FX swaps	3.5 weeks	EUR 3,500 (out of the money)	**Partially collateralised derivative**	EUR 2,000 Level 1 (CQS 1)

Analysis: Since it is a partially collateralised derivative, the settlement flow and return of the collateral at the time of maturity needs to be reported. The transaction is reflected in Template C66.01 as follows:

0010-0380	**1**	**OUTFLOWS**		**Greater than 3 weeks up to 30 days**
0360	**1.5**	**Derivatives amount payables other than those reported in 1.4**		3,500
0730-1080	**3**	**COUNTERBALANCING CAPACITY**	**Initial stock**	**Greater than 3 weeks up to 30 days**
0780	3.3.1.2	Level 1 (CQS 1)	998,000	2,000

4.1.2 Uncommitted funding facilities

Example 6. At the reporting reference date the reporting institution has EUR 13,500 in an uncommitted funding facility with a client. The following withdrawal schedule was agreed:

6,000	Overnight
4,000	After 5 days
3,500	In 2.5 months

Analysis: In the LCR template (C73.00) the institution would have to report only the amount of the uncommitted funding facility that can be withdrawn in the next 30 days.

			Amount	Applicable weight	Outflow
0731	1.1.7.1	Uncommitted funding facilities	10,000	0.08	800

Template C66.01 would reflect the additional information on the time schedule as to when the amounts can be withdrawn and, in addition, would capture the maximum amount that can be withdrawn.

1090-1130	**4**	**CONTINGENCIES**	**Overnight**	**Greater than 5 days up to 6 days**	**Greater than 2 months up to 3 months**
1131	**4.X**	**Outflows from uncommitted funding facilities**	6,000	4,000	3,500

4.3 Cost-benefit analysis / impact assessment

As per Article 15 of Regulation (EU) No 1093/2010 (EBA Regulation), any implementing technical standards developed by the EBA shall be accompanied by an impact assessment (IA) which analyses 'the potential related costs and benefits'.

This analysis presents the IA of the main policy options involved in this report on the draft implementing technical standards amending the ITS with regard to supervisory reporting of institutions in accordance with Regulation (EU) No 575/2013 with regard to COREP, asset encumbrance, ALMM and G-SII reporting[21]. The IA is high level and qualitative in nature. With regard to the proportionality assessment specifically, the scope of application of the revised ITS does not justify a data collection to conduct a quantitative impact assessment. Instead, the EBA conducted an evidence-based qualitative assessment to evaluate whether the revision is likely to result in appropriate costs of reporting by SNCIs.

A. Problem identification and background

The revised CRR and Securitisation framework has introduced several new concepts pertaining to securitisation (NPE securitisations, synthetic excess spread), as well as approaches to their regulatory treatment. In addition, the special treatment of software assets in the context of the own funds framework, introduced originally via the CRR2, has been specified in more detail in the meantime.

The revised CRR has also introduced a definition for 'small and non-complex institutions' and introduced exemptions and simplifications of certain requirements for these institutions, and in some instances given the EBA the mandate to specify further how such a proportional treatment should be defined. One of these mandates is laid down in Article 415(3a) of the CRR. It mandates the EBA to develop ITS specifying which ALMM as referred to in paragraph 415(3) of the CRR shall apply to SNCIs. The EBA has hence been tasked with revising the templates and instructions of the original ITS on ALMM from 2014[22] and amended in 2017[23].

These changes to the content of the prudential frameworks and the additional mandate to the EBA entail corresponding changes in the reporting frameworks.

In addition, recommendations from the cost of compliance study relate to the asset encumbrance templates and could be implemented immediately due to their technical nature. As Article 415(3a) CRR does not specify how proportionality should be applied (e.g. different reporting frequency, exemptions for entire templates, exemptions for individual reporting items, introduction of

[21] CPs were published separately. For the final report, the impact assessments have been merged (and amended where appropriate based on the responses received from the public consultation).

[22] See EBA ITS on additional liquidity monitoring metrics

[23] See EBA amending ITS on additional liquidity monitoring metrics

reporting thresholds), insights gained from the cost of compliance study[24] have been deemed valuable for exploring and deciding on the exact form of proportionality to be introduced.

B. Policy objectives

The objective of the amendments to the ITS is to ensure the reporting of all the relevant information for supervisors in accordance with Article 430 CRR and the fulfilment of the EBA mandate, aiming to introduce proportionality for SNCIs in the reporting of ALMM information. Insights from the cost of compliance study have been taken into account, while at the same time ensuring that supervisors continue to receive sufficient reporting information on all entities to be able to fulfil their mandates.

As is common practice when the EBA is mandated to revise ITS, RTS or guidelines, other features (in addition to the mandate) are also being addressed as part of the revision of these ITS, drawing on the experience from supervisory practices so far and additional clarifications from the Q&A process.

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

Section C presents the main policy options discussed and the decisions made during the revision of the templates and instructions. Advantages and disadvantages, as well as potential costs and benefits of the policy options and the preferred options resulting from this analysis, are assessed below.

Changes made for clarification purposes are not included here; however, they should be considered to be beneficial, with no additional costs or disadvantages incurred.

COREP securitisations (2.2)

1. Template C 13.01: changes regarding reporting securitisations with differentiated capital treatment

Option 1a: integrate the new concepts into the reporting framework

Option 1b: do not integrate the new concepts into the reporting framework

Template C 13.01 includes information on an aggregated basis of securitisations under the securitisation framework introduced with Regulation 2017/2402. In this template, banks have to report, among other things, securitisations that qualify for differentiated capital treatment in row 0030, as well their breakdown in rows 0040 and 0050. In the past these included securitisations that fulfil the criteria of Article 243 CRR (traditional securitisation) and those of Article 270 CRR (senior STS positions).

[24] EBA cost of compliance study with supervisory reporting

Following amendments to the CRR, senior STS positions in SMEs will continue to qualify for differentiated capital treatment, but only those grandfathered, and with a reference to criteria in a different article – Article 494c CRR, instead of Article 270 CRR. This change is only at the level of instructions and templates, but does not change the amounts reported by the banks, so it does not entail any costs.

Furthermore, an additional category of securitisations is to be added that fulfil the criteria of the amended Article 270 CRR, specifically senior positions in STS on-balance sheet securitisations. The new concept needs to be reflected in the templates in order to be able to monitor the application of the new rules with regard to securitisations qualifying for differentiated capital treatment. Moreover, the application of differentiated capital treatment means that the banks will have to identify these types of securitisations irrespective of reporting rules. Therefore, the costs of reporting these amounts that have already been identified will be minimal.

For this reason, **option 1a, i.e. to apply the changes, was chosen as the way forward**.

2. Additional breakdown of securitisations by NPE and non-NPE in template C 13.01, and additional type in C 14.00

Option 2a: integrate the new concepts into the reporting framework

Option 2b: do not integrate the new concepts into the reporting framework

The Commission proposes removing existing regulatory obstacles to the securitisation of non-performing exposures in order to help banks offload non-performing exposures, which are expected to grow because of the coronavirus crisis.

The new rows proposed in C 13.01, as well as the additional type category in the 'security type' in C 14.00, aim to capture the exposures to NPE securitisations that qualify for the new category. If the new category applies, the banks will have to identify these types of securitisations irrespective of reporting rules. Therefore, the costs of reporting the amounts will be incremental and minimal.

For this reason, **option 2a, i.e. to apply the changes, was chosen as the way forward**.

3. NPE securitisations: new columns for new NPE approach in templates C 13.01, C 19.00 and C 20.00

Option 3a: integrate the new approach as a separate column in the reporting framework

Option 3b: integrate the new approach as part of SEC-SA

The newly identified NPE exposures that qualify for a specific approach of a flat RW rate of 100% could be reported in one of two ways: either as parts of SEC-SA under the 100% RW band (as a simplification), or as a separate new approach reflecting the special nature of these securitisations compared to other securitisations.

Reporting the exposure values of these exposures under the SEC-SA would mix together different type of exposures (and different CRR articles), which may impede monitoring the application of this new approach. Since these exposures will have to be identified separately in any case in order to apply the approach, reporting them separately should not incur significant additional costs. In addition, the EBA has to produce a report on NPE securitisations (Article 506b CRR) by 10 October 2022. Therefore, **option 3a is preferred**.

4. Synthetic excess spread: changes to templates C 14.00 and C 14.01

Option 4a: integrate the new concept of 'synthetic excess spread' into the reporting framework

Option 4b: do not integrate the new concept of 'synthetic excess spread' into the reporting framework

The amendments to the CRR and the securitisation framework recognise 'synthetic excess spread' as a position that is subject to capital requirements. To capture this new concept, additional columns were added in templates C 14.00 and C 14.01 as part of the off-balance sheet items and derivatives.

The information is needed for the EBA and NCAs to be able to monitor banks' compliance with the new requirements. Banks will have to identify these types of securitisations irrespective of reporting rules. The costs entailed in reporting the amounts will be incremental and negligible. In addition, the EBA has also been asked to produce a report on STS on-balance sheet securitisations (including SES) by 10 April 2023. **Therefore, option 4a is preferred.**

5. Template C 14.00: collateralisation practices

Option 5a: integrate the new concepts into the reporting framework

Option 5b: do not integrate the new concepts into the reporting framework

The amendments to the securitisation framework include additional provisions with regard to the STS criteria for synthetic securitisations. Article 26e SECR includes several alternatives for collateralisation of the protection provider's CCR, but also of the originator's collateral to protect investors. The EBA has also been asked to produce a report on the application of the collateralisation practices by 10 April 2023.

Information on the amortisation system, collateralisation options, overcollateralisation and funded reserve accounts was included in C 14.00. The banks have to report the information on these cells if they use one of the options for collateralisation provided. Therefore, the reporting itself incurs only incremental and negligible costs. Moreover, given that the EBA needs this information to deliver the report to the European Commission, option 5a is preferred.

TOPIC: COREP own funds (2.3)

6. The treatment of software assets: own funds templates

Option 6a: collect more detailed information on the amounts of software assets deducted and risk weighted

Option 6b: do not collect more detailed information on software assets

The approach to determine the type and amount of software assets that can be risk-weighted instead of having to be deducted from own funds has been specified in more detail via amendments to the RTS on own funds. Given the level of attention that the legislators gave to the treatment of software assets, and the focus on their prudent valuation, it is important for the EBA and NCA to monitor the application of the new approach. Where banks choose to apply this new approach, the amount will have to be calculated in any case, so the reporting will not add significant incremental costs. Therefore, **option 6a is preferred**.

Asset encumbrance (2.4)

7. Exempting SNCIs from reporting detailed information on asset encumbrance

Option 7a: apply recommendation 11 from the cost of compliance study:

Option 7b: do not apply recommendation 11 from the cost of compliance Study

According to the study on the cost of compliance with supervisory reporting requirements[25], SNCIs that responded to the questionnaire to institutions perceive the reporting of asset encumbrance to be very costly. On the other hand, competent authorities consider core information on the level of asset encumbrance to be very important for a variety of purposes, even in the case of SNCIs, including the assessment of institutions' potential to obtain additional funding on an ongoing basis or in the context of recovery or resolution measures. For this reason, the possibility of a complete exemption for SNCIs from reporting data on asset encumbrance was ruled out.

After analysing the feedback from both the institutional and user questionnaires, in the report the EBA recommended exempting SNCIs irrespective of their level of asset encumbrance from reporting the information included in the F 33, F 34 and F 36 templates. In the short term, the application of this change is expected to deliver medium cost savings, mostly with regard to ongoing reporting costs for SNCIs with asset encumbrance levels above the original threshold before the revision.

Therefore, option 7A is the preferred option.

More details about the other options considered, as well as their advantages and disadvantages, are discussed in the study on the cost of compliance with supervisory reporting requirements.

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https://www.eba.europa.eu/sites/default/documents/files/document_library/Publications/Reports/2021/1013948/Study%20of%20the%20cost%20of%20compliance%20with%20supervisory%20reporting%20requirement.pdf

8. Changing the definition of the level of asset encumbrance

Option 8a: change the formula for determining the AE levels only and include an extra row for reporting fiduciary assets

Option 8b: change the AE definition entirely by excluding fiduciary assets from the scope of reported assets

Option 8c: do not apply any changes to the AE definition or AE levels for reporting purposes

As part of the study on the cost of compliance, the EBA recommended adjusting the definition of the asset encumbrance level to exclude those promotional loans – specifically fiduciary assets – that are accounted for differently under IFRS and certain national GAAPs.

A change in the definition of AE would lead to the exclusion of relevant assets from reporting, reducing the level of transparency and insightfulness. Therefore, to ensure that all the encumbered assets are covered, only the formula for determining the AE level for reporting purposes was modified to exclude fiduciary assets. In this way, overestimation of the AE levels due to the accounting treatment will not trigger unduly onerous reporting requirements, while the data will still be reported separately and transparently in a dedicated row for fiduciary assets. The costs will be minimal and only reflect the additional reporting of the fiduciary assets in a separate row.

Therefore, **option 8A is preferred.**

ALMM (2.6)

9. Extent of the application of the reporting requirement for SNCIs

Option 9a: apply proportionality via altered reporting frequency for SNCIs

Option 9b: exempt SNCIs from certain templates

Option 9c: do not exempt SNCIs from any templates entirely; exemptions to only apply to certain reporting items within certain templates (resulting in separate simplified templates)

Article 415(3a) CRR does not specify how proportionality should be applied. Proportionality for SNCIs could hence be applied via altered frequency, fewer data points to be reported within a template, or reporting exemptions from entire templates.

Different frequencies of reporting, depending on the size and complexity of the institution, have already been considered in previous versions of the ITS, allowing less frequent reporting for smaller institutions. Classification of the latter according to the new CRR definition of SNCIs was subsequently introduced in the latest ITS release (v3.0). Therefore, the ALMM Article 18(2) of the ITS already includes different reporting frequencies for SNCIs (quarterly versus monthly reporting). Proportionality in the form of reporting frequency (as presented in option 9a) has therefore already been implemented and will be maintained.

The cost of compliance study found that cost reductions are more efficient if entire templates are exempted. Creating separate reporting templates for certain institutions would not lead to significant cost reductions, since initial implementation costs would be incurred (sunk costs – these might be significant in the event that different aggregations were required, such as different time buckets). This prompted us to rule out option 9c.

Option 9b has therefore been chosen as the preferred option to account for proportionality. The draft amended ITS on ALMM propose exempting SNCIs from reporting a subset of templates from the ALMM reporting framework.

The specific templates to exempt has been duly considered, reflecting supervisors' views on the importance and relevance of the different templates for SNCIs for prudential supervision. The templates chosen for exemption are C 68.00, C 69.00 and C 70.00.

Additional changes to the ALMM reporting templates (other than those within the scope of Article 415(3a) CRR)

Application of the existing ITS on ALMM have provided insights into what works for institutions and supervisors and what does not, and sheds some valuable light on potential areas for improvement to the reporting templates. Whilst not strictly part of the mandate for the revision of the existing ITS in accordance with Article 415(3a) CRR, which is focused on implementing proportionality for SNCIs, it is generally deemed most efficient and in the interests of both institutions and supervisors to implement wider changes whenever templates and instructions are under review. This reduces the likelihood of repeated future revisions and ensures that institutions will not have to continuously implement different revisions (rather, all changes can be addressed 'at once').

10. Template C 70.00

Option 10a: also remove template C 70.00 for medium institutions and keep the template unchanged for large institutions

Option 10b: keep template C 70.00 for large and medium institutions, but simplify it

Option 10c: keep the template unchanged for large and medium institutions

Template C 70.00 is very large and detailed, containing information on daily accumulated variations in roll-over funding. As per option 9b, SNCIs have been exempted from reporting this template.

Given the level of detail of the information required in the template (in particular some of the information having to be collected on a daily basis within institutions), it was deemed necessary to reduce the reporting burden relating to this template for other institutions as well. One way to relieve some of the substantial reporting burden associated with template C 70.00 would have been to maintain reporting for both medium and large institutions, but to simplify the template. Given the findings of the cost of compliance study (cost reductions are more efficient if entire templates are exempted), options 10b and 10c have been ruled out.

Instead, it has been concluded that medium-sized institutions should also be entirely exempt from the template. **Option 10a has been chosen as the preferred option**. In this way, the reporting burden has been reduced significantly for small and non-complex and medium-sized institutions, while information on roll-over funding is still reported to supervisors for large institutions. The template has been kept unchanged for large institutions, in line with the findings on cost reduction efficiency from the cost of compliance study, as explained above.

11. Template C 67.00 and C 68.00 – thresholds for the reporting of funding concentration

Option 11a: keep the >1% threshold in template C 68.00

Option 11b: remove the 1% threshold from template C 68.00[26]

Template C 68.00 requires the reporting of the concentration of funding by product type. With the aim of reducing the reporting burden, only product types that account for more than 1% of total liabilities need to be included in the current reporting templates.

Application in practice has shown that this simplification is not effective, since institutions need to calculate *all* of their exposures in any case in order to verify the 1% threshold. At the same time, the computation, verification and monitoring of the threshold criteria require extensive efforts on the part of institutions. It has therefore been decided that **option 11b, removing the 1% threshold, is preferable compared to option 11a**.

Institutions will report all their exposures by product type in C 68.00. This will save them the cost of computing, verifying and monitoring the threshold, while at the same time supervisors will receive more, or the same amount of, information.

12. Other changes to the templates[27]:

- Template C 66.01: inclusion of new items to be reported – own issuances eligible for central banks, outflows from uncommitted funding facilities. Given the increased importance of central bank liquidity, this has been assessed as valuable information for supervisors in assessing institutions' liquidity and funding position.

- Template C 66.01: inclusion of intragroup and IPS flows in the main inflows/outflows part instead of memo items. This improves data quality and enables supervisors to observe and to assess more accurately the (potential) liquidity impact of a crisis on different group entities.

- Template C 66.01: further clarification regarding the reporting of derivatives.

[26] The EBA Consultation paper proposed that the 1% threshold also be removed for C 67.00; however, feedback received by the CP saw the threshold as being effective in implementing proportionality (see feedback table).

[27] The EBA consultation paper also contained a proposal to replace the spreads in C 69.00 with the effective interest rate (EIR). However, the feedback received was taken into account regarding the burden for institutions to compute the EIR, and this option has been removed as a result.

- Template C 66.01: interest payments/receipts and non-financial cash flows are excluded from reporting in the time bucket > 5 years.
- Template C 69.00: some of the 'of which' has been removed, and the complete reporting of non-overlapping categories has been introduced. Rows now amount precisely to 'total funding' so as to improve clarity[28].
- Other (smaller) changes to the templates, based in part on insights gained from the EBA's Q&A process.

While changes to templates always imply an increase in reporting costs for institutions in the short run, introducing some of these additional changes ultimately reduces the costs to institutions by clarifying or simplifying known reporting issues (this is the case in particular for issues addressed as a result of the Q&A process). Other changes improve the quality, completeness and relevance of reporting information received by supervisors, which is crucial for ensuring their prudential mandate and hence warranting the (initial) increased costs to institutions.

D. Conclusion

The draft amended ITS have been developed with a view to reducing reporting costs for SNCIs in the most effective and efficient manner. This has been achieved via the exemption of certain templates for these institutions, either stemming from the CRR2 mandate or as a recommendation from the cost of compliance Study.

At the same time, the draft amended ITS aim to maximise the impact of the revisions and changes to the templates by also addressing other issues that have transpired from the reporting frameworks so far, clarifying and facilitating the reporting process for all institutions and improving or making available reporting information received by supervisors. The revisions proposed balance any additional (short-term) reporting burden to institutions that results from revisions to templates with the longer-term improvements in terms of the cost of reporting and also the clarity, completeness and comparability of the data reported.

[28] In reporting templates, sub-categories are not always exhaustive and hence total and sub-total rows cannot always be compared.

4.4 Feedback on the public consultation

The EBA publicly consulted on the draft proposal contained in this paper. The topics were split into two separate consultations.

The consultation period for the draft ITS with regard to ALMM (EBA/CP/2021/17) lasted for three months and ended on 28 July 2021. Four responses were received, of which three were published on the EBA website.

The consultation period for the draft ITS with respect to COREP, AE and GSIIs (EBA/CP/2021/24) lasted for three months and ended on 23 September 2021. One responses was received, which was published on the EBA website.

This paper presents a summary of the key points and other comments arising from the consultation, the analysis and discussion triggered by these comments and the actions taken to address them if deemed necessary.

In many cases, several industry bodies made similar comments or the same body repeated its comments in response to different questions. In such cases, the comments and the EBA's analysis are included in the section of this paper where the EBA considers them most appropriate.

Changes to the draft ITS have been incorporated as a result of the responses received during the public consultation.

Summary of key issues and the EBA's response

The feedback received touched upon proportionality aspects and raised certain issues of a more technical nature that were analysed in more detail in the table below.

Summary of responses to the consultation and the EBA's analysis

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
General comments			
In the ALMM and AE reporting frameworks it was proposed to exempt certain institutions from reporting several templates. The feedback received welcomed such a proposal and further pointed to the possibility of granting the exemption on reporting as soon as possible (before 2022). The EBA has analysed this proposal and feels that the usual process and timeline envisioned should be followed given that i. institutions are already reporting these templates as part of the reporting framework 3.0. and that ii. no significant changes have been recorded for these templates in the last framework that would entail additional investment costs in developing until the exemption is granted.			
Other general comments received have been allocated to the questions asked in each consultation paper based on a broad fit with the topic they cover (see responses to individual questions).			
Responses to questions in consultation paper EBA/CP/2021/17			
Question 1. Are the instructions and templates clear to the respondents?			
Two respondents agreed that the instructions and templates are broadly clear and, together with other respondents, raised some comments, some of them as general comments and others allocated to specific questions, such as:			
Derivatives	One respondent suggested that for the derivatives it would be helpful to have a general guideline on how the collateral and derivatives should be reported, not just the examples.	Instructions are provided in the ITS, Annex 23, for rows 0360, 0670 and further in section 3 (0730-1080).	No amendment
Alignment of ALMM metrics with FINREP	One respondent pointed to the requirements to have a match between FINREP and ALMM (as	Given the different reporting frequencies, the instructions in paragraph 5, section 1.2. Annex 19	Amend paragraph 5, section 1.2, Annex 19

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	presented in Annex 19 1.2 (5)) and the discrepancy that may appear between the two as a result of different reporting frequencies for ALMM templates and FINREP.	have been amended to make clear that the match should hold for those reporting periods in which both reports are available.	
Outflows from uncommitted funding facilities	Three respondents interpreted the requirements to report this information as representing estimates/forecasts. As a consequence, they suggest either not to request such information (due to the reporting burden), or to limit the forecasting period to a maximum of 1 year (due to the difficulty of estimating such information).	For this item it is further clarified that institutions are not expected to report estimates (no forecasting is required), but rather the amounts that could be withdrawn based on the first date/period when they are available to be withdrawn, irrespective of when they will be effectively withdrawn. In this respect the instructions are clear (‘*report as an outflow the maximum amount that can be drawn’*). With respect to example 6 from the consultation paper, the withdrawal schedule was the one determining the maximum amount that could be withdrawn, reported at the earliest day of availability. If no such agreement had been in place, the amount would have been allocated to the first buckets. The amount to be reported should not be cumulative – amounts should be reported in the bucket corresponding to their earliest availability.	Amend instructions for row 1131, Annex 23.

Question 2. Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?

One respondent said there are no discrepancies identified. No further comments were received.

Question 3. Do the respondents agree that the amended ITS fit the purpose of the underlying regulation?

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Two respondents agree. Further comments were raised such as:			
Interest rate spread	Two respondents highlighted the high costs involved in computing and reporting the EIR (owing to the granularity and availability of booking and records data used for accounting purposes in comparison with risk systems that include deal level data/spread information). In their view, the population of trades where the EIR would vary significantly from the deal rate is small, and to implement this broad change seems disproportionate and not in line with the cost of compliance study. Further, once data is averaged and consolidated into the reporting currency, the resulting cross-currency average rates are not comparable to market rates. Additional information would be needed on how the EIR should be calculated for floating debt or debt carried at market value. The respondents propose either that spreads continue to be reported or that nominal rates be reported, with no attempt to account for fees/discounts/premia or effective rates to be reported only in cases where the EIR may materially differ from the deal rate. In their view, spreads should continue to be reported, partly because this makes it easier to determine the refinancing risk. They further suggested that in the event that spreads continue to be reported, changes should not be made to the pricing methodology other than removing references to LIBOR and EURIBOR, which are expected to be decommissioned. A sensible update to this policy would be to require the calculation to be performed relative to an appropriate	The EBA took into consideration the feedback received and the recommendations from the cost of compliance study and proposes that no changes should be made to the price of funding. Thus spreads will continue to be reported. Slight amendments to the instructions have been made with respect to the EURIBOR reference in view of the reforms that benchmark rates are undergoing and the potential future unavailability of such a measure. For the moment, no prescribed benchmark is provided. However as the instructions make clear, institutions should use a relevant benchmark index for the appropriate currency.	Amend instructions section 1.4., Annex 19.

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	benchmark and/or a benchmark specified by the EBA for the major currencies.		
Interest payments and non-financial cash flows	Two respondents mentioned that excluding these flows from being reported in bucket >5 y involves a reporting burden and costs to implement the change. In their view, this does not add value and they suggest not implementing the change. Alternatively, if implemented further clarification would be needed for item 13, part 1 annex 23.	The change was implemented due to the need to have accurate information in bucket >5 years (considering the case of open-ended contracts, a disproportionately large amount would be reported in the last time bucket with little information value). Regarding paragraph 13, part 1, annex 23, please consider that the instructions in that paragraph are reflected/replicated in paragraph 6.	No amendment
Intragroup or IPS outflows	Two respondents mentioned that the change proposed involves a reporting burden and costs and in their view it does not add clear value. They suggest not implementing the change and instead implementing stricter enforcement on the quality of the data received and demanding the memo items more rigorously.	Although currently requested to be reported in memorandum items, the intragroup and IPS flows should already be calculated by the institution and reported. The information is valuable for assessing the liquidity position of institutions together with the slight additional granularity requested.	No amendment
Question 4. Do respondents agree that the decisions to exempt entire reporting templates from being reported is the best approach in implementing proportionality? In case you do not agree, what other proposal would be more efficient to reduce costs?			
Three respondents considered exempting entire reporting templates to be the best way to implement proportionality. Additional comments were made, such as:			
Frequency of reporting	Two respondents proposed reintroducing the quarterly reporting frequency for ALMM for those institutions that would report quarterly before Regulation (EU) 2021/451 applied and moved to reporting monthly following the application of the regulation. This was specifically targeted at institutions with assets of between 5 billion and 30 billion. The increase in reporting frequency had significant	The definition regarding the classification of institutions is part of the level 1 text. The CRR2 classification has already been referred to starting with reporting framework 3.0. Reporting cannot discriminate between institutions that classify in a certain bucket in accordance with the level 1 text. In addition, the mandate for ALMM revision from CRR2 (Article 415(3a)) specifically requires that	No amendment

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	implications for less significant institutions (particularly for those close to the boundary to be classified as SNCIs).	proportionality be considered in the context of SNCI institutions.	
Frequency of reporting	Two respondents highlighted that the ten largest counterparties inside the counterbalancing capacity rarely change. They suggest that the reporting frequency be changed for C 71.00 (to annually for institutions other than large, or annually just for SNCIs and quarterly for the rest).	The templates to be reported are the same irrespective of how often they are reported, and the processes for reporting are in place already. The ALMM templates come as a complement to the other liquidity templates and therefore require close monitoring of developments by the competent authorities for the assessment of liquidity risk.	No amendment
Proportionality	Two respondents requested that medium banks should also be excluded from reporting C 68.00 and C 69.00 as their funding profile, maturity and refinancing structures do not differ significantly from those of SNCIs, proportionality should apply to LSIs to a greater extent and some information is covered in the LCR reporting.	The CRR2 definition for classifying institutions has been referred to in the 3.0 reporting framework. Reporting cannot discriminate between institutions that classify in a certain bucket according to the level 1 text. The CRR2 mandate is to consider proportionality specifically for SNCIs. There is a broad view that it is important for templates to be reported by medium institutions in order to assess their liquidity risks. While some information might show in LCR, it is not considered to be sufficient.	No amendment
Threshold	Two respondents requested that the threshold for reporting C 67.00 be maintained. In their view, removing the threshold would lead to an increase in the manual workload, information gains would be low compared with the effort to deal with plausibility checks and data collection. Keeping the threshold would be in line with the CoC study, where the threshold is ineffective for C 68, but not for C 67.	Following the recommendations in the cost of compliance study and additional evidence on the efficiency of the threshold in implementing proportionality in the case of template C 67.00, the threshold for this template will be kept.	The threshold for C 67.00 will be kept.

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Question 5. Is it clear to respondents how to report derivatives in C 66.01 in light of the new clarifications proposed in the instructions?			
Two respondents feel that the changes are clear. However, further comments have been received from other respondents, such as:			
Fully/adequately collateralised	One respondent mentioned that it is not totally clear how collateral posted should be considered in terms of being fully/adequately collateralised.	Please consider the ITS instructions in Annex 23, where it is mentioned that: '*a situation in which collateral exchanged with a counterparty does not fully equal the value changes in the derivative shall still be treated as adequately collateralised if the discrepancy does not exceed the minimum transfer amount.*'	No amendment
Derivatives reporting	One respondent mentioned that it is not clear if the rerun in the maturity bucket and the outflow from derivatives should also not be shown?	Instructions are provided in Annex 23 to the ITS for rows 0360, 0670 and further in section 3 (0730-1080).	No amendment
Reporting of collateral in fully collateralised derivatives	Two respondents commented on the reporting relating to the collateral in fully collateralised derivatives transactions in Section 3 (counterbalancing capacity) where only the initial stock is supposed to be reported. They highlight that without a decrease or increase in the collateral received and posted, the single rows in CBC and also the complete CBC will no longer add up to 0.	The EBA analysed the current instructions relating to the reporting of the collateral received/posted. The information depicted in ***Initial stock*** for the counterbalancing capacity (CBC) relating to collateral in fully collateralised derivatives might lead to a temporary overestimation of the CBC in cases where the information is used, such as in exercises like stress testing. Therefore an interpretation of the composition and size of the CBC over time should be considered with caution, as the C 66.01 does not offer complete information on this aspect. Despite this shortcoming, it was decided that no further amendments should be made to the template or instructions to ensure proportionality in reporting requirements. It was also decided not to increase	No amendment

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		reporting by requesting additional information in the case of fully collateralised derivatives.	
Question 6. Would large institutions agree that it is less costly to keep C70.00 unchanged (also accounting for implementation costs)? What would be a suitable alternative for a simplified version of this template that would achieve the same purposes?			
One respondent made a remark on this question:			
	Filling in simplified templates is not less expensive than the calculating the full templates because the main calculations will be necessary for both, just a bit less granular. From the perspective of a software vendor, it just creates more work to implement both versions of the same template.	The consultation paper proposed keeping C 70.00 unchanged and not developing any additional simplified version. In this respect, the comment seems supportive.	No amendment
Responses to questions in consultation paper EBA/CP/2021/24			
Question 1. Are the instructions and templates, as presented in the annexes to this consultation paper, clear to the respondents?			
The respondent agrees.			
Question 2. Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?			
The respondent did not identify any discrepancies. Further comments were made as general comments and allocated to this question.			
Threshold calculation (AE)	The respondent highlighted that as SNCIs will no longer be required to report part of the AE templates (that are currently subject to a threshold), it is assumed that SNCI institutions do not need to compute this threshold. The	As the ITS has been amended to no longer require SNCIs to report the detailed templates subject to a threshold, and as the ITS no longer make reference to a threshold as far as SNCIs are concerned, it is clear the threshold is not part of the reporting obligation,	No amendment

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	respondent highlighted the need to make this explicit in the ITS standard.	nor of the monitoring of these institutions in terms of the reporting obligations. No amendments to the ITS are needed.	
Reporting of fiduciary assets (F 32.00) – data duplication	Possible duplication of data: the respondent suggests waiving the separate disclosure of fiduciary assets (line 0015 in F 32.00) as institutions already disclose trustee loans as encumbered assets in the NSFR (encumbered loans to non-financial clients must be reported in line 830 of reporting template C 80).	The respondent referenced the NSFR templates (C 80.00, row 0830), meaning *other loans to non-financial customers other than central banks encumbered for a residual maturity of one year or more.* While there might be overlaps in the data reported in the two cells, a clear identification of *the carrying amount of encumbered assets representing qualifying fiduciary assets* cannot be obtained.	No amendment
Reporting of fiduciary assets (F 32.00) – off balance sheet	Fiduciary assets that are off balance sheet: the respondent highlights that in cases where fiduciary assets are not recognised in the balance sheet, disclosure of these loans would be of no significance for assessing the asset encumbrance of the institution and should therefore not be included in any case. Not only would their inclusion provide no added value for asset encumbrance reporting, but a separate disclosure in the case of non-inclusion should also be waived for reasons of cost avoidance.	The ITS instructions are clear: Annex 17, 2.1.2. row 0015 requires the reporting of fiduciary assets which *are recognised on the institution's balance sheet* […] (alongside other criteria).	No amendment
Question 3. Do the respondents agree that the amended ITS meet the purpose of the underlying regulation?			
The respondent agrees. Further comments were made as general comments and allocated to this question			
Promotional loans	The respondent suggests applying a risk-based approach regarding the consideration of promotional loans in the asset encumbrance ratio. Welcoming the exclusion of fiduciary assets from this ratio, the respondent proposes excluding all promotional loans from the calculation of the	The possibility of a more 'risk-based' approach, i.e. extending the scope of the excluded items to the share of a promotional loan which is recognised on the balance sheet, but for which the reporting entity bears no risk, has been analysed. However, it seems	No amendment

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	asset encumbrance ratio to the extent that the reporting entity does not bear the credit risk. In the respondent's view, only the share of the liability remaining with the reporting entity should be included.	that the identification of promotional loans is not straightforward, and nor are the definition and identification of the 'share of the loan for which the entity bears no risk' based on or with reference to accounting principles. In light of the high degree of ambiguity, the original proposal remains unchanged.	