

Single Rulebook Q&A

Question ID	2021_6016
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - Liquidity (LCR, NSFR, AMM)
Article	430
Paragraph	o
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2021/451 - ITS on supervisory reporting of institutions
Article/Paragraph	PART III: AVAILABLE STABLE FUNDING
Date of submission	26/05/2021
Published as Final Q&A	04/02/2022
Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	C_81.00 ASF from capital items and instruments
Question	<p>In C_81.00, ASF from capital items and instruments shall be reported before the application of prudential filters, deductions and exemption or alternatives stipulated in Articles 32 to 36, 48, 49 and 79 CRR [CET 1], Articles 56 and 79 CRR [AT1], and Articles 66 and 79 CRR [Tier 2].</p> <p>However, the CRR, ITS, and supporting annexes do not indicate the applicable treatment of other types of Own Funds deductions or adjustments which originate from Articles other than the ones specified above. For example, in NSFR, should the reported amount for 'ASF from capital items and instruments' be reported gross or net of the deductions permitted in COREP C_01.00 rows 524, 529, 744, 748, 974 and 978?</p> <p>In general, clarity is being sought on two points:</p> <ol style="list-style-type: none"> 1. Whether the reported amount of CET1 in C_81.00 row 0030 is to be reported prior to all own funds deductions and adjustments, even those that emanate from provisions other than the ones explicitly stipulated in Article 428o paragraphs (a) to (c). For instance, whether the CET1 amount in C_81.00 row 0030 shall be reported gross or net of the deduction relating to the depositor compensation scheme

	<p>reserve, which deduction emanates from Article 26(1) CRR.</p> <p>2. The mentioned depositor compensation scheme reserve is not an asset but an equity reserve, thus falling out of scope of RSF row 1030 “other assets”, in line with Article 428ah(1)(b) [items deducted from own funds].</p> <p>Thus, clarity is being sought as to whether equity reserves are to be treated in one of the following methods:</p> <ul style="list-style-type: none"> • In scope of ASF row 0430 “other liabilities” by virtue of Article 428k(3)(d); • In scope of ASF row 0060 “other capital instruments” pursuant to Article 428o(d); or • Out of scope of ASF.
Background on the question	<p>In C_81.00, ASF from capital items and instruments shall be reported before the application of prudential filters, deductions and exemption or alternatives stipulated in Articles 32 to 36, 48, 49 and 79 CRR [CET 1], Articles 56 and 79 CRR [AT1], and Articles 66 and 79 CRR [Tier 2]. However, the aforementioned articles do not encompass all the deductions that may possible be affected from Own Funds. For example, those permitted in COREP C_01.00 rows 524, 529, 744, 748, 974 and 978.</p>
EBA answer	<p>In accordance with Article 428o CRR, items qualifying as CET1, Additional Tier 1 or Tier 2 elements are to be reported as follows:</p> <ul style="list-style-type: none"> • CET1 items before the adjustments required pursuant to Articles 32 to 35 CRR, the deductions pursuant to Article 36 CRR, and the application of the exemptions and alternatives laid down in Articles 48, 49 and 79 CRR; • Additional Tier 1 items before the deduction of the items referred to in Article 56 CRR and before Article 79 CRR has been applied thereto; and • Tier 2 items before the deductions referred to in Article 66 CRR and before the application of Article 79 CRR. <p>As such, deductions that are not explicitly referred to in Article 428o CRR would already need to be deducted from the amount of CET1, Additional Tier 1 and Tier 2 items for the purpose of Article 428o CRR.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2021_6016</p>