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## Question ID: 2018\_4318

### Status

Final Q&A

### Legal act

Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 - CRR2

### Topic

Supervisory reporting

### Article

415

### Paragraph

3

### Subparagraph

b

### COM Delegated or Implementing Acts/RTS/ITS/GLs

Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)

### Article/Paragraph

Annex XXIV

### Date of submission

09/10/2018 16:17

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### Name of institution / submitter

UNICREDIT

### Country of incorporation / residence

ITALY

**Type of submitter**

Credit institution

**Subject matter**

Treatment of liquidity generated by the overnight maturity of Withdrawable Central Bank reserve in Counterbalancing Capacity panel of Template C66

**Question**

How should "liquidity generated by the overnight maturity of withdrawable central bank reserve" be treated in Counterbalancing Capacity panel of Maturity Ladder template C 66?

**Background on the question**

With reference to Counterbalancing Capacity panel of Maturity Ladder template C 66, ANNEX XXIV states that, in order to avoid double counting, cash inflow related to "withdrawable central bank reserves" should not be accounted for item 3.2 of the Counterbalancing Capacity. Following this instruction no inflow should be reported to compensate the maturing overnight position with Central Bank in Counterbalancing Capacity. This creates an apparent reduction in the evolution of the Net Liquidity position. However the same instruction states that the overnight deposit at Central Bank should be reported as cash outflow in the corresponding maturity bucket of Counterbalancing Capacity panel (item 3.2 "Withdrawable central bank reserves") and as cash inflow in item 2.2.5 "Monies due at Central Bank", similarly to what is done with the securities in the Counterbalancing Capacity, on the basis of the specific counterparty. It seems that mentioned instructions are not aligned between each other. Moreover, the second instruction refers only to overnight deposits, while withdrawable Central Bank reserve is composed not only by Overnight Deposit Facility but also by Demand Deposit and excess of Compulsory Reserve in comparison to Minimum Reserve Requirement.

**EBA answer**

In accordance with Annex XXII (template) and Annex XXIII (instructions) to Regulation (EU) No 680/2014 (ITS on Supervisory Reporting), institutions shall report in the maturity ladder template C66.00 as counterbalancing capacity under column 010 of Item 3.2 ('Withdrawable central bank reserves') the total amount of reserves held at central banks in accordance with Article 10(1)(b)(iii) of the Delegated Regulation (EU) No 2015/61 where those reserves are withdrawable overnight at the latest. Of this amount, the part of reserves held at central banks in accordance with Article 10(1)(b)(iii) of the Delegated Regulation (EU) No 2015/61 that is only withdrawable overnight shall additionally be reported as an outflow of counterbalancing capacity (i.e., with a negative sign) under column 020 of Item 3.2 ('Withdrawable central bank reserves') and the corresponding cash inflow shall be reported under column 020 of Item 2.2.5 ('Monies due not reported in 2.1 resulting from loans and advances granted to central banks').

As an aside, the instructions specifying that cash inflows shall not be accounted for in Item 3.1 ('Coins and banknotes') or Item 3.2 ('Withdrawable central bank reserves') shall only ensure that all cash inflows related to maturing transactions and/or maturing securities are only reported under Item 2 ('Inflows') and are not (additionally) reported as an inflow of counterbalancing capacity (in the form of coins and banknotes or central bank reserves) under Items 3.1 or 3.2.

**Link**

[EBA website link](https://eba.europa.eu)

