Commission intends to amend the draft ITS with regard to additional monitoring metrics for liquidity reporting

24.07.2015

The Commission has today informed the European Banking Authority (EBA) that it intends to amend the draft Implementing Technical Standard on additional monitoring metrics for liquidity reporting under Article 415(3)(b) of the Capital Requirements Regulation (CRR or Regulation (EU) No 575/2013). This Regulation sets the amount and quality of capital that a bank has to hold so that it can absorb losses and also sets a general liquidity requirement for banks. Although the EBA submitted the draft ITS in question on 24 July 2014, the Commission decided to delay examining the draft ITS until the adoption of a Delegated Regulation providing detailed instructions for the general liquidity coverage requirement under the CRR.

The main amendment that the Commission intends to make is to delete the "maturity ladder" template and the corresponding instructions for completion since these will need to be adapted on 1 October 2015 in line with the detailed definition of liquid assets set by another Commission Delegated Regulation. The maturity ladder template provides a breakdown of the maturity of liquid assets and the timing of expected cash outflows and inflows according to 22 time bands ranging from overnight to greater than 10 years. Now that Commission has informed the EBA of its intention, the independent EU authority can send its opinion on the intended amendments or a revised draft ITS within 6 weeks to the Commission.

The intended amendments should help reduce the regulatory burden on and avoid the duplication of implementation costs for the banking industry. Given the importance of the maturity ladder in bank supervision, the Commission has invited the EBA to update this aspect of the ITS and submit this as soon as possible. The Commission intends to adopt the other five templates and corresponding instructions included in the draft ITS as submitted by the EBA. The Commission also intends to amend the proposed date of application from 1 July 2015 to 1 January 2016. This should allow sufficient time for industry and supervisors to prepare.