

Question ID	2019_5012
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 (CRR2)
Topic	Supervisory reporting - Liquidity (LCR, NSFR, AMM)
Article	415
Paragraph	3
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	Annex XXV INSTRUCTIONS FOR COMPLETING THE MATURITY LADDER, row 1000
Date of submission	25/11/2019
Published as Final Q&A	11/09/2020
Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	C66: undrawn ECB open market operations backed with pre-positioned own issuances (retained CB or ABS) as "Undrawn committed facilities received".
Question	<p>In the specific case of own issued (Retained Covered Bonds or ABS) pre-positioned assets in collateral pools with the Central Bank.</p> <p>Can the amount of additional funding that could be obtained out of such pre-positioned assets be reported in the counterbalancing section of C66 template in the row 1000 as "Undrawn committed facilities received"?</p> <p>In particular, undrawn part of ECB open market operations backed but those assets.</p>
Background on the question	C66 Maturity ladder ITS (Section 3.6 and 3.7) sets that own issuances shall not be reported in the counterbalancing capacity. Same ITS in the section 3.8, describes the 3 types of "undrawn credit facilities" with reference in the of Regulation (EU) No 2015/61, art 14, 16 and 19. Under our analysis the undrawn part of ECB open market operations backed by pre-positioned retained own issuances does not fit in any of these 3

	<p>categories. In the Final draft ITS on Supervisory Reporting (EBA-ITS-2017-01), page 15: "The LCR approach has been taken for the treatment of assets prepositioned with the central bank, to clarify when the assets themselves shall be reported or rather the capacity of the facility." In the same document, page 94, the EBA analysis on the reporting of row 1000 states: "This row represents a total of the four rows below it. The first three contain a clear legal reference and the fourth can be considered as a residual."</p>
EBA answer	<p>In accordance with the instructions for completing row 1000 (under ID 3.8) and relevant sub-rows referred to in Annex XXIII to Regulation (EU) No 680/2014 (ITS on supervisory reporting) or completing the C 66.00 maturity ladder template referred to in Annex XXII of the same Regulation, undrawn committed facilities received may qualify as counterbalancing capacity for the reporting institution provided that:</p> <p>(1) the reporting institution has prepositioned assets as collateral that allows it to draw upon the facilities; and</p> <p>(2) the assets prepositioned as collateral have not already been reported by the reporting institution under rows 730 – 990 (under ID 3.1 to ID 3.7) of the C 66.00 maturity ladder template.</p> <p>According to the instructions on ID 3.6 Securities and securities flows from other tradable assets in the form of intragroup or own issuances shall not be reported in the counterbalancing capacity. Therefore, own issuances that have been retained do not qualify as assets to be reported under rows 730 – 990 (under ID 3.1 to ID 3.7). As such, undrawn committed facilities granted by central banks for which retained own issuances have been prepositioned as collateral may be eligible for being reported under row 1000 (under ID 3.8) and the relevant sub-lines of the C 66.00 maturity ladder template.</p>
Link	<p>https://eba.europa.eu/single-rule-book-qa/qna/view/publicId/2019_5012</p>

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