

<b>Question ID</b>	2019_5028
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 as amended by Regulation (EU) 2019/876 (CRR2)
<b>Topic</b>	Supervisory reporting - Liquidity (LCR, NSFR, AMM)
<b>Article</b>	415
<b>Paragraph</b>	3
<b>Subparagraph</b>	(b)
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
<b>Article/Paragraph</b>	ANNEX XXI, C71, Article 3
<b>Date of submission</b>	05/12/2019
<b>Published as Final Q&amp;A</b>	11/09/2020
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Credit institution
<b>Subject matter</b>	Treatment of Central Bank Overnight deposits in ALMM Template C71
<b>Question</b>	Should central bank fixed term overnight deposits be included within ALMM Template C71 Row 120 "ALL OTHER ITEMS USED AS COUNTERBALANCING CAPACITY"?
<b>Background on the question</b>	<p>The treatment of how central bank overnight deposits in template C66 is very clear. However, in template C71 instructions Article 3 states: "The counterbalancing capacity in C 71.00 shall be the same as that in C 66.01 with the qualification that the assets reported as counterbalancing capacity for the purposes of C 71.00 shall be unencumbered to be available for the institution to convert into cash on the reporting reference date." The issue in our opinion relates to the last sentence of this instruction. "....available for the institution to convert into cash on the reporting reference date." Is an overnight fixed term deposit placed with our central bank considered to be available to convert into cash on the reporting reference date? On this basis, should Central Bank Overnight deposits be included or excluded from this template? In contrast, we refer to the definition of counterbalancing capacity as per EBA "Guidelines on Liquidity Buffers &amp; Survival periods 09 Dec 09" of which the "liquidity</p>

	buffer” is a component which states: “In the case of compulsory minimum reserves, banks need to consider the time horizon over which the reserves may be available. For the shorter time horizon (i.e., at least one week) the entire O/N cash holdings at central banks, including reserves, can be included in the liquidity buffer.....”
<b>EBA answer</b>	<p>Paragraph 6 of the instructions for completing the concentration of counterbalancing capacity template (C 71.00) of Annex XX to Regulation (EU) No 680/2014 (ITS on supervisory reporting), states that concentrations of counterbalancing capacity with a central bank as issuer or counterparty shall not be reported in this template except for row 120. Central bank overnight deposits shall therefore be reported in template C 71.00, row 120 as part of all other items used as counterbalancing capacity.</p> <p>In view of the relevant criterion “withdrawable overnight at the latest” an overnight fixed term deposit at a central bank is part of counterbalancing capacity and shall be reported in template C 66.00, row 740 as withdrawable central bank reserves in accordance with instructions for completing the maturity ladder template (C 66.00) of Annex XXII.</p> <p>The paragraph 3 of the instructions for filling in C 71.00, which designates the item as unencumbered and available for the conversion into cash on the reporting reference date, is met, provided that an overnight deposit at the central bank is withdrawable (with the accrued interest) at the beginning of the first business day following the day on which the deposit was made.</p>
<b>Link</b>	<a href="https://eba.europa.eu/single-rule-book-qa/qna/view/publicId/2019_5028">https://eba.europa.eu/single-rule-book-qa/qna/view/publicId/2019_5028</a>