



## Single Rulebook Q&A

<b>Question ID</b>	2015_1800
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Supervisory reporting - Asset Encumbrance
<b>Article</b>	Article 99
<b>Paragraph</b>	-
<b>Subparagraph</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>	Title 1 Part 5
<b>Date of submission</b>	05/02/2015
<b>Published as Final Q&amp;A</b>	04/06/2021
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Other
<b>Subject matter</b>	Treatment of an asset entitled 'Rent Deposit'
<b>Question</b>	Should an asset of a 'rent deposit' held in the current assets of a company's balance sheet be treated as encumbered or unencumbered? If it is to be included as encumbered should the fair value of the encumbrance be the amount of the entire contract that the rental deposit secures?
<b>Background on the question</b>	The deposit is for the sum of £156,000.
<b>EBA answer</b>	

	The rental deposit should be treated as encumbered. The fair value of the encumbrance should be the amount of the entire contract that the rental deposit secures. The reason is that it is subject to an arrangement to secure rental property and cannot be easily withdrawn and used for future encumbrance.
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2015_1800">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2015_1800</a>

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