Commission Implementing Regulation (EU) 2016/313 of 1 March 2016 amending Implementing Regulation (EU) No 680/2014 with regard to additional monitoring metrics for liquidity reporting (Text with EEA relevance)

COMMISSION IMPLEMENTING REGULATION (EU) 2016/313

of 1 March 2016

amending Implementing Regulation (EU) No 680/2014 with regard to additional monitoring metrics for liquidity reporting

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012[(1)], and in particular the fourth subparagraph of Article 415(3) thereof,

Whereas:

(1) Chapter 7 of Commission Implementing Regulation (EU) No 680/2014[(2)] provides for liquidity reporting by credit institutions on an individual and a consolidated basis. In order to increase effective liquidity supervision, it is appropriate to require the reporting of additional liquidity monitoring metrics as referred to in Article 415(3)(b) of Regulation (EU) No 575/2013. This should provide a more complete overview of the liquidity position of an institution, proportionate to the nature, scale and complexity of an institution's activities

(2) The additional liquidity monitoring metrics to be reported should include: metrics based on the concentration of funding by counterparty and product type, as those metrics identify counterparties and instruments that are of such relevance that withdrawal of funds or declining market liquidity could trigger liquidity problems; metrics based on the concentration of the counterbalancing capacity by issuer or counterparty, as those metrics provide information about the reporting institutions' concentration by the 10 largest holdings of assets or liquidity lines granted to the institution; and metrics based on the prices for various lengths of funding and the rollover of funding, which represents information valuable over time as supervisors are made aware of changes in funding spreads, volumes and tenors.

(3) Reporting for additional liquidity monitoring metrics should be used by competent authorities as part of their supervisory review and evaluation process, as well as within colleges of supervisors and as an early warning tool for day-to-day supervision.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2016/313. (See end of Document for details)*

(4) The reporting of additional liquidity monitoring metrics should be aligned with the level of application and reporting for the liquidity coverage requirement in accordance with Articles 6 to 10 and Article 415(3)(a) of Regulation (EU) No 575/2013.

(5) In order to ensure proportionality, quarterly reporting should be allowed instead of monthly reporting, where an institution does not form part of a group with subsidiaries or parent institutions located in jurisdictions other than that of its competent authority and the balance sheet total of the institution represents only a small proportion of the sum of individual balance sheet totals of all institutions in the respective Member State and the institution has total assets which are not significant.

(6) Given the importance of the reporting of additional liquidity monitoring metrics for proper supervision and as an early warning tool for day-to-day supervision, this Regulation should be applied promptly. However, to facilitate the initial implementation of this Regulation by institutions and competent authorities, during the first six months of its application, the reporting remittance date relating to the monthly reporting of the additional liquidity monitoring metrics should be the 30th, instead of the 15th, calendar day after the reporting reference date.

(7) This Regulation is based on the draft implementing technical standards submitted by the European Banking Authority (EBA) to the Commission.

(8) EBA has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council[(3)].

(9) In accordance with the procedure set out in Article 15 of Regulation (EU) No 1093/2010, the Commission has endorsed with amendments the draft implementing standard submitted by EBA explaining the reasons for the amendments. EBA provided a formal opinion, accepting the proposed amendments with the exception of those relating to the reporting of liquid assets and expected cash outflows and inflows (‘the maturity ladder’), providing a number of reasons for its approach.

(10) The Commission has carefully assessed the reasons provided by EBA in favour of adopting reporting rules for the maturity ladder based on the provisional reporting approach in Regulation (EU) No 575/2013. That approach will, however, need to be amended in order to be fully aligned with the definitive approach set out in Commission Delegated Regulation (EU) 2015/61[(4)] which applies from 1 October 2015.

(11) The Commission fully recognises the importance of the maturity ladder as a supervisory instrument. However, the Commission considers that, currently, the supervisory benefits achieved by the mandatory reporting of a maturity ladder based on an outdated approach to reporting are disproportionate to the additional regulatory burden and duplication of compliance costs. EBA should seek to update the maturity ladder based on a reporting fully aligned with Delegated Regulation (EU) 2015/61 as soon as possible and submit to the Commission for adoption. In the interim and pending the future adoption of mandatory reporting for the maturity ladder, where necessary and justified,

supervisors may seek additional reporting not provided for by this Implementing Regulation, including under Article 412(5) of Regulation (EU) No 575/2013.

(12) Implementing Regulation (EU) No 680/2014 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Implementing Regulation (EU) No 680/2014 is amended as follows:

1. in Article 1, the following point (g) is added:

(g) additional liquidity monitoring metrics according to Article 415(3)(b) of Regulation (EU) No 575/2013.;

2. the following Chapter 7b is inserted:

CHAPTER 7b

FORMAT AND FREQUENCY OF REPORTING ON ADDITIONAL LIQUIDITY MONITORING METRICS ON AN INDIVIDUAL AND A CONSOLIDATED BASIS

Article 16b

1 In order to report information on additional liquidity monitoring metrics in accordance with Article 415(3)(b) of Regulation (EU) No 575/2013 on an individual and a consolidated basis, institutions shall submit all of the following information with a monthly frequency:

a the information specified in Annex XVIII in accordance with the instructions in Annex XIX;

b the information specified in Annex XX in accordance with the instructions in Annex XXI.

2 By way of derogation from paragraph 1, an institution may report the information on additional liquidity monitoring metrics with a quarterly frequency where all of the following conditions are met:

a the institution does not form part of a group with subsidiaries or parent institutions located in jurisdictions other than that of its competent authority;

b the ratio of the individual balance sheet total of the institution to the sum of individual balance sheet totals of all institutions in the respective Member State is below 1 % for two consecutive years preceding the year of reporting;

c the institution has total assets, calculated in accordance with Council Directive 86/635/EEC[(5)], of less than EUR 30 billion.

For the purposes of point (b), balance sheet total figures for calculating the ratio shall be based on year-end audited figures for the year before the year preceding the reporting reference date.

3 For the purposes of the obligations set out in paragraphs 1 and 2, the first month for which information on additional liquidity monitoring metrics is to be reported shall be April 2016.;

3. in Article 18, the following sixth paragraph is added:

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2016/313. (See end of Document for details)*

By way of derogation from Article 3(1)(a), for the months from April 2016 to October 2016 inclusive, the reporting remittance date relating to the monthly reporting of the additional liquidity monitoring metrics shall be the thirtieth calendar day after the reporting reference date.;

4. Annexes XVIII to XXI are added in accordance with the text set out in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 1 March 2016.

For the Commission

The President

Jean-Claude JUNCKER

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2016/313. (See end of Document for details)*

ANNEX

ANNEX XVIII

ADDITIONAL LIQUIDITY MONITORING METRICS UNDER ARTICLE 415(3)(b) OF REGULATION (EU) No 575/2013

ALMM TEMPLATES		
Template number	Template code	Name of the template/group of templates
ADDITIONAL MONITORING TOOLS TEMPLATES		
67	C 67.00	CONCENTRATION OF FUNDING BY COUNTERPARTY
68	C 68.00	CONCENTRATION OF FUNDING BY PRODUCT TYPE
69	C 69.00	PRICES FOR VARIOUS LENGTHS OF FUNDING
70	C 70.00	ROLL-OVER OF FUNDING

C 67.00 — CONCENTRATION OF FUNDING BY COUNTERPARTY

z-axisTotal and significant currencies

Concentration of funding by counterparty									
		Counterparty Name	LEI Code	Counterparty Sector	Residence of Counterparty	Product Type	Amount Received	Weighted average initial maturity	Weighted average residual maturity
Row	ID	**010**	**020**	**030**	**040**	**050**	**060**	**070**	**080**
010	**1. TEN COUNTERPARTIES EACH GREATER THAN 1 % OF TOTAL LIABILITIES**	**TOP**							
020	1,01								
030	1,02								
040	1,03								