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EBA Regular Use

Final Report

Draft implementing technical standards

on disclosure and reporting on MREL and TLAC

Contents

1. Executive summary

Regulation (EU) 2019/876 (the revised Capital Requirements Regulation – CRR2) and Directive (EU) 2019/879 (the revised Bank Recovery and Resolution Directive – BRRD2) implement the Financial Stability Board (FSB) total loss-absorbing capacity (TLAC) standard in the EU and amend the minimum requirement for own funds and eligible liabilities (MREL) that has been in force since 2014. MREL and TLAC (the latter being formally known as 'the G-SII (global systemically important institution) requirement for own funds and eligible liabilities') must be met at all times. To enable markets and authorities to scrutinise compliance with both requirements, CRR2 and BRRD2 also include Pillar 3 disclosure requirements and supervisory reporting requirements on TLAC and MREL respectively, and mandate the EBA to develop draft implementing technical standards (ITS) on those requirements.

Following the mandates in CRR2 and BRRD2, the EBA has prepared these draft ITS on supervisory reporting on and public disclosure of TLAC and MREL. The draft ITS include templates and tables implementing the TLAC/MREL Pillar 3 disclosure requirements and the supervisory reporting requirements.

This is the first time that the EBA has developed TLAC and MREL reporting and disclosure requirements, expanding the scope of the existing Pillar 3 and supervisory reporting frameworks in the EU. The approach followed sought to maximise efficiency for institutions when complying with their disclosure and reporting obligations and to facilitate the use of information by authorities and market participants. For these purposes:

- MREL and TLAC are presented in an integrated manner, both in the reporting and disclosure templates;
- reporting and disclosure requirements are enshrined in a single ITS;
- quantitative information that has to be disclosed is integrated with supervisory reporting data, and a mapping table linking the two is provided.

The approach followed also seeks to maximise the consistency and comparability of disclosures, in order to reinforce the Pillar 3 objective of market discipline, with common templates and definitions developed in alignment with the relevant Basel Committee on Banking Supervision (BCBS) Pillar 3 standards.[1]

Next steps

The draft ITS will be submitted to the Commission for endorsement.

[1] https://www.bis.org/bcbs/publ/d400.pdf

The provisions of these ITS on disclosures on TLAC are to apply immediately after their adoption by the European Commission and entry into force. In contrast, the provisions on disclosures on MREL will apply from the date of expiration of the relevant transition periods pursuant to Article 45m of Directive 2014/59/EU, i.e. from 1 January 2024 or, where the resolution authority has set a compliance deadline after 1 January 2024, from that compliance deadline.

The first reference date for reporting in accordance with these technical standards is expected to be 30 June 2021, for reporting on both MREL and the TLAC requirement. The expected implementation period for the proposed reporting requirements is 9 months to 1 year.

With regard to the reporting requirements, the EBA will also develop a data point model, an XBRL taxonomy and validation rules based on the final draft ITS, which will be published in the third quarter of 2020.

2. Background and rationale

1. The new banking package, and in particular Regulation (EU) 2019/876 (CRR2) amending Regulation (EU) No 575/2013 (the CRR) and Directive (EU) 2019/879 (BRRD2) amending Directive 2014/59/EU (the BRRD), implements the TLAC standard in the EU and amends the MREL requirement that has been in force since 2014. TLAC, formally 'the G-SII requirement for own funds and eligible liabilities', applies only to G-SIIs[2], while MREL applies to the broader population of institutions (G-SIIs and non-G-SIIS). For G-SIIs, MREL is composed of the TLAC requirement and, where appropriate, an institution-specific MREL add-on (Article 45d BRRD).

2. Institutions have a responsibility to ensure that MREL and TLAC are met 'at all times'.[3] To support that outcome, quality information is necessary to facilitate market pricing and discipline and to enable monitoring and enforcement by supervisory and resolution authorities.

3. In this spirit, both CRR2 and BRRD2 include disclosure and reporting requirements, on TLAC and MREL respectively, and they mandate the EBA to develop draft ITS in order to implement these requirements.

4. The consultation paper presented proposals implementing the disclosure and reporting requirements on both MREL and TLAC in accordance with the mandates included in CRR2 and BRRD2, and proposals on two reporting templates covering forecast MREL and TLAC positions and funding structures. The latter are not part of these final draft ITS.

2.1 Disclosure and reporting requirements on TLAC/MREL

5. Entities are required to report and disclose their MREL/TLAC capacity under various provisions of the new banking package.

2.1.1 Disclosure

6. Article 437a CRR requires institutions subject to TLAC and internal TLAC to disclose:

- the composition of their own funds and eligible liabilities, their maturities and their main features;
- the ranking of eligible liabilities in the creditor hierarchy;
- the total amount of each issuance of eligible liabilities instruments that is subordinated and senior;

[2] Including entities that are part of a G-SII and material subsidiaries of non-EU G-SIIs.

[3] Article 92a(1) CRR, Article 45(1) BRRD.

- the total amount of excluded liabilities referred to in Article 72a(2) CRR.

7. For MREL, Article 45i(3) BRRD requires institutions to disclose the amount of own funds and eligible liabilities, their composition including maturity profile and ranking in insolvency, and the MREL requirement applicable to the institution.

2.1.2 Reporting

8. Point (b) of Article 430(1) CRR requires institutions to report to their competent authorities on 'requirements laid down in Articles 92a and 92b' (i.e. TLAC and internal TLAC requirements) without further specification of details.

9. Article 45i(1) of the BRRD requires institutions to report on MREL and internal MREL, covering:

- the amount of own funds and eligible liabilities counting towards the requirement;
- the amount of 'other bail-inable liabilities';
- for the above, their composition, including maturity profile, their ranking in insolvency proceedings and whether they are governed by third-country law and, if so, which third-country law and whether they contain bail-in recognition clauses pursuant to Article 55 of the BRRD.

10. Institutions for which the resolution plan provides that they would be wound up under normal insolvency proceedings are exempted from the reporting and disclosure requirements set out in the BRRD.

2.2 The disclosure and reporting mandates in CRR2 and BRRD2

11. In line with the substantial requirements, the corresponding EBA mandates on disclosure and reporting are also enshrined in separate provisions, but with extensive similarities:

- TLAC disclosure (Article 434a CRR): the EBA shall specify uniform disclosure formats and associated instructions.
- MREL disclosure (Article 45i(6) BRRD): the EBA is mandated to specify uniform disclosure formats, frequency and associated instructions.
- TLAC reporting (Article 430(7) CRR): the EBA is mandated to specify the uniform reporting templates, the instructions and methodology on how to use the templates, the frequency and dates of reporting, the definitions and the IT solutions.
- MREL reporting (Article 45i(5) BRRD): the EBA is asked to specify uniform reporting templates, instructions and methodology on how to use the templates, frequency and dates of reporting, definitions and IT solutions. The BRRD additionally mandates the EBA to specify 'a standardised

way of providing information on the ranking of items … applicable in national insolvency proceedings in each Member State'.

12. Three elements of consistency are strongly emphasised by the mandates:

- Consistency with international standards for TLAC disclosure (Article 434a CRR): specifically, the EBA should seek maximum consistency with the Pillar 3 disclosure standards published in March 2017 by the BCBS.[4] This does not rule out making adjustments to reflect specificities of the EU legal framework, but the overall format of the BCBS standards should be followed.

- Alignment of reporting standards on MREL and TLAC (Article 45i(5) BRRD): for institutions subject to TLAC/internal TLAC, the ITS on reporting of MREL shall be aligned with the ITS on reporting of TLAC.

- Alignment of disclosure standards on MREL and TLAC (Article 45i(6) BRRD): for institutions subject to TLAC/internal TLAC, the ITS on disclosure of MREL shall be aligned with the ITS on TLAC disclosure.

2.3 The overall approach to the design of the templates

2.3.1 Integration of MREL and TLAC in the reporting and disclosure templates

13. These final draft ITS envisage that the TLAC and MREL requirements will be implemented by a common set of templates, albeit with the information presented in separate columns. There are several arguments that support this approach:

- TLAC and MREL are both sources of loss-absorbing capacity on the basis of which resolution authorities will exercise resolution action.

- The two requirements are inextricably linked, which is clear from the fact that MREL for G-SIIs is a combination of the TLAC requirement and, where applicable, an MREL add-on (Article 45d of the BRRD).

- The EBA mandates explicitly require alignment, in the case of G-SIIs, between the TLAC and MREL reporting standards and between the TLAC and MREL disclosure standards.

- In terms of substance, MREL and TLAC rely on the same core of own funds and eligible liabilities, even though there are some elements specific to each requirement, with the eligibility of structured notes for meeting MREL and the deduction regime applicable in relation to TLAC being the most prominent differences.

14. Nevertheless, the framework acknowledges the differences between the two requirements in terms of eligibility, calibration and scope of entities. For this reason, additive integration – with

[4] Pillar 3 disclosure requirements – consolidated and enhanced framework (https://www.bis.org/bcbs/publ/d400.pdf).

MREL-related items shown 'on top' of TLAC-related ones – cannot be achieved. Instead, comparable items of MREL and TLAC are shown next to each other, with their respective specificities.

15. The integrated approach to MREL and TLAC ensures that disclosure and reporting templates are consistent for the two types of requirements when relevant. It also ensures that G-SIIs will not have to produce separate disclosure and reporting templates for MREL and TLAC positions that are largely overlapping. Finally, it also ensures consistent templates for G-SIIs and non-G-SIIS, facilitating comparison among different institutions by the authorities in the case of reporting and by market participants in the case of disclosures.

2.3.2 Integration between reporting and disclosure requirements, enshrined in a single ITS

16. The consultation paper proposes a single comprehensive ITS implementing both disclosure and reporting requirements, taking into account the following considerations:

- Institutions have to implement both the disclosure and the reporting requirements included in the ITS on the basis of their resolution group, and not based on their prudential scope of consolidation, which sets these requirements apart from the majority of the other requirements included in the EBA disclosure and reporting frameworks. A framework that did not integrate disclosure and reporting would therefore be likely to increase the burden of compliance for institutions even further.

- In the case of TLAC disclosure requirements, the EBA is mandated to develop them in alignment with the relevant international standards. Given that there is some common information on TLAC/MREL that institutions are required to both report and disclose, not only the disclosure templates but also the reporting templates have been developed in alignment with the Basel III Pillar 3 TLAC disclosure templates, published by the BCBS in March 2017.[5] They have been adjusted when necessary to reflect the specificities of the EU framework for TLAC and MREL. Covering the requirements in one single set of standards will facilitate maintenance of the requirements in the future and ensure in particular that the level of alignment with international standards achieved in this proposal is maintained in the event of future changes.

- Finally, and in line with the EBA's strategies for disclosure and reporting, consistency and integration between the disclosure and the reporting frameworks has been sought to the extent possible. A mapping table is provided not as part of the ITS but as an accompanying document for information purposes.

17. The implementation of the new TLAC/MREL disclosure and reporting frameworks in a single ITS, and the enhanced consistency between reporting and disclosure templates, together with the standardisation of formats and definitions, should facilitate compliance with both requirements by institutions. Furthermore, the integration of disclosures with supervisory reporting will contribute

[5] Pillar 3 disclosure requirements – consolidated and enhanced framework (https://www.bis.org/bcbs/publ/d400.pdf).

to ensuring the quality and comparability of the disclosed information and will further promote market discipline.

2.3.3 Links with the ITS on resolution planning reporting

18. As part of the development process, the option to fulfil the TLAC/MREL reporting mandates on the basis of the existing liabilities structure (LIAB) template of the ITS on resolution planning reporting was investigated. However, several obstacles to successful integration were identified, relating to differences in the purposes and natures of the reporting requirements, differences in their scope and level of application, and differences and incompatibilities in terms of content and some of the terminology used.

19. For example, the LIAB template focuses on the composition of the balance sheet, similarly to FINREP, and in particular the availability of liabilities for a bail-in. LIAB is reported either at individual level or at consolidated level (prudential and resolution group). However, LIAB does not consider all the eligibility criteria defined in the MREL and TLAC frameworks. For example, it does not differentiate between counterparties within and those outside the resolution group and cannot sufficiently account for the hybrid approach combining own funds at consolidated level, liabilities at the point of entry and liabilities at subsidiary level under the very specific conditions that are particular to the MREL/TLAC framework. Therefore, at this stage the LIAB template is not suited to presenting regulatory aggregates as, for example, COREP does for own funds.

20. Nevertheless, the EBA has sought to ensure consistency and to take advantage of synergies. In particular, this framework draws on the liability breakdown found in the existing LIAB template, narrowed down and adjusted to provide deeper insights into the structure of eligible liabilities in terms of instruments and funding.

2.4 The proposed disclosure and reporting requirements

2.4.1 Overview

21. Tables 1 and 2 provide an overview of the proposed reporting and disclosure templates, including the frequencies and levels of reporting and disclosure.

22. Entities whose resolution plan provides that the entity is to be wound up under normal insolvency proceedings are not subject to any disclosure or reporting obligations in accordance with the proposed standards.

Table 1.: The disclosure requirements, frequencies of disclosures and levels of application

		Resolution entity		**Entity that is not a resolution entity**	
Topic and template		G-SII/entity being part of a G-SII	Other entities	Material subsidiary of a non-EU G-SII	Other entities
Key metrics (amounts)	KM2	▪ Quarterly ▪ Conso (if group) or ind (if no group)	▪ Semi-annual ▪ Conso (if group) or ind (if no group)		
Composition	TLAC1	▪ Semi-annual ▪ Conso (if group) or ind (if no group)	▪ Annual ▪ Conso (if group) or ind (if no group)		
	ILAC			▪ Quarterly ▪ Conso (if group) or ind (if no group)	▪ Semi-annual
Creditor ranking	TLAC2			▪ Semi-annual ▪ Ind	▪ Annual ▪ Ind
	TLAC3	▪ Semi-annual ▪ Ind	▪ Annual ▪ Ind		
Main features of ind issuances	CCA	▪ Semi-annual ▪ Conso (if group) or ind (if no group)		▪ Semi-annual (large), annual (other) or not at all (SNC) ▪ Conso (if group) or ind (if no group)	

Note: conso = consolidated, ind = individual, SNC = small and non-complex

Table 2.: The reporting requirements, frequency of reporting and level of application

Topic and template		Resolution entity		Entity that is not a resolution entity	
		G-SII/entity being part of a G-SII	Other entities	Material subsidiary of a non-EU G-SII	Other entities
Key metrics (amounts)	KM2	▪ Quarterly ▪ Conso (if group) or ind (if no group)	▪ Quarterly		
Composition	TLAC1	▪ Quarterly ▪ Conso (if group) or ind (if no group)	▪ Quarterly		
	ILAC			▪ Quarterly ▪ Conso (if group) or ind (if no group)	▪ Quarterly ▪ Conso or ind, depending on requirements
	LIAB MREL	▪ Quarterly ▪ Conso (if group) or ind (if no group)	▪ Quarterly	▪ Quarterly ▪ Conso (if group) or ind (if no group)	▪ Quarterly ▪ Conso or ind, depending on requirements
Creditor ranking	TLAC2			▪ Quarterly ▪ Ind	▪ Quarterly ▪ Ind
	TLAC3	▪ Quarterly ▪ Ind	▪ Quarterly ▪ Ind		
Contract-specific information	MTCI	▪ Quarterly ▪ Conso (if group) or ind (if no group)	▪ Quarterly	▪ Quarterly ▪ Conso (if group) or ind (if no group)	▪ Quarterly ▪ Conso or ind, depending on requirements

Note: Conso = consolidated, ind = individual

2.4.2 The proposed disclosure templates and tables in accordance with CRR2 and BRRD2

Template EU KM2: Key metrics – MREL and, where applicable, G-SII requirement for own funds and eligible liabilities

23. This template provides summary information about institutions' loss-absorbing capacity available in case of resolution and about TLAC/MREL requirements. It covers the disclosures required by point (h) of Article 447 CRR and points (a) and (c) of Article 45i(3) BRRD. It has to be disclosed by resolution entities on the basis of the consolidated situation of their resolution group or on the basis of the situation of the resolution entity itself where that resolution entity does not have any subsidiaries (a standalone entity). The part on TLAC is applicable only to resolution entities that are G-SIIs or parts of G-SIIs.

24. The template has been developed in alignment with the relevant BCBS standard, template KM2, with some adjustments in order to cater for EU specificities and an additional column for MREL information.

25. Template KM2 in the BCBS standard has special rows to reflect the own funds amounts on an International Financial Reporting Standard 9 (IFRS 9) fully loaded basis at resolution group level. The EBA Guidelines on disclosure of IFRS 9 transitional arrangements (EBA/GL/2018/01) require the disclosure of this information in the EU at the level of the prudential scope of consolidation. The instructions for KM2 as presented in the consultation paper require institutions to explain in the narrative accompanying the template any material difference between the own funds amounts disclosed in the template and the IFRS 9 fully loaded amount at resolution group level. Institutions are also asked to explain any material difference between the IFRS 9 fully loaded amount at resolution group level and the IFRS 9 fully loaded amount at prudential group level. Following the feedback received during the public consultation, this approach has been retained, bearing in mind that this information will cease to be relevant once the IFRS 9 transition period is over (end-2024).

Template EU TLAC1: Composition – MREL and, where applicable, the G-SII requirement for own funds and eligible liabilities

26. This template provides granular information on the composition of MREL and TLAC, including a breakdown of the aggregate information included in KM2 into more granular rows. It covers the disclosures required by points (a) and (c) of Article 437a CRR and some elements of the disclosure required by point (b) of Article 45i(3) BRRD. Following the public consultation, an additional row on the total amount of excluded liabilities has been added to address point (d) of Article 437a CRR, which was not reflected at all in the original proposed ITS. Template TLAC1 has to be disclosed by resolution entities on the basis of the consolidated situation of their resolution group or on the basis of the situation of the resolution entity itself where that resolution entity is a standalone entity. The part on TLAC and the row on excluded liabilities are applicable only to resolution entities that are G-SIIs or parts of G-SIIs.

27. This template has been designed in alignment with the 'TLAC1 Composition' template of the BCBS Pillar 3 standard, with two additional columns, one for information on MREL and another one to include information (memo items) on the amounts eligible for the purpose of MREL, but not TLAC.

Template EU ILAC: Internal loss-absorbing capacity – internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs

28. Since template EU TLAC1 is designed for the disclosure of external TLAC/MREL, a variant ILAC template has been developed to reflect specific eligibility conditions for internal TLAC and internal MREL. This template covers the disclosure requirements on key metrics and on the internal loss-absorbing capacity by entities that are not themselves resolution entities, following points (a) and (c) of Article 437a CRR and point (h) of Article 447 CRR, and Article 45i(3) of BRRD. Following the public consultation, an additional row on the total amount of excluded liabilities has been added to address point (d) of Article 437a CRR, which was not reflected at all in the original proposed ITS. Entities that are not themselves resolution entities will not have to disclose either KM2 or TLAC1, but only ILAC.

29. This template is EU specific; there is no equivalent template in the BCBS Pillar 3 standards. The addition is justified by the fact that BRRD2 reporting and disclosure requirements apply not only at the level of resolution entities but also to other entities provided they are not to be wound up under normal insolvency proceedings.

30. Following the public consultation, a row on adjustments was added to the template, to account for deductions or equivalents, required in accordance with the method set out in the RTS referred to in Article 45f(6) BRRD, the draft of which is currently under consultation[6].

Templates on creditor ranking: EU TLAC2: Creditor ranking – entity that is not a resolution entity; EU TLAC3: creditor ranking – resolution entity

31. These templates provide information on the insolvency ranking and on the creditors' ranking in the liabilities structure, showing the distribution of liabilities across the hierarchy of claims, from own funds to the highest ranking eligible liabilities instruments. This information, when disclosed, should help investors to understand their potential loss in case of default of the entity and, when reported, should support the assessment of potential constraints related to the 'no creditor worse off' principle.

32. Both templates have been developed in alignment with the templates TLAC2 and TLAC3 of the BCBS Pillar 3 standard.

[6] Consultation paper on draft RTS on indirect subscription of MREL instruments within groups (EBA/CP/2020/18), see https://eba.europa.eu/calendar/eba-consults-technical-standards-indirect-subscription-mrel-instruments-within-groups

33. Template EU TLAC2 is applicable to entities that are not themselves resolution entities, following Articles 437a(b) CRR (for material subsidiaries of non-EU G-SIIs) and point (b) of Article 45i(3) BRRD (for entities that are not themselves resolution entities).

34. Template EU TLAC3 is applicable to resolution entities, following Articles 437a(b) CRR (for resolution entities that are G-SIIs or parts of G-SIIs) and Article 45i(3)(b) BRRD (for resolution entities other than G-SIIs).

35. Following the public consultation, two versions each of templates TLAC2 and TLAC3 were created to account for differences between the disclosure mandates of Article 437a CRR and Article 45i(3) BRRD. The two versions differ in terms of the liabilities disclosed in these templates. Version a is the original template offered for public consultation and captures own funds and any liabilities ranking *pari passu* with or lower than eligible liabilities. This version is fully aligned with the corresponding template of the BCBS disclosure standard and has to be disclosed by G-SIIs. Version b captures only own funds and eligible liabilities (i.e. does not capture any excluded liability or any not eligible but bail-inable liability). Entities that are not G-SIIs can choose to base their disclosure on either version a or version b of the template.

Main features of individual issuances (TLAC disclosure only)

36. The BCBS Pillar 3 standards include a 'CCA main features' template that collects key information about individual capital instruments issued by an entity. The CCA template was already applicable to own funds and has been extended by the BCBS to cover TLAC eligible liabilities instruments. The template informs authorities and markets about the characteristics of eligible liabilities through information such as the amount of each issuance, maturity, regulatory treatment, insolvency ranking, call options, write down and conversion, etc.

37. Table EU CCA has been developed in alignment with the abovementioned BCBS standard, and in application of Article 437a(a) CRR. It will have to be disclosed only by entities subject to the TLAC framework, i.e. subject to the obligation to comply with the requirements of Article 92a or 92b CRR, and will not have to be reported. The same template has to be disclosed by institutions to provide information on the main features of their own funds instruments, following Article 437 CRR, and is part of the final draft ITS on institutions' public disclosures (EBA/ITS/2020/04) which was published and submitted to the Commission in June 2020.[7] Table EU CCA is to be disclosed in relation to all eligible liabilities instruments, including eligible liabilities instruments that are not subordinated to excluded liabilities, provided they are fungible, negotiable financial instruments, to the exclusion of loans and deposits.

[7] https://eba.europa.eu/regulation-and-policy/transparency-and-pillar-3/its-of-institutions-public-disclosures-of-the-information-referred-to-in-titles-ii-and-iii-of-part-eight-of-regulation-eu-no-575-2013

2.4.4 The proposed reporting requirements in accordance with CRR2 and BRRD2

38. The reporting templates are essentially consistent with the disclosure templates, with some adjustments to take into account competent and resolution authorities' data needs for monitoring compliance with the MREL/TLAC requirements.

Key metrics for MREL and TLAC: KM2 (resolution entities)

39. This template contains the key information needed to monitor the MREL and TLAC positions of resolution entities and is broadly identical to the KM2 disclosure template described in the previous section.

40. Compared with the disclosure template, the reporting version covers additionally:

- the aggregate amount of own funds and eligible liabilities governed by third-country law, and of that the amount containing a write down and conversion clause pursuant to Article 55 BRRD. This, in combination with the MTCI template (see below) provides competent and resolution authorities with insights into the significance of potential impediments to resolution stemming from the application of third-country law;

- the aggregate amount of other-bail-inable liabilities, as required pursuant to point (b) of Article 45i(1) BRRD, i.e. those liabilities that are not included in MREL but are not exempted from bail-in either. Following the public consultation, a breakdown of those liabilities by maturity bucket has been added to reflect the mandate of point (c)(i) of Article 45i(1) BRRD, which had been unaddressed before.

41. The reporting version does not include information on the level of the MREL requirement.

MREL and TLAC capacity and composition: TLAC1 (resolution entities)

42. Like its sister template in disclosure, this template breaks down the aggregate information on own funds and eligible liabilities included in KM2 into more granular items. This is to enable competent and resolution authorities to understand the composition of own funds and eligible liabilities in terms of eligibility and subordination in more detail and monitor the application of the cap for the recognition of non-subordinated liabilities for TLAC purposes and the amount of deducted items.

43. Compared with its sister template in disclosure, the reporting version includes additional memorandum items on entities' investments in eligible liabilities, which are to be reported by both G-SIIs and other entities, to understand the overall significance of intra-sectoral holdings of eligible liabilities. A row on excluded liabilities was added to the reporting template after consultation to mirror the addition of the same item to the disclosure template.

Internal MREL and internal TLAC: ILAC (entities other than resolution entities)

44. This template captures the key information needed to monitor the MREL and TLAC positions of entities in a resolution group that are not resolution entities themselves. It follows the structure of KM2, but reflects the particularities of the internal MREL/TLAC frameworks, such as the additional criteria for the eligibility of own funds and the possible recognition of guarantees as internal MREL.

45. Following the public consultation, two items were added to the template. First, a row accommodating deductions (or equivalents), required in accordance with the method set out in the RTS referred to in Article 45f(6) BRRD was added, corresponding to that added to the disclosure template. Second, a memorandum item on the collateralisation of guarantees permitted to qualify as internal MREL was added, to facilitate the monitoring of the compliance of such guarantees with the minimum collateralisation requirement specified in point (c) of Article 45f (5) BRRD.

46. The items reflecting the level of the internal MREL and TLAC requirements were removed after consultation.

Funding structure of eligible liabilities: LIAB MREL (all entities)

47. The LIAB MREL template presents a breakdown of eligible liabilities by instrument and thus provides insights into the funding structure of eligible liabilities.

48. The information included in this template also bridges the gap between the ITS on resolution planning reporting and these ITS. While the LIAB template of the ITS on resolution planning reporting serves as a basis for resolution authorities to understand the level of resolvability of an institution and the overall quality and quantity of liabilities potentially available for bail-in, these ITS facilitate the monitoring of MREL/TLAC eligible liabilities in terms of funding mix. The instrument breakdown included in the LIAB MREL template mirrors that in the LIAB template of the ITS on resolution planning reporting but covers only eligible liabilities.

Creditor ranking: TLAC2 (entities other than resolution entities)/TLAC3 (resolution entities)

49. These templates are different in terms of presentation from the corresponding disclosure templates for technical reasons and reasons of reporting technique, but they are in principle fully aligned in terms of content. There will be a temporary misalignment until disclosure requirements for MREL enter into force: until then, G-SIIs will disclose liabilities potentially eligible for meeting TLAC while all institutions will report liabilities potentially eligible for meeting MREL. Once the MREL disclosure requirement applies, all institutions will report and disclose liabilities potentially eligible for meeting MREL.

50. Following the public consultation, a provision has been introduced to differentiate the scope of liabilities to be reported in this template, similarly to the differentiation made in the disclosure templates: G-SIIs are required to report own funds and any liabilities ranking *pari passu* with or

lower than eligible liabilities; entities other than G-SIIs may choose to report the same scope of instruments, or only own funds, eligible liabilities and other bail-inable liabilities.

Instruments governed by third-country law: MTCI (all entities)

51. BRRD2 requires institutions to report whether own funds, eligible liabilities and other bail-inable liabilities are governed by third-country law and contain contractual write down and conversion clauses pursuant to Article 55 BRRD, Article 52 CRR and Article 63 CRR.

52. In order to address this element of the mandate, the MTCI template has been created to present information on own funds and eligible liabilities instruments that are governed by third-country law. The information reported will support the monitoring of bail-in effectiveness, or potential obstacles thereto, by competent and resolution authorities.

53. This new template borrows a limited number of items included in the 'main features' template (CCA) of the disclosure framework, such as items related to the identification of the contract, the regulatory treatment of the instrument in question, the governing law and whether the required bail-in clause is included.

54. Unlike the CCA template, this template covers only instruments governed by third-country law. As in the CCA template, eligible liabilities that are not subordinated to excluded liabilities are to be reported only to the extent they are fungible, negotiable financial instruments, to eliminate the need to report contract-specific information on loans and deposits.

55. In order to ensure that competent and resolution authorities are nevertheless aware of the overall volume of instruments governed by third-country law and their significance for the entity in question, the aggregate amount pertaining to instruments of this nature is reported in the reporting version of the key metrics template. For the same reasons, institutions are asked to report information on other bail-inable liabilities governed by third-country law only on an aggregate basis as part of that template.

The forecast templates (all entities)

56. The consultation paper included two additional templates, which have a forward-looking character:

- one template that describes the expected evolution in funding of instruments eligible for MREL over 3 years, taking into consideration inflows, for example through the issuance of new MREL-eligible instruments or reclassification of amortised Tier 2 as eligible liabilities, as well as outflows, such as outflows resulting from instruments ceasing to be eligible considering the maturity criterion or redemptions;

- one template capturing the forecast of the expected MREL position of the entity vis à vis its requirement over 3 years, taking into consideration rolling maturities, caps on senior debt and deductions.

57. As mentioned in the consultation paper, those two templates are not part of these final draft ITS, and they are therefore not included in this final report.

2.5 Frequency

58. In relation to reporting, Article 430 CRR does not specify any minimum requirements or limits as regards the frequency of reporting on TLAC.

59. In contrast, Article 45i(2) BRRD specifies minimum frequencies for reporting on MREL with an option for resolution or competent authorities to request more frequent reporting. In addition, Article 45i(5) BRRD mandates the EBA to set frequencies, which have to respect those minima.

60. Both the mandates included in the BRRD and those included in the CRR specifically empower the EBA to define frequencies, respecting the boundaries of the Level 1 text.

61. On this basis, and in order to align the practical aspects of reporting (i.e. frequency, reference dates and submission deadlines) across supervisory reporting and MREL/TLAC reporting, all institutions in the scope of the ITS are required to report all templates on a quarterly basis.

62. In relation to disclosure:

- Article 433a CRR requires 'large institutions subject to Article 92a or 92b' to disclose information on TLAC on a semi-annual basis, except for the key metrics, which are to be disclosed on a quarterly basis. Articles 433a and 433b CRR go on to set out less stringent frequencies for 'small institutions' and 'other institutions'.

- Article 45i(3) BRRD requires disclosures on MREL at least annually. As for MREL reporting, the EBA is mandated to specify frequency, respecting the minimum.

63. On this basis, the disclosure frequencies are as follows:

- TLAC disclosure: quarterly disclosure of key metrics and semi-annual disclosure of other templates by large institutions that are subject to Article 92a or 92b CRR; semi-annual disclosure of key metrics and annual disclosure of other templates by other institutions; and semi-annual disclosure of key metrics by small and non-complex institutions. All EU G-SIIs are de facto large institutions (point 146 of Article 4(1) CRR). However, material subsidiaries of non-EU G-SIIs might fall into one of the other two categories.

- MREL disclosure by G-SIIs: disclosure frequencies identical to TLAC disclosure. This is permissible because the BRRD sets only minimum frequencies and expressly calls for alignment with the ITS on TLAC.

- MREL disclosure by non-G-SIIs: semi-annual disclosure of key metrics and annual disclosure of other templates.

2.7 The standardised presentation of insolvency rankings

64. The reporting mandate included in Article 45i(5) BRRD requires the EBA to specify 'a standardised way of providing information on the ranking of items … applicable in national insolvency proceedings in each Member State'.

65. This mandate is related to an issue identified by the BCBS with regard to disclosures on TLAC: as there is no harmonised presentation of each national hierarchy, the BCBS standard recommends that each institution individually provide a description of each creditor class.

66. This is suboptimal, because it creates an unnecessary burden for reporting entities, as one and the same hierarchy has to be described by different entities individually. It also opens the door to divergent descriptions, which, among other issues, hinders structured and comparable reporting: no single class in a given country would be identified in a homogeneous manner. In the light of these issues, the Single Resolution Board (SRB), for example, has already published an insolvency ranking annex alongside its main liability data report framework, to give a consensual presentation of the hierarchy of claims in every participating Member State, which institutions are then required to refer to in their individual reports.

67. Of the proposed reporting templates, the TLAC2/TLAC3 and MTCI templates contain some information on the ranking of instruments, which is clearly required by the Level 1 text. The availability of standardised insolvency rankings for each and every Member State not only would facilitate and harmonise the reporting of information in those templates but also could support compliance with the corresponding disclosure obligations (TLAC2/TLAC3 and CCA).

68. The harmonised presentation does not have any impact on the national hierarchies themselves, i.e. it does not harmonise insolvency law.

69. It is important to ensure that the information included in the standardised rankings is always fully aligned with national insolvency hierarchies and updated in a timely manner when those hierarchies change. With this in mind, this proposal includes a harmonised format for the insolvency rankings to be prepared for each Member State. Resolution authorities are asked to compile the relevant information in that standardised format and make it available to entities subject to the BRRD under their jurisdiction and supervision. This approach provides the necessary flexibility to adapt to changes in national insolvency law without undue delay and enables resolution authorities to leverage on existing initiatives and practices.

3. Draft implementing technical standards

COMMISSION IMPLEMENTING REGULATION (EU) No …/... laying down implementing technical standards with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities

of XXX

(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[8] and in particular point (b) of subparagraph 4 of Article 430(7) and Article 434a thereof,

Having regard to Directive 2014/59/EU of 15 May 2014 of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council[9] and in particular Article 45i(5) and (6) thereof,

Whereas:

(1) On 9 November 2015, the Financial Stability Board published the Total Loss-Absorbing Capacity (TLAC) Term Sheet (the TLAC standard), which was endorsed by the G20 in November 2015. The objective of the TLAC standard is to ensure that global systemically important banks, referred to as global systemically important institutions (G-SIIs) in the Union framework, have the loss-absorbing and recapitalisation capacity necessary to help ensure that, during resolution and immediately after resolution action has been taken, those institutions can continue to perform critical functions without putting taxpayers' funds or financial stability at risk.

(2) The harmonised minimum level of the TLAC standard for G-SIIs (the TLAC minimum requirement) was introduced into Union legislation by Regulation (EU) 2019/876 of the European Parliament and of the Council[10] amending Regulation (EU) No 575/2013. The institution-specific add-on for G-SIIs and the institution-specific requirement for non-G-SIIs, referred to as the minimum requirement for own funds

[8] OJ L 176, 27.6.2013, p. 1.

[9] OJ L 173, 12.06.2014, p. 190.

[10] Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 (OJ L 150, 07.062019, p. 1).

and eligible liabilities (MREL), were established through targeted amendments to Directive 2014/59/EU of the European Parliament and of the Council.[11] Reporting and disclosure requirements for both TLAC and MREL are now included in Regulation (EU) No 575/2013 and Directive 2014/59/EU respectively.

(3) As the TLAC standard and the MREL are seen to pursue the same objective of ensuring that institutions and entities established in the Union have sufficient loss-absorbing and recapitalisation capacity, the two requirements are treated as complementary elements of a common framework. In line with this approach, this Regulation defines a set of templates for the reporting and public disclosure of harmonised information on the requirement for own funds and eligible liabilities for G-SIIs and material subsidiaries of non-EU G-SIIs (TLAC) and the institution-specific MREL applicable to all institutions.

(4) Article 434a of Regulation (EU) No 575/2013 requires that this Regulation seeks to maintain consistency between the disclosure formats established herein and international standards on disclosures; this is important in order to facilitate comparability of information. The Basel Committee on Banking Supervision (BCBS) published in December 2018 updated Pillar 3 disclosure requirements, including requirements on TLAC disclosures. These requirements, together with updates that had been published in January 2015 and March 2017 and with the revisions to the leverage ratio disclosure requirements published in June 2019, complete the BCBS revised Pillar 3 framework. The revised BCBS Pillar 3 framework reflects the Committee's December 2017 Basel III post-crisis regulatory reforms. Against this background, the disclosure formats and associated instructions set out in this Regulation are fully in line with the BCBS revised Pillar 3 framework on TLAC disclosures.

(5) To ensure that compliance costs for institutions are not unreasonably increased and that data quality is maintained, reporting and disclosure obligations should be aligned in their substance to the maximum extent possible with each other, including in terms of their frequency. Alignment of the technical standards is also explicitly required by Article 45i(5) and (6) of Directive 2014/59/EU. It is therefore appropriate to set out, in a single Regulation, standards applicable to both reporting and disclosure of TLAC and MREL. At the same time, the granularity and frequency of both reporting and disclosures should be adjusted as appropriate, having regard to the requirements set out in Regulation (EU) No 575/2013 and Directive 2014/59/EU and to the need to ensure that institutions meet their requirements at all times.

(6) Directive 2014/59/EU requires information on MREL requirements to be reported to both competent and resolution authorities. Regulation (EU) No 575/2013 requires information on TLAC to be reported to competent authorities only. However, pursuant to Article 45d of Directive 2014/59/EU the MREL requirement of a resolution entity that is a G-SII or part of a G-SII consists of the TLAC requirement and any additional add-on. It is therefore appropriate to ensure that resolution authorities obtain from G-SIIs information on TLAC as part of their MREL

[11] Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190).

reporting. This is without prejudice to arrangements concluded by competent and resolution authorities to minimise data flows.

(7) Article 45i(5) of Directive 2014/59/EU requires that a standardised way of providing information on the ranking of own funds and bail-inable liabilities upon national insolvency proceedings in each Member State is, for reasons of comparability and legal certainty, set out in this Regulation. In line with this requirement, the Regulation specifies that standardised information on insolvency hierarchies in each Member States should be made available, and updated in a timely manner, by the respective resolution authorities to institutions under their jurisdiction. This information should follow the standardised presentation of insolvency hierarchies set out in this Regulation.

(8) The obligation to report and disclose information on TLAC in accordance with point (b) of Article 430(1), Article 437a and point (h) of Article 447 CRR has applied since 28 June 2019. Consequently, once this Regulation has come into force, G-SIIs and material subsidiaries of non-EU G-SIIs should immediately disclose TLAC information in compliance with the templates and specifications set out in this Regulation. In contrast, reporting on the TLAC requirement in accordance with this Regulation shall start only from 28 June 2021, to provide institutions and competent authorities with sufficient time to implement the requirements included in this Regulation.

(9) In relation to MREL, the reporting obligations set out in Directive 2014/59/EU enter into force at the latest on 30 December 2020. However, for the same reasons as for TLAC, all institutions should report MREL information in compliance with the templates and specifications in this Regulation from 28 June 2021. In contrast, the entry into force of MREL disclosure obligations will coincide with the expiry of transition periods pursuant to Article 45m of Directive 2014/59/EU, i.e. on 1 January 2024 at the earliest.

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

(11) The 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.[12]

[12] Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2020, p. 12).

HAS ADOPTED THIS REGULATION:

TITLE I

SUPERVISORY REPORTING

CHAPTER 1

DEFINITIONS

Article 1

Definitions

'Own funds and eligible liabilities' shall refer to own funds and eligible liabilities in accordance with Article 72l CRR, where this Regulation refers to the requirements of Articles 92a or 92b of Regulation (EU) No 575/2013. It shall refer to own funds and eligible liabilities eligible for meeting the requirement of Article 45 BRRD in accordance with Articles 45 to 45i of Directive 2014/59/EU, where this Regulation refers to the requirements of Article 45 of that Directive.

CHAPTER 2

REPORTING REFERENCE AND REMITTANCE DATES

Article 2

Reporting reference dates

Entities subject to reporting requirements for TLAC and MREL on an individual or consolidated basis (reporting entities) shall submit information to competent authorities and resolution authorities as this information stands on the following reporting reference dates:

(a) quarterly reporting: 31 March, 30 June, 30 September and 31 December;

(b) semi-annual reporting: 30 June and 31 December;

(c) annual reporting: 31 December.

Article 3

Remittance dates

1. Reporting entities shall submit information to competent authorities and resolution authorities by close of business of the following remittance dates:

(a) quarterly reporting: 19 May, 18 August, 18 November and 18 February;

(b) semi-annual reporting: 18 August and 18 February;

(c) annual reporting: 18 February.

2. If the remittance day is a public holiday in the Member State of the competent authority or resolution authority to which the report is to be provided, or a Saturday or a Sunday, data shall be submitted on the following working day.

3. Reporting entities may submit unaudited figures. Where audited figures deviate from submitted unaudited figures, the revised, audited figures shall be submitted without undue delay. Unaudited figures shall mean figures that have not received an external auditor's opinion, whereas audited figures shall mean figures audited by an external auditor expressing an audit opinion.

4.Reporting entities shall submit any other corrections to competent authorities and resolution authorities without undue delay.

CHAPTER 3

FORMAT AND FREQUENCY OF REPORTING

Article 4

Format and frequency for reporting by resolution entities on an individual basis

1. Resolution entities without subsidiaries subject to the requirements referred to in Article 45 of Directive 2014/59/EU in accordance with Article 45e of that Directive shall submit to competent and resolution authorities information on an individual basis as follows:

(a) Information on key metrics as specified in column 0010 of template 1 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 1 of Part II of Annex II.

(b) Information on the composition of the total own funds and eligible liabilities as specified in column 0010 of template 2 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 2.1 of Part II of Annex II.

(c) Information on the funding structure of own funds and eligible liabilities as specified in template 4 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 2.3 of Part II of Annex II.

(d) Information on instruments governed by third-country law as specified in template 7 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 4 of Part II of Annex II.

2. Resolution entities shall submit to competent and resolution authorities information on the breakdown of the total own funds and liabilities by insolvency rank as specified in template 6 of Annex I on an individual basis with a quarterly frequency in accordance with the instructions in point 3.2 of Part II of Annex II.

3. In addition to the information referred to in paragraphs 1 and 2, resolution entities subject to the requirement set out in Article 92a of Regulation (EU) No 575/2013 on an individual basis in accordance with Article 6(1a) of Regulation (EU) No 575/2013 shall submit to resolution and competent authorities information on an individual basis as follows:

(a) Information on key metrics as specified in column 0020 of template 1 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 1 of Part II of Annex II.

(b) Information on the composition of the own funds and eligible liabilities as specified in column 0020 of template 2 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 2.1 of Part II of Annex II.

Article 5

Format and frequency of reporting by resolution entities on a consolidated basis

1. Resolution entities subject to the requirement set out in Article 45 of Directive 2014/59/EU on a consolidated basis in accordance with Article 45e of that Directive shall submit to competent authorities and resolution authorities information on a consolidated basis as follows:

(a) Information on key metrics as specified in column 0010 of template 1 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 1 of Part II of Annex II.

(b) Information on the composition of the own funds and eligible liabilities as specified in column 0010 of template 2 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 2.1 of Part II of Annex II.

(c) Information on the funding structure of own funds and eligible liabilities as specified in template 4 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 2.3 of Part II of Annex II.

(d) Information on instruments governed by third-country law as specified in template 7 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 4 of Part II of Annex II.

2. In addition to the information referred to in paragraph 1, resolution entities subject to the requirement set out in Article 92a of Regulation (EU) No 575/2013 on a consolidated basis in accordance with Article 11(3a) of that Regulation shall submit to competent and resolution authorities information on a consolidated basis as follows:

(a) Information on key metrics as specified in column 0020 of template 1 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 1 of Part II of Annex II.

(b) Information on the composition of the own funds and eligible liabilities as specified in column 0020 of template 2 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 2.1 of Part II of Annex II.

Article 6

Format and frequency of reporting on an individual basis by entities that are not themselves resolution entities and by material subsidiaries of non-EU G-SIIs

1. Entities that are not themselves resolution entities and are subject to the requirement set out in Article 45 of Directive 2014/59/EU on an individual basis in accordance with Article 45f of that Directive shall submit to competent and resolution authorities information on an individual basis as follows:

(a) Information on the amount and composition of the own funds and eligible liabilities as specified in column 0010 of template 3 shall be reported with a quarterly frequency in accordance with the instructions in point 2.2 of Part II of Annex II.

(b) Information on the funding structure of own funds and eligible liabilities as specified in template 4 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 2.3 of Part II of Annex II.

(c) Information on instruments governed by third-country law as specified in template 7 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 4 of Part II of Annex II.

2. Entities that are not themselves resolution entities shall submit to competent and resolution authorities information on the breakdown of total own funds and liabilities by

insolvency rank as specified in template 5 of Annex I on an individual basis with a quarterly frequency in accordance with the instructions in point 3.1 of Part II of Annex II.

3. In addition to the information referred to in paragraphs 1 and 2, entities that are material subsidiaries of non-EU G-SIIs and are subject to the requirement set out in Article 92b of Regulation (EU) No 575/2013 on an individual basis in accordance with Article 6(1a) of that Regulation shall submit to competent authorities and resolution authorities information on the amount and composition of the own funds and eligible liabilities as specified in column 0020 of template 3 on an individual basis with a quarterly frequency in accordance with the instructions in point 2.2 of Part II of Annex II.

Article 7

Format and frequency of reporting by entities that are not themselves resolution entities and by material subsidiaries of non-EU G-SIIs on a consolidated basis

1. Entities that are not themselves resolution entities and that are subject to the requirement set out in Article 45 of Directive 2014/59/EU on a consolidated basis in accordance with Article 45f of that Directive shall submit to competent and resolution authorities information on a consolidated basis as follows:

(a) Information on the amount and composition of own funds and eligible liabilities as specified in column 0010 of template 3 shall be reported in accordance with the instructions in point 2.2 of Part II of Annex II with a quarterly frequency.

(b) Information on the funding structure of own funds and eligible liabilities as specified in template 4 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 2.3 of Part II of Annex II.

(c) Information on instruments governed by third-country law as specified in template 7 of Annex I shall be reported with a quarterly frequency in accordance with the instructions in point 4 of Part II of Annex II.

2. In addition to the information referred to in paragraph 1, entities that that are material subsidiaries of non-EU G-SIIs and are subject to the requirement set out in Article 92b of Regulation (EU) No 575/2013 on a consolidated basis in accordance with Article 11(3a) of that Regulation shall submit to competent and resolution authorities information on the amount and composition of own funds and eligible liabilities as specified in column 0020 of template 3 on a consolidated basis with a quarterly frequency in accordance with the instructions in point 2.2 of Part II of Annex II.

CHAPTER 4

DATA PRECISION AND INFORMATION ASSOCIATED WITH SUBMISSIONS

Article 8

1. Reporting entities shall submit information referred to in this Regulation in the data exchange formats and representations specified by competent and resolution authorities, and in accordance with the data point definition included in the data point model and the validation formulae referred to in Annex III.

2. When submitting information in accordance with this Regulation, the reporting entities shall observe all of the following:

(a) Information that is not required or not applicable shall not be included in a data submission.

(b) Numerical values shall be submitted as facts according to the following conventions:

i. Data points of the data type ‘Monetary’ shall be reported using a minimum precision equivalent to thousands of units.

ii. Data points of the data type ‘Percentage’ shall be expressed as per unit with a minimum precision equivalent to four decimals.

iii. Data points of the data type ‘Integer’ shall be reported using no decimals and a precision equivalent to units.

(c) Institutions shall be identified solely by their Legal Entity Identifier (LEI). Legal entities and counterparties other than institutions shall be identified by their LEI where available.

3. Information submitted by reporting entities on the basis of this Regulation shall be accompanied by the following information:

(a) reporting reference date and reference period;

(b) reporting currency;

(c) accounting standard;

(d) identifier of the reporting institution (LEI);

(e) scope of consolidation.

CHAPTER 5

STANDARDISED WAY OF PROVIDING INFORMATION ON THE RANKING OF ITEMS IN NATIONAL INSOLVENCY PROCEEDINGS IN THE MEMBER STATES

Article 9

Standardised presentation of insolvency rankings

1. Resolution authorities shall compile information on the ranking of items in their national insolvency proceedings in the standardised format specified in Annex IV. They shall update that information when changes occur without undue delay.

2. Resolution authorities shall publish that information in order to make it available to institutions subject to their supervision.

TITLE II

PUBLIC DISCLOSURE BY INSTITUTIONS

CHAPTER 1

LEVEL OF APPLICATION, FREQUENCY AND DISCLOSURE DATES

Article 10

Frequency of disclosures and disclosure date

1. Disclosures referred to in Article 11(1) shall be made on a quarterly basis. Disclosures referred to in Article 11(2) shall be made on a semi-annual basis.

2. Disclosures referred to in Articles 12(1) and 15(1) shall be made on a semi-annual basis. Disclosures referred to in Articles 12(2) and 15(2) shall be made annually.

3. Disclosures referred to in Article 13(1) shall be made on a quarterly basis. Disclosures referred to Article 13(2) shall be made on a semi-annual basis.

4. Disclosures referred to in Article 14(1) shall be made on a semi-annual basis. Disclosures referred to in Article 14(2) shall be made annually.

5. Disclosures referred to in Article 16 shall be made on a semi-annual basis by large institutions and on an annual basis by entities that are neither large institutions nor small and non-complex institutions.

6. When publicly disclosing, the disclosing entities should observe the following:

(a) Annual disclosures shall be published on the same date as the date on which institutions publish their financial statements or as soon as possible thereafter.

(b) Semi-annual and quarterly disclosures shall be published on the same date as the date on which institutions publish their financial reports for the corresponding period, where applicable, or as soon as possible thereafter.

(c) Any delay between the date of publication of the disclosures required under this Title and the relevant financial statements shall be reasonable and, in any event, shall not exceed any timeframe set by the competent authorities pursuant to Article 106 of Directive 2013/36/EU.

CHAPTER 2

UNIFORM DISCLOSURE FORMATS AND INSTRUCTIONS

Article 11

Disclosure of key metrics on own funds and eligible liabilities and the requirements for own funds and eligible liabilities by resolution entities

1. Entities identified as resolution entities that are a G-SII or part of a G-SII shall make the disclosures required in point (h) of Article 447 of Regulation (EU) No 575/2013 and in points (a) and (c) of Article 45i(3) of Directive 2014/59/EU in accordance with the template EU KM2 of Annex V and the relevant instructions set out in Annex VI.

2. Entities identified as resolution entities that are neither G-SIIs nor part of a G-SII shall make the disclosures required in points (a) and (c) of Article 45i(3) of Directive 2014/59/EU in accordance with the template EU KM2 of Annex V and the relevant instructions set out in Annex VI.

Article 12

Disclosure of composition of own funds and eligible liabilities by resolution entities

1. Entities identified as resolution entities that are a G-SII or part of a G-SII shall make the disclosures required in points (a), (c) and (d) of Article 437a of Regulation (EU) No 575/2013 and the disclosure on the composition of own funds and eligible liabilities required in point (b) of Article 45i(3) of Directive 2014/59/EU in accordance with the template EU TLAC1 of Annex V and the relevant instructions set out in Annex VI.

2. Entities identified as resolution entities that are neither G-SIIs nor part of a G-SII shall make the disclosure on the composition of own funds and eligible liabilities required in point (b) of Article 45i(3) of Directive 2014/59/EU in accordance with the template EU TLAC1 of Annex V and the relevant instructions set out in Annex VI.

Article 13

Disclosure of key metrics and internal loss-absorbing capacity by entities that are not themselves resolution entities

1. Entities that are material subsidiaries of non-EU G-SIIs and are not resolution entities shall make the disclosures set out in points (a), (c) and (d) of Article 437a of Regulation (EU) No 575/2013, point (a), point (b) regarding the composition of own funds and eligible liabilities and point (c) of Article 45i(3) of Directive 2014/59/EU and point (h) of Article 447 of Regulation (EU) No 575/2013 in accordance with the template EU ILAC of Annex V and the relevant instructions set out in Annex VI.

2. Entities other than material subsidiaries of non-EU G-SIIs that are not themselves resolution entities shall make the disclosures set out in point (a), point (b) regarding the composition of own funds and eligible liabilities and point (c) of Article 45i(3) of Directive 2014/59/EU in accordance with the template EU ILAC of Annex V and the relevant instructions set out in Annex VI.

Article 14

Disclosure of creditor ranking – non-resolution entities

1. Entities that are material subsidiaries of non-EU G-SIIs and that are not resolution entities shall make the disclosures on maturity profile and ranking in insolvency proceedings set out in point (b) of Article 437a of Regulation (EU) No 575/2013 and point (b) of Article 45i(3) of Directive 2014/59/EU in accordance with the template EU TLAC2a of Annex V and the relevant instructions set out in Annex VI.

2. Entities other than material subsidiaries of non-EU G-SIIs that are not themselves resolution entities shall make the disclosures on maturity profile and ranking in normal insolvency proceedings set out in point (b) of Article 45i(3) of Directive 2014/59/EU in accordance with the template EU TLAC2b of Annex V and the relevant instructions set out in Annex VI. Those entities may choose to use template EU TLAC2a instead of EU TLAC2b to comply with the requirement to disclose information on maturity profile and ranking in normal insolvency proceedings set out in point (b) of Article 45i(3) of Directive 2014/59/EU.

Article 15

Disclosure of creditor ranking – resolution entities

1. Entities identified as resolution entities and that are a G-SII or part of a G-SII shall make the disclosures set out in point (b) of Article 437a of Regulation (EU) No 575/2013 and the disclosures on maturity profile and ranking in normal insolvency proceedings set out in point (b) of Article 45i(3) of Directive 2014/59/EU in accordance with the Template EU TLAC3a of Annex V and the relevant instructions set out in Annex VI.

2. Entities identified as resolution entities that are neither G-SIIs nor part of a G-SII shall make the disclosures on maturity profile and ranking in normal insolvency proceedings set out in point (b) of Article 45i(3) of Directive 2014/59/EU in accordance with the Template EU TLAC3 of Annex V and the relevant instructions set out in Annex VI. Those entities may choose to use template EU TLAC3a instead of EU TLAC3b to comply with the requirement to disclose information on maturity profile and ranking in normal insolvency proceedings set out in point (b) of Article 45i(3) of Directive 2014/59/EU.

Article 16

Disclosure of main features of own funds and eligible instruments

Entities identified as resolution entities that are a G-SII or part of a G-SII and entities that are material subsidiaries of non-EU G-SIIs and that are not resolution entities themselves shall make the disclosures set out in point (a) of Article 437a of Regulation (EU) No 575/2013 in accordance with the Template EU CCA of Annex VII to the *[ITS on public disclosures by institutions prepared by the EBA under Article 434a CRR]* and the relevant instructions set out in Annex VIII thereto.

CHAPTER 3

GENERAL DISCLOSURE PROVISIONS

Article 17

1. Where Article 432 of Regulation (EU) No 575/2013 applies, also having regard to the relevant EBA guidelines, disclosing entities shall not be obliged to populate the relevant rows or columns of the templates and tables referred to in this Regulation. In this case, the numbering of subsequent rows or columns shall not be altered.

2. Disclosing entities shall make a clear note in the relevant template or table of the rows or columns not populated and of the reason of the omission of the disclosure.

3. The qualitative narrative and any other necessary supplementary information accompanying quantitative disclosures in accordance with Article 431 of Regulation (EU) No 575/2013 shall be adequately clear and comprehensive, enabling users of information to understand the quantitative disclosures and shall be placed next to the templates, which they describe.

4. When disclosing information in accordance with this Regulation, disclosing entities shall ensure that numerical values are submitted as facts according to the following:

(a) Quantitative monetary data shall be disclosed using a minimum precision equivalent to millions of units.

(b) Quantitative data disclosed as ‘Percentage’ shall be expressed as per unit with a minimum precision equivalent to four decimals.

5. When disclosing information in accordance with this Regulation, disclosing entities shall ensure that the data are accompanied by the following information:

(a) disclosure reference date and reference period;

(b) disclosure currency;

(c) name and, where relevant, identifier of the disclosing institution (LEI);

(d) where relevant, accounting standard; and

(e) where relevant, scope of consolidation.

TITLE III

FINAL PROVISIONS

Article 18

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

Title I of this Regulation shall apply from 28 June 2021.

Title II of this Regulation shall apply as of the date of application of the disclosure requirements to which the templates relate, in accordance with Article 3(3) of Regulation (EU) 2019/876 and Article 3(1) of Directive (EU) 2019/879.

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

Done at Brussels,

For the Commission
The President

On behalf of the President

[Position]

ANNEXES

Please see separate files

Annex I – Reporting on MREL and TLAC – templates
Annex II – Reporting on MREL and TLAC – instructions
Annex III – Data point model and validation rules
Annex IV – Standardised ranking
Annex V – Disclosure on MREL and TLAC – templates
Annex VI – Disclosure on MREL and TLAC – instructions

4. Accompanying documents

4.1 Draft cost–benefit analysis/impact assessment

As per Article 16(2) of Regulation (EU) No 1093/2010 (EBA Regulation), any guidelines and recommendations developed by the EBA shall be accompanied by an impact assessment (IA) that analyses 'the potential related costs and benefits'.

This analysis presents the IA of the main policy options included in the consultation paper on the draft ITS on MREL and TLAC reporting and disclosure templates and the accompanying instructions. The templates have been developed by the EBA based on the mandates under Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 (CRR2) and Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU (BRRD2). In particular, the technical standards are based on the mandates in Articles 430(6) (TLAC reporting) and 434a (TLAC disclosure) of CRR2, and in Articles 45i(5) (MREL reporting) and 45i(6) (MREL disclosure) of BRRD2. The IA is high level and qualitative in nature.

A. Problem identification and background

CRR2 and BRRD2 implement the FSB TLAC standard and complement the MREL requirement that has been in force since 2014. Given that these are new requirements for the banking sector, an entirely new reporting and disclosure framework has to be established to ensure consistent and effective information dissemination across all institutions.

Both CRR2 and BRRD2 have provided the EBA with very specific mandates to implement this new framework. Not all mandates have the same level of specification and detail and some leave some room for the EBA to decide on certain technical details. Furthermore, the various players involved in the reporting process (supervisory authorities as well as resolution authorities), the different reporting and disclosure requirements for TLAC and MREL for institutions of different sizes (TLAC needs to be disclosed and reported for G-SIIs only, while MREL applies to all), and the existing TLAC disclosure formats developed by the BCBS required several crucial policy discussions and decisions during the execution of the mandate, in order to ensure a new framework that is user friendly, minimises the burden on institutions, provides maximum transparency and clarity, promotes market discipline and at the same time satisfies the standards set at the global level by Basel.

B. Policy objectives

The draft proposed MREL and TLAC reporting and disclosure templates and instructions presented in the consultation paper seek to extend the new reporting and disclosure framework in order to cover TLAC/MREL provisions, having in mind the above. The proposed templates aim to provide a

uniform reporting and disclosure framework for all institutions across the EU, in order to promote market discipline, maximise comparability and consistency of disclosed information not only across Europe but also at the global level, and provide supervisory and resolution authorities with the necessary tools to monitor institutions' compliance with the TLAC/MREL requirements. The draft ITS templates and instructions provide the practical tools and framework for institutions to comply with the new reporting and disclosure requirements on MREL and TLAC under the revised European banking framework.

C. Options considered, assessment of the options and preferred options

Section C presents the main policy options discussed and the decisions made during the development of the templates and instructions. The advantages and disadvantages, as well as the potential costs and benefits, of the policy options are assessed and the preferred options resulting from this analysis specified below.

Underlying legal framework for the MREL and TLAC templates

Option 1a: Integrate MREL and TLAC into a single set of ITS (both reporting and disclosure)

Option 1b: Integrate MREL and TLAC into a single set of ITS for reporting and a single set of ITS for disclosure

Option 1c: Keep the underlying legal frameworks separate

The MREL and TLAC requirements are included in different legal texts, MREL in BRRD2 and TLAC in CRR2.

Nevertheless, the audience/users to which the templates are addressed are not separable for the different requirements (MREL, TLAC and their respective reporting and disclosure requirements). Reporting templates for TLAC under CRR2 are to be submitted to competent authorities (CAs). MREL reporting requirements under BRRD2 are relevant for both competent authorities and resolution authorities (RAs). As per Article 430 CRR2, TLAC data need to be reported to CAs, while Article 45i BRRD2 requires MREL data to be reported to both CAs and RAs. Disclosure templates are published on institutions' websites. For users of information on TLAC, MREL data should also be of interest and relevance, and vice versa.

From this the question naturally arose of whether the two requirements should be covered in separate ITS, thereby mirroring in the Level 2 texts the fact that the mandates originate from different Level 1 texts, or whether they should be covered in a single ITS package. In addition, a choice needed to be made on whether to combine the reporting and disclosure templates in one set of ITS.

Given the interconnection and common relevance of the templates for their users and recipients, it was decided that **option 1a, to integrate the new requirements on MREL and TLAC reporting/disclosure into a single set of ITS, was preferable**. Having a single MREL/TLAC ITS on

both reporting and disclosure will increase clarity and usability for institutions, competent authorities, resolution authorities and the public.

Design and integration of MREL and TLAC templates

Option 2a: Integration of MREL and TLAC into the same reporting and disclosure template

Option 2b: Separate templates for MREL and TLAC (reporting and disclosure)

Besides the question of whether to have one combined ITS or separate ones, the next question that then arose was to what extent the actual templates should be integrated within this comprehensive, combined ITS.

MREL and TLAC requirements have crucial similarities. First and foremost, MREL and TLAC have the same objective. They are both additions to the regulatory framework made after the crisis, to ensure that institutions hold enough capital to absorb losses and to ensure that the cost of an institution's failure will be borne by its investors. Importantly, with some exceptions, the two requirements also rely on the same core of own funds and eligible liabilities.

They differ in that TLAC is a global requirement stemming from a standard originated in Basel, published by the FSB, while MREL is a European concept, built on TLAC. The former applies only to G-SIIs,[13] while MREL is applicable to all institutions. Furthermore, the BCBS revised Pillar 3 framework includes TLAC disclosure standards that do not account for the special features of the European MREL framework. While the TLAC disclosure requirements have been applicable since June 2019, MREL does not have to be disclosed until 2024. Finally, each requirement has specific provisions regarding the eligibility of instruments for meeting the requirement: structured notes are eligible for MREL but not TLAC, and only TLAC is subject to a deduction regime.

The existence of some crucial similarities and at the same time some non-negligible differences gave rise to the obvious question of whether the TLAC and MREL templates should be integrated or kept separate. The question of whether a single set of integrated templates should be created to maximise efficiency and simplicity for the submitting institutions was carefully considered against the unnecessary confusion that integrated templates can cause with regard to some of the different elements that have to be disclosed and reported.

Having one common set of templates has several benefits. G-SIIs would need to fill in only one template when disclosing/submitting their TLAC- and MREL-related information. At the same time, most of the information on own funds and eligible liabilities is very closely related, as the requirements are overlapping, and hence one template would facilitate disclosure and reporting by G-SIIs. Furthermore, having TLAC and MREL information in one place and one format would allow the authorities and the public to make comparisons across categories. The advantages achieved with a framework using common disclosure and reporting templates that combine TLAC and MREL information have been assessed as very beneficial for the effectiveness and usability of the new requirements. **Option 2a was therefore assessed as the preferred option** from the outset, with

[13] Including entities that are part of a G-SII and material subsidiaries of non-EU G-SIIs.

several caveats identified and as a result necessary conditions attached to the design of the integrated templates, to ensure that integration does not impede clarity and efficiency.

TLAC requirements, including the reporting and disclosure requirements, have to be met and applied by G-SIIs only, while the MREL requirements apply to all institutions. (MREL for G-SIIs is a combination of the TLAC requirement and an MREL add-on). The risk stemming from the integrated presentation in the reporting and disclosure templates is therefore that non-G-SIIs would face an unnecessary disclosure and reporting burden if they were asked to apply the TLAC provisions or report and disclose on them. Furthermore, no disclosure before 2024 is required for MREL. This has been circumvented by ensuring that the integrated templates maintain separate columns for the two requirements. The separate columns also ensure that the specificities attached to the requirements, the deduction regime in the case of TLAC and the eligibility of structured notes in the case of MREL, are adhered to.

Thus, the templates ensure streamlined and comparable reporting and disclosure by all institutions, while at the same time ensuring that the differences in the two requirements are reflected accordingly. Crucially, option 2a, integrated templates, reflects the explicit request embedded in the EBA's mandate to align the reporting and disclosure templates on MREL and TLAC for G-SIIs.

Integration of MREL/TLAC reporting with the ITS on resolution planning reporting

Option 3a: Build the new TLAC and MREL reporting templates (at least partially) on the existing resolution planning templates on liability structures (specifically template 2, LIAB)

Option 3b: Create new TLAC and MREL reporting templates, ensuring consistency with the existing LIAB template on the resolution planning side

In October 2018, the EBA's new ITS on data collection for the purpose of resolution planning were adopted.[14] The templates had been developed to collect crucial information in order for resolution authorities to draw up resolution plans and substantiate their resolvability assessments and resolution strategies. Template 2 of Annex I to the ITS includes detailed information on institutions' liability structures and the liabilities excluded and not excluded from bail-in.

Aiming to minimise the reporting burden and therefore any duplication of reporting requirements for institutions, the possibility of building the new MREL and TLAC templates on the existing templates on liability structures was explored. Closer assessment of the existing templates and their characteristics led, however, to the conclusion that the resolution templates do not satisfy the information needs related to MREL and TLAC and that in fact their broader set-up is too different for integration to be achieved.

Several factors were identified that led to the above conclusion, including the following:

[14] Implementing technical standards with regard to procedures and standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms pursuant to Directive 2014/59/EU of the European Parliament and of the Council, and repealing Commission Implementing Regulation (EU) 2016/1066, OJ L 277, 7.11.2018, p. 1–65 (https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1624&from=EN).

(i) Anecdotal evidence from resolution authorities points to the unavoidability of further bilateral interaction with institutions in addition to the analysis of the LIAB templates received to get a complete picture of their liability structures, and in particular the eligibility of the liabilities included in the LIAB template for MREL and TLAC purposes.

(ii) LIAB is reported either at solo level or at consolidated level (prudential and resolution group), while MREL follows a hybrid approach, combining own funds at consolidated level, liabilities at the point of entry and, under very specific conditions, liabilities at subsidiary level (in essence liabilities to existing shareholders).

(iii) LIAB reports 'intragroup' liabilities as liabilities to any entity in the accounting group, while MREL reporting requires separating liabilities towards counterparties inside and outside the resolution group.

(iv) LIAB is broken down by funding type rather than by eligibility.

(v) The existing LIAB templates are built on the concept of minimum harmonisation, whereas the TLAC/MREL templates are constructed with maximum harmonisation in mind.

(vi) The LIAB template is part of a broader and relatively recently developed information package for resolution planning purposes that also covers non-MREL-related resolution aspects, such as information on intragroup financial connections and critical economic functions. Adjustments to this framework in order to account for the existence and features of the MREL and TLAC framework would risk compromising the other information collected in terms of usability and quality.

Given these numerous factors, which are considered to substantially compromise the feasibility and desirability of integrating the two templates, **option 3a was assessed as sub-optimal** at this stage. It was decided that the new templates needed to be constructed from scratch in order to ensure that the TLAC and MREL information reported is complete and reliable. At the same time, the new templates have been designed to ensure maximum consistency with the existing LIAB templates.

Reporting and disclosure

Option 4a: Fully integrate the disclosure templates with the reporting templates (one-to-one mapping)

Option 4b: Fully integrate the disclosure templates with the reporting templates (flexible mapping)

Option 4c: No integration of the disclosure templates with the reporting templates

Full integration of the disclosure templates with the reporting templates in this context implies that every single item of quantitative information that features in the disclosure templates is either (a) also an item included in reporting or (b) derived from multiple reporting items. Therefore, every

single disclosure item (bar qualitative information; see below) can be traced back to one or several reporting items.

No or only partial integration of the two template types under option 4c means that disclosure items cannot be directly mapped to reporting items.

Option 4c was eliminated, as it would imply that potential synergy effects aiming to reduce the reporting burden had not been exploited, as institutions would not be able to directly map reported information to their disclosure obligations. Previous interactions with the industry have shown that there is strong support from institutions for having a fully integrated framework for reporting and disclosure.

Option 4a would ensure consistency and comparability and would limit the additional burden for institutions, due to full integration and the direct link to reporting. However, it would also limit the scope for shaping and selecting information to be included in the disclosure and reporting templates. Option 4b, on the other hand, would ensure comparability and consistency and limit the burden for institutions but at the same time leave more room to design disclosure templates fit for their purpose and not confine their design to entries in the reporting templates, and vice versa. Therefore, **option 4b was selected as the preferred option**. Integration of the two templates is hugely important in facilitating institutions' compliance with both reporting and disclosure requirements.

Some of the disclosed information is of a qualitative nature and hence by definition is additional to the reported information; therefore, none of the above approaches applies to it.

Addressees of the reporting templates

Option 5a: TLAC information to be submitted to CAs and MREL information to be submitted to both CAs and RAs

Option 5b: Both TLAC and MREL information to be submitted to both CAs and RAs

As per Article 430 CRR2, TLAC data needs to be reported to CAs while Article 45i BRRD2 requires MREL data to be reported to both CAs and RAs.

Given that the European MREL requirement for G-SIIs consists of the TLAC requirement plus an MREL add-on, it has been assessed as preferable to require information on both requirements to be submitted to both authorities. **Choosing option 5b** further ensures maximum alignment of information between CAs and RAs. Given that the information has to be completed by G-SIIs in any case, this does not add any additional burden for these institutions. Furthermore, it is fully consistent with the idea of having combined reporting templates for TLAC and MREL.

The provisions in the ITS on the addressee of the report are without prejudice to any arrangement between competent and resolution authorities of a specific jurisdiction designed to enable

institutions to comply with the reporting obligations by submitting data to only one of the two authorities in practice.

Frequency of reporting

Option 6a: Stick to the minimum frequency for MREL reporting as set out in BRRD2 and apply it also to TLAC reporting

Option 6b: Align the frequency of reporting on MREL and TLAC with supervisory reporting frequencies

Article 430 CRR2 does not specify any minimum requirements or limits as regards the frequency of reporting on TLAC. Article 45i(2), by contrast, defines minimum frequencies for reporting on MREL, and Article 430(6) CRR mandates the EBA to set frequencies that respect those minima. This is without prejudice to the power of competent and resolution authorities to increase the frequency of reporting further, beyond the level specified in the EBA technical standards.

The CRR requires an alignment between the reporting requirements on MREL and TLAC for those entities that are obliged to comply with both requirements, i.e. G-SIIs and material subsidiaries of third-country G-SIIs, and specifically mentions that the frequency of reporting is to be aligned.

Considering the legal requirements as well as practical aspects, it was assessed as most efficient to align reporting frequencies for TLAC and MREL with supervisory reporting frequencies, namely quarterly reporting, and **option 6b was chosen as the preferred option**. This will allow institutions to fully integrate the new requirements into their ongoing reporting work and established cycles and processes for reporting. It will also foster consistency between the information reported in the MREL/TLAC framework and the other elements of the supervisory reporting framework, in particular own funds reporting. A quarterly reporting frequency further reflects better the fact that the MREL and TLAC requirements need to be met on a continuous basis. While quarterly reporting may mean that institutions report TLAC and MREL at a higher frequency than would have been the case otherwise, this additional reporting burden is considered to be outweighed by the benefits for the authorities, such as timely access to comprehensive and up-to-date information on institutions' MREL and TLAC positions.

A set quarterly frequency for MREL and TLAC reporting will ensure consistency of information received across institutions and continuous and regular information flow to CAs and RAs.

Frequency for disclosure templates

Option 7a: Allow flexibility with regard to the frequency of disclosure template dissemination

Option 7b: Set a specific frequency for institutions' disclosures

As for the reporting, certain requirements on frequency are laid out also for disclosure in CRR2 and BRRD2. For TLAC, semi-annual disclosure is required under Article 433a CRR, with key metrics to be

disclosed quarterly. For MREL, at least annual disclosure is required by BRRD2, and the EBA is mandated to specify the frequency, respecting the annual minimum.

In line with the rationale set out above in the discussion on frequency of reporting, it was decided that it would be preferable to have set frequencies in place for disclosures on MREL, and **option 7b was chosen as the preferred option**.

The frequency of MREL disclosure for G-SIIs has been aligned with the TLAC disclosure frequency. MREL disclosure for other institutions has been set at a semi-annual frequency for MREL key metrics and at an annual frequency for other information.

Set disclosure frequencies for MREL will create the clarity for institutions, consistency across institutions and regular information flow to the authorities and the public. This in turn will contribute to more transparent and stable markets.

D. Conclusion

CRR2 and BRRD2 mandate the EBA to develop TLAC and MREL reporting and disclosure templates and instructions. The policy choices discussed above were made with the aim of ensuring that all relevant information is accessible to the competent authorities, resolution authorities and market participants, while at the same time ensuring that the additional reporting and disclosure burden on institutions is minimised. The latter has been achieved by ensuring full integration of the disclosure framework with the reporting framework for TLAC and MREL and by developing common disclosure and reporting templates for TLAC and MREL.

The proposed templates are a crucial step towards completing the newly established framework to make institutions safer and better able to absorb future losses. A clear, consistent and effective reporting and disclosure framework for the newly introduced concepts of TLAC and MREL, by ensuring transparency and comparability of information, is crucial to ensure that the European banking system is sound and well prepared to handle future stress.

4.2 Feedback on the public consultation

The EBA publicly consulted on the draft proposal.

The consultation period lasted for 3 months and ended on 22 February 2020. Eight responses were received, all of which were published on the EBA website.

This paper presents a summary of the key points and other comments arising from the consultation, the analysis and discussion triggered by these comments, and the actions taken to address them if deemed necessary.

In many cases, several industry bodies made similar comments or the same body repeated its comments in response to different questions. In such cases, the comments, and the EBA's analysis, are included in the section of this paper where the EBA considers them most appropriate.

Changes to the draft ITS have been incorporated as a result of the responses received during the public consultation.

Summary of responses to the consultation and the EBA's analysis

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
General comments			
Application date of the TLAC disclosure requirements	Three respondents noted that the disclosure requirements on TLAC embedded in the ITS are meant to apply immediately after their entry into force. In the light of the uncertainty around the exact date of application, they asked for better visibility to be able to prepare themselves and implement the necessary IT solutions to comply with the disclosure requirements (as well as the reporting requirements). The respondents suggested specifying the date of application in the ITS, granting a sufficient implementation period between publication in the Official Journal and the actual date of application, and ideally aligning it with the date of application of the reporting requirements.	The obligation to disclose information on TLAC in accordance with Article 437a CRR and point (h) of Article 447 CRR is already in place and applicable, since the obligation to comply with Article 92a and 92b CRR has been in place since 27 June 2019 (see the second subparagraph of Article 3(3) CRR2 in conjunction with point (c) of the first subparagraph thereof). This is regardless of the fact that standardised formats and templates for complying with this obligation will be available only once the ITS start to apply. Taking into account that the disclosure obligation is already effective, the standardised formats should be made available and be used as soon as possible; therefore, the provisions on the date of application of the ITS regarding disclosure on TLAC remain unchanged.	No change
Application date of the reporting requirements	One respondent noted that (amendments to) the reporting templates are typically to be implemented on a year-end basis, whereas on this occasion they are expected to take effect from the first reference date of 30 June 2021. That respondent voiced a preference for reverting to a year-end implementation date to enable smoother implementation and avoid mid-year disruption.	The obligation to report information on the TLAC requirements of Article 92a and 92b CRR has been in force since 27 June 2019 (see the second subparagraph of Article 3(3) CRR2 in conjunction with point (c) of the first subparagraph thereof). Equally, Member States are supposed to transpose the BRRD into national law by the end of 2020 and ensure its immediate application after transposition. Therefore, the obligation to report information on MREL will also be in place long before these ITS apply. The ITS specify, among other things, the	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		format for complying with these reporting obligations. Postponing their date of application would increase the duration of the period during which the obligations – to comply with both the prudential requirements and the reporting ones – would be in place but competent and resolution authorities would not have the (standardised set of) information available to monitor compliance with the prudential requirements. Institutions will have around a year to implement the solutions necessary to comply with the reporting requirements (the first applicable reference date being June 2021, with the first submission deadline being 11 August 2021).	
Scope of application of the disclosure and reporting requirements	Three respondents suggested making explicit in the main body of the ITS that entities whose resolution plan provides that the entity is to be wound up under normal insolvency proceedings (i.e. entities that are not subject to an MREL requirement on top of capital requirements) are not subject to any disclosure or reporting obligations.	The scope of application of the reporting and disclosure requirements regarding MREL is clearly defined in Article 45i BRRD; it is therefore not necessary or possible to embed a corresponding provision in the main body of the ITS.	No change
Perimeter of resolution group in the light of the definition of the scope of application of the reporting and disclosure requirements	Three respondents asked that resolution authorities provide clarity about the perimeter of the resolution group in order for institutions to understand the scope of application of their reporting and disclosure requirements under these ITS, in particular where the scope of the resolution group deviates from the prudential scope. In the light of the exemption for entities whose resolution plans provides that they are to be wound up under normal insolvency	It is acknowledged that information about the perimeter of the resolution group as well as some elements of the resolution plan are a precondition for correctly identifying entities subject to the obligation to disclose and report information on MREL and TLAC. However, communication between resolution authorities and entities regarding the perimeter of the resolution group and details of the resolution plan is outside the scope of these ITS.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	proceedings in Article 45i(4) BRRD, they sought greater transparency on resolution plans on the part of resolution authorities.		
Date of disclosure	Two respondents agreed that the publication of the information to be disclosed on MREL/TLAC should be aligned with the publication of financial statements. One respondent considered that there was a dependency between reporting on MREL and disclosure on it, noting that quality assurance stages in the preparation of the disclosure reports require that they be published later than when the data are reported.	The purpose of the provision on the date of disclosure is to simultaneously provide interested parties both with financial and prudential information. The timing of the publication of disclosure reports and the timing of reporting are in principle independent. But even if there were a dependency, not much additional time should be needed to prepare the disclosure report, considering the strong alignment between the information to be reported and the information to be disclosed in these ITS (as well as the requirement for both the reported and the disclosed data to be correct).	No change
Submission deadline for reporting	Four respondents advocated an alignment between the submission deadline for the SRB's liability data report (LDR) (reference date + 3 months, annual reporting) and the submission deadline for the information specified in these ITS (reference date + 6 weeks, quarterly reporting). Two respondents argued that populating the templates specified in the ITS would be possible only after the LDR had been completed, and that consistency between the information reported in the SRB's LDR, the LIAB template of the ITS on resolution planning reporting and these ITS could be achieved only if the preparation of the LDR/LIAB submissions was nearly finalised before the submission of the MREL/TLAC templates was finalised.	The main purpose of the reporting on MREL/TLAC is to enable competent and resolution authorities to monitor entities' compliance with the requirements of Article 92a and 92b CRR and Article 45 BRRD. Such monitoring requires regular and timely access to information; reporting it with a delay of 3 months would probably render the reported information irrelevant for its intended use. In addition, while there are undeniable links between the reporting of the liability structure for resolution planning purposes and for the purposes of determining the appropriate MREL requirement on one hand and for the purposes of monitoring compliance with the MREL/TLAC requirement on the hand, and consistency is desirable, it is not the case that the information included in MREL/TLAC reporting is	Submission deadline for reporting postponed by 1 week to reference date plus 7 weeks

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	One of the four respondents suggested, alternatively, that the submission deadline should be set at reference date + 7 weeks to account for dependencies between COREP/leverage ratio reporting and these ITS resulting from the fact that significant parameters from the COREP/leverage ratio frameworks (own funds, leverage ratio, risk-weighted assets, etc.) feed into MREL reporting.	dependent on the information included in reporting for the purposes of resolution planning. It is, however, true that information gathered as part of the COREP and leverage ratio reporting frameworks serves as input to MREL/TLAC reporting. Therefore, the proposal to extend the submission deadline to reference date + 7 weeks (instead of 6 weeks) was taken on board.	
Alignment between reporting and disclosure: further alignment in terms of format	Three respondents expressed their support for an alignment of the reporting and disclosure requirements in their substance to the maximum extent possible, including in terms of their frequency. However, they considered that the burden associated with preparing the sets of templates could be further reduced, if they were also aligned in terms of formats, rather than just substance, with differences arising only from 'justified differences' between reporting and disclosure. While welcoming the mapping table provided, the respondents listed the following as examples of less obvious differences in formats: • TLAC2 and TLAC3, organised by columns in the disclosure templates and by rows in the reporting ones; • the KM2 templates, where the order of the data requested is not exactly the same.	The interest in further alignment in terms of formatting is noted. The disclosure templates are designed with the objective of achieving compliance with the BCBS disclosure standards. The design of the reporting templates considers, in addition to the way the information will be used, potential technical restrictions that arise from the implementation in XBRL. Some of the differences in format between the reporting and disclosure templates are attributable to these design objectives and restrictions.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Overlap between reporting requirements: reporting requirements imposed by different bodies	Three respondents emphasised that there are multiple reporting requirements on the same topic with different formats and deadlines. They named in particular the SRB's MREL monitoring reports and additional liability report as overlapping with the reporting requirements included in these ITS. In the respondents' view, continuing with duplicative reporting undermines the intention and purpose of the EBA ITS, which is to provide a single harmonised approach to the reporting and disclosure of TLAC/MREL-related information. The three respondents sought confirmation that duplicative data collection, and in particular the SRB's additional liability report, would be discontinued once the ITS start to apply.	The EBA will work with competent and resolution authorities to achieve greater alignment in the medium term and eliminate truly duplicative data collections.	No change
Overlap between reporting requirements: EBA ITS on resolution planning reporting, EBA ITS on disclosure and reporting on MREL and TLAC, SRB liability data	Six respondents considered that there was a significant overlap between the EBA's ITS on resolution planning reporting (template Z 02.00, LIAB), the SRB's LDR and these ITS. One of them sought clarification on whether the reporting requirements of these ITS would replace the LDR and LIAB reporting. Two respondents suggested the creation of one single integrated reporting framework instead of those three separate ones. One respondent urged further harmonisation between the different reporting requirements, for example regarding the indication of the ranking in insolvency proceedings, to avoid	The focus of the LIAB template of the ITS on resolution planning reporting is bail-inable liabilities, and it aims to provide resolution authorities with some of the input needed to determine the level of the MREL requirement. In contrast, the focus of the ITS on disclosure and reporting on MREL and TLAC is primarily the narrower set of liabilities qualifying for the purposes of meeting the MREL and TLAC requirements. Considering this difference, only a few of the items included in the two sets of ITS can be directly mapped (i.e. by describing the relationship as 'is equal to' instead of just as 'is greater/less than or equal to').	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	divergent or redundant reporting requirements that would lead to an additional burden for both the institutions and the supervisory and resolution authorities. That respondent argued that the processes for preparing the data for the LIAB template and that for MREL/TLAC reports are integrated in institutions, as both reports draw, in essence, on the same business/transaction, counterparty and master data and are prepared in common processing operations. Two respondents suggested clarifying the relationship between items reported in the LIAB/LDR templates and those to be reported under these ITS either by means of quality checks (validation rules) or by means of mapping.	The ITS on disclosure and reporting of MREL and TLAC cannot replace the LIAB template of the ITS on resolution planning reporting or the SRB's LDR for both substantial and formal reasons. Nevertheless, increasing the level of integration and consistency between the two sets of ITS will be an objective whenever either set undergoes a significant revision, and further alignment remains an objective for the medium to long term.	
EBA ITS on disclosure and reporting on MREL and TLAC versus EBA ITS on resolution planning reporting	Three respondents sought further explanation on why the templates of the ITS do not leverage more on the existing LIAB template. More specifically, two respondents enquired what the 'differences and incompatibilities in terms of content and some of the terminology used' are and why the consultation paper stated that LIAB 'does not differentiate between counterparties within and those outside the resolution group'.	As stated in the consultation paper, the LIAB template of the ITS on resolution planning reporting does not consider all the eligibility criteria defined in the MREL and TLAC frameworks; its main focus is bail-inable liabilities rather than liabilities meeting the eligibility criteria for MREL or TLAC. While the breakdown by instrument and residual maturity may give a rough indication of an institution's capacity to meet the MREL and TLAC requirements, the structure of the template and the granularity of the data included is insufficient to provide precise insights into the actual level of compliance with the requirements. The statement on the lack of differentiation between counterparties inside and outside the group refers not to	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		the scope and level of application of the requirement to report the LIAB template but to the fact that liabilities may or may not qualify as eligible for meeting the internal or external MREL or TLAC requirements depending on who owns them (i.e. who is the creditor); see, for example, point (b) of Article 72b(2) CRR or point (a)(i) of Article 45f(2) BRRD.	
Additional information to be considered for the ITS	Three respondents noted that the SRB plans to develop a quantitative tool to assess the 'no creditor worse off' principle. They suggested that the EBA and the SRB should work together to exploit synergies between the templates proposed in the draft ITS and the tools under consideration by the SRB.	The EBA cooperates closely with competent and resolution authorities to ensure that the data reported in accordance with the ITS will meet authorities' data needs, and it will revise them if the needs change.	No change
Additional information to be considered for the ITS	Two respondents noted that the SRB's additional liabilities report includes one template that has no equivalent in the proposed ITS. They expressed their preference for integrating this template into the EBA reporting framework in order to avoid discrepancies between reporting definitions.	This may be considered in a future revision of these ITS.	No change
Responses to questions in Consultation Paper EBA/CP/2019/14			
Question 1	**The proposed standards would measure own funds in terms of carrying amounts, and eligible liabilities in terms of outstanding nominal amounts. This approach aligns reporting and disclosure on MREL/TLAC with reporting in the context of the ITS on resolution planning reporting, where the same measurement basis is used.** **However, presenting both the amount of own funds and eligible liabilities as carrying amounts would potentially align the reporting more with the vast majority of prudential reporting and disclosure requirements and with the internal approaches of**		

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	institutions for the monitoring of MREL/TLAC compliance on a daily basis. There is also ongoing work at the level of the BCBS to clarify the measurement of non-equity capital. **What are the advantages and challenges of presenting MREL/TLAC figures, and in particular the amount of eligible liabilities, on the basis of (a) outstanding amounts and (b) carrying amounts for the purposes of reporting (and disclosure)?**		
Measurement basis	Six respondents provided their view on the measurement basis. Two respondents preferred an alignment with financial statements/carrying amounts. One respondent emphasised that no clear consensus on suitable measurement basis had emerged in the discussion with his members. Another respondent considered that the definition of the measurement basis should be left to the Level 1 provisions (in the CRR and the BRRD), rather than being specified in the ITS. A fifth respondent considered further discussion crucial before a measurement basis was defined. The last respondent voiced a preference for outstanding amounts. In terms of the challenges of measuring liabilities on the basis of the carrying or the outstanding amount, the six respondents mentioned the following aspects: • there is no 'one size fits all' definition of the measurement basis in the light of the provisions of the CRR and BRRD, and given the deviating measurement basis for derivatives in the light of netting options, there is a need to specify the	In the light of the very mixed views put forward by the respondents to the consultation, and with a view to not pre-empting further discussion on the appropriate measurement basis and the interpretation of the Level 1 provisions, the provisions on the measurement basis were removed from these ITS.	Provisions on the measurement basis in Annexes II and VI dropped

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	measurement basis in detail instrument type by instrument type; • the suitability of the measurement basis depends on the purpose of the reporting and disclosure and the intended use of the information; • thre is a risk of introducing discrepancies between these ITS and the provisions of the CRR/BRRD; • there is a risk of introducing discrepancies between these ITS and the BCBS disclosure standard; • aspects such as the sensitivity of the measurement basis to interest rates or market making need to be considered, also in the light of differences between accounting standards; • hedging effects, including the effect of the potentially higher volatility of the MREL/TLAC ratio, need to be properly borne in mind, as does the treatment instruments issued at a disagio; • it needs to be considered that accrued interest is ineligible for the purposes of MREL; • it could or should be an objective to harmonise of the measurement basis for		

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	determining the MREL requirement and monitoring compliance with it; • ongoing discussions at international level.		
Question 2	**Are the scope and level of application of the reporting requirements and the content of templates M 01.00 to M 07.00 and the related instructions M 01.00 to M 07.00 clear and appropriate?**		
	Note: In the light of the strong link between the elements of reporting and the elements of disclosure specified in these ITS, please consult also the answers to other questions – in particular questions 4 and 5 – for the EBA's responses to certain issues raised.		
Standardised ranking: reporting obligation?	Three respondents asked for confirmation that the 'standardised ranking' template does not have to be reported by institutions.	The standardised ranking template of Annex IV to the ITS is meant to harmonise the format in which resolution authorities provide information about the applicable insolvency hierarchies. Therefore, it does not have to be reported by reporting entities. The information presented in the standardised ranking template rather serves as an input to reporting and disclosure in the TLAC2 and TLAC3 templates and other templates.	No change
Standardised ranking: publication	One respondent suggested that the publication of the standardised ranking should be made mandatory, with a view to increasing transparency for market participants and to enhance standardisation, i.e. that the option to make it otherwise available to institutions in the resolution authorities' remit should be dropped.	The suggestion was implemented.	Words 'or make it otherwise available' removed from Article 8 of the ITS
Standardised ranking: status as reference documents	In the light of a disclaimer regarding the purpose and usability of a standardised ranking document published by the SRB, three respondents sought confirmation that the	The standardised ranking documents that will be published by the resolution authorities are meant to serve as reference documents to facilitate the preparation of the information for the purposes of both	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	future publications by resolution authorities could indeed be used as reference documents for reporting and disclosure.	reporting and disclosure. Notwithstanding, the information included in the standardised ranking documents is, by definition, of a summary and focused nature. If the entity disclosing or reporting the information has reason to believe that the standardised ranking is incorrect or inadequate, it should inform the resolution authority and base its reporting and disclosure on its own interpretation of the insolvency hierarchy.	
Standardised ranking: difference in format from existing publication	Three respondents pointed out that there is a difference in format between the standardised ranking document published by the SRB and the standardised ranking table included in Annex IV to the ITS.	The difference between the standardised ranking document published by the SRB and the standardised ranking table included in Annex IV to the ITS is not substantial; the EBA ITS separates the 'name', or label, of a certain insolvency rank from the description (where a longer description is needed).	No change
Standardised ranking: details	Three respondents advocated providing sufficiently detailed insolvency hierarchies to accommodate a proper classification of all liabilities.	Given the differences in the national insolvency regimes, the ITS envisage that each resolution authority will provide a standardised ranking that reflects the insolvency hierarchy applicable in the relevant jurisdiction and considers the degree of differentiation made by the insolvency law, including national measures transposing the BRRD, where relevant.	No change
Interpretation questions	Several respondents raised interpretation questions regarding the templates and instructions, such as the scope of the requirement to deduct exposures between multiple point of entry (MPE) resolution groups, the meaning of 'governing law', 'normal insolvency proceedings' and 'ranking in normal insolvency proceedings', the	These are matters of the interpretation of the Level 1 provisions (in the CRR and the BRRD) and go beyond the scope of what can be specified in the ITS.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	treatment of direct and indirect deductions, and the difference between liabilities subordinated to excluded liabilities and liabilities not subordinated to them.		
Editorial issues/minor drafting suggestions	Several respondents provided editorial or drafting suggestions on the main body of the ITS and the instructions (e.g. incorrect legal references, minor wording suggestions, spelling mistakes, revisions to template names) or suggested clarifying the relationship between different items in the templates.	Most of the editorial and drafting suggestions were taken on board. The relationship between different items in the templates will be reflected in validation rules.	Editorial changes
Scope and level of application of the requirement to report information on MREL and TLAC (general)	One respondent considered the scope and level of application of the reporting requirements unclear, pointing to differences between the statements in the consultation paper and the instructions. As an example, he pointed out that template M 02.00 should be reported at consolidated level **or** individual level according to the consultation paper, and at resolution group **and** entity levels according to the table of contents of Annex II. The respondent asked for clarification on the scope and level of application for all templates.	The scope and level of application of the reporting obligations are specified in the Level 1 provisions (in the CRR and the BRRD). They depend, in principle, on three criteria: • whether the entity in question is a resolution entity or an entity other than a resolution entity; • whether there is an obligation to comply with the requirements at individual level or consolidated level; • whether there is an obligation to comply with the MREL requirements only or both the MREL and the TLAC requirements. Regarding the first point: • M 01.00, M 02.00, M 04.00, M 06.00 and M 07.00 are relevant for resolution entities;	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		• M 03.00, M 04.00, M 05.00 and M 07.00 are relevant for entities other than resolution entities. Regarding the second point, the rule can be expressed, in a simplified manner, as follows: • M 05.00 and M 06.00 are always reported at individual level; • for the remainder of the templates, the following applies: where a group exists (more precisely, where there is an obligation to comply with the – external or internal – MREL or TLAC requirements on the basis of the consolidated situation of a group), the reporting requirement applies at consolidated level; where no group exists, i.e. the entity in question is not part of a group (a standalone entity), the reporting requirement applies at individual level (this is different, for example, from COREP reporting, where individual and consolidated reports co-exist, rather than being mutually exclusive). The third point affects only the scope of information to be reported in templates M 01.00 to M 03.00. The three dimensions are reflected in the various articles of the ITS as well as in the tables in the consultation paper. Specifically regarding template M 02.00, there is no contradiction between the consultation paper and Annex II. The template will be used both by resolution groups (if a group exists) and by (standalone) resolution entities to report the information, as both the title of	

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		the template and the table in the consultation paper suggest.	
Scope and level of application of the requirement to report information on internal MREL and internal TLAC	Two respondents asked for further clarification regarding the scope of application of the reporting requirements regarding the templates that have to be submitted only by entities that belong to a resolution group but are not themselves resolution entities. Those respondents enquired how broadly this term was to be interpreted and suggested that this could include only those group institutions that are obliged to comply with a minimum requirement at single-institution level pursuant to the second sentence of Article 45f BRRD. Similarly, two and four respondents asked for confirmation that the requirements to report in particular template M 03.00 and template M 05.00, respectively, applied only to non-resolution entities with an internal MREL requirement.	The scope and level of application of the reporting requirements is defined by the Level 1 provisions (in the CRR and the BRRD). Regarding MREL, Articles 45i(1) and (4) BRRD include as a condition, among others, that the entity needs to be subject to the requirement referred to in Article 45(1) BRRD and that it must not be an entity whose resolution plan provides that the entity is to be wound up under normal insolvency proceedings. Thus, in the specific case of internal MREL, only entities – or, where applicable, groups – that are subject to the obligation to comply with the requirements of Article 45f BRRD have to report templates M 03.00, M 04.00, M 05.00 and M 07.00. In addition, the provisions of the CRR need to be considered regarding the requirement under Article 92b CRR (see the second subparagraph of Article 6(1a) CRR and the second subparagraph of Article 11(3a) CRR), where the entity in question is subject to that requirement.	No change
Scope and level of application of the requirement to report information on MREL and TLAC	One respondent observed that it is often unclear which templates have to be filled in for which entities of a group (resolution entity, resolution group). He advocated greater consistency and transparency with regard to the scope of application. Regarding the overview tables on reporting and disclosure in the consultation paper, the	Please see the response to other comments on the scope and level of application included in this feedback table. A presentation of the overview of the requirements separately for resolution groups and resolution entities might not increase transparency, as other criteria (e.g. whether or not the MREL and/or TLAC requirement has to be met at consolidated or	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	respondent suggested a separate presentation for resolution entities on the one hand and resolution groups on the other.	individual level) play a role for some templates but not others.	
Scope and level of application of the requirement to report information on MREL and TLAC	Two respondents considered that the ITS as presented for consultation did not restrict the scope of entities that are subject to reporting requirements. They argued that Article 45i(1) BRRD indicates that reporting obligations apply to entities subject to the requirement referred to in Article 45(1) BRRD, i.e. entities that are subject to MREL requirements, and that it would be useful if the draft ITS specified the same scope, and, consequently, relieved entities not subject to the MREL requirement from reporting obligations.	The scope of application of the reporting obligation regarding MREL is specified in Article 45i(1) and (4) BRRD. Given this, the ITS do not contain (i.e. repeat) the definition of that scope.	No change
KM2/M 01.00: level of application	Three respondents asked for confirmation that the information included in template M 01.00/KM2 has to be reported / disclosed only for the resolution group as a whole, and not also for the resolution entity itself.	This understanding is correct. In accordance with point (a) of Article 3(1) of the ITS (reporting) and Article 6(3) CRR (disclosure), the information in template M 01.00/KM2 has to be reported/disclosed at individual level for the resolution entity only if the resolution entity is a standalone entity (i.e. does not have subsidiaries).	No change
KM2/M 01.00: level of application	One respondent sought clarification on the content of rows 0260 (other bail-inable liabilities – governed by third-country law) and 0270 (other bail-inable liabilities – governed by third-country law and containing a write down and conversion clause pursuant to Article 55 BRRD) of template M 01.00 and why	The mandate of Article 45i(1) BRRD envisaged reporting on the amount of bail-inable liabilities other than eligible liabilities, including information on whether they are governed by the laws of a third country and whether they contain the contractual terms referred to in Article 55(1) BRRD. The information in rows 0260 and 0270 complements the information included in	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	the rows in question are greyed out for the TLAC column.	template M 07.00, which focuses on eligible liabilities and whether they are governed by third-country laws, but is limited to the absolute minimum information needed. While the amount of other bail-inable liabilities can be determined not only as the difference between bail-inable and eligible liabilities under the MREL framework but also as the difference between bail-inable and eligible liabilities under the TLAC framework, it was considered sufficient to ask for this information once from all institutions.	
KM2/M 01.00: reconciliation of own funds with other reports and information disclosed	One respondent asked for clarification regarding the amount of own funds to be reported in row 0200 of M 01.00, in particular regarding resolution groups with no individual own funds requirements. He pointed out that no reconciliation between financial reports and the data of the resolution group would be possible if there was no obligation to create financial reports at the level of the resolution group.	The amount of own funds eligible for meeting the MREL or TLAC requirements needs to be specifically determined considering all the eligibility criteria (and other criteria, such as those of Article 55 BRRD for instruments governed by third-country law) even if there is no requirement to determine them under Article 92 CRR at the level in question. It is acknowledged that there may be impediments to reconciliation of the amount of own funds reported or disclosed by the resolution group in the context of MREL and TLAC with amounts reported in other reports, such as COREP, or disclosed in other contexts.	No change
TLAC1/M 02.00: hybrid approach	Two respondents asked for it to be explicitly stated that template M 02.00 has to be filled in at the level of the resolution entity, but that the own funds reported are based on the own funds of the resolution group, while the eligible liabilities are limited to those issued by the resolution entity itself.	The information included in template M 02.00 (template TLAC1 for disclosure) reflects the eligible liabilities of the resolution group or the resolution entity in the case of entities not belonging to a group. The scope of own funds and liabilities eligible to meet the TLAC and MREL requirements, as applicable, is defined in the CRR and BRRD and cannot be specified in the ITS.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
TLAC1/M 02.00: deductions for investments in eligible liabilities	Four respondents sought confirmation that row 0190 (row 0210 after consultation) of template M 02.00 (reporting)/row 20 of the TLAC1 template (disclosure), reflecting the deduction for investments in eligible liabilities, needs to be filled in only by reporting entities that are G-SIIs and only in relation to the TLAC requirement under Article 92a CRR (and not the MREL requirement). Two respondents also raised the question of how the reporting entity should determine whether the investments it has made are investments in eligible liabilities (e.g. in the case of structured notes).	Yes, the investments in other eligible liabilities items in row 20 of the TLAC1 template/row 0210 of template M 02.00 need to be disclosed and reported only by entities subject to the obligation to comply with the requirement under Article 92a CRR and in the context of that requirement, i.e. by G-SIIs for the purposes of Article 92a CRR. It is acknowledged that the identification of investments in eligible liabilities involves some challenges; one source of information might be the relevant entities' disclosures.	No change
TLAC1/M 02.00: reporting of amortised Tier 2	Two respondents ask for more detailed instructions on reporting of Tier 2 instruments with a residual maturity of less than 1 year (suggesting, as one way of reporting, a deduction from row 0110 (row 0130 after consultation) of template M 01.00/TLAC1).	Tier 2 instruments with a residual maturity of less than 1 year are not eligible for the purposes of meeting the external TLAC requirement or the external MREL requirement (point (b) of Article 72a(1) CRR). They are not to be reported or disclosed at all in template M 01.00/TLAC1. As soon as the residual maturity falls below 1 year (or any of the other eligibility criteria ceases to be met), the Tier 2 instruments should no longer be included in row 0130 of M 02.00/EU 12c of TLAC1.	No change
TLAC1/M 02.00: excess of deductions	Two respondents considered that row 0200 (row 0220 after consultation) of template M 02.00 does not consider a situation where all Tier 2 capital has been used (deductions from Tier 2 exceed the amount of Tier 2 instruments and items) and therefore the deduction should be made from	Row 0220 of template M 02.00 mirrors row 0955 of template C 01.00 of the ITS on reporting and shows the 'escalation' of the deduction from eligible liabilities to Tier 2. The escalation from Tier 2 to AT1 and from AT1 to CET1 is presented in detail only in template C 01.00; it will result in lower amounts of own funds being reported/disclosed in rows 0020 to 0050 of	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	Additional Tier 1 (AT1) or Common Equity Tier 1 (CET1) capital. They suggested adding 'excess of deductions' also for AT1 and CET1.	M 02.00/rows 1, 2 and 6 of TLAC1 (without any further detail being provided).	
TLAC1/M 02.00: investments in subordinated liabilities (Memorandum items)	One respondent sought clarification on whether the amounts reported in row 0310 of template M 02.00 (investments in subordinated eligible liabilities of G-SIIs, row 0460 after consultation) should be reported on a gross or a net basis. He suggested adding an explicit reference to Articles 72e and 72h CRR. The respondent also sought confirmation that the amounts reported in row 0310 (row 0460 after consultation) equal those of row 0190 (deductions – investments in other eligible liabilities instruments, row 0210 after consultation) in the case of TLAC.	It was clarified in the instructions that the information reported in rows 0460 to 0490 should take into account the principles laid out in Article 72h CRR, i.e. that the amounts reported should be net long positions and that a look-through approach should be applied to positions in indices. Regarding the relationship between rows 0210 and 0460, it should be noted that row 0460 is limited to investments in subordinated eligible liabilities, while row 0210 includes all the liabilities subject to the deduction regime in the TLAC context.	See 'EBA analysis'
TLAC1/M 02.00: free CET1	Two respondents asked for further clarification on the content of row 0210 of M 02.00 (CET1 (%) available after meeting the entity's requirements, row 0400 after consultation).	Row 0400 of M 02.00 (row 27 of TLAC1) captures the amount of CET1 capital (expressed as a percentage of risk-weighted exposure amounts at the reference date) that is not earmarked to fulfil the requirements of Article 92 CRR (the Pillar 1 own funds requirement), point (a) of Article 104(1) CRD (the Pillar 2 requirement) and, as applicable, Article 92a CRR or Article 45e BRRD – i.e. CET1 capital that is available to meet other requirements, such as the combined buffer requirement or Pillar 2 guidance. The exact calculation depends, among other things, on the entities' requirements and to what extent they need to be met with CET1, as well as on the availability of AT1, T2 and eligible liabilities to	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		meet those parts of the requirements that do not have to be met with CET1.	
ILAC/M 03.00: free CET1	Two respondents asked for further clarification of the content of row 0340 of M 03.00 (CET1 (%) available after meeting the entity's requirements', row 0440 after consultation).	Please see the response to the same comment on TLAC1/M 02.00	No change
ILAC/M 03.00: title	One respondent mentioned a possible contradiction between the title of template M 03.00 and the instructions on this template. He pointed out that the title mentions only 'non-EU G-SIIs' as entities that have to report the template. In the corresponding instructions (Annex II, Part 2, Section 2.2.1), however, entities are mentioned in general that are not resolution entities (e.g. subsidiaries). Given this, the respondent sought clarification on which entities should report the required information.	The title of template M 03.00 mentioned (i) 'internal MREL', which applies to all entities subject to the obligation to comply with Articles 45 and 45f BRRD, and (ii) the 'requirement for own funds and eligible liabilities for non-EU G-SIIs', which is relevant only for material subsidiaries of non-EU G-SIIs (Article 92b CRR). The title of the template and the scope of entities that the instructions referred to were therefore aligned. To eliminate the source of confusion, the title of the template was changed to 'internal MREL and internal TLAC'.	Change to title of template
LIAB MREL/M 04.00: level and scope of application	One respondent asked for clarification on who should report template M 04.00 and at what level, pointing out that: • a similar SRB template would be reported only by the resolution entity at solo level; • only non-resolution entities with an internal MREL requirement should report this template, in his view.	Please see also responses to general questions on the level and scope of application. Provided that the entity or group in question is not exempted from the reporting obligation as a whole in accordance with Article 45i(4) BRRD, the information in template M 04.00 needs to be reported by:	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		• resolution entities that are not part of a group (i.e. standalone entities) at individual level in accordance with point (c) of Article 3(1) of the ITS; • resolution entities that are part of a resolution group at consolidated level in accordance with point (c) of Article 4(1) of the ITS; • entities other than resolution entities that have to comply with the requirement set out in Articles 45 and 45f BRRD on an individual basis at individual level in accordance with point (b) of Article 5(1) of the ITS; • entities other than resolution entities that have to comply with the requirement set out in Articles 45 and 45f BRRD on a consolidated basis at consolidated level in accordance with point (b) of Article 6(1) of the ITS.	
LIAB MREL/M 04.00: structured notes	Two respondents sought confirmation that row 0400 of M 04.00 covers eligible structured notes, which do not necessarily correspond to the structured notes reported in row 0350 of template Z 02.00 of the ITS on resolution planning reporting.	As pointed out in the consultation paper and reflected in the instructions, the instruments and items to be reported in template M 04.00 (LIAB MREL) are strictly limited to those eligible for the purposes of meeting the requirements of Article 45 BRRD; in contrast, template Z 02.00 (LIAB of Annex I to Regulation (EU) 2018/1624) captures all liabilities. Consequently, the amounts reported in row 0400 of M 04.00 (structured notes ≥ 1 year) and row 0350 of Z 02.00 (structured notes) will not necessarily be equal.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
LIAB MREL/M 04.00: hybrid approach	One respondent asked that the instructions clarify that template M 04.00 does not follow the hybrid approach to eligible liabilities.	This is only partially correct. The template exclusively covers eligible liabilities, i.e. own funds available to meet the MREL requirements are out of its scope. However, in accordance with paragraph 12 of Annex II, all eligible liabilities shall be reported in the template. In the case of external MREL, for example, this also includes liabilities issued by subsidiaries of the resolution entity that can be recognised for the purposes of compliance with the MREL requirement.	No change
TLAC2 and TLAC3/M 05.00 and M 06.00: breakdown by insolvency rank	Three respondents sought confirmation that the information in TLAC2 (disclosure)/M 05.00 (reporting) should be broken down not by instrument but only by insolvency rank and investor affiliation. Two respondents sought confirmation that the information in TLAC3 (disclosure)/M 06.00 (reporting) should be broken down not by instrument but only by insolvency rank.	Yes, the information in TLAC2/M 05.00 is aggregate information, broken down only by insolvency rank and creditor. Yes, the information in TLAC3/M 06.00 is aggregate information, broken down only by insolvency rank.	No change
TLAC2 and TLAC3/M 05.00 and M 06.00: scope of liabilities to be reported/disclosed	One respondent sought clarification that, in the light of the mandate, only bail-inable instruments and not liabilities excluded from bail-in should be included in TLAC2/M 05.00 and TLAC3/M 06.00 and that these should be broken down by insolvency rank.	A provision was introduced to differentiate the scope of liabilities to be reported in templates M 05.00 and M 06.00: • Entities subject to the obligation to comply with the requirements of Article 92a or 92b CRR are required to report own funds and any liabilities ranking *pari passu* with or lower than eligible liabilities. • All other entities may choose to report the same scope of instruments, or only own funds, eligible liabilities and other bail-inable liabilities.	See 'EBA analysis'

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		This approach satisfies the reporting mandates of Article 430 CRR and Article 45i(1) BRRD. In the case of G-SIIs, it also makes it possible to derive data to be disclosed, which is fully compliant with the BCBS disclosure standards, from the reported data.	
TLAC2 and TLAC3/M 05.00 and M 06.00: structure	Two respondents suggested aligning the structure of M 05.00 and M 06.00 (reporting)/TLAC2 and TLAC3 (disclosure) more closely with the structure of template Z 02.00 of the ITS on resolution planning reporting.	The structure of M 02.00/M 03.00/TLAC2/TLAC3 is based on the BCBS disclosure templates. Alignment with Z 02.00, if even possible, would be likely to lead to a misalignment with the BCBS' template, or would lead to a divergence in design between the reporting and disclosure templates. Apart from that, any further alignment in structure would be marginal, given the differences between the templates in terms of content and objectives.	No change
TLAC3/M 06.00: level of application	Three respondents indicated that there was a contradiction between the title of template M 06.00, which suggests that the template is to be reported both at group and individual level, and the instructions and other statements in the consultation paper, which suggest that it is applicable only at individual level.	Template M 06.00 is indeed only to be reported at individual level. The title of template M 06.00 was modified and now refers only to resolution entities.	Title of template M 06.00 modified
MTCI/M 07.00: scope of instruments to be reported	Two respondents asked for confirmation that template M 07.00/MTCI covers only instruments governed by a third-country law.	Yes, as stated in paragraph 20 of Annex II, only instruments governed by the law of a third country shall be reported in template M 07.00	No change
MTCI/M 07.00: amortised versus not amortised Tier 2 instruments	Regarding the reporting of Tier 2 instruments in amortisation in template M 07.00, one respondent pointed out that only the amount	As stated in the instructions on column 0090 as presented for consultation, in the case of instruments partially qualifying for two different classes of own	See 'EBA analysis'

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	eligible as Tier 2 and the amount eligible as eligible liabilities would be different, if those instruments were to be reported twice in the template. All other features are the same.	funds or eligible liabilities, the instrument shall be reported multiple times to reflect the amounts allocated to the different capital classes separately. It is acknowledged that most of the information reported is identical in particular for Tier 2 instruments in amortisation. For greater clarity, the instruction on reporting items qualifying for multiple capital classes was moved to the introductory remarks, and the specification of the unique row key was adjusted.	
Question 3	**Do you see any discrepancies between these templates and instructions and the requirements set out in the underlying regulation, i.e. do these templates and instructions reflect the substance of the TLAC requirement and MREL in a proper manner? Do you agree that the proposed reporting requirements are fit for purpose?**		
'Cap' under Article 72b(3) CRR versus 'de minimis' exemption under Article 72b(4) CRR	Three respondents considered it strongly misleading that the exemption under Article 72b(4) CRR is referred to as a 'cap' in the instructions. They considered the subordination exemption under Article 72b(3) CRR to be correctly labelled a 'cap', given that it limits the amount of senior debt allowed to qualify as TLAC. They recommended changing the terminology regarding the 'de minimis' exemption under Article 72b(4) CRR, which sets a threshold or 'cap' on the excluded liabilities amounts ranking *pari passu* with or lower than TLAC resources, rather than a 'cap' on what could be deemed TLAC eligible, to differentiate appropriately between the two exceptions.	The instructions were reviewed to remove or adjust the references to the exemption under Article 72b(4) CRR in terms of terminology. As a side note, and irrespective of the fact that the references to Article 72b(4) CRR were removed from those rows, rows 0170 and 0180 of TLAC1 include both the (capped) amount of liabilities recognised as eligible in accordance with Article 72b(3) CRR and the amount of liabilities recognised as eligible in accordance with Article 72b(4) CRR.	Review and revision of instructions

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Deduction for exposures between MPE resolution groups	One respondent sought confirmation that row 0180 of M 02.00 (deductions – exposures between MPE resolution groups) should be used to report deductions of exposures between MPE G-SII resolution groups and subsidiaries outside of these resolution groups only to the extent that the exposures are towards entities located within the EU (e.g. entities under the remit of EU resolution authorities and subject to TLAC requirements stemming from EU law). The respondent suggested that row 0180 would apply to an MPE group with multiple resolution entities in the EU, or one resolution group in the EU with EU subsidiaries located outside of the resolution group. He considered that exposures to subsidiaries of the group located in third countries should instead be reported in row 0190 (deductions – investments in other eligible liabilities instruments).	This is a matter of interpretation of the CRR and goes beyond the scope of this consultation.	No change
Investments in other (subordinated) liabilities	Five respondents asked that the additional items on investments in subordinated eligible liabilities instruments (beyond the information on the deductions to be made in accordance with Article 72e CRR), as shown in rows 0300 to 0330 of template M 02.00, be removed from the reporting package. They put forward the following views and arguments: • Given that the provisions of Article 72e CRR are applicable only to G-SIIs, other	The information on investments in subordinated liabilities of other entities is indeed not relevant to compliance with the requirements of Article 92a CRR and Article 45 BRRD in the absence of a (comprehensive) deduction regime. Nevertheless, such investments entail particular risks, including contagion risks, that warrant closer scrutiny by resolution and competent authorities. The items are high-level in nature.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	entities should not have to report this information, as this involves a disproportionate effort. • Monitoring of investments in eligible liabilities instruments is time-consuming in terms of both calculation and implementation, considering that a significantly larger number of types/categories of securities has to be monitored than in the area of own funds, and considering that the necessary master data systems are only being developed. • The European legislators intentionally neither introduced a deduction regime for MREL nor included an explicit item regarding those investments in the reporting mandate of Article 45i BRRD, and the relief provided by these measures is partially offset by the introduction of the memorandum items in M 02.00. • Further explanations on the purpose of introducing the four items in M 02.00 should be given; the mandate of Article 504a CRR is considered an insufficient justification for quarterly reporting. • The four items are irrelevant to compliance with the requirements of Article 92a CRR and Article 45 BRRD.		

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Reporting on total liabilities and own funds	One respondent considered that the information on total liabilities and own funds in M 01.00 (row 0120) and in EU TLAC3 (row 2) goes beyond the EBA's mandate under Article 45i(1) BRRD.	The item on the total liabilities and own funds was removed from template M 01.00. The amount of total liabilities and own funds was never to be disclosed in EU TLAC3 (nor in EU TLAC2), the label was misleading. Please see the responses to comments on the scope of EU TLAC3 and EU TLAC2, as well as their reporting counterparts M 05.00 and M 06.00, for further explanations.	Row 0120 dropped from template M 01.00
Question 4	**Template KM2 in the BCBS standard includes special rows to reflect the own funds amounts on an IFRS 9 fully loaded basis. There is a template required in the EU that provides this information at the level of the prudential scope of consolidation. The instructions for KM2 ask institutions to explain any material difference between the own funds amounts disclosed and the IFRS 9 fully loaded amount at resolution group level. They are also asked to explain any material difference between the IFRS 9 fully loaded amounts at resolution group level and at prudential group level. Do respondents agree that this is a good way to request this information, rather than adding specific rows, considering that this information will cease to be relevant once the IFRS 9 transition period is over?**		
Narrative explanation	One respondent welcomed the EBA's decision not to include additional rows to reflect the IRFS 9 fully loaded values as included in the BCBS standard, in the light of the fact that the regulatory transition periods for the move to IFRS will expire shortly, and given his perception that many banks have decided against using the transitional provision. He noted that additional reporting obligations would be irrelevant from the start for those entities, as would the narrative explanations proposed in their place. Three other respondents noted that an explanation of the difference between the	In the light of the feedback received, the requirement was kept unchanged.	No change

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	IFRS 9 fully loaded amounts at resolution group level and at prudential group level would not be relevant in those cases where the scope of the prudential group and the scope of the resolution group coincided. Two of them considered this requirement not applicable to groups with a multiple point of entry strategy, where there is no prudential reporting at resolution group level.		
Meaning of 'own funds amount disclosed'	One respondent sought clarification on what was meant by 'own funds amounts disclosed' in the sentence 'The instructions for KM2 ask institutions to explain any material difference between the own funds amount disclosed and the IFRS 9 fully loaded amount at resolution group level' and what the possible differences referred to are.	The explanation required refers to the difference between the amount of own funds taking into account the transitional provisions regarding IFRS 9 and the amount of own funds without the application of those transitional provisions.	No change
Question 5	**Are the (disclosure) instructions, tables and templates clear and appropriate to the respondents?**		
	Note: In the light of the strong link between the elements of reporting and the elements of disclosure specified in these ITS, please consult also the answers to other questions – in particular questions 2 and 3 – for the EBA's responses to certain issues raised.		
Responsibility for compliance with the disclosure obligation	One respondent sought confirmation that, in the case of a group (prudential consolidation) with a multiple point of entry strategy, the various resolution entities would be in charge of disclosure for the resolution group, and not the ultimate parent of the (prudential) group.	Yes, this is correct. Each resolution entity is itself responsible for compliance with the disclosure obligations applying to its resolution group; there is no 'overarching' responsibility on the part of the ultimate parent.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Scope of application	Two respondents suggested that the number of material subsidiaries with dedicated disclosure (and reporting) requirements should be limited to the most important institutions of a resolution group.	The level and scope of application are defined in the Level 1 provisions. Neither the CRR nor the BRRD envisages disclosure (or reporting) only by the most important institutions of a resolution group.	No change
Scope of application	One respondent asked for further clarification on the scope of application of the disclosure requirements regarding the templates that have to be submitted only by entities that belong to a resolution group but are not themselves resolution entities. The respondent enquired how broadly this term is to be interpreted and suggested that this could include only those group institutions that are obliged to comply with a minimum requirement at single-institution level pursuant to the second sentence of Article 45f BRRD. Two other respondents raised similar comments regarding ILAC and TLAC2. Another respondent noted that 'other entities' does not appear to be limited to institutions. He considered that disclosure by entities that are not credit institutions or investment firms would seem irrelevant for the purpose of monitoring TLAC and MREL ratio compliance. The respondent suggested that 'other entities' needed to be tailored to the type of undertakings that are actually in scope (in contrast to other undertakings that are included in the prudential scope of	The level and scope of application are defined in the Level 1 provisions. In order for the disclosure obligations regarding MREL to apply to an entity, the conditions of Article 45i(3) and (4) BRRD need to be fulfilled, i.e. it needs to be an entity listed in Article 1(1) BRRD, it needs to be subject to the requirement referred to in Article 45(1) BRRD and it must not be an entity whose resolution plan provides that the entity is to be wound up under normal insolvency proceedings. In the specific case of internal MREL, only entities – or, where applicable, groups – that are subject to the obligation to comply with the requirements of Article 45f BRRD and meet the aforementioned conditions have to disclose the information specified in the EU ILAC and EU TLAC2 templates. In addition, the provisions of the CRR need to be considered regarding the requirement under Article 92b CRR (see the second subparagraph of Article 6(3) CRR and the second subparagraph of Article 13(2) CRR), where the entity in question is subject to that requirement. Material subsidiaries of non-EU G-SIIs are subject to the obligation to disclose the information in	No change

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	consolidation/the resolution group but that are unable to issue own funds or eligible liabilities instruments).	EU CCA (point (a) of Article 437a CRR) in addition to EU ILAC and EU TLAC2.	
Level of application, reconciliation in the light of different accounting standards	One respondent noted that Pillar 3 disclosure under Part Eight CRR was usually made on a consolidated basis. In his understanding, the consultation paper, however, envisaged MREL disclosure being carried out at the point of entry, i.e. for the resolution entity. He explained that this did not necessarily have to coincide with the consolidation/group, since in some cases only the parent company (as an individual institution) would be defined as a resolution entity. In such cases, the resolution or valuation of the resolution entity would be conducted in accordance with national accounting standards (nGAAP), whereas for balance-sheet figures the Pillar 3 group report would access IFRS information. Thus, in some cases, the CRR disclosure (group, IFRS) and the MREL disclosure (individual institution, nGAAP) would not fit together, although the information would be provided in a single report. The respondent sought clarification on how this would be dealt with.	The level of compliance with the disclosure obligations is specified in the CRR and the BRRD. The fact that the ITS specifies the formats by attributing the obligations to 'entities identified as resolution entities' is not to be interpreted as meaning that those formats include automatically and only data for the resolution entity. Please see also other responses regarding the scope and level of application of the disclosure requirements above. Where the scope of the prudential group that has to comply with the own funds requirements under Article 92 CRR and that of the resolution group that has to comply with the requirements under Article 92a CRR or Article 45 BRRD are identical, the level and scope of application of the disclosure requirements under Part Eight CRR other than the TLAC disclosure requirement on the one hand and the TLAC/MREL disclosure requirement on the other should match and the accounting standards on which the figures are based should be the same.	No change
CCA: granularity	One respondent raised concerns that more than 1 300 instruments would have to be disclosed, if all instruments purely due to subordination have to be disclosed. The respondent considered that this amount of	The Level 1 text requires disclosure of this type of information and does not envisage a materiality threshold. However, it should also be noted that the instructions permit bundling instruments of the same category that	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	information would not be beneficial for investors and would in many cases lead to several templates/columns populated with the same information repeated for each International Securities Identification Number (ISIN). Considering both the burden on entities of producing these disclosures and the lack of added value for investors, the respondent suggested limiting the disclosures to 'benchmark issuances' (proposing as a definition 'an issuance representing a debt public offering into capital markets with a material minimum initial issuance notional', which depends on respective market/issuing currency) and disclosing the ISIN list only for all other instruments. Regarding subordinated private placements, the respondent suggested that they should not be included in the disclosures given their typical size and the limited value of disclosing these to investors; he also reiterated the need to maintain confidentiality around private placements. Two other respondents considered it questionable whether disclosing information on eligible liabilities in the CCA template would add meaningful information compared with the information already disclosed in TLAC3. The respondents suggested limiting the disclosure requirement to instruments of material importance to the entity in question, or disclosing only categories of instruments (e.g. broken down by ranking in the event of	have identical features by completing only one column and identifying the issuances to which the identical features refer. Information related to private placements is not currently confidential, it simply is not public.	

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	insolvency), with ranges for prices and other conditions but without details of ISINs or other identification numbers. They considered that these disclosures would offer users a more useful basis for making decisions, as they would provide the stakeholder with information on the volume of the tranches to be serviced by him or her in the event of insolvency.		
CCA: private placements	Three respondents emphasised that information related to private placements should remain confidential (rows 2a and 37a). They also considered that it would be highly beneficial for investors to be able to select and prioritise the most valuable information and to limit the signposting (row 37a) to the main public placements above a size threshold.	Information related to private placements is not currently confidential, it simply is not public. Regarding row 37a, the requirement comes from the Level 1 text, which does not include any threshold.	No change
Editorial issues/drafting suggestions	Several respondents provided editorial or drafting suggestions on the instructions (e.g. discrepancies between labels in the templates and the instructions or misinterpretable labels, wrong label 'NO' in TLAC2, erroneous references).	Most of the editorial and drafting suggestions were taken on board.	Editorial changes
KM2: subordinated items	Three respondents asked for an explanation regarding why rows EU-1a, EU-3a and EU-5a of KM2 (own funds and subordinated liabilities as absolute amounts and percentages of risk-weighted exposure amounts and total	Rows EU-1a, EU-3a and EU-5a of KM2 are greyed out for the TLAC column as a means of facilitating disclosure in the light of the existence of a deduction regime, and more specifically to avoid the need to differentiate between deductions from subordinated liabilities and	No change

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	exposure measure) were greyed out for the column 'G-SII requirement for own funds and eligible liabilities (TLAC)', considering that EU institutions may use the 2.5%/3.5% senior debt allowance. The respondents suggested that the template should be amended in order to allow the cells in question to be filled in.	those from other liabilities, which would be required if these cells had to be filled in. The same considerations apply to the corresponding cells in the reporting template.	
KM2: first disclosure of the information on preceding quarters ('T-'-columns)	Two respondents asked for further instructions on the first publication of the KM2 template regarding quarterly data (columns c to f under 'G-SII requirement for own funds and eligible liabilities (TLAC)').	Entities should fill in all applicable columns following the instructions on columns b to f of KM2 as set out in Annex VI to the ITS. The obligation to disclose information on TLAC took effect on 28 June 2019 (the second subparagraph of Article 3(3) of Regulation (EU) 2019/876 in conjunction with point (c) of the first subparagraph of Article 3(3) thereof), so the information should be available in principle already, despite the fact that the ITS specifying the exact format for disclosure will come into effect only in the second or third quarter of 2021.	No change
TLAC1: empty set in the EU	Three respondents sought clarification on why certain rows in TLAC1 are marked 'empty set in the EU' and whether those rows will be removed in the final ITS.	The rows marked 'empty set in the EU' correspond to elements of the BCBS disclosure templates that are not applicable or relevant under EU legislation. They will be kept in the final templates.	No change
TLAC2: 'resolution entity' column	Two respondents sought clarification on the content of the 'resolution entity' column of the TLAC2 template, considering that the table is to be disclosed only by non-resolution entities.	As stated in the general remarks on this template in Annex VI, the amounts of liabilities and own funds of non-resolution entities that are disclosed in TLAC2 shall be broken down into amounts owned by the resolution entity (directly or indirectly through entities along the chain of ownership, if applicable) and amounts not owned by the resolution entity. The 'resolution entity'	No change

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		column captures the former, i.e. amounts owned by the resolution entity.	
TLAC2/TLAC3: meaning of 'potentially eligible' liabilities	One respondent sought clarification on what the term 'potentially eligible' in the instructions on TLAC2 and TLAC3 meant.	To put it simply, the TLAC and MREL frameworks consider three elements: the stock of eligible liabilities, subordination requirements and deductions. The information included in TLAC2 and TLAC3 exclusively considers the first element; it does not reflect that certain liabilities that qualify as eligible liabilities in principle may in the end not count towards MREL or TLAC because of the subordination requirements. Therefore, any (non-subordinated) eligible liability presented in TLAC2/TLAC3 is only 'potentially' eligible.	No change
TLAC3: level of application	Three respondents noted that the TLAC3 template is expected to be produced on an individual basis, while the rest of the Pillar 3 disclosures are (typically) produced on a consolidated basis. The respondents understood that the breakdown of liabilities by insolvency ranking at the point of entry was to be done on an individual basis but wanted to note that this template, considering its scope, would be an exceptional template in the Pillar 3 documentation.	Yes, in contrast to all the other disclosure templates, TLAC3 (and TLAC2) will always be disclosed at individual level, irrespective of whether the entity in question is subject to the obligation to comply with the MREL requirement, and where applicable also the TLAC requirement, at individual or consolidated level.	No change
Mapping between reporting and disclosures	Two respondents provided comments on the mapping between reporting and disclosures, pointing out wrong references and suggesting opening or closing certain grey cells. One respondent noted that the sign convention for disclosure specified in Part I of Annex VI to the ITS	Wrong references were corrected and the meaning of '!=' clarified. Some additional cells in the disclosure template TLAC1 were closed or opened. The sign convention specified in Part I of Annex VI was dropped.	See column 'EBA analysis'

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	contradicts the sign convention specified in the instructions on TLAC1 regarding the disclosure of regulatory adjustments in paragraph 12 of Part II [paragraph 6 after consultation].		
Question 6	**Do you identify any discrepancies between these (disclosure) templates and instructions and the calculation of the requirements set out in the underlying regulation?**		
TLAC2/TLAC3: scope of liabilities to be disclosed	Three respondents noted that TLAC2 and TLAC3 require the disclosure of all funding that ranks *pari passu* with or lower than MREL-eligible instruments, including own funds and other capital instruments. Those three respondents considered that neither Article 45i(3) BRRD nor Article 437a CRR covers this scope, as they require only the disclosure of the creditor hierarchy for own funds and eligible liabilities. The respondents also noted that the template might even require a breakdown of total liabilities and own funds, which would go even further beyond the mandate.	It is acknowledged that the originally proposed scope of the disclosure slightly exceeds the mandate. However, the CRR also requires alignment with the BCBS disclosure standards (applicable at least to G-SIIs), which envisage disclosures on the broader scope. Given this, two versions of the TLAC2 and TLAC3 templates were created, which differ regarding the scope of liabilities to be disclosed: • TLAC2a and TLAC3a, to be mandatorily used by entities subject to the obligation to comply with the requirements of Article 92a or 92b CRR, capture own funds and any liabilities ranking *pari passu* with or lower than eligible liabilities. • TLAC2b and TLAC3b capture only own funds and eligible liabilities. Entities other than entities subject to the obligation to comply with the requirements of Article 92a or 92b CRR should, in principle, use templates TLAC2b and TLAC3b to comply with the relevant disclosure obligations, but they have the option to use TLAC2a and TLAC3a, with the wider scope.	See 'EBA analysis'

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		This approach acknowledges the limits of Articles 437a CRR and Article 45i(3) BRRD but ensures that disclosure by G-SIIs is at least as far as possible compliant with the BCBS disclosure standards, as required by Article 434a CRR. The label 'total liabilities and own funds' in TLAC2 and TLAC3 was misleading and was therefore changed.	
Question 7	**Do you agree that the new draft ITS fit the purpose of the underlying regulation?**		
G-SIIs versus other entities: template format	One respondent noted that the disclosure templates contain separate rows/columns for MREL and TLAC. He sought clarification on whether the rows/columns to be completed only by G-SIIs could be omitted for disclosures by non-G-SIIs (rather than just remaining empty), arguing that including all the data fields – even blank ones – in the disclosed templates would be more likely to give rise to questions from the recipients than to provide greater transparency.	Entities that are not subject to the obligation to comply with the requirements of Article 92a or 92b CRR are also not subject to the corresponding disclosure obligations. Thus, rows and columns pertaining to the TLAC requirement can be omitted by entities solely subject to the MREL requirement without the need for further explanation.	No change
G-SIIs versus other entities: relevance of information and scope of the disclosure obligation	Two respondents expressed the view that some of the information to be disclosed was not relevant to decision-making or could be optimised, pointing to answers given to other questions. They also asked that there be a consistent differentiation between the requirements for G-SIIs and non-G-SIIs in accordance with the requirements of CRR2.	Responses to comments on specific issues regarding the relevance of disclosed information are provided in the answers to the other consultation questions. There is a clear distinction between the disclosure requirements applicable to entities subject to the obligation to comply with the TLAC requirements of the CRR and those applicable to entities subject to the obligation to comply with the MREL requirements only.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Minimum precision provisions	One respondent raised concerns regarding the level of accuracy that characterises the definition of each unit in the disclosure section of the EBA ITS. He considered the number of units for amounts and four decimal places for percentages disproportionate, doubting that this level of granularity would provide additional clarity and quality or help investors. The respondent recommended reducing the percentage requirement to one decimal place and allowing institutions to determine the appropriate presentation of amounts for their size.	The EBA agreed with the point regarding the minimum precision requirement regarding amounts and amended Article 16 of the ITS accordingly.	See 'EBA analysis'
Questions 8 and 9	**Questions 8 and 9 of the consultation paper referred to the forecast templates, which are not part of these final ITS. Therefore, the feedback and the analysis of the answers to these questions are not included here.**		