



DRAFT AMENDING ITS ON ADDITIONAL MONITORING METRICS FOR LIQUIDITY

Public Hearing, 14 December 2016

Background and Mandate

- ***Publication and Submission of the original ITS on additional liquidity monitoring metrics to the European Commission in December 2013 by EBA***
- ***Legal basis: Article 415(3)(b) of the CRR (Regulation No 575/2013)***
- ***Adoption of the ITS on additional monitoring metrics for liquidity (AMM) without the maturity ladder in March 2016 (Regulation (EU) 2016/313)***
- ***Request by the Commission to update the maturity ladder based on a reporting fully aligned with Delegated Regulation (EU) 2015/61 (LCR Delegated Act or LCR DA) and to resubmit it to the Commission for adoption.***
- ***Proposed consultation paper (CP) primarily consists of a reintroduction of a maturity ladder, aligned with the LCR DA where necessary and proportionate.***

Overview of templates

- ***C66.00 (Maturity Ladder Template) reintroduced (aligned with the LCR DA). In the adopted version of the ITS there is no maturity ladder;***

- ***Selective revisions to the additional monitoring tools (templates and instructions) that are already implemented in the existing ITS:***
 - ***C67.00 (concentration of funding by counterparty)***
 - ***C68.00 (concentration of funding by product type)***
 - ***C69.00 (prices for various lengths of funding)***
 - ***C70.00 (rollover of funding)***
 - ***C71.00 (concentration of counterbalancing capacity by issuer/counterparty)***

- ***Changes to C67.00 to C71.00 are presented in track change mode in the CP***

Reintroduction Maturity Ladder (C66.00)

- ***Less details required on assets other than high quality liquid assets and on credit quality steps in the updated maturity ladder***
- ***Introduction of a section which captures outflows from committed facilities as well as outflows due to downgrade triggers (alignment with the contingencies in the LCR)***
- ***Introduction of a memorandum section that includes details on five LCR components which helps with the estimation of upcoming volatility of the LCR***
- ***Amendment of the composition of the time buckets (3 to 6 m interval and >2y) and reduction of the granularity of the different rows to be reported.***
- ***Reduction of rows to be reported in the maturity ladder by 10% from 143 to 129 rows.***

Non-maturity ladder templates (C67.00 to C71.00)

- ***Minor revisions to the non-maturity ladder templates and instructions reflecting guidance provided in several relevant published and draft reporting Q&As***

- ***The instructions to template C69.00 have been clarified as follows:***
 - ***Transactions that have rolled-over during the reporting period receive the highest spread.***
 - ***Only those sight deposits that are new for the applicable reporting period have to be reported***

- ***For C67.00, C68.00 and C70.00 the application of original maturity has been clarified.***

- ***The revised templates and instructions ensure consistency between the different parts of the ITS, particularly to take into account the updates in the maturity ladder.***

Next steps

- ***Submitting of responses to the consultation paper until 2 January 2017***
- ***Assessment of the feedback received after the consultation process by EBA***
- ***Presentation of the final draft ITS on AMM to the EBA Governance Structures in the first quarter of 2017 for approval and publication***
- ***The amending ITS is intended to be part of the 2.7 Taxonomy release package and is expected to apply from approximately March 2018.***



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Questions in the consultation paper

Q01: Do respondents agree to the structure and content of the maturity ladder template as proposed in Annexes XXIV and XXV, with in particular the items in the contingency section and memorandum item section? If not, would respondents have substantiated reasons for amending or not including a particular data item?

Q02: Do respondents agree to the structure and content of the proposed revisions to the templates and instructions of the non-maturity ladder templates Annex XVIII to Annex XXI of Implementing Regulation 680/2014? If not, would respondents have substantiated reasons for not amending or further amending a particular paragraph or cell description?

Q03: Do respondents agree to the proposed clarification to the treatment of transactions that have rolled-over during the reporting period in paragraph 8 of the instructions to template C69.00 (as in annex XIX), or would it be preferable to have daily averaging of volumes and spreads as one alternative or end of month spreads as another (and why)?

Questions in the consultation paper

Q04: Do respondents agree to the proposed clarification to the treatment of sight deposits in paragraph 9 of the instructions to template C69.00 (as in annex XIX), to focus only on those deposits that are new for the applicable reporting period, or would it be preferable to align the treatment with that of items that have rolled-over?

Q05: Would respondents have substantiated arguments for an implementation period different from the above-mentioned March 2018 application date?

Q06: Do respondents have substantiated views on the effectiveness and clarity of the proportionality threshold of subparagraph (a) of paragraph 16b (2) of the ITS on reporting? Would they see alternative workable solutions?

Q07: Do respondents agree to the impact assessment? If not, would respondents have substantiated reasons why they would foresee a different conclusion