

12 September 2018

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# Changes to the EBA NPL Templates version 1.0

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Following the release of version 1.0, institutions have used and tested the EBA NPL templates. The EBA has received additional feedback from these users and, in parallel, engaged with various stakeholders in the view of improving the templates.

This note provides an overview of the changes the EBA has made to version 1.0 following the user feedback and further considerations. These changes have been incorporated in version 1.1 of the NPL templates.

## Summary of items modified

The following list indicates the modification(s):

- Legal procedure structure and wording;
- Additional legal procedure fields;
- Two additional fields; 'Balance at Default' and 'Collateral Repossessed Date';
- Minimal wording changes to the instructions to improve descriptions of data fields; and
- Further clarification on wording in the instructions.

Additional field(s):

- Seven new legal procedure data fields, which are classified as critical; and
- Two new other data fields, which are classified as important.

Deleted field(s):

- One critical field ('Legal Status') due to duplication.

## Changes in Legal Procedure section

The amended approach captures the following:

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- The local name of any insolvency proceedings affecting the Counterparty. The approach now duplicates this field to cover the complex and varying nature of insolvency/restructuring proceedings, where a debtor can be subject to two different types of insolvency proceedings;
- The name and contact details of any insolvency practitioner that has been appointed and the date of their appointment/ date when the proceedings were commenced;
- Whether that type of insolvency/restructuring proceedings are liquidation-based or more focused towards rescue;
- Whether they impose a moratorium to prevent enforcement by secured and unsecured creditors;
- Whether there is a risk of their secured claim being compromised/written down against their will;
- Whether: a proof of claim has been filed by the seller; a distribution has been made to the seller; and, notice of the end of the procedure has been given; and
- Succinct summaries of the Name of Insolvency/Restructuring procedure name in Annex I to the EBA NPL Instructions.

**Existing flow of fields****New flow of fields**

88. 'Legal status'

88. 'Name of Insolvency/Restructuring proceedings'

89. 'Legal Procedure Type'

89. 'Additional Name of Insolvency/Restructuring Proceedings'

90. 'Legal Procedure Name'

90. 'Legal Procedure Type'

91. 'Legal Actions Completed'

91. 'Description of Legal Procedure Type'

92. 'Date of Entering into Current Legal Process'

92. 'Commencement Date of Insolvency/Restructuring Proceedings'

93. Insolvency Practitioner Appointed'

93. 'Stage reached in Insolvency/Restructuring Procedure'

Existing flow of fields	New flow of fields
94. 'Date of Appointment'	94. 'Additional stage reached in Insolvency/Restructuring Procedure'
95. 'Name of Insolvency Practitioner'	95. 'Insolvency Practitioner Appointed'
	96. 'Date of Appointment'
	97. 'Name of Insolvency Practitioner'
	98. 'Correspondence Address of Appointed Insolvency Practitioner'
	99. 'Insolvency Practitioner Reference'
	100. 'Proof of Claim Filed by the Seller'
	101. 'Distribution made to the Seller'
	102. 'Notice for Procedure Termination'

## Other version changes

Feedback - comment	Description of the change following feedback
Update the indexing for the Property Collateral tab	Re-translated the Data dictionary to correct the indexing error
Clarify the input to the EBA NPL Templates when entering a Choice field. When entering a Choice field into the EBA NPL Templates, it is not clear how said Choice field should be entered. The options were: (A), A, (A) Employed or Employed	The EBA NPL Instructions have been amended to include an instruction to enter "Employed" for the Choice field
Clarify the input to the EBA NPL Templates when entering a NACE code or similar	The EBA NPL Instructions have been amended to include an instruction to enter "A –

Feedback - comment	Description of the change following feedback
	<p>Agriculture” for the Choice field. Therefore where this applies for other codes we will always enter “Code – Wording”</p>
<p>Update tab name ‘History of total repayments’ to ‘History and repaymschedule’</p>	<p>Change the tab name in the EBA NPL Templates from ‘History of total repayments’ to ‘History and repaymschedule’</p>
<p>Update the asset class matrix for unsecured to cover the correct tables. Some need to be dropped to be in line with the overall asset class</p>	<p>Remove: Tenant – Lease relationship table from the EBA NPL Data Dictionary Asset class matrix</p>
<p>Clarify in the instructions that when entering the OC code the OC prefix should be removed</p>	<p>The EBA NPL Instructions have been amended to include an instruction to not enter the OC prefix when entering the OC codes in the EBA NPL Templates</p>
<p>Two links for Eurostat codes were directing the user to different sources. One more detailed than the other</p>	<p>The EBA NPL Instructions have been amended to include just one ILO link. We have included <a href="http://www.ilo.org/public/english/bureau/stat/isco/docs/index08-draft.xlsx">http://www.ilo.org/public/english/bureau/stat/isco/docs/index08-draft.xlsx</a></p> <p>And removed <a href="http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_NOM_DTL&amp;StrNom=CL_ISCO08&amp;StrLanguageCode=EN&amp;IntPcKey=&amp;S">http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_NOM_DTL&amp;StrNom=CL_ISCO08&amp;StrLanguageCode=EN&amp;IntPcKey=&amp;S</a></p>
<p>Include NUTS2016 as a choice option in the list for the NUTS classification</p>	<p>The EBA NPL Instructions have been amended to include the choice option for NUTS2016</p>
<p>Include a country specific field for Spain, where the Real Estate sits within a company as guarantee, and then the SPV acts as the collateral</p>	<p>The EBA NPL Instructions have been amended to include a choice option ‘Corporate Guarantee’ for the field ‘Collateral Type’. An additional field has been included called ‘Description’ where if Corporate Guarantee is selected a description of the Real Estate can be entered here</p>

<b>Feedback - comment</b>	<b>Description of the change following feedback</b>
Include the Lease table in the Residential asset class matrix	The asset class matrix has been amended to include the lease data fields in the EBA NPL Templates for residential
Add a data field 'Balance at Default' for the unsecured asset class	The EBA NPL Instructions and the EBA NPL Dictionary have been updated to include the field 'Balance at Default' and its definition
Include in the Instructions a note to say property shall be included at Unit level	The EBA NPL Instructions have been updated to include a note saying that where the property collateral data is being entered, the data shall be entered at Unit level
Add a data field 'Date that the property was repossessed'	The EBA NPL Instructions and the EBA NPL Dictionary have been updated to include the field 'Collateral Repossessed Date' and its definition
When entering in legal procedures for some jurisdictions, more than one legal procedure can be happening at the same time	Added an additional field, 'Additional name of insolvency/restructuring proceedings' so more than one insolvency/restructuring procedure name can be entered into the EBA NPL Templates
Default should not be referenced as being defined by CRR art 178	The EBA NPL Data Dictionary has been updated to reflect the fact that the definition of Default does not follow the definition defined by CRR art 178