EBA Consultation Paper

on

Draft Implementing Technical Standards

on

Supervisory reporting requirements for leverage ratio

(EBA/CP/2012/06)

London, 07.06.2012
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I. Responding to this Consultation

EBA invites comments on all proposals put forward in this paper and in particular on the specific questions summarised in Section V.

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternative regulatory choices the EBA should consider.

Please send your comments to the EBA by e-mail to EBA-CP-2012-6@eba.europa.eu by 27.08.2012, indicating the reference ‘EBA-CP-2012-06’ in the subject field. Please note that comments submitted after the deadline, or sent to another e-mail address will not be processed.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please indicate clearly and prominently in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an e-mail message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with the EBA’s rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA’s Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.eba.europa.eu under the heading ‘Legal Notice’.
II. Executive Summary

The CRD IV proposals\(^1\) (the draft so-called Capital Requirements Directive – henceforth ‘CRD’ and more in particular, the so-called Capital Requirements Regulation - henceforth ‘CRR’) set out prudential requirements for institutions which are expected to be applicable as of 1.1.2013.

The CRR contains, in a number of Articles, specific mandates for the EBA to develop draft Implementing Technical Standards (henceforth ‘ITS’) related to supervisory reporting requirements. These ITS will be part of the single rulebook enhancing regulatory harmonisation in Europe with the particular aim of specifying uniform formats, frequencies and dates of prudential reporting as well as IT solutions to be applied by institutions in Europe.

This consultation paper puts forward proposals regarding the reporting requirements related to Article 416, according to the mandate to the EBA provided in Article 417 of the CRR. This CP is not consulting on a number of items not specified in the CRR. Such matters include, but are not limited to, the calibration and introduction of the leverage ratio as a monitoring tool and the scope of application.

This consultation paper consequently supplements EBA Consultation Paper CP50 on supervisory reporting for institutions, published on December 20, 2011\(^2\). Given that these sets of technical standards complete the EU single rulebook for institutions in the area of supervisory reporting, it is useful that they are grouped together in one legal text to facilitate a comprehensive view, improved understanding and compact access to them by legal or natural persons subject to the obligations laid down therein. With that in mind, the draft ITS text proposed in the present document is an addition to the draft ITS text proposed in the above-mentioned CP and needs to be read in conjunction with it. All ITS related to reporting requirements (Articles 95, 96, 383, 404 and 417 of CRR) are intended to be included in one integrated draft Regulation text.

Please note that the EBA has developed this draft ITS based on the CRR legislative texts proposed by the European Commission (‘EC’), for reasons of efficiency and speediness (as explained further in section III below). To the extent that the text changes as a result of ongoing negotiations among the EU institutions, the EBA will adapt its draft ITS accordingly to reflect any developments.

\(^{1}\)Proposal for a Directive of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and amending Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate’ (CRD), and ‘Proposal for a Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms’ (CRR). These European Commission proposals were published on 20th July 2011.

\(^{2}\)See [http://eba.europa.eu/Publications/Consultation-Papers/All-consultations/Archive/CP41-CP50/CP50.aspx](http://eba.europa.eu/Publications/Consultation-Papers/All-consultations/Archive/CP41-CP50/CP50.aspx)
Main features of this ITS

The scope and level of application of this ITS follow the scope and level of application of the CRR.

Uniform reporting requirements are necessary to ensure fair conditions of competition among comparable groups of credit institutions and investment firms and will lead to more efficiency for institutions and more convergence of supervisory practices.

The ITS has been developed on the basis of templates of the leverage ratio reporting used in the Quantitative Impact Study (QIS) carried out by the Basel Committee on Banking Supervision (BCBS), adapted to the purposes and requirements of the CRR. The template consequently builds on the experience gained in a number of Member States with voluntary reporting predominantly by larger institutions. As the leverage ratio is expected to apply to different European institutions, which differ in size, nature and complexity, it is necessary to apply the requirements for more detailed reporting of the components of the leverage ratio in a proportionate manner. Thus, minimum threshold criteria have been introduced for detailed reporting on derivatives.

The ITS has been developed, to the extent possible given the specificities of leverage ratio, on the basis of the COREP and FINREP guidelines, given that these have been implemented already in various Members States and have been proven in practice to improve convergence in the field of supervisory reporting. The existing COREP and FINREP guidelines also constitute the basis upon which CP50 was developed, for the same reasons as given above.

Further, the reporting is as far as possible based on existing accounting and prudential measures already used for determining own funds and minimum own funds requirements.

In the ITS, the reporting frequency is proposed to be on a quarterly basis, in order to be aligned to the CRR requirement for calculation of the leverage ratio on a quarterly basis.

Timing of ITS development and application date

According to the EC proposals, it is envisaged that institutions will be required to comply with CRR requirements as of 1.1.2013. Therefore, the leverage ratio reporting requirement also is expected to be effective from that same proposed implementation date of the CRR. This would mean that the first regular reporting period thereafter is expected to be Q1 2013 with the first reported leverage ratio
being calculated as the simple arithmetic mean of the monthly leverage ratios over the first quarter of 2013.\(^3\)

This will provide institutions with a short implementation period from the adoption of the ITS. Nevertheless, it is hoped that only limited changes and clarifications will be effected to the proposals put forward herein following the consultation period, with the general framework remaining overall unchanged. Furthermore the extensive use of existing classifications should ease the implementation significantly.

It is important to keep in mind that CRR is still likely to change. The EBA will adapt its draft ITS according to the final version of the CRR text before submitting it to the EC.

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\(^3\)Competent authorities may allow institutions to report end-of-quarter data by the derogation given in Article 475 (3) of the CRR.
III. Background and rationale

Draft ITS on supervisory reporting and the CRR proposals

On July 20th 2011, the European Commission (EC) issued its legislative proposals on a revision of the Capital Requirements Directive ('CRD') which seeks to apply the Basel III framework in the EU. These proposals have recast the contents of the CRD into a revised CRD and a new Capital Requirements Regulation ('CRR') - which are together colloquially referred to as the CRD IV/CRR proposals. These are currently being debated by the EU legislators (Council and European Parliament) in the framework of the co-decision procedure.

In anticipation of the finalisation of the legislative texts for the CRR, the EBA has developed the draft ITS in accordance with the mandate contained in Article 417 of the CRR. To the extent that the text changes as a result of ongoing negotiations among the EU institutions, the EBA will adapt its draft ITS accordingly to reflect any developments.

To facilitate uniform and problem-free application of the Regulation, the draft ITS will include detailed instructions, in particular:

a. references to the relevant Articles of the CRR as included in the templates of Annex I
b. additional data definitions as included in the instructions set out in Annex II;
c. validation rules (quantitative relations between rows and columns of each template, and among templates);
d. data point model containing all the relevant technical specifications necessary for developing an IT reporting format; and
e. XBRL taxonomies to ensure unambiguous IT interpretation of the data included in the ITS.

Validation rules will be included in the data point model. The data point model and the XBRL taxonomies will be published separately in the third quarter of 2012.

The nature of ITS under EU law

These draft ITS are produced in accordance with Article 15 of EBA regulation. According to Article 15(4) of EBA regulation, they shall be adopted by means of regulations or decisions.

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According to EU law, EU regulations are binding in their entirety and directly applicable in all Member States. This means that, on the date of their entry into force, they become part of the national law of the Member States and that their implementation into national law is not only unnecessary but also prohibited by EU law, except in so far as this is expressly required by them.

Shaping these rules in the form of a Regulation will ensure a level-playing field by preventing diverging national requirements and will ease the cross-border provision of services. Currently, each time an institution wishes to take up operations in other Member States it has to comply with different set of requirements regarding supervisory reporting in each of them.

**Background and regulatory approach followed in the draft ITS**

The leverage ratio is a new monitoring tool, which is introduced in the CRR. According to the Article 417 of the CRR institutions have to report all necessary information on the leverage ratio and its components as determined in Article 416. Moreover, Article 85 and 94 of the CRD specify that institutions and competent authorities shall evaluate the risk of excessive leverage, and that indicators for this risk shall include the leverage ratio determined in accordance with Article 416 of the CRR.

Moreover, in Article 482 of the CRR, it is envisaged that the EBA shall report to the EC by 31 October 2016 whether the leverage ratio framework provided by the CRR and Articles 85 and 94 of the CRD is the appropriate tool to suppress the risk of excessive leverage on the part of the institutions in a satisfactory manner and degree. For facilitating this review, Article 417(1) of the CRR requires competent authorities to submit the information received from institutions to the EBA upon request. Therefore, the reporting templates on the leverage ratio will also serve for the future assessment and calibration of the leverage ratio as required in Article 482 of the CRR. This will allow monitoring of the leverage ratio and enable the analytical work for assessing the appropriateness of the leverage ratio as an indicator of an institution’s risk of excessive leverage and of the introduction of a certain minimum level of the leverage ratio as a requirement for institutions without having to resort to additional *ad hoc* data requests.

This ITS provides uniform templates, which contain data fields that will provide competent authorities with the necessary information on the leverage ratio and its components for the supervisory review and evaluation according to Article 94(6) CRD and which will also be used by the EBA for the report according to Article 482 CRR. The reporting of the data will allow for a comparison of the leverage ratio measure and its components across European institutions. As the leverage ratio is a new measure, there might be the need to update the ITS in the future to reflect the experiences with the leverage ratio and its impact. The content and number of the fields required mainly with the view to facilitating the
EBA report required by Article 482 of the CRR, may be subject to amendments in the future, depending on the ongoing progress of the assessment for this report.

The regulatory approach adopted in this ITS is to collect data arranged in a data structure, that refers as far as possible to data reported according to Article 95 CRR related to the minimum own funds requirements.

**Level of application and frequency of the leverage ratio reporting**

The scope and level of application of the ITS follows the scope and level of application of the CRR.

The frequency of the reporting requirements is aligned with the frequency envisaged in the draft CRR text for the calculation of the leverage ratio, namely quarterly reporting.

The frequency, scope of application and envisaged application date of the ITS will be revised in order to be aligned to the final text of the CRR, as appropriate.
IV. Draft Implementing Technical Standards on Supervisory reporting requirements for leverage ratio

In between the text of the draft ITS that follows, further explanations on specific aspects of the proposed text are occasionally provided, which either offer examples or provide the rationale behind a provision, and/or set out specific questions for the consultation process. Where this is the case, this explanatory text appears in a framed text box.

Structure of the draft ITS
CHAPTER XX Format and frequency of reporting on leverage ratio
Annex I templates for reporting leverage ratio
Annex II instructions for reporting leverage ratio

Draft
Commission Implementing Regulation (EU) No XX/2012

of XX Month 2012

laying down implementing technical standards with regard to supervisory reporting of institutions according to the [proposal for a] European Parliament and Council Regulation (EU) No [xx] of [date] on prudential requirements for credit institutions and investment firms

THE EUROPEAN COMMISSION,

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

Having regard to [ Regulation (..) No xx/xxxx] of the European Parliament and of the Council of dd mmmmm yyyy on prudential requirements for credit institutions and investment firms5 (‘CRR’), and in particular Articles .... and 417(2), thereof [ADDENDUM TO THE LEGAL BASES AS PRESENTED IN CP50]

Whereas: [ADDENDUM TO THE RECITALS AS PRESENTED IN CP 50]

....

(xx) The collection of the leverage ratio and detailed information on the components of the leverage ratio will enable competent authorities to monitor the risks of excessive leverage in the financial system.

....

5 To be inserted once a final CRR text is adopted.
d) Leverage ratio according to Art 416 CRR.

Explanatory text for consultation purposes

All ITS related to reporting requirements (Articles 95, 96, 383, 404 and 417 of CRR) are proposed to be included in one integrated draft Regulation text. Given that they complete the EU single rulebook for institutions in the area of supervisory reporting, it is therefore useful that they are grouped together in one legal text to facilitate a comprehensive view, improved understanding and compact access to them by legal or natural persons subject to the obligations laid down herein. The text is therefore an addendum to the draft ITS text on reporting proposed in the December 20, 2011 Consultation Paper on ITS on supervisory reporting and needs to be read in conjunction with it.

CHAPTER XX

Format and frequency of reporting on leverage ratio

Article XX

1. In order to fulfil the obligation of Article 417 of the CRR with regards to reporting of the leverage ratio and its components, institutions shall complete and submit to their competent authorities the template specified in Annex I, according to the instructions contained in Annex II. The reporting of this data shall reflect the methodology applicable for the calculation of the leverage ratio, either as the simple arithmetic mean of monthly data over the quarter, as per Article 416(2) of the CRR, or as end of quarter leverage ratio, where competent authorities have exercised the derogation in Article 475 (3) of the CRR.

2. Reporting of leverage ratio data shall be done with a quarterly frequency.

Explanatory text for consultation purposes

The remittance dates as set out in Chapter 2 of the text provided in the December 20, 2011 Consultation Paper on ITS on supervisory reporting apply.
For Annexes of the draft ITS see the following documentation:

Annex I template for leverage ratio reporting (*CP06 ITS on LR reporting Annex I*)
Annex II instructions for leverage ratio reporting (*CP06 ITS on LR reporting Annex II*)
V. Accompanying documents

a. Draft Impact Assessment

Introduction
Article 417 of the CRR requires the EBA to develop draft Implementing Technical Standards (ITS) relating to the reporting of the leverage ratio by 1 January 2013.

As per Article 15(1) second subparagraph of the EBA Regulation (Regulation (EU) No 1093/2010 of the European Parliament and of the Council), any draft technical standards developed by the EBA- when submitted to the Commission for adoption- will have to be accompanied by a separate note on Impact Assessment (IA) which analyses ‘the potential related costs and benefits’ (unless such analyses are disproportionate in relation to the scope and impact of the draft ITS concerned or in relation to the particular urgency of the matter). This IA aims to provide the reader with an overview of findings as regards the problems and options identified and their potential impact.

This IA deals with the incremental impact of the EBA’s draft ITS to determine the uniform template, the instructions on how to use this template, the frequencies and dates of reporting and the IT solutions for the purposes of the requirement laid down in Article 417 CRR.

Throughout the project the EBA has closely followed the work of international organisations dealing with related topics, in particular the Basel Committee on Banking Supervision in charge of monitoring Basel III requirements.

Problem definition
The leverage ratio shall be taken into account under Article 85 and 94 of the CRD, when assessing the risk of excessive leverage. Furthermore the EBA is mandated in Article 482(2) CRR to assess whether the leverage ratio framework provided by the CRR and Articles 85 and 94 of the CRD is the appropriate tool to suppress the risk of excessive leverage on the part of institutions in a satisfactory manner and degree. The reporting will allow a quantitative assessment of the consequences of an introduction of the leverage ratio measure.

While Article 417(1) CRR requires institutions to submit to the competent authorities all necessary information on the leverage ratio and its components as determined in accordance with Article 416 CRR, it neither specifies the level of details for such reporting nor the reporting dates and frequencies.

The ITS on templates, dates and frequencies and IT solutions to be used for this reporting, is to be drafted by the EBA according to Article 417(2) CRR. This should ensure that competent authorities receive all information on the leverage
ratio and its components that is needed for the supervisory review and evaluation according to Article 94(6) CRD.

**Timing of ITS development and application date**

Institutions are expected to have to comply with the new CRR Requirements from 1st January 2013. From this date on, competent authorities are required, according to Article 417(1) CRR, to take into account the information reported under Article 417 when undertaking the supervisory review and evaluation under Article 92 CRD. With respect to the information needed for the monitoring exercise for the report under Article 482(2) CRR, competent authorities are required to submit the information received from institutions to EBA upon its request to facilitate its review.

Sufficient time for implementing ITS requirements is essential to ensure data availability and quality in order for competent authorities to perform their tasks.

CRR applies to institutions regardless of their size, risk profile, etc. The appropriate balance between the required level of detail of the submitted information and the nature, scale and complexity of institutions’ activities is imperative in the consideration of reporting formats and frequencies.

**Objectives of the technical standards**

The objective of the draft ITS is to determine the uniform template, the instructions on how to use this template, the frequencies and dates of reporting and the IT solutions for the purposes of the leverage ratio reporting requirement. The draft ITS will facilitate institutions in fulfilling their reporting requirements under Article 417 CRR and will ensure that relevant data is available for the review of the appropriateness of the leverage ratio framework in 2016.

**Policy proposals**

Given that the leverage ratio is being introduced for the first time in the EU, an appropriate reporting template needs to be developed. The EBA had to assess whether:

(a) To base the template on the template currently used as part of the Basel QIS monitoring exercise or;

(b) To develop a completely new reporting template.

Given the extensive crossover in terms of information reported in the Basel template, the time-limit of the mandate from the CRR and the desire to avoid over-burdening institutions and competent authorities with a further additional reporting template, it was decided that the template should be based on the Basel format, which is publicly available and familiar to the institutions participating in the Quantitative Impact Study (QIS) carried out by the Basel Committee on Banking Supervision (BCBS). Some deviations from the Basel
template were considered absolutely necessary to supplement the analysis required by the CRR and to accommodate any specific EU treatments, e.g. inclusion of Original Exposure Method for counterparty credit risk.

This draft ITS is likely to be updated in the future. In particular the content and number of the fields may be subject to future amendments, as more is learned about the impact of the leverage ratio across European institutions.

The EBA is aware that this template is unfamiliar to a majority of smaller European institutions. Consequently the reporting template is, to the largest extent possible, also based on existing accounting and prudential measures. The format and data structure should therefore not be unknown, which should alleviate the implementation of the reporting requirements.

**Question 1:** ‘Do institutions agree with the use of existing and prudential measures? Is there additional ways to alleviate the implementation burden?’

The EBA mandate in terms of the leverage ratio includes two mandates: the development of a uniform reporting template as prescribed by Article 416 CRR and a report to the Commission in terms of the monitoring exercise under Article 482(2) CRR. The reporting template is designed in such a manner, that the information is also useful for fulfilling the monitoring mandate, while at the same time limiting the reporting burden for institutions.

Given that the EBA is mindful of the reporting burden on institutions and of the need to draw on relevant information that is already reported, it is also proposed that insofar as possible, the leverage ratio should be reported as part of the COREP framework. This would provide the benefit of enabling institutions to streamline their reporting of the leverage ratio as part of their overall reporting requirement and avoid double reporting of some measures.

A potential drawback to the COREP approach is that this framework has not yet been finalised so there is the potential for a risk of misalignment in terms of timing. Once the implementation of COREP is completed, it is intended that the frameworks will be integrated from a data perspective.

Furthermore, the leverage ratio reporting requirement is based on quarterly averages of monthly data, whereas COREP is based on quarterly reporting. This implies that institutions will need to have the data available in the same format on a monthly basis. In those cases where competent authorities have permitted the derogation provided in article 475 (2) CRR the reporting of leverage ratio that is covered by COREP will be reported only once.

**Question 2:** ‘Do institutions already have the data required for reporting under this proposal available on a monthly basis? If so, is the data of
Proportionality of the reporting requirements is also an important consideration. The EBA has given due consideration to whether all institutions should be subject to all reporting fields. The issue of proportionality is particularly pertinent in relation to derivatives, given the relatively large number of cells in the template that are dedicated to derivative related data (despite these positions only representing a small fraction of the leverage ratio total exposure for the majority of institutions). It was decided that the optimum approach in terms of incorporating proportionality into the ITS would be to require institutions to provide detailed data on derivatives only if certain threshold levels are exceeded.

Institutions that do not exceed the threshold levels would be subject to a reduced reporting requirement. In order to appropriately account for the relative importance of derivative positions, the EBA examined the possibility of calculating the threshold levels by dividing the leverage ratio exposure value for derivatives by the leverage ratio total exposure measure. Further, the EBA analysed the data from the Basel III-Monitoring exercise as of end June 2011 (kindly provided by the Impact Study Group (ISG)) which charted the ratio of leverage ratio derivatives exposure to total exposure. Based on this analysis, it is proposed that a threshold range for derivatives reporting should be within the range of 0.5% to 2.0%. However, this range will be subject to further calibration based on on-going monitoring as further data points become available.

A similar threshold has been proposed on credit derivatives reporting, in order to relieve the reporting burden on institutions with small credit derivatives exposures. This threshold is imposed on nominal amounts and is proposed to be set in the range from 200 mio. € to 500 mio. €.

The proposal to use the COREP templates for the reporting and monitoring of the leverage ratio data implies that different datasets for exposures under the Standardised approach and under the IRB approach for credit risk will be produced (as COREP utilises different templates for institutions using the Standardised and IRB approach). Given that the information available via the COREP templates is not completely aligned to that required in Panel C and G of the Basel monitoring template, it is inevitable that there will be some loss of granularity. The EBA has assessed what additional fields should be added to the relevant COREP reporting template so as to ensure that an appropriate level of
information is still available (e.g. with respect to trade finance, settlement/custodian activities).

This approach seeks to strike a balance between reducing the reporting burden for institutions whilst not sacrificing the appropriate level of granularity required for analysis purposes. Separate documentation for institutions following the Standardised approach for credit risk and the IRB approach will be required. It is proposed that the exposures under the Standardised approach will be mapped to COREP template 3.2.a and the documentation for the exposures under the IRB approach will follow the Basel instructions. The reporting requirements for IRB institutions will increase in this regard.

In terms of the methods to be applied for netting purposes in template LR2, it is proposed for Method 1 to be fully compliant with the approach currently discussed in the Basel Subgroup on Leverage Ratio as Method 1 and that Method 2 should be amended to be in line with the CRR treatment in Article 416. These different methods differ with respect to the treatment of collateral in netting arrangements and are needed for the calibration of the leverage ratio exposures.

It is proposed that the frequency of reporting will be aligned with COREP reporting frequency. This will allow institutions to develop a unified reporting framework.

**Likely economic impacts**

It is recognised that the reporting of leverage ratio data will involve institutions’ and competent authorities’ incurring operational and compliance costs, particularly in terms of the allocation of additional resources and staff training.

It is not envisaged that these costs would be over and above those incurred if the leverage ratio reporting templates were constructed in an alternative manner. In fact, without the extensive re-use of information from COREP templates, presumably the operational costs would be significantly higher.

The proposal to rely, insofar as practicable, on the COREP reporting framework and on the relevant aspects of the Basel monitoring templates, is aimed at minimising the incremental economic impact of the leverage ratio reporting requirements for institutions and competent authorities.

**Question 4:** 'What additional costs do you envisage from the proposed approach to reporting the leverage ratio in order to fulfil the requirements of the CRR outlined in this ITS?’
b. Overview of questions for Consultation

**Questions from the ITS:**

Q1: ‘Do institutions agree with the use of existing and prudential measures? Is there additional ways to alleviate the implementation burden?’

Q2: ‘Do institutions already have the data required under this proposal on a monthly basis? If so, is this data of the required standard as other data reported to supervisory authorities?’

Q3: ‘The same timelines are proposed for reporting on a consolidated level as well as on an individual level, is this seen as problematic? If so, would you propose a different timeline for reporting on a consolidated level?’

Q4: ‘What additional costs do you envisage from the proposed approach to reporting the leverage ratio in order to fulfil the requirements of the CRR outlined in this ITS?’

**Questions from Annex II:**

Q5: ‘Is the calculation of the derivatives share threshold sufficiently clear?’

Q6: ‘Do you believe this method captures institutions derivatives exposure in a sensible way?’

Q7: ‘Does the reduction of fields to be reported in a given period by institutions that do not exceed the threshold value in that period, lead to a significant reduction in administrative burden?’

Q8: ‘Preliminary internal calculations by supervisors suggest that a threshold value should be in the range of 0.5% to 2%. Would you suggest a different threshold level, if yes, please justify this?’

Q9: ‘Is the calculation of the nominal amount threshold sufficiently clear?’

Q10: ‘Preliminary internal calculations by supervisors suggest that the nominal threshold value should be in the range of 200 to 500 million. €. Would you suggest a different threshold level, if yes, please justify this?’

Q11: ‘Is the term “reference name” and the distinction from “reference obligation” sufficiently clear?’

Q12: ‘Is the treatment of credit derivatives referring to indices and baskets sufficiently clear?’

Q13: ‘Which additional contractual features should be taken into consideration when assessing offsetting of written and purchased credit derivatives? How would this add to complexity and reporting burden?’
Q14: ‘Is the classification used in template LR6 sufficiently clear?’

Q15: ‘Do you believe the current split, which is predominantly based on the exposure classes for institutions using the standard method are appropriate or would you suggest an alternative split?’

Q16: ‘Is the classification used in template LR7 sufficiently clear?’