

EBA/CP/2015/22

18 November 2015

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## Consultation Paper

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Draft Regulatory Technical Standards on the specification of the additional objective criteria referred to in Articles 29 (2) and 34 (2) of Commission Delegated Regulation (EU) No 2015/61 [the delegated act specifying the liquidity coverage ratio for credit institutions, pursuant to Article 460 of Regulation (EU) No 575/2013] under Article 422 (10) and 425(6) of Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR)

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# 1. Responding to this Consultation

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The EBA invites comments on all proposals put forward in this paper and in particular on the specific questions summarised in 5.2.

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a 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.

## Submission of responses

To submit your comments, click on the ‘send your comments’ button on the consultation page by 13.01.2016. Please note that comments submitted after this deadline, or submitted via other means may not be processed.

## Publication of responses

Please clearly indicate in the consultation form if you wish your comments to be disclosed or to be treated as confidential. 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

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EC) N° 45/2001 of the European Parliament and of the Council of 18 December 2000 as implemented by the EBA in its implementing rules adopted by its Management Board. Further information on data protection can be found under the Legal notice section of the EBA website.

## 2. Executive Summary

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In the area of liquidity provisions, Regulation (EU) No 575/2013 (CRR) acknowledges the potential for intra-group financial support under stress conditions when some of the institutions belonging to the same group experience liquidity difficulties. Accordingly a preferential treatment (higher inflows and/or lower outflows) in the calculation of the liquidity coverage requirement for intra-group liquidity flows may be applicable under the necessary safeguards, objective conditions and subject to agreement among competent authorities.

Commission Delegated Regulation (EU) No 2015/61<sup>1</sup> (LCR Delegated Act), specifies additional objective criteria for this preferential treatment for flows in the context of credit and liquidity facilities within a group or an institutional protection scheme (IPS) under similar conditions as the CRR and particularly for their cross-border transactions when the credit institutions and the counterparty are established in different Member States. The proposal contained in the Delegated Act builds very much on previous work done by the EBA<sup>2</sup>.

The CRR, in Article 422 (10) and Article 425 (6), mandates the EBA to develop draft regulatory technical standards to further specify such additional objective criteria. This Consultation Paper contains draft regulatory technical standards for this purpose. In particular, the proposed criteria elaborate on the following aspects:

- a) The liquidity provider and receiver shall present a low liquidity risk profile. The low liquidity risk profile is proposed to be objectively determined by the compliance with the LCR and the Pillar 2 requirements as well as by the outcome of the latest supervisory review and evaluation process.
- b) There are legally binding agreements and commitments between group entities regarding the credit or liquidity line. An external written and reasoned legal opinion is required to be notified to the competent authorities to certify that the line is a committed line legally and practically available at any time. The line is also subject to other requirements such as currency denomination or maturity date to reinforce the appropriateness of the line for these purposes.
- c) The liquidity risk profile of the liquidity receiver has been adequately taken into account in the liquidity risk management of the liquidity provider. The liquidity provider shall monitor and oversee the liquidity position of the receiver at least on a daily basis. The contingency funding plan of the liquidity provider shall ensure that from this monitoring the liquidity support to the receiver is guaranteed even in times of stress.

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<sup>1</sup>[the delegated act specifying the liquidity coverage ratio for credit institutions, pursuant to Article 460 of Regulation (EU) No 575/2013] <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2015:011:FULL&from=EN>

<sup>2</sup> <http://www.eba.europa.eu/-/eba-publishes-reports-on-liquidity>

### 3. Background and rationale

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The LCR Delegated Act, by way of Recital 15, states that *“It may not be assumed that credit institutions will always receive liquidity support from other undertakings belonging to the same group or to the same institutional protection scheme when they experience difficulties in meeting their payment obligations. However, where no waiver has been granted for the application of the liquidity coverage ratio at individual level in accordance with Articles 8 or 10 of Regulation (EU) No 575/2013, liquidity flows between two credit institutions belonging to the same group or to the same institutional protection scheme should in principle receive symmetrical inflow and outflow rates to avoid the loss of liquidity in the internal market, provided that all necessary safeguards are in place and only with the prior approval of the competent authorities involved. Such preferential treatment should only be given to cross-border flows on the basis of additional objective criteria, including the low liquidity risk profile of the provider and the receiver.”*

Therefore in the context of European credit institutions whose liquidity is managed centrally at a group or IPS level or whose day to day operational liquidity management is partially or fully carried out on their behalf by other members of the group, the CRR and the LCR Delegated Act, in reflection of expected support within a group or IPS under stressed circumstances and the single market, provide credit institutions with some special treatments which can alleviate their LCR requirements:

#### **Waiver**

Article 8 of the CRR and Article 2(2) of the LCR Delegated Act envisage the possibility for the involved competent authorities to waive the application of liquidity requirements to individual credit institutions subject to stringent conditions and the individual agreement of all competent authorities involved. In such cases, a liquidity sub-group is formed and compliance with some or all of CRR Part VI (Liquidity) obligations at the individual level can be waived while compliance at the level of the liquidity sub-group will be required. This waiver has the potential to facilitate liquidity management across a banking group.

#### **Exemption from the inflow cap**

Article 425(1) of the CRR and Article 33(2) of the LCR Delegated Act provide credit institutions with the possibility, subject to prior approval of the competent authority, to fully or partially exempt from the 75% inflow cap (which is calculated as a percentage of total liquidity outflows) those inflows where *inter alia* the provider is its parent or a subsidiary or another subsidiary of the same parent or linked to the credit institution by a relationship within the meaning of Article 12 (1) of Directive 83/349/EEC or an institution of the same IPS.

## Preferential treatment

According to Art 422(8) and Art 425(4) of the CRR, if a set of conditions are complied with, competent authorities can, on a case by case basis, grant a preferential treatment for those transactions within a group or an IPS by applying higher inflow rates (in the case of the liquidity receiver) or lower outflow rates (in the case of the liquidity provider).

If the transactions within a group or an IPS constitute cross-border positions (when the institution and the counterparty are established in different Member States) then Article 422 (9) and Article 425 (5) of the CRR clarify that the application of the preferential treatment is also conditional on the compliance with additional objective criteria to be specified in the LCR Delegated Act.

Similar to the CRR, although limited to undrawn credit or liquidity facilities, the LCR Delegated Act, by way of Article 29 (1) and Article 34 (1), provides the possibility for a preferential treatment for transactions of credit institutions within a group or an IPS. As in the CRR the application will be granted by competent authorities on a case by case basis, and will be subject to the fulfilment of conditions similar to those established in the CRR.

In regard of cross-border transactions (when the institution and the counterparty are established in different Member States), Article 29 (2) and Article 34 (2 and 3) of the LCR Delegated Act provide for the following additional objective criteria that have to be fulfilled on top of the normal conditions:

- a) The liquidity provider and receiver present a low liquidity risk profile,
- b) There are legally binding agreements and commitments between group entities regarding the credit or liquidity line;
- c) The liquidity risk profile of the liquidity receiver has been adequately taken into account in the liquidity risk management of the liquidity provider.

These additional criteria of the LCR Delegated Act have been based on the EBA Report on impact assessment for liquidity measures, under the mandate of Article 509 (1) and (2) of the CRR, as published and submitted to the European Commission in December 2013.

The EBA is mandated by Article 422 (10) and Article 425 (6) of the CRR to develop draft regulatory technical standards to further specify such additional objective criteria. To this end the EBA has developed, for each of the additional objective criteria specified by the Delegated Act as cited in a), b) and c) above, some further conditions. In a context of stress where liquidity support within a group or an IPS cannot be taken for granted, the objective criteria represent the necessary safeguards under which competent authorities can be adequately confident that the receiving entity would receive the group support without negatively impacting the stability of the provider, even under circumstances of stress.

In particular, the EBA specifies how a low liquidity risk profile should be assessed, taking into account Pillar 1 and Pillar 2 requirements. In addition, several conditions relating to the nature, currency, amount and cost, conditionality or maturity of the internal agreements and commitments are specified. Finally, the EBA has further elaborated on how the liquidity risk management of the liquidity provider should appropriately consider the liquidity risk profile of the liquidity receiver, taking into account in particular the frequency of calculation of the liquidity position of the liquidity receiver and the integration in the contingency funding plans.

## 4. Draft regulatory TS on the specification of the additional objective criteria referred to in Articles 29 (2) and 34 (2) of Commission Delegated Regulation (EU) No 2015/61 [the delegated act specifying the liquidity coverage ratio for credit institutions, pursuant to Article 460 of Regulation (EU) No 575/2013] under Article 422 (10) and 425(6) of Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR)

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In between the text of the draft RTS 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, or set out specific questions for the consultation process. Where this is the case, this explanatory text appears in a framed text box.

### **COMMISSION DELEGATED REGULATION (EU) No .../..**

of **XXX**

**COMMISSION DELEGATED REGULATION (EU) No .../.. supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards further specifying the additional objective criteria referred to in Articles 29 (2) and 34 (2) of Commission Delegated Regulation (EU) No 2015/61 [the delegated act specifying the liquidity coverage ratio for credit institutions, pursuant to Article 460 of Regulation (EU) No 575/2013]**

(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 26 June 2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 and in particular Article 422 (10) and Article 425 (6) thereof,

Whereas:

- (1) The application of a preferential inflow and outflow treatment in cross border transactions within a group or an institutional protection scheme referred to in Article 113(7) of Regulation (EU) No 575/2013 (IPS) should be limited to those cases where the necessary safeguards are in place and only with the prior approval of the relevant competent authorities. These safeguards are provided for by the Commission Delegated Regulation (EU) No 2015/61 [the delegated act specifying the liquidity coverage ratio for credit institutions, pursuant to Article 460 of Regulation (EU) No 575/2013] in terms of additional objective criteria to be met in the context of these transactions. Their further specification is developed in these regulatory technical standards which set out the objective and stringent conditions for their compliance.
- (2) It should be ensured that the preferential treatment does not endanger the liquidity soundness of the liquidity provider and that it effectively alleviates the compliance with the liquidity coverage ratio of the liquidity receiver. Hence, the liquidity provider and receiver benefiting from a preferential treatment should have a low liquidity risk profile measured through the liquidity coverage ratio or other liquidity related supervisory requirements and measures applied pursuant to Title VII, Chapter 2, Section III and Section IV of Directive 2013/36/EU as objective references of their liquidity positions.
- (3) The effectiveness of the liquidity support within a group or an IPS on a cross-border basis should be guaranteed by a sound contractual framework through legally binding agreements and commitments between the relevant counterparties.
- (4) It should be ensured that the liquidity provider can provide the liquidity receiver with the necessary liquidity support in a timely manner in times of stress. Therefore, the liquidity provider should consider in its liquidity risk management the liquidity risk profile of the liquidity receiver.
- (5) The cited required conditions for such additional objective criteria should be aimed at providing sufficient ground to expect a higher than normal cross border flows within a group or an IPS in stress while not hampering the efficiency and effectiveness of a model where the liquidity is normally centrally managed.
- (6) The further specification of the additional objective criteria to be met for the application of this preferential treatment should be developed in a way that the responsibility of the involved credit institutions – as liquidity provider or liquidity receiver – to manage their liquidity risk on a prudent basis remains unaltered.

- (7) The further specifications of the additional objective criteria should also be aimed at providing the relevant competent authorities with sufficient criteria for deciding on the application of a preferential treatment.

HAS ADOPTED THIS REGULATION:

*Article 1*

*Subject matter and scope*

This Regulation further specifies the additional objective criteria set out in points (a), (b) and (c) of paragraph 2 of both Article 29 and Article 34 of the Commission Delegated Regulation (EU) No 2015/61 [the delegated act specifying the liquidity coverage ratio for credit institutions, pursuant to Article 460 of Regulation (EU) No 575/2013], which have to be met by credit institutions for the application of a preferential treatment in terms of lower outflow rates and higher inflow rates in the context of cross-border flows within a group or an institutional protection scheme referred to in Article 113(7) of Regulation (EU) No 575/2013 as established in paragraph 1 of both Article 29 and Article 34 of the Regulation (EU) No 2015/61.

*Article 2*

*Low liquidity risk profile of the liquidity provider and receiver*

For the purposes of the application of the preferential treatment referred to in Article 1, and in addition to the ones set out in Articles 3 and 4, the following conditions shall be fulfilled:

- a) The liquidity provider and receiver shall comply with the required level of the liquidity coverage ratio set out in Regulation (EU) No 2015/61 as well as any liquidity related supervisory requirements and measures applied pursuant to Title VII, Chapter 2, Section III and Section IV of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC on an on-going basis and for at least the previous 12 months. In every case the liquidity provider and receiver shall be considered to have a low liquidity risk profile according to the latest supervisory review and evaluation process conducted according to the cited Title VII, Chapter 2, Section III of Directive 2013/36/EU. For the purposes of this provision the liquidity coverage ratio shall be calculated under the assumption that the preferential treatment has already been applied.
- a. If during the cited 12 month reference period for compliance the liquidity coverage ratio, as specified in Regulation (EU) No 2015/61, was not

applicable, it shall be compensated by either the compliance with applicable national liquidity requirements or, failing that, by reaching the equivalent liquidity coverage ratio as defined in Regulation (EU) No 2015/61. For this purposes, 60% shall be considered as the level of the equivalent liquidity coverage ratio until 1 October 2015.

- b. During the phasing-in period of the liquidity coverage ratio referred to in Article 38 of Regulation (EU) No 2015/61, the compliance shall be assessed in accordance with the applicable binding required level of the liquidity coverage ratio.
- c. Where an institution that has been granted the permission from the competent authority to apply the preferential treatment referred to in Article 1 does not meet, or expects not to meet the required level of the liquidity coverage ratio set out in Regulation (EU) No 2015/61 as well as any liquidity related supervisory measures applied under Title VII, Chapter 2, Section IV of Directive 2013/36/EU, as part of the immediate notification and restoration plan required under Art 414 of Regulation (EU) No 575/2013, the institution shall also outline therein to the competent authorities its effects on the corresponding preferential treatment applied to its counterparty. The involved competent authorities shall assess the restoration plan and decide on the continuation of the preferential treatment.

**Question 1: Do respondents agree with the specifications of the criterion relating to the low liquidity risk profile? If not, what alternatives would you suggest to assess the liquidity risk profile of the liquidity receiver and provider?**

### Article 3

#### *Legally binding agreements and commitments between the group entities regarding the undrawn credit or liquidity line*

Credit institutions applying for the preferential treatment referred to in Article 1 shall have in place legally binding agreements and commitments between the group entities regarding the undrawn credit or liquidity lines, which comply with all of the following conditions:

- a) The credit or liquidity line shall be a committed line which is legally and practically available at any time, even during a period of stress, on a cross-border basis. It shall be specifically dedicated to the application of the preferential treatment and available on demand.

Institutions shall have conducted a legal review confirming that the legal, binding and enforceable aspects of the credit or liquidity line agreement or commitment are valid

and enforceable in all relevant jurisdictions. They shall repeat this review on a regular basis and shall draw on an external written and reasoned legal opinion. The competent authorities shall be notified about the outcome of these legal reviews.

- b) The currency of the line shall be contractually defined in a form that ensures that it is consistent with the distribution by currency of the net liquidity outflows of the liquidity receiver.
- c) The amount and the cost of the committed credit or liquidity line shall be clearly specified in the contract. The amount of the facility shall not be revised without the prior consent of the relevant competent authorities.
- d) The agreements and commitments shall not contain any clause that would allow the liquidity provider to:
  - a. require any conditions to be fulfilled before the liquidity is provided;
  - b. withdraw from its obligations to fulfil these agreements and commitments;
  - c. change the terms of the agreements and commitments without prior approval from the involved competent authorities.
- e) The credit or liquidity line shall not have a maturity date and the notice period for cancellation is at least 6 months. When notice is given, the credit institutions shall immediately notify the relevant competent authorities.

**Question 2: Do respondents agree with the specifications of the criterion relating to binding agreements and commitments?**

#### *Article 4*

##### *Consideration of the liquidity risk profile of the liquidity receiver into the liquidity risk management of the liquidity provider*

For the purposes of application of the preferential treatment referred to in Article 1, the liquidity risk profile of the liquidity receiver shall be adequately considered into the liquidity risk management of the liquidity provider as follows:

- a) The liquidity provider shall monitor and oversee the liquidity position of the receiver at least on a daily basis. In case of correspondent banking, the monitoring and the oversight of the liquidity position of the receiver may be limited to the balances of the vostro accounts of the liquidity receiver.
- b) The implications of the preferential treatment shall be fully considered and integrated into the contingency funding plans of the liquidity provider and the liquidity receiver,

which shall take into account potential impediments to the transfer of such liquidity and assess the time needed to implement such a transfer. The liquidity provider shall have to be able to demonstrate to the relevant competent authorities that it can reasonably be expected to continue to provide the liquidity facility even in times of stress, without having an unacceptable impact on its own liquidity position. The contingency funding plan of the liquidity provider shall ensure that it does not rely on the liquidity needed to honour the committed credit or liquidity line of the liquidity receiver.

- c) The contingency funding plan of the liquidity provider shall take into account the preferential treatment in order to ensure its ability to provide the necessary liquidity when required.

**Question 3: Do respondents agree with the specifications of the criterion relating to liquidity risk management of the liquidity provider?**

*Article 5*

*Final provisions*

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

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

Done at Brussels,

*For the Commission  
The President*

*On behalf of the President*

*[Position]*

## 5. Accompanying documents

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### 5.1 Draft Cost- Benefit Analysis / Impact Assessment

#### Introduction

Article 422(10) and 425 (6) of the CRR mandates the EBA to specify the additional objective criteria to be fulfilled by credit institutions so as to benefit from a preferential treatment under the LCR (higher inflows rates, lower outflows rates) for intra-group funding including cross-border transactions.

As per Article 10(1) of the EBA regulation (Regulation (EU) No 1093/2010 of the European Parliament and of the Council), any RTS developed by the EBA shall be accompanied by a cost and benefit analysis. Such annex shall provide the reader with an overview of the findings as regards the problem identification, the options identified to remove the problem and their potential impacts.

This annex presents the impact assessment of the policy options considered in these RTS. The lack of systematic publicly available data on intra-group transactions represents a difficulty in analysing the role this funding plays in stabilizing/destabilizing the banking sector under stressed conditions and its impact on the liquidity risk profile of institutions. As a result, the present impact assessment is mainly qualitative.

#### Background

Cross-border activities are high in the EU banking sector

Cross-border activities are very large in the EU due to the legislative efforts that have been made to create a single market and due to the common currency within the euro area. Around 28% of the credit institutions that operate in the EU are foreign-controlled subsidiaries and branches and they account for 22% of the total EU banking assets (see Table 1).

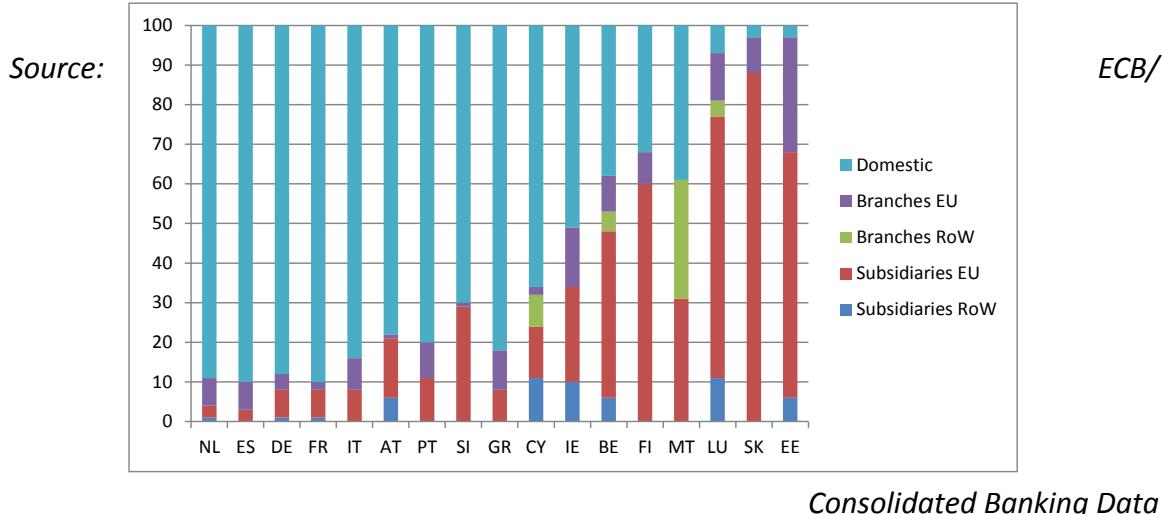
Table 1: Number and total asset of credit institutions operating in the EU (EUR Billions)

	Number of credit institutions			Total assets		
	Domestic	Foreign-controlled subsidiaries and branches	share of foreign controlled subsidiaries and branches	Domestic	Foreign-controlled subsidiaries and branches	share of foreign controlled subsidiaries and branches
2010	3,727	1,051	28%	34,638	8,289	24%
2011	3,694	1,046	28%	35,926	8,978	25%
2012	3,609	1,032	29%	35,471	8,136	23%
2013 (30 june)	3,593	1,018	28%	34,426	7,499	22%

Source: ECB/ Consolidated Banking Data

In some EU Member States the banking sector is dominated by non-domestic banks which in some cases have a share of more than 80% or 90% of total domestic banking assets (Luxembourg, Slovakia, Estonia) (See Chart 1).

Chart 1: Composition of the banking sectors assets in euro area countries by type of credit institutions in 2012



In addition, the foreign presence in the form of bank subsidiaries supervised by the host authorities as opposed to foreign branches supervised by home authorities largely prevail in terms of euros areas banking assets (See Table 1).

Recent events shed light on the importance of intra-group asset transferability in crisis management.

Intra-group transfers of are very common in the normal course of business, but in times of distress, access to internal intra-group liquidity flows may become even more important as it can

be used for recovery purposes in order to provide the parent company (upstream support) or the branches or subsidiaries (downstream support) with vital funding.

As shown by De Haas and Van Lelyveld, (2011) an efficient intra-group financial framework has positive effects on financial stability. Several case studies came to the conclusion that the existence of an efficient European intra-group banking network in the Central Eastern and Southeastern Europe (CESEE) was a crisis mitigating factor when parent companies were able to carry on providing funding (Bergløf et al. 2009).

### Problem identification

#### Rationale behind the preferential treatment of cross-border intra-group flows

The LCR provides – as a baseline scenario – the same treatment for transactions among institutions, irrespective of whether the counterparties belong to the same group. Under such scenario institutions whose liquidity is managed at a group- or sub-group level would be required to alter their liquidity management or operational structure to comply with the LCR, even if their liquidity risk management. Under such scenario, banking groups would lose the benefit of intra-group liquidity synergy effects and institutions could reduce their liquidity exposures to sub-group/ parent companies within the same groups.

Also, to facilitate the management of liquidity within banking groups and alleviate the implementation of the LCR framework for the institutions which liquidity is centrally managed, the EU regulation allows for preferential treatment of intra-group transactions, especially between two different Member States.

#### Major concerns for the implementations of the preferential treatment

The implementation of a preferential treatment for the inflows and outflows within the same banking groups raise the two main following concerns:

- Could disincentive banks to manage prudently their liquidity positions towards the counterparties that belong to the same groups.
- May be used by banks to circumvent their liquidity requirements at the solo level.
- May add complexity to the LCR framework.
- Could make the analysis and comparison the LCR across and within EU banking group more challenging for market participant (decrease market transparency).

### Objectives

In line with the problems identified above, the present RTS aims to:

- Define common objectives criteria to allow an effective implementation of the same preferential treatment within and EU banking groups.

- Ensure that the preferential treatment is not used by banks to circumvent the LCR requirements.
- Ensure that the implementation of the preferential treatment will not overly damage the liquidity risk profile of both the provider and receiver entities.

### Policy options

In this draft RTS, the EBA suggests to limit the implementation of the preferential treatment to the cases where the necessary safeguards are in place. In particular, the draft RTS propose that following restrictions:

- The liquidity provider/receiver should have a low liquidity risk profile.
- The intra-group liquidity transactions should be guaranteed by a sound contractual framework and legally binding commitments.
- The preferential treatment should not overly alter the liquidity position of the provider.
- The liquidity provider should be able to closely monitor the liquidity position of the receiving entity (monitoring at least on a daily basis).

### Assessment of the policy options

The implementation of the proposed draft RTS is not expected to generate excessive cost:

- The information needed for the assessment of the objective conditions, are already available and monitored by both supervisors and the institutions. As a result, no additional data collection will be required.
- The restrictions suggested in the draft RTS are deemed to be proportionate. They focus on three minimum key areas to ensure that the objectives of the RTS are properly met without creating unnecessary burden on EU institutions and NCAs (*ie.* cost of monitoring and evaluating the compliance with the conditions).

The draft RTS is also expected to:

- Reduce the potential impact of the implementation of the LCR on the cost of intra-group funding.
- Ensure that intra-group transactions remain efficient and effective during stress periods.
- Improve the management of intra-group liquidity risks during stress period.

### Conclusions

Therefore, the present qualitative assessment of the draft RTS concludes that the proposed regulation is not expected to generate an excessive negative impact on both NCAs and EU institutions.

## 5.2 Overview of questions for Consultation

**Question 1: Do respondents agree with the specifications of the criterion relating to the low liquidity risk profile? If not, what alternatives would you suggest to assess the liquidity risk profile of the liquidity receiver and provider?**

**Question 2: Do respondents agree with the specifications of the criterion relating to binding agreements and commitments?**

**Question 3: Do respondents agree with the specifications of the criterion relating to liquidity risk management of the liquidity provider?**