28 August 2018

Frequently asked Questions to the EBA ITS package for 2019 benchmarking exercise

1. This document reflects the questions received in relation to the EBA ITS package for 2019 benchmarking exercise. It will be updated as needed.
2. Any other comment or question regarding to the EBA ITS package for 2019 benchmarking exercise should be sent to the relevant competent authority.

Market Risk

	Questions	Answers
1	In reading the Article 4 point 2 of the Implementing Regulation (EU) 2016/2070, the Annex 5 (letter "a", "b" and "w") and the Annex 6 (C 106.00) of the ITS package for 2019 benchmarking, there seems to be some inconsistency among the dates to be used for the booking and the valuation the trades, and for submitting the data to the competent Authorities. Could you please clarify this?	The dates to be used should be the ones in Annex 5, letters "a", "b" and "w". Therefore for: 1. Initial Market Valuation: a. Booking of the trades: 19 September 2018 at 5:30 pm CET; b. Valuation of the trades: 26 September 2018 at 5:30 pm CET; c. Submission to competent Authority by 5 October 2018 2. Risk measures: a. Computed from 21/01/2019 to 01/02/2019; b. Submission to competent authority by 28 February 2019.
2	In Annex 6 - Initial Market Valuation - (C 106.00) of the ITS package for 2019 benchmarking, column 010 – 020 – 030 - 040 the instructions refer to instrument (contrary for the 2018 and prior exercises, where the reference was "portfolio"). However, the labels in the 2.7 and 2.8 DPM taxonomy still refer to "portfolio". Can you clarify whether portfolios or instruments should be reported?	The submitter should report in C 106.00 column 010 – 020 – 030 – 040 the Initial Market Valuation *by instrument*, with the instrument number taken from Annex 5.

Credit Risk

	Questions	Answers
1	In case the default rate of a specific grade for a top portfolio is zero, p- is not defined as annex IV states: "p− shall be the smallest positive value satisfying the equation p− + Φ−1(q) * root(p−*(1 − p−) / n) ≥ DR1y". We would suggest to clarify the wording, i.e. setting p- =0 in such a case	If DR1Y = 0, then p- = 0. (Analogously, if DR5Y = 0, then p-- = 0.).
2	While RWA* and RWA** are gone from Annex IV (instructions), they are still present in Annex III (template - alongside RWA-/--/+/++). How should these columns be filled ?	These columns should not be filled.