

Single Rulebook Q&A

Question ID	2021_6121
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - COREP (incl. IP Losses)
Article	430
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2021/451 - ITS on supervisory reporting of institutions
Article/Paragraph	Annex II
Date of submission	28/07/2021
Published as Final Q&A	04/02/2022
Disclose name of institution / entity	Yes
Name of institution / submitter	Wolters Kluwer
Country of incorporation / residence	Romania
Type of submitter	Consultancy firm
Subject matter	C34.08 report - define the collaterals considering the both legs of the securities financing transactions (SFTs)
Question	<p>Column 0130 and column 0180 from C34.08 report <i>Composition of collaterals for CCR exposures</i> highlights the information related to the SFT security. In accordance with the requirements provided in Annex II <i>Reporting on own funds and own funds requirements</i>, the institution shall report the fair values of collateral appearing as security in SFTs (<i>e.g.</i> the security leg of the SFT that has been received for column 0130, or posted for column 0180). In this context, considering that the SFTs involve two legs for each transaction and taking into account also the ITS requirements applied for the C34.08 report <i>Composition of collaterals for CCR exposures</i>, how the reporting institutions should treat the cash leg of the transaction? In which column the reporting institutions should populate the cash leg of the transaction?</p>

Background on the question	In accordance with the requirements presented in Annex II Reporting on own funds and own funds requirements, the C34.08 report Composition of collaterals for CCR exposures shall be populated with fair values of collateral (posted or received) used in CCR exposures related to derivative transactions, long settlement transactions or to SFTs, whether or not the transactions are cleared through a CCP and whether or not collateral is posted to a CCP. Column 0130 and column 0180 SFT security provides evidence for the fair values of collateral appearing as security in SFTs (e.g. the security leg of the SFT that has been received for column 0130 or posted for column 0180). Any additional information for C34.08 reporting purposes which is related to the cash leg of the transaction will be useful for the reporting institutions.
EBA answer	In accordance with Implementing Regulation (EU) 2021/451, Annex II, institutions shall report in the template C 34.08 collaterals used as initial margin, variation margin or appearing as security leg in SFT transactions. As outlined, columns 0130 and 0180 include fair values of the security leg of the SFTs only (distinguishing between received and posted securities).
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2021_6121

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