



Single Rulebook Q&A

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| Question ID | 2020_5638 |
| Status | Final Q&A |
| Legal act | Regulation (EU) No 575/2013 (CRR) |
| Topic | Supervisory reporting - Liquidity (LCR, NSFR, AMM) |
| Article | 415 |
| Paragraph | - |
| Subparagraph | - |
| COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations | Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended) |
| Article/Paragraph | Annex XIX, 1.2 |
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| Disclose name of institution / entity | No |
| Type of submitter | Competent authority |
| Subject matter | Meaning of 'intragroup' for the purpose of reporting in COREP template C 67.00 |
| Question | What is the scope of 'intragroup counterparties' for the purposes of classification of funding in COREP template C 67.00, column 050 (Product Type)? Is particular, can funding from a parent entity in a third country be considered 'intragroup'? |
| Background on the question | "Product type" in column 050 of template C 67.00 should be reported using one of the following categories: UWF (unsecured wholesale funding obtained |

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| | <p>from financial customers including interbank money) UWNF (unsecured wholesale funding obtained from non-financial customers) SFT (funding obtained from repurchase agreements as defined in point (82) of Article 4(1) of Regulation (EU) No 575/2013) CB (funding obtained from covered bond issuance as defined in Article 129(4) or (5) of Regulation (EU) No 575/2013 or Article 52(4) of Directive 2009/65/EC) ABS (funding obtained from asset backed security issuance including asset backed commercial paper) IGCP (funding obtained from intragroup counterparties) OSWF (other secured wholesale funding) OFP (other funding products, e.g. retail funding) The classification as IGCP depends on the exact definition of “intragroup” that applies in this context. The reporting instructions do not specify exactly the intended scope, so it is not straightforward to establish whether it includes group members in third countries. In general, various definitions of “intragroup” can apply for different regulatory purposes in different contexts: A definition exist for EMIR purposes (Article 3(2) of Regulation (EU) No 648/2012), which is also used to unlock favourable prudential treatment in some cases (e.g. Article 382(4)(b) CRR). This definition is open to a certain amount of ambiguity about the treatment of third-country counterparties (see here, paragraphs 72-81). Another broad definition is used in the context of conglomerates (Article 2(18) of the Directive 2002/87/EC). Criteria related to the definition of “intragroup” are defined for the purpose of favourable treatment of liquidity outflows in Article 422(8)(a) CRR – Article 29(1)(b) of the LCR Delegated Act.</p> |
| EBA answer | <p>For the purpose of completing column 050 of the supervisory reporting template C 67.00 (“Concentration of funding by counterparty”) referred to in Annex XXII of amended Regulation (EU) No 680/2014 (ITS on Supervisory Reporting), the entry “IGCP” should be generally considered for all funding that is obtained from a counterparty which is a parent or a subsidiary of the institution 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 a member of the same institutional protection scheme as referred to in Article 113(7) of Regulation (EU) No 575/2013 or the central institution or an affiliate of a network or cooperative group as referred to in Article 10 of Regulation (EU) No 575/2013).</p> <p>Therefore, where an EU institution has obtained funding from a counterparty which meets any of the above conditions, such funding should – to the extent that the counterparty is not included in the relevant perimeter of consolidation of the reporting institution and provided that such funding needs to be reported in this template – be classified as “IGCP” under column 050 of this template. Referring to the concrete case referred to in the question of this Q&A, this would also apply to funding that the EU institution has obtained from its parent institution which is incorporated in a third country.</p> |

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