

Luxembourg, 22 November 2016

To all Luxembourg credit institutions and CRR investment firms¹ that are not significant under the SSM and to all non-EU branches.

CIRCULAR LETTER

Re : Declaration of liquidity related products and services referred to in Article 23(2) of the LCR DA²

Ladies and Gentlemen,

We would like to draw your attention to Article 23(2) of the LCR DA requiring an assessment and declaration of potential liquidity outflows in relation to products or services which are not captured in Articles 27 to 31 of the LCR DA.

In accordance with this article and with regard to the new LCR data reporting framework³, we kindly ask you to comply with the following principles:

- According to the reporting instructions of the new LCR data reporting framework, all institutions have to report the maximum amount that could be drawn from these products and services in the reporting table C 73.00 (rows 730 to 870) regardless of the fact if these outflows are material or not.
- On the basis of Article 23(2) of the LCR DA, an annual assessment on the materiality of these outflows has to be done under the assumption of a combined idiosyncratic and market-wide stress.
- Institutions have to submit to the CSSF the outcome of the above mentioned materiality assessment at the latest by the end of the reporting year. Where the likelihood and potential volume of the liquidity outflows have been assessed as material, institutions have to provide the CSSF with their assessment and with an outflow factor proposal.

¹ The investment firms within Article 4(2) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

² Commission Delegated Regulation (EU) 2015/61

³ Commission Implementing Regulation (EU) 2016/322 of 10 February 2016 amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions of the liquidity coverage requirement

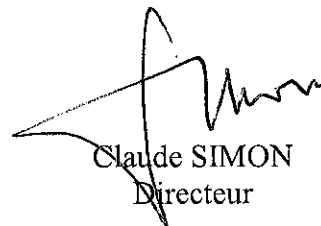
- Institutions shall only apply an outflow factor on the products or services referred to in Article 23 if they have been notified by the CSSF. Where no notification has occurred, institutions shall apply a 0% outflow factor on these items.

Yours faithfully,

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER



Frank BISDORFF
Premier conseiller de direction



Claude SIMON
Directeur

Handwritten initials and date: JS, 22/11/16, 23.4