

DECISION OF THE SINGLE RESOLUTION BOARD

Date	18/10/2022
Title	Data formats, representations, related additional assurance requirements and guidance for institutions reporting information required for the purpose of the calculation of the 2023 ex-ante contributions to the Single Resolution Fund
Reference	SRB/ES/2022/67 (Only the English text is authentic)

THE SINGLE RESOLUTION BOARD,

- (1) Having regard to the Treaty on the Functioning of the European Union,
- (2) Having regard to Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010¹ (hereinafter “Regulation (EU) No 806/2014”),
- (3) Having regard to Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council² (hereinafter “Directive 2014/59/EU”),
- (4) Having regard to Council Implementing Regulation (EU) 2015/81 of 19 December 2014 specifying uniform conditions of application of Regulation (EU) No 806/2014 of the European Parliament and of the Council with regard to the ex-ante contributions to the Single Resolution Fund³ (hereinafter “Council Implementing Regulation (EU) 2015/81”) and, in particular, Recital 12 and Article 6 thereof, and
- (5) Having regard to Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to ex-ante contributions to resolution financing arrangements (hereinafter “Commission Delegated Regulation (EU) 2015/63”)⁴ and, in particular, Article 14(6) thereof,

Whereas

- (6) According to Article 70(1) of Regulation (EU) No 806/2014, the individual contribution of each institution shall be raised at least annually and shall be calculated pro-rata to the amount of its liabilities (excluding own funds) less covered deposits, with respect to the aggregate liabilities (excluding own funds) less covered deposits, of all of the institutions authorised in the territories of all of the participating Member States.

¹ OJ L 225, 30.7.2014, p. 1.

² OJ L 173, 12.06.2014, p. 190.

³ OJ L 15, 22.01.2015, p.1.

⁴ OJ L 11, 17.1.2015, p. 44.

- (7) According to Article 6 of Council Implementing Regulation (EU) 2015/81, the Board ("SRB") shall set out the data formats and representations to be used by the institutions to report the information required for the purpose of calculating the annual contributions in order to enhance the comparability of the reported information and the effectiveness of processing the information received.
- (8) According to Article 14(1) of Commission Delegated Regulation (EU) 2015/63, institutions shall provide the resolution authority with the latest approved annual financial statements available before 31 December of the year preceding the contribution period⁵.
- (9) According to Article 14(2) of Commission Delegated Regulation (EU) 2015/63, the institutions shall provide the resolution authority at least with the information referred to in Annex II to Commission Delegated Regulation (EU) 2015/63 at individual entity level.
- (10) According to Article 14(5) of Commission Delegated Regulation (EU) 2015/63, where the information or data submitted to the resolution authorities is subject to updates or corrections, such updates or corrections shall be submitted to the resolution authorities without undue delay.
- (11) According to Article 14(6) of Commission Delegated Regulation (EU) 2015/63, the institutions shall submit the information referred to in Annex II to Commission Delegated Regulation (EU) 2015/63 in the data formats and representations specified by the resolution authority.
- (12) According to Article 17(3) of Commission Delegated Regulation (EU) 2015/63 where the information submitted by the institutions to the resolution authority is subject to restatements or revisions, the resolution authority shall adjust the annual contribution in accordance with the updated information upon the calculation of the annual contribution of that institution for the following contribution period.
- (13) According to Article 34 of Regulation (EU) No 806/2014, the Board may, through the national resolution authorities ("NRAs") or directly, after informing them, making full use of all of the information available to the European Central Bank ("ECB") or to the national competent authorities ("NCAs"), require provision of all of the information necessary to perform the tasks conferred on it by this Regulation.
- (14) According to Article 35 of Regulation (EU) No 806/2014 of the European Parliament and of the Council, the Board may, through the NRAs or directly, after informing them, conduct all necessary investigations of any legal or natural person referred to in Article 34(1) established or located in a participating Member State. To that end, the Board may obtain written or oral explanations from any legal or natural person referred to in Article 34(1) or their representatives or staff.
- (15) According to Recital (12) of Council Implementing Regulation (EU) 2015/81, the data formats and representations defined by the Board may also include the requirement that all the data to be reported by institutions, in particular those referred to in Article 7(2) of Regulation (EU) No 806/2014, are confirmed by an auditor or, where relevant, by the competent authority.

Legal and economic assessment

- (16) For the 2023 contribution period, the SRB defines, while taking into account the comments and suggestions received from institutions and NRAs⁶ during the preceding cycles, the data formats and representations to be used by institutions to report the data required for the calculation of 2023 ex-ante contributions.
- (17) The data formats and representations shall be specified in a way that enhances the comparability of the reported information and the effectiveness of processing the information received. In this regard, it is of

⁵ As stipulated in Recital 8 of Council Implementing Regulation (EU) 2015/81, in accordance with Article 5(1) of Regulation (EU) No 806/2014, the SRB is considered, for the application of that Regulation and of Directive 2014/59/EU, to be the relevant national resolution authority, where it performs tasks and exercises powers which are to be performed or exercised by the national resolution authorities pursuant to those legal acts. Therefore, the SRB should also be considered to be the resolution authority for the purpose of the application of Commission Delegated Regulation (EU) 2015/63. The provisions set out in that Delegated Regulation apply to the SRB when performing the tasks and exercising powers set out in this Regulation.

⁶ On 5 May 2022, the SRB consulted the NRAs on the draft data formats and representations for the 2023 contribution period in the context of the SRB Fund Committee meeting.

utmost importance that the application of the risk indicators is done on the basis of reported data that fulfils minimum criteria in terms of availability, quality and harmonisation. This is particularly important taking into account that the calculation is a distribution model based on comparisons between institutions and requires high quality and comparable data.

- (18) In accordance with Article 4 of Commission Delegated Regulation (EU) 2015/63, the calculation of the ex-ante contributions is based on data provided by the institutions pursuant to Article 14 of that Delegated Regulation. This Article requires that institutions provide to the SRB at least the data points set out in Annex II to the Commission Delegated Regulation (EU) 2015/63. In addition, given that this Annex II does not contain the data required for the calculation of the Risk Pillar IV (“Additional risk indicators determined by the resolution authority”) since these indicators are to be further specified by the resolution authority, the SRB has to determine the data to be reported to be used for the applicable sub-indicators.
- (19) The SRB monitors the availability and reliability of the data required for the calculation of ex-ante contributions and implementation of each of the risk indicators identified in Article 6 of Commission Delegated Regulation (EU) 2015/63. As a rule, these risk indicators must be applied on the basis of accurate and harmonised data that permits the precise calculation of the relative risk position of each institution. This requires that the underlying data points used for application of each of the risk indicators be available in harmonised and up-to-date format.
- (20) For the 2023 contribution period, the SRB examined the possibility to include in the calculation methodology all risk (sub-)indicators referred to Article 6 of Commission Delegated Regulation (EU) 2015/63, including the ones not yet included in the previous cycles which were:
- Own funds and eligible liabilities held by the institution in excess of ‘Minimum Requirement for own funds and Eligible Liabilities’ (“MREL”) (Pillar I);
 - Net Stable Funding Ratio (“NSFR”) (Pillar II);
 - Complexity and resolvability (Pillar IV).
- (21) According to Regulation (EU) No 575/2013, the 100% NSFR became a binding requirement to all institutions as of 28 June 2021. It can therefore be implemented as a risk indicator under Pillar II for the 2023 contribution period. Specific data point for that purpose needs to be reported as shown in the table below.

Pillar	Indicator	Weights of indicators in Pillar	Weight of the Pillar
PILLAR II: Stability and variety of source of funding	Liquidity Coverage Ratio	50%	20%
	Net Stable Funding Ratio	50%	

- (22) Since MREL targets have not yet been determined for all institutions (including all risk-adjusted institutions) in the participating Member States in 2021, which is the reference year for the 2023 contribution period, the SRB cannot determine the amount of own funds and eligible liabilities held in excess of MREL as contemplated in Article 6(2)(a) of the Commission Delegated Regulation (EU) 2015/63. Therefore, the SRB is not in a position to include in the calculation methodology for the 2023 contribution period the risk indicator referred to under Recital (20)(a) above and accordingly the SRB will not require reporting of both data points related to such indicator (i.e. eligible liabilities and MREL target).

- (23) As regards the reporting of ‘eligible liabilities’,⁷ and taking into account that the reporting framework as set out in Commission Delegated Regulation (EU) 2015/63 is separate from the supervisory reporting framework⁸, the SRB does not – for the time being – see it necessary to request that data point. Obliging institutions to report this data point (eligible liabilities) without the possibility to gather the data on individual MREL targets would only create excessive administrative burden for them while it would not be used in the calculation.
- (24) Similarly information that would permit the implementation of the ‘complexity & resolvability’ sub-indicator is not yet available in a harmonised way for all institutions in the participating Member States for the reference year 2021. Therefore, the SRB is not in a position to include the risk sub-indicator referred to under Recital (20)(c) above in the calculation methodology for the 2023 contribution period.
- (25) The possibility of using “proxies” for missing data in relation to “MREL” and “Complexity and Resolvability” was examined carefully and deemed not feasible. The contribution calculation methodology and legal framework do not refer to the creation of new variables or data points describing institutions to be developed by the resolution authority for the sole purpose of the calculation of contributions but explicitly require the use of data points from the resolution planning, which at current juncture is not yet finalised, specifically in terms of the resolvability assessment. In this regard, the Commission Delegated Regulation (EU) 2015/63 creates in Article 20 a principle of ‘abstention’ if the data point is not available in the calculation cycle rather than creation of proxies to compensate for the lack of data.
- (26) The industry raised concerns to the SRB as regards the applicability of the leverage ratio methodology referred to in Article 429c of Regulation (EU) No. 575/2013 for the purposes of the value adjustments of liabilities arising from derivatives in accordance with Article 5(3) Commission Delegated Regulation. This leverage ratio methodology, the so-called Standardised Approach for Counterparty Credit Risk, was to be applied for the first time in the 2023 cycle since it was introduced for supervisory reporting purposes in June 2021 by Regulation (EU) 2019/876.
- (27) The European Commission informed the SRB that it started the amendment of the Commission Delegated Regulation (EU) 2015/63 in order to reinstate to the extent possible the former leverage ratio methodology, which was provided by Article 429a in the 2015 version of Regulation (EU) No. 575/2013, for the purposes of the value adjustment required by Article 5(3) Commission Delegated Regulation (EU) 2015/63. However, at the time of adoption of the present decision, the amendment of Commission Delegated Regulation, in so far as derivatives adjustments are concerned, is ongoing.
- (28) Derivatives will be valued within the SRB’s decision on the calculation of the 2023 ex-ante contributions to the Single Resolution Fund based on the methodology that will be set forth within the Commission Delegated Regulation (EU) 2015/63 following the above mentioned amendment, so as to ensure that the rationale and spirit of Article 5(3) thereto are respected, and to ensure a harmonised treatment of derivatives in the determination of the basic annual contribution allowing for the comparability of their valuation between institutions and for a level playing field across the Union (see Recital 12 of Commission Delegated Regulation (EU) 2015/63). Therefore, it is appropriate for the SRB in the context of the data collection for the 2023 contributions cycle, to request institutions to compute the data point 2C1 “*Liabilities arising from all derivative contracts (excluding credit derivatives) valued in accordance with Derivatives Adjustment Method*” in the 2023 Data Reporting Form based on the method that is without any substantial change to the leverage ratio methodology, as provided by Article 429a of Regulation (EU) No. 575/2013,

⁷ It should be noted here that, in order to implement the “own funds and eligible liabilities held by the institution in excess of MREL” risk indicator, the SRB would require data on the MREL targets set for the risk-adjusted banks together with data on their own funds and eligible liabilities.

⁸ Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014.

applicable as of 18 January 2015⁹, and that has been applied by Institutions in contributions cycles 2017 to 2021 for the purpose of value adjustment under Article 5(3) Commission Delegated Regulation.

- (29) Taking into account the above data set to be reported by the institution in scope of 2023 contribution cycle, the SRB defines in the 2023 Data Reporting Form which is Annex I to this decision.
- (30) Furthermore, given the nature and complexity of (at least some) data points to be reported for the purposes of calculation, the SRB deems it appropriate to provide institutions with a Guidance Document (Annex III to this decision) on the definitions of the relevant data points. This document serves the purpose of unification of reporting as well as enhancing the comparability of data and effectiveness of the process. Such document facilitates the completion of the 2023 Data Reporting Form by institutions in a harmonized way, which is an important element for ensuring the comparability of the data. Where relevant, the Guidance Document refers to the references of the supervisory reporting framework¹⁰. The Guidance Document also contains ample information on the Derivatives Adjustment Method that reflects the version of the leverage ratio methodology, which was provided by Article 429a in the 2015 version of Regulation (EU) No. 575/2013.
- (31) As for every cycle, and with reference to Recital 12 of Council Implementing Regulation (EU) 2015/81, for the 2023 contribution period, the SRB defines additional assurance requirements on the data to be reported by institutions solely for the purpose of calculating the ex-ante contributions to the Single Resolution Fund and not reported under the regular supervisory or accounting framework (Annex II to this decision).
- (32) The main objective of the additional assurance requirements is to ensure that the data submitted by the institutions and used by the SRB for the calculation of ex-ante contributions is of the highest standard. In particular, the scope of the additional assurance includes covered deposits data (reported by institutions as deductions), data related to derivatives used in the adjustment of total liabilities as well as data on qualifying intragroup, Institutional Protection Scheme ("IPS"), promotional loans liabilities and assets and own funds in case of supervisory waiver to report these at individual level.
- (33) Ensuring the accuracy of data provided is a key element in protecting the interests of all institutions. However, the fact that the verification exercise did not lead to a request for correction of an institution's data or the circumstance that the decision determining an institution's contributions has been adopted based on the same data that was submitted by that institution should not be understood as confirming the correctness of that data.
- (34) The SRB has assessed, based on data available from contribution cycles and additional data verification exercises in previous years, that an agreed upon procedure (AUP) performed by an auditor better ensures the accuracy of data than a mere sign-off by the institution's management. The SRB assessed furthermore the possibility of requesting an assurance statement from an auditor on the data points in scope of additional assurance. However, based on interaction with Accountancy Europe, the SRB understands that such an option would imply significant costs and efforts from the institutions as auditors would have to perform much more work for such assurance statement than for an agreed upon procedure. Therefore, for the 2023 contribution period, the SRB considers that agreed upon procedures (AUP) performed by an auditor as the only way to ensure the objective of the additional assurance requirements. It is considered that these additional assurance requirements are in compliance with the principle of proportionality, particularly considering the positive impact that such change will have on ensuring the accuracy of the data used for calculation of the contributions of each institution to the Single Resolution Fund. Moreover, the action required by institutions in scope to ensure compliance with this decision is expected to be rather limited when compared to possible alternative measures, such as asking for an assurance statement from

⁹ Commission Delegated Regulation (EU) 2015/62 of 10 October 2014 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the leverage ratio entered into force the day following the day of its publication in the Official Journal (OJ 17.1.2015).

¹⁰ Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014.

the auditors on the data points in scope of additional assurance. SRB furthermore assesses that institutions have sufficient time, in the months following notification of this Decision to them by their NRAs, to prepare for the additional assurance requirements applicable to the 2023 contribution period¹¹.

- (35) In order for the abovementioned objective to be met, data points under additional assurance requirements in previous contribution periods that have been or will be restated by institutions in the context of the 2023 contributions period should be subject to the same additional assurance requirements as the data points to be used for the 2023 contributions period, i.e. agreed upon procedures by an auditor.
- (36) Institutions that benefit from a waiver from the competent authority for reporting the data point 'own funds' at individual level must compute this data point only for the purpose of calculating the ex-ante contributions to the Single Resolution Fund. The SRB has assessed, based on data from previous cycles that accuracy issues with respect to this specifically computed data point may arise. Therefore, the SRB considers that the additional assurance requirements should contain this data point for that particular group of institutions in the 2023 contribution cycle as it was the case in the case in the 2022 cycle. The SRB deems that the principle of proportionality is met in this case considering the positive impact that this change will have on ensuring the accuracy of the data used for the calculation of the contributions of each institution to the Single Resolution Fund. Moreover, the action required by institutions affected by this approach to ensure compliance is expected to be rather limited when compared to possible alternative measures that could be applied to achieve the same objective.
- (37) The SRB deems it necessary for NRAs to maintain the discretion to extend the scope of data covered by the additional assurance requirements or to extend the scope of institutions that need to provide additional assurance beyond the minimum set by this decision.
- (38) In the context of the calculation of the ex-ante contributions to the Single Resolution Fund, the NRAs will be the first point of contact for the communications with institutions established in their respective territories. In accordance with Article 14 of Commission Delegated Regulation (EU) 2015/63, institutions are required to submit the data referred to in that provision to the NRAs so that it can be transmitted to the SRB by 31 January 2023.

HAS ADOPTED THIS DECISION:

Article 1

2023 Data Reporting Form

The data formats and representations to report information required for the purpose of calculating the 2023 annual ex-ante contributions to the Single Resolution Fund, as set out in Annex I, are hereby approved.

Article 2

2023 Additional Assurance Requirements

The additional assurance requirements to be provided by institutions on the data to be reported for the purpose of calculating the 2023 annual ex-ante contributions to the Single Resolution Fund (including restatements for the past contribution cycles), as set out in Annex II, are hereby approved.

¹¹ Recital 12 of Council Implementing Regulation (EU) 2015/81: "The data formats and representations defined by the Board may also include the requirement that all the data to be reported by institutions, in particular those referred to in Article 7(2) of Regulation (EU) No 806/2014, are confirmed by an auditor or, where relevant, by the competent authority."

Article 3

2023 Guidance Document

The 2023 Guidance Document related to the 2023 Data Reporting Form, as set out in Annex III, is hereby approved.

Article 4

Communication

This decision is communicated to the NRAs and is to be notified by the NRAs to the institutions and shall enter into effect upon such notification.

Done at Brussels,

For the Single Resolution Board,

The Chair

Elke KÖNIG