



Circular CSSF- CODERES 23/16

Single Resolution Fund –
Information
on/announcement of
raising 2023 ex-ante
contributions according to
Articles 69 and 70 of
Regulation (EU) No
806/2014 of the European
Parliament and of the
Council of 15 July 2014

Circular CSSF-CODERES 23/16

RE: Single Resolution Fund – Information on/announcement of raising 2023 ex-ante contributions according to Articles 69 and 70 of Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014

Luxembourg, 15 May 2023

Ladies and Gentlemen,

To all credit institutions subject to Regulation (EU) No 806/2014 of the European Parliament and of the Council

Based on Title V, Chapter 2 of 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 1093/2010 (hereafter "SRMR"), the Single Resolution Board (hereafter "SRB") has determined the 2022 ex-ante contribution for all the institutions as defined in Article 2 of the SRMR¹ (see Annex 1).

The amounts are due by **15 June 2023**.

Pursuant to Article 2 of the law of 18 December 2015 implementing the agreement on the transfer and mutualisation of contributions to the Single Resolution Fund², the concerned credit institutions have to transfer upon instruction given by the CSSF, the requested amounts to **an account of the Fonds de résolution Luxembourg**, which in return will transfer the collected amounts to the Single Resolution Fund (hereafter "SRF").

The individual invoices (see Annex 4) will be distributed by the CSSF in the coming days.

The computation is based on:

- 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 (hereafter "DR")
- 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 *ex ante* contributions to the Single Resolution Fund (hereafter "CR")

¹ All credit institutions established in Luxembourg with the exception of the branches established in Luxembourg by a credit institution which has its head office outside the EU. Branches established in Luxembourg by a credit institution having its head office in another Member State, participating or not participating, are covered by their head office.

² Law of 18 December 2015 implementing the agreement on the transfer and mutualisation of contributions to the Single Resolution Fund signed in Brussels on 21 May 2015.

The amount to be paid has been calculated pursuant to the following provisions:

- 2023 contribution – risk adjusted (Articles 5 to 9 DR) **or**
- 2023 contribution – lump-sum (Article 8(5) CR) **or**
- 2023 contribution – lump-sum (Article 10 DR)
- **minus** the remaining 2015 contribution (deduction according to Article 8(2) CR)
- (where applicable) **plus/minus** data adjustments concerning previous years (Article 17(3) and (4) DR)
- (where applicable) **plus** partial contribution of newly supervised institutions (Article 12(1) DR)

The 2023 ex-ante contribution has been determined by taking into account the data provided by the credit institutions according to Circular CSSF-CODERES 22/15.

In Annex 1 the SRB describes the details of the calculation.

After careful consideration of several factors detailed in Annex 1, the SRB concludes that, despite the deceleration of the growth rate of covered deposits observed in 2022, it is nonetheless reasonable to expect continued growth in covered deposit levels in the Banking Union in 2023, i.e., an estimated growth rate of 4.5%.

Therefore, the target level of the SRF at the end of the initial period (31 December 2023) is expected to reach EUR 77.60 billion. Given that the expected available net financial means amount to EUR 65.90 billion, the 2023 annual target level³ is assessed amounting to EUR 11.70 billion.

Out of this amount, the concerned banks in Luxembourg will have to pay an aggregate amount of EUR 243.3 million in 2023 compared to EUR 323.4 million paid in 2022.

The SRB provides, in addition, some aggregated statistics (Annex 2) in its reply to the 2023 consultation (Annex 3) which was conducted from 23 March to 5 April 2023.

Irrevocable payment commitments (hereinafter “IPCs”)

³ It is expressed as the difference between the 2023 expected target level and the 2023 expected available net financial means

The conditions concerning IPCs compared to the 2022 contribution cycle remain similar: Article 8(3) of the CR provides that during the initial period, under normal circumstances, the SRB shall allow the use of IPCs upon request from a bank (details see Annex 5). For the 2023 contribution period, the SRB has decided that banks are allowed to provide IPCs equal to an amount of **22.5% of the amount to be paid (2022: 15.0%)**. The SRB has, furthermore, decided that these IPCs must be fully backed by collateral exclusively in the form of **cash collateral in euro**.

In case you want to apply for IPCs you should read the following annexes carefully and comply with the instructions thereto:

- Annex 5: SRB - 2023 - IPC Letter to institutions (pdf)
- Annex 6: SRB - 2023 - IPC Application Form (Excel)
- Annex 7: SRB - 2023 - IPC Agreement (pdf)

All annexes are accessible via the links figuring at the end of this circular or on the CSSF's website www.cssf.lu under Entity types > Credit institutions/Investment firm > Resolution > Circulars > Circular CSSF-CODERES 23/16 > Details and related documents (direct link: <https://www.cssf.lu/en/document/circular-cssf-coderes-23-16/>). Even if your bank has already applied in previous years to use IPC this application has to be renewed for 2023.

Only a fully completed and duly signed application package consisting of Annexes 6 and 7 can be considered as a valid request.

An Excel copy of the completed Application form (Annex 4) labelled "[CSSF No. (NOSIG)]2023_Application Form" has to be sent by COB by **9 June 2023** via e-mail to the CSSF at res@cssf.lu.

In addition,

- a) the originally executed version of the Application form (Annex 6) and **two** duly signed IPC Agreements (Annex 7) have to be sent by COB on 19 June 2023 as physical package by registered mail to:

SRB [Unit E1 - IPC]
Treurenberg 22
B-1049 Brussels
Belgium

OR

- b) the institution delivers the electronically signed Application Form (Annex 6) and the electronically signed IPC Agreements (Annex 7) to the SRB by e-mail to:

SRB-IPC@srb.europa.eu

Please clearly indicate your LEI or MFI code in the title of the e-mail. For more details, please refer to Annex 5.

Failure to comply with the requirements as set out above will preclude the bank to use IPCs for the 2023 contribution period.

By 31 July 2023 at the latest, the SRB will return the countersigned IPC Agreement to the bank at the address provided in the Application form. The process above applies only for this year.

For any questions concerning this circular, please contact Mr. Klaus Söllner (e-mail: klaus.sollner@cssf.lu) or Mr. Bertrand Toulmonde (e-mail: bertrand.toulmonde@cssf.lu).

In case clarifications are deemed necessary from the SRB, the corresponding form in Annex 8 has to be used. Legal remedies against decisions by the SRB are described in Annex 9.

Yours faithfully,

For the Resolution Board

Romain STROCK

Chairman of
the Resolution Board

Annexes:

Annex 1: Decision of the executive session of the SRB of 2 May 2023

[\(CSSF-CODERES 23 16 Annex 1 Decision SRB 2022.pdf\)](#)

Annex 2: Aggregated Statistics

[\(CSSF-CODERES 23 16 Annex 2 Aggregated Statistics.pdf\)](#)

Annex 3: Reply to the Consultation

[\(CSSF-CODERES 23 16 Annex 3 Reply to the consultation.pdf\)](#)

Annex 4: Example of invoice

[\(CSSF-CODERES 23 16 Annex 4 invoice example.pdf\)](#)

Annex 5: SRB_2023_IPC_Letter_to_institutions (EN)

[\(CSSF-CODERES 23 16 Annex 5 IPC Letter to institutions.pdf\)](#)

Annex 6: IPC-package - Application Form

[\(CSSF-CODERES 23 16 Annex 6 IPC Application Form EN.xls\)](#)

Annex 7: IPC-package – IPC Agreement

[\(CSSF-CODERES 23 16 Annex 7 IPC AGREEMENT EN.pdf\)](#)

Annex 8: Clarification request for the 2023 contribution period

[\(CSSF-CODERES 23 16 Annex 8 Clarification Form EN.xls\)](#)

Annex 9: Legal remedies against decisions by the SRB
([CSSF-CODERES 23 16 Annex 9 Legal Remedies.pdf](#))

All annexes are accessible via the links figuring at the end of this circular or on the CSSF's website www.cssf.lu under Entity types > Credit institutions/Investment firm > Resolution > Circulars > Circular CSSF-CODERES 23/16 > Details and related documents (direct link: <https://www.cssf.lu/en/document/circular-cssf-coderes-23-16/>).



Conseil de Résolution

CSSF
Conseil de Résolution
283, route d'Arlon
L-2991 Luxembourg (+352) 26 25 1-1
res@cssf.lu
www.cssf.lu