

Luxembourg, 24 October 2017

To all credit institutions subject to Regulation (EU)
No 806/2014 of the European Parliament and of the
Council ¹

CIRCULAR CSSF-CODERES 17/05

Re: Single Resolution Fund – Information request by the Single Resolution Board for the calculation of the 2018 ex-ante contribution according to Articles 4 and 14 of the Commission Delegated Regulation (EU) 2015/63

Ladies and Gentlemen,

The purpose of this circular is to collect data for the calculation of the 2018 ex-ante contributions to the Single Resolution Fund.

Article 100 of 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 (hereinafter "BRRD"), requires Member States of the European Union to establish one or more national resolution financing arrangements for the purpose of ensuring the effective application by the resolution authority of the resolution tools and powers. In accordance with Article 103(1) of the BRRD *ex-ante* contributions shall be raised at least annually from all institutions incorporated under Luxembourg law. However branches established in Luxembourg by institutions which have their head office outside the Union are not targeted by the present circular as they will be covered by the Luxembourg Resolution Fund.²

Article 67 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 (hereinafter "SRMR") establishes a **Single Resolution Fund** (hereinafter "SRF") under the responsibility of the **Single Resolution Board** (hereinafter "SRB") for Member States participating in the SSM. The Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 supplementing

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 See Article 108(1) of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms and Regulation CSSF N° 16-06.

Directive 2014/59/EU with regard to *ex-ante* contributions to resolution financing arrangements (hereinafter "DR") and the 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") specify together the methodology for the calculation of this contribution and the obligations of the credit institutions as regards the necessary information to be provided in a Single Resolution Mechanism context.

In order to determine, in accordance with the provisions of the DR and CR, the annual contribution to be paid by each credit institution in 2018, the SRB needs to obtain a certain amount of information as expressed in its introduction letter (Annex 1). For the purpose of gathering these data the attached template (Annex 2) has been developed by the SRB together with information/instructions on how it has to be filled in. Additional guidance elaborated by the SRB is available on the CSSF's website www.cssf.lu under: EU/International > Banking Union > Single Resolution Mechanism (SRM) > Calculation of contributions > Annexes to Circular CSSF-CODERES 17/05 (direct link: <http://www.cssf.lu/en/eu-international/banking-union/srm/calculation-of-contributions/>).

Changes to data collection for 2017 ex-ante contribution

The data required are nearly identical to the data requested for the 2017 ex ante contribution in Circular CSSF-CODERES 16/02. The main differences for this year are the following:

- Field 1A8 (National identifier code for the institution) is now mandatory.
- The Liquidity Coverage Ratio (field 4B1-4B6) has been added as additional risk indicator.
- Additional validation rules have been added (see worksheet "6. Validation rules").
- According to Article 10(8) DR credit institutions which fulfil the condition of Article 10(1)-(6) DR as small institution are not allowed to opt for the simplified lump-sum approach in case they fulfil the triggers for the use of early intervention measures as defined in EBA guideline EBA/GL/2015/03³.

As for last year, Luxembourg specific guidance is given in the worksheet "5. Definitions and guidance" of the template (Annex 2). The naming conventions and the way to return the duly completed template (Annex 2) to the CSSF remained as well unchanged (see file naming convention below).

³ These banks will be contacted separately

Deadlines

The duly filled in template (Annex 2) has to be sent to the CSSF **at the latest by 15 January 2018 at 24:00 h.** In case not all required information is transmitted correctly by that date, the SRB shall use estimates or its own assumptions for the calculation of the 2018 contribution of the concerned credit institution to the SRF (article 17 (1) DR). In specific cases, the SRB may assign the credit institution concerned to the highest risk adjusting multiplier, for the calculation of the institution's contribution to the SRF (article 17 (2) DR). Before sending the template (Annex 2) please assure that all checks on worksheet "6. Validation rules" are marked as "OK".

For the transmission of the data to the CSSF, credit institutions have to use the attached electronic template (Annex 2). Said template is available on CSSF website at:

http://www.cssf.lu/fileadmin/files/Lois_reglements/Circulaires/CSSF_CODERES/OTHR_EP-BNNNN-LUBnnnnn_LU_SRF030001_EACIND_2018-01-31_yyyymmddhhmmssnnn.xlsx

Some credit institutions will be contacted directly by the CSSF in the next 10 working days in order to provide more specific guidance reflecting their situation.

Delivery instructions

Any file submitted must be in ".xlsx" format; any other format (for example ".xls", ".doc", ".pdf", etc) will not be accepted. All required data fields of the file shall be completed (for details see Annex 2 sheet "Read me" point B). The Excel file is pre-formatted and **its structure shall not be changed in any way** by the credit institutions. Information which generates error messages will be considered as void.

All production files must be sent to CSSF via the channel system according the circular CSSF 08/334. The naming convention to be used is the report type OTH and the file naming described below **must be fully respected to guarantee an automated processing.**

The mandatory structure of the file name is in general (see details below):

TYRDIR-ENNNN-LUBnnnnn_LU_VERSION_TYPE_DEADLINE_TIMESTAMP.xlsx

For the 2018 submission, the name structure resulting will thus be:

OTHREP-BNNNN-LUBnnnnn_LU_SRF030001_EACIND_2018-01-31_yyyymmddhhmmssnnn.xlsx

Example:

OTHREP-B0999-LUB00999_LU_SRF030001_EACIND_2018-01-31_20180105140531000.xlsx

for a file generated by Bank B999 in the version created on January 5th 2018 at 14:05:31

These are the details of the file naming convention:

Code	Signification	Structure	Values authorized
TYR	Type of reporting	Char(3)	Constant 'OTH'
DIR	Direction	Char(3)	'REP' for Report → file to CSSF 'FBR' for feedback receipt → file returned, confirming reception by CSSF
-	Separator → DASH	Char(1)	Constant '-' (dash !)
E	Reporting entity	Char(1)	Types of entity for Banks 'B'
NNNN	CSSF bank ID	Number(4)	0001...9999
-	Separator → DASH	Char(1)	Constant '-' (dash !)
LUBnnnnn	MFICode	LUBnnnnn	Bank MFI code as published by the ECB, e.g. 'LUB00999' for a Bank with CSSF ID 999
_	Separator → UNDERSCORE	Char(1)	Constant '_' (underscore !)
LU	Country code	Char(2)	Originating country code, must be 'LU'
_	Separator → UNDERSCORE	Char(1)	Constant '_' (underscore !)
VERSION	VERSION	'SRF'number(n)	The VERSION code describes the version of the taxonomy set and has the general structure 'SRFnnnnn' (number of 'n' values could change in the future, e.g. 'SRFnnnnnn'). For the remittance 2018 the value expected is '

			SRF030001'
_	Separator → UNDERSCORE	Char(1)	Constant '_' (underscore!)
TYPE	TYPE	Char(n)	The only value allowed is the report code 'EACIND'
_	Separator → UNDERSCORE	Char(1)	Constant '_' (underscore!)
DEADLINE	DEADLINE	yyyy-mm-dd	The remittance deadline is the last day in January of the submission year, so for the 2018 remittance the value expected is '2018-01-31' (CAUTION: separation here by dashes, not by underscores).
_	Separator → UNDERSCORE	Char(1)	Constant '_' (underscore!)
TIMESTAMP	TIMESTAMP	Number(17)	File creation timestamps; every timestamp may only be used once and has the format: yyyymmddhhmmssnnn "mmssnnn" can be replaced by 0000000.
.ext	Extension	Char(5)	For the files to be submitted the extension shall be .xlsx

Due to the experiences with the 2017 ex-ante contribution the CSSF has decided to maintain for the time being the current transmission of data via Excel sheet from the credit institutions to the CSSF. The CSSF will then send the data via a XBRL-based portal to the SRB which will perform additional validation checks.

Additional assurance documents

In addition, each credit institution that directly or as part of a group falls under direct ECB supervision (see Annex 3), unless it is subject to the lump-sum payment, must make available to the resolution department of the CSSF additional assurance documents, which will be transmitted to the SRB. These documents can either be:

- Agreed Upon Procedures (AUP) where an external auditor confirms specific data (see

Annex 4) or

- a Sign-off form where at least one of the members of the banks' authorised management certifies that the submitted template complies with the general instructions (see Annex 5).

The documents have to be sent to the CSSF at the **latest by 15 February 2018**, by mailing a signed hard copy to CSSF, Resolution Department, L-2991 Luxembourg. Banks, which do not appear on the list in Annex 3 do not have to send in any additional assurance documents⁴.

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

Yours faithfully,

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER

For the Resolution Board



Romain STROCK

Chairman of
the Resolution Board

Annexes:

1. Introduction letter of SRB – see:
http://www.cssf.lu/fileadmin/files/Lois_reglements/Circulaires/CSSF_CODERES/CS_SF-CODERES_17_05_Annex_1_Introduction_letter_of_SRB.pdf
2. Template for the calculation of 2018 contribution to the Single Resolution Fund – see:
http://www.cssf.lu/fileadmin/files/Lois_reglements/Circulaires/CSSF_CODERES/OT_HREP-BNNNN-LUBnnnnn_LU_SRF030001_EACIND_2018-01-31_yyyymddhhmssnnn.xlsx

⁴ In addition:

- The SRB has already announced ex-post audits.
- According to Article 18 DR the resolution authorities may impose administrative penalties and other administrative measures referred to in Article 110 BRRD to the persons or entities responsible for breaches of DR.

3. List of credit institutions that directly or as part of a group fall under direct ECB supervision – see:
http://www.cssf.lu/fileadmin/files/Lois_reglements/Circulaires/CSSF_CODERES/CS_SF-CODERES_17_05_Annex_3_List_of_credit_institutions_under_direct_ECB_supervision.pdf
4. Instruction concerning Agreed Upon Procedures (AUP) – see:
http://www.cssf.lu/fileadmin/files/Lois_reglements/Circulaires/CSSF_CODERES/CS_SF-CODERES_17_05_Annex_4_Instruction_concerning_Agreed_Upon_Procedures_AUP_.doc
5. Sign-off by management – see:
http://www.cssf.lu/fileadmin/files/Lois_reglements/Circulaires/CSSF_CODERES/CS_SF-CODERES_17_05_Annex_5_Sign_off_by_management.doc
6. Additional Guidance - ex ante reporting form - see:
http://www.cssf.lu/fileadmin/files/Lois_reglements/Circulaires/CSSF_CODERES/CS_SF-CODERES_17_05_Annex_6_Additional_guidance_on_deductions.pdf
7. Additional Guidance – slides to present reporting form – see:
http://www.cssf.lu/fileadmin/files/Lois_reglements/Circulaires/CSSF_CODERES/CS_SF-CODERES_17_05_Annex_7_Additional_Guidance-2018_ex-ante_data_reporting_form.pdf