

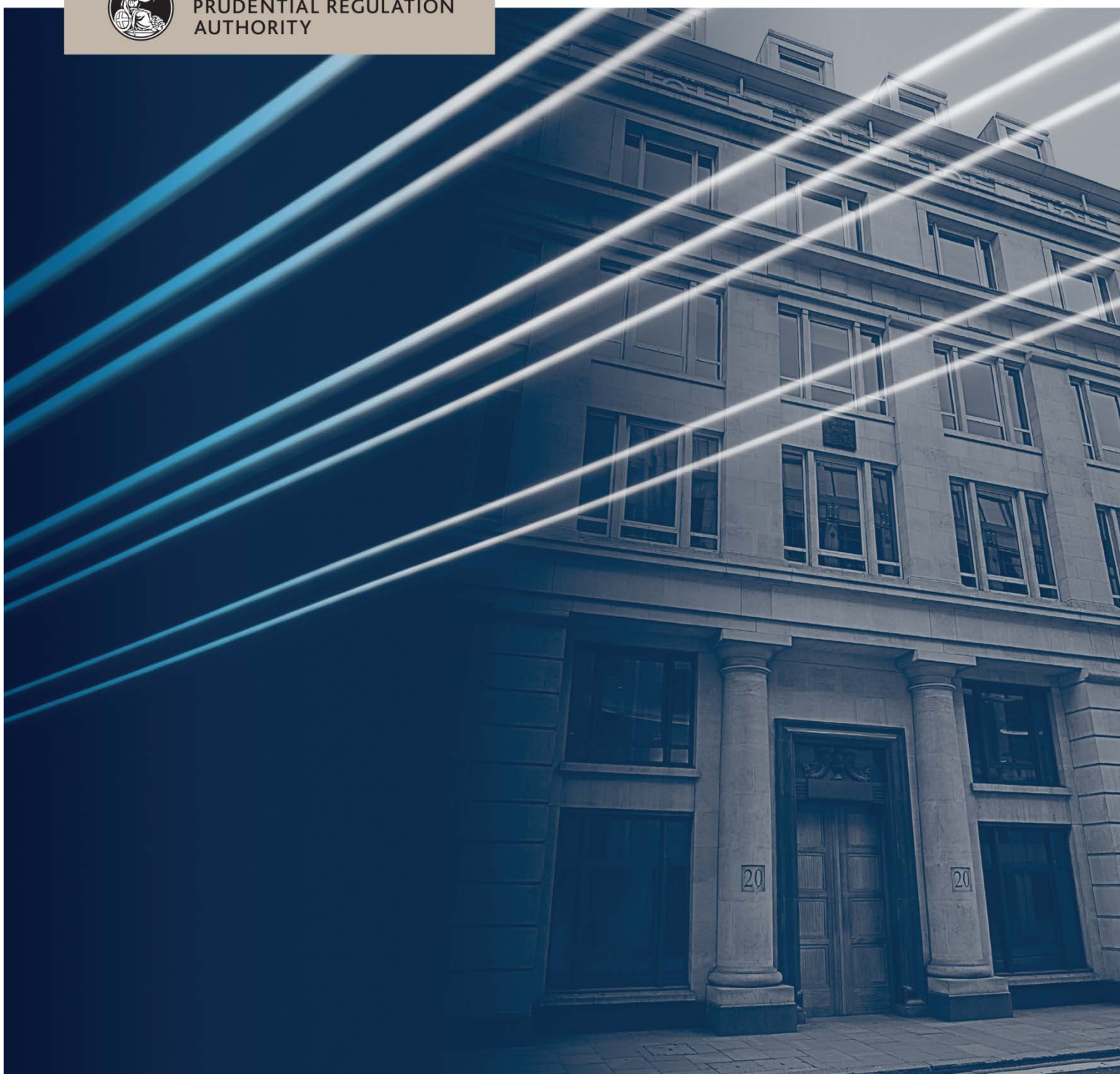
Supervisory Statement | SS29/15

CRD IV: Interim LCR reporting

July 2015



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1 Overview

1.1 In this supervisory statement (SS), the Prudential Regulation Authority (PRA) sets out the specific liquidity coverage requirement (LCR) reporting arrangements which the PRA expects firms to follow on an interim basis in the period between 1 October 2015, the date the LCR standard applies in accordance with the European Commission's (the Commission) delegated act with regard to the LCR for credit institutions (the Delegated Act)¹, and the introduction of mandatory reporting of the new LCR return following adoption of the amending implementing technical standard (ITS) on liquidity reporting by the Commission.

1.2 This SS is relevant to firms to which CRD IV² applies.

1.3 On 24 June 2015 the European Banking Authority (EBA) published final draft ITS amending the current ITS on LCR reporting to ensure a proper reporting of the LCR according to the Delegated Act (Amending ITS).³ The EBA proposed a first reference date corresponding to the later of December 2015 and six months after the date of publication of the Amending ITS in the Official Journal, following adoption by the Commission.

1.4 The PRA has judged that, in order to monitor firms' compliance with the LCR standard coming into force under the Delegated Act and their liquidity resilience, there is a strong case for firms to report their LCR positions as defined in the Delegated Act from October 2015. Accordingly the PRA expects firms to provide data as set out in this statement.

1.5 The PRA is aware that during the interim period firms will still be subject to a legal obligation to report the LCR in accordance with the current ITS on liquidity reporting, and that it is not possible to use the data so reported to calculate a firm's LCR ratio in accordance with the Delegated Act.⁴ The PRA is not able to alter this legal obligation. For purposes of liquidity supervision, the PRA will use the data received under the interim reporting arrangements set out below.

2 Interim LCR reporting arrangements

2.1 The interim reporting arrangements will commence from 1 October 2015. Data should be submitted monthly, the reference date being the last day of the month, with data submitted 30 calendar days later. This is in line with EBA transitional arrangements for the Amending ITS⁵. These interim reporting arrangements will cease once the Amending ITS apply.

2.2 Firms should direct any queries to their usual supervisory contact in the first instance.

¹ Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement the CRR; http://eurlex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2015.011.01.0001.01.ENG

² The Capital Requirements Regulation (EU) (575/2013)(CRR) and the Capital Requirements Directive (2013/36/EU) – jointly CRD IV.

³ Implementing Technical Standards amending Commission Implementing Regulation (EU) No 680/2014 (ITS on supervisory reporting) with regard to the Liquidity Coverage Ratio (LCR): <http://www.eba.europa.eu/regulation-and-policy/supervisory-reporting/implementing-technical-standards-amending-commission-implementing-regulation-eu-no-680/2014-with-regard-to-the-liquidity-coverage-ratio>

⁴ Except PRA-designated investment firms. The PRA confirmed in Policy Statement 11/15 'CRD IV: Liquidity', section 6, its proposal to exercise the discretions contained in CRR Articles 6(4) and 11(3) to exempt these firms from the application of parts of CRR Part 6.

⁵ During the first six months from the date of application of the ITS, the reporting remittance date relating to the monthly reporting of the LCR shall be the thirtieth calendar day after the reporting reference date.

Standard approach

2.3 Firms should report to the PRA the information defined in the EBA's Amending ITS. Specifically, they should report the information in Table A.

Table A: Interim LCR return content

Template	Description
C72.00	Part I – Liquid Assets
C73.00	Part II – Outflows
C74.00	Part III – Inflows
C75.00	Part IV – Collateral Swaps
C76.00	Part V – Calculations

2.4 Firms should adhere to the following arrangements for reporting LCR data:

- Submit the template in a spreadsheet in xml format, via their usual secure email system to LCR.Data@bankofengland.gsi.gov.uk.
- Report on an all currency basis only, ie not by significant currency.
- Report monthly, with a 30 calendar day delay, ie first reports to be submitted on 30 November 2015 with reference date of 31 October 2015.
- Report for the same entity or entities for which they currently report LCR under the existing liquidity reporting ITS.
- Report numerical data in absolute values rounded to the nearest whole number in their reporting currency.
- Not insert any formulae or links to other spreadsheets in the reporting, ie only insert values.
- Not insert any additional rows or columns into the template.
- Specify in the reporting spreadsheet's form header: entity and associated firm reference number (FRN); reporting period end date; and the reporting currency used.

Smaller firms

2.5 The PRA's expectation on interim liquidity reporting has been structured proportionately. To reduce the burden on smaller firms, the PRA will be content for firms with a balance sheet total of under £3 billion on an individual and, where the PRA is the consolidating supervisor, on a consolidated basis as of the last accounting reference date before 1 October 2015 to report only certain key metrics. Specifically:

- Liquidity buffer (C 76.00 Row 010, ID 1);

- Net liquidity outflow (C 76.00 Row 030, ID 2); and
- Liquidity coverage ratio (%) (C 76.00 Row 030, ID 3).

These should be prepared in accordance with the instructions and templates of the Amending ITS, and the arrangements in paragraph 2.4.