BANK OF ENGLAND
PRUDENTIAL REGULATION AUTHORITY

Consultation Paper | CP6/19

Pillar 2 liquidity: Updates to the framework

March 2019

BANK OF ENGLAND
PRUDENTIAL REGULATION AUTHORITY

Consultation Paper | CP6/19

Pillar 2 liquidity: Updates to the framework

March 2019

By responding to this consultation, you provide personal data to the Bank of England. This may include your name, contact details (including, if provided, details of the organisation you work for), and opinions or details offered in the response itself.

The response will be assessed to inform our work as a regulator and central bank, both in the public interest and in the exercise of our official authority. We may use your details to contact you to clarify any aspects of your response.

The consultation paper will explain if responses will be shared with other organisations (for example, the Financial Conduct Authority). If this is the case, the other organisation will also review the responses and may also contact you to clarify aspects of your response. We will retain all responses for the period that is relevant to supporting ongoing regulatory policy developments and reviews. However, all personal data will be redacted from the responses within five years of receipt. To find out more about how we deal with your personal data, your rights or to get in touch please visit bankofengland.co.uk/legal/privacy.

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure to other parties in accordance with access to information regimes including under the Freedom of Information Act 2000 or data protection legislation, or as otherwise required by law or in discharge of the Bank's functions.

Please indicate if you regard all, or some of, the information you provide as confidential. If the Bank of England receives a request for disclosure of this information, we will take your indication(s) into account, but cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system on emails will not, of itself, be regarded as binding on the Bank of England.

Responses are requested by Friday 19 April 2019.

Please address any comments or enquiries to:
Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA

Email: CP6_19@bankofengland.co.uk

Contents

1 Overview

1.1 In this Consultation Paper (CP), the Prudential Regulation Authority (PRA) sets out proposals for regulatory reporting amendments and clarifications to the Pillar 2 liquidity framework. The proposed changes would be implemented through amendments to:

- the Regulatory Reporting Part of the PRA Rulebook (Appendix 1);
- Statement of Policy (SoP) 'Pillar 2 liquidity' (Appendix 2);
- Supervisory Statement (SS) 24/15 'The PRA's approach to supervising liquidity and funding risks' (Appendix 3);
- SS34/15 'Guidelines for completing regulatory reports' (Appendix 4);
- PRA110 reporting template (Appendix 5); and
- PRA110 reporting instructions (Appendix 6).

1.2 This CP is relevant to UK banks, building societies, PRA-designated investment firms, and non-EU EEA banks, referred to collectively as 'firms' in this CP.

Background

1.3 In February 2018, the PRA published the PRA110 liquidity reporting template (PRA110) and associated reporting instructions in Policy Statement (PS) 2/18 'Pillar 2 liquidity'.[1] Having subsequently set up a dedicated channel through which firms can submit queries arising from the implementation of the PRA110, the PRA has received a number of questions regarding the template and reporting instructions.

1.4 The PRA periodically publishes answers to these questions through Q&As, where there is a need to clarify the reporting instructions or rules.[2] In addition to clarifications, following a review of the feedback received, the PRA considers that updates to the template and reporting instructions are needed. In light of this, and to reflect the PRA's review, this CP sets out proposals to make amendments to the PRA110 template and instructions.

1.5 The PRA has also reviewed certain aspects of Pillar 2 liquidity, and sets out proposals for updates to: reporting requirements for non-EU European Economic Area (EEA) banks; expectations under SS24/15; the PRA's approach to cashflow mismatch risk (CFMR); and the Regulatory Reporting Part of the PRA Rulebook.

1.6 Chapter 2 outlines the PRA's proposals.

---

1 https://www.bankofengland.co.uk/prudential-regulation/publication/2016/pillar-2-liquidity.
2 PRA110 Q&As are available at https://www.bankofengland.co.uk/prudential-regulation/regulatory-reporting/regulatory-reporting-banking-sector.

Implementation

1.7 The proposed implementation date for Annex A in the draft PRA Rulebook (Appendix 1) is 1 July 2019. The proposed implementation date for the updated PRA110 reporting template and instructions, and for Annex B in the draft PRA Rulebook is 1 January 2020.

Responses and next steps

1.8 This consultation closes on Friday 19 April 2019. The PRA invites feedback on the proposals set out in this consultation. Please address any comments or enquiries to CP6_19@bankofengland.co.uk.

1.9 The PRA considers that a consultation period of one month is justified in light of the relatively minor impact of the proposed changes, and the benefit in providing firms with a longer period to implement the proposed changes to the PRA110 template if these are adopted following consultation.

1.10 The proposals set out in this CP have been designed in the context of the current UK and EU regulatory framework. The PRA has assessed that, in the event that the UK leaves the EU with no implementation period in place on 29 March 2019, the proposals set out in this CP would be reviewed in consideration of the transitioning to post-exit rules and standards. Please see the joint Bank and PRA PS5/19 'The Bank of England's amendments to financial services legislation under the European Union (Withdrawal) Act 2018'[3] for further information on the Bank's amendments to rules and standards under the European Union (Withdrawal) Act 2018; the joint Bank and PRA Statement of Policy (SoP) 'Interpretation of EU Guidelines and Recommendations: Bank of England and PRA approach after the UK's withdrawal from the EU';[4] and PRA SS2/19 'PRA approach to interpreting reporting and disclosure requirements and regulatory transactions forms after the UK's withdrawal from the EU'.[5]

2 Proposals

Updates to the PRA110 template and reporting instructions

PRA110 template – updates to existing rows and columns

2.1 The PRA proposes the following updates to existing rows and columns in the PRA110 template (Appendices 5 and 6 contain all the draft amendments to the template and reporting instructions):

(a) Row 6650 column 010 to be white not grey, cells in columns 020 onwards to be grey not white.

(b) Rows 6800-6870: cells in column 010 ('Initial stock') to be grey not white.

(c) Row 6640: change row ID from 4.1.2.66.1 to 4.1.2.67, and reduce text indentation in column F to be the same as row 6630.

3 February 2019: https://www.bankofengland.co.uk/paper/2019/the-boes-amendments-to-financial-services-legislation-under-the-eu-withdrawal-act-2018.

4 https://www.bankofengland.co.uk/paper/2019/interpretation-of-eu-guidelines-and-recommendations-boe-and-pra-approach-sop.

5 https://www.bankofengland.co.uk/prudential-regulation/publication/2019/pra-approach-to-interpreting-reporting-and-disclosure-reqs-and-reg-trans-forms-ss.

(d) Rows 210, 6110, 540, 6390, 890 and 7100: cells in column F replace text 'CQ' with 'CQS'.

(e) Rows 6450 and 6460: replace 'i.e.' with 'e.g.'.

(f) Row 6550 column Item: amend label to add text in italics: 'of which: Credit institutions not for funding promotional loans; *or regulated financial institutions other than credit institutions*'.

(g) Rows 7250, 7290 and 7330: cells in columns 020 and 030 through to 220 to be white not grey.

(h) Columns 7500 through to 7790: re-number column references for days 63 to 92 to increase in increments of 10 starting from 7470 (eg reference for day 63 to change from 7500 to 7470, reference for day 64 to change from 7510 to 7480).

(i) Cells in rows 6160 and 6170-6250 to be grey in the time buckets after day 92 (ie columns 090-220).

PRA110 template - addition of rows

2.2 In PS2/18, the PRA addressed a comment from one respondent to CP13/17,[6] which noted that for cash and securities collateral received in the context of collateralised derivatives, the PRA110 instructions do not include the collateral received as part of a firm's high quality liquid assets (HQLA), and therefore do not align to the reporting treatment under the liquidity coverage requirement (LCR). The PRA responded that PRA110 reporting instructions only include additional instructions beyond the European Banking Authority (EBA) Maturity Ladder (ML) reporting instructions, for new rows added by the PRA. To address this issue, the PRA proposes to update the PRA110 template to include additional rows to report holdings of derivatives collateral received that firms recognise as HQLA (and where these are not reported in the counterbalancing capacity section).

2.3 The PRA also proposes adding additional 'of which' rows below row 680 ('2.5, Paper in own portfolio maturing') in the inflows section of PRA110. These rows are required to avoid potential double counting of securities (with a short remaining term to maturity), as both HQLA and as an inflow within the suite of CFMR metrics.

2.4 As a result of proposed updates to the definition of the enhanced stress tools for the CFMR framework (see Appendix 2), the PRA proposes to add to the PRA110 template, a number of 'of which' rows to identify Level 1 assets which represent claims on, or are guaranteed by, the UK central or regional government, local authority or public sector entity.

2.5 In consideration of the above points and other feedback received from firms (through the Q&A process outlined in Chapter 1), the PRA proposes to add the following rows to PRA110:

(a) one 'of which' row under row 330 detailing non-operational deposits from non-financial corporates covered by a Deposit Guarantee Scheme (DGS);

6 Page 2 of 3: https://www.bankofengland.co.uk/prudential-regulation/publication/2016/pillar-2-liquidity.

(b) three 'of which' rows below row 680 (2.5, 'Paper in own portfolio maturing'), one detailing HQLA (2.5.60), another detailing (from 2.5.60) UK central or regional government, local authority or public sector entity assets (2.5.60.1), and another detailing (from 2.5.60) what is Level 1 CQS 1 excluding covered bonds (2.5.60.2).

(c) eight 'of which' rows detailing UK central or regional government, local authority or public sector entity assets (these include row 2.5.60.1 mentioned in point b above).

(d) six rows into the 'Memorandum items' section under row 7200 ('66 Derivatives variation margin received'), greying out all cells except those under 'LCR weight' (column 6000) and 'Initial stock' (column 010):

  (i) Holdings of derivatives collateral received: Level 1 excluding covered bonds;

  (ii) Of which: CQS1;

  (iii) Of which: UK central or regional government, local authority or public sector entity assets;

  (iv) Holdings of derivatives collateral received: Level 1 covered bonds;

  (v) Holdings of derivatives collateral received: Level 2A; and

  (vi) Holdings of derivatives collateral received: Level 2B.

PRA110 instructions updates

2.6 The PRA proposes the following updates to the PRA110 reporting instructions:

(a) update row 6590 to reference the LCR Delegated Act Article 31(5) and not 31(4);

(b) update row reference 840 from 3.4.2 to 3.4.3, and row reference 850 from 3.4.3 to 3.4.4;

(c) update rows 6170, 6190, 6210, 6230, 6250 to include text in italics '[…]*including in columns for maturities of beyond 30 days'*;

(d) update row 7010 to replace text '*Exclude transactions with central banks*' with text '*Exclude any collateral upgrades maturing with a central bank, where upgrade refers to transactions in which the borrowed assets have a higher LCR weight (ie lower LCR haircut) relative to the assets lent*';

(e) update row 590 and general instructions 12 to include text '*Money due from lending that does not have a maturity date (e.g. drawn overdrafts) should be reported as an inflow in the Overnight column (020) and the 'Of which: open' column (6010)*';

(f) update row 6660 to include text in italics: 'Credit institutions shall report the amount of other off-balance sheet and contingent funding obligations referred to in Article 23(1) of Regulation (EU) 2015/61, *and the amount of other products or services referred to in Article 23 (1) of Commission delegated regulation (EU) 2015/61 that are not captured in items 4.60.2 – 4.60.8*'; and

(g) update row 7430 to read Pillar 2 '*guidance*' instead of '*requirement*'.

2.7 All other updates to the reporting instructions are to reflect the changes proposed above for the reporting template. SS34/15 contains a link to the reporting instructions for PRA110. To give effect to the changes set out in this CP, the PRA proposes to update the link in SS34/15 (see Appendix 4).

Deletion of reporting requirements for non-EU EEA banks

2.8 PRA110 and FSA047/FSA048 rules currently require reporting from EEA banks that have permission to accept deposits, and that have their registered office (or, if it has no registered office, its head office) outside the EU. The PRA has reconsidered this requirement in consideration of its expectations set out in SS1/17 'Supervising international banks: the PRA's approach to branch supervision – liquidity reporting'.[7] As set out in SS1/17, the PRA considers that this category of firms should now only submit liquidity information at the whole-firm level, based upon data reported to the firm's home state supervisor.

2.9 The PRA proposes to delete the requirement to report PRA110 and FSA047/FSA048 for EEA banks that have permission to accept deposits, and that have their registered office (or, if it has no registered office, its head office) outside the EU.

Clarifications to the Pillar 2 liquidity framework

Minor updates to the Regulatory Reporting Part of the PRA Rulebook

2.10 The PRA has reviewed the Regulatory Reporting Part of the PRA Rulebook (see Appendix 1) and proposes minor updates and clarifications, including to:

(a) add missing footnote (5) to Rule 7.3;

(b) specify the time for submission for weekly reporters for the period 1 July 2019 to 31 October 2019; and

(c) update rules to clarify reporting requirements for domestic liquidity sub-groups.

Updates to Statement of Policy 'Pillar 2 liquidity'

2.11 In PS2/18, the PRA indicated that it would test firms' resilience to CFMR against a suite of stress scenarios and tools using data reported on the PRA110 return. This included a high-level description of two enhanced stress tools: one wholesale and one retail focused. The PRA proposes to update the SoP (see Appendix 2) to provide further detail on:

- how the PRA sets guidance under the CFMR framework;
- the definition and assumptions under the benchmark stress scenarios and enhanced stress tools; and
- the metrics that the PRA will calculate under the benchmark stress scenarios and enhanced stress tools.

7 https://www.bankofengland.co.uk/prudential-regulation/publication/2017/supervising-international-banks-the-pras-approach-to-branch-supervision-liquidity-reporting-ss.

Updates to SS24/15

2.12 The PRA is aware of differing approaches in firms' treatment of collateral posted to secured intraday credit facilities in securities settlement systems when reporting HQLA for the purposes of LCR reporting. The PRA proposes to add a paragraph to SS24/15 to clarify that HQLA used to generate intraday liquidity, either through auto-collateralised repurchase agreements or where a central securities depository (CSD) or agent provides a secured credit facility, should be treated as encumbered.

2.13 The PRA also proposes updating the wording of paragraph 6.2A in SS24/15 to remove potential ambiguity as to whether a firm should wait for the PRA to notify it of the need to increase its PRA110 reporting frequency in stress, and the wording of paragraph 6.4 to clarify that the PRA will be proportionate in its approach to additional or more frequent reporting from a firm during a stress.

2.14 SS24/15 envisages at paragraph 3.12 that the Pillar 2 guidance relating to firms' ability to survive throughout the granular LCR stress scenario will take effect 'from the date firms first report PRA110' (ie 1 July 2019). The PRA proposes a short delay to the application of this guidance to ensure the PRA110 reporting template reflects information necessary to calculate relevant monitoring metrics, including the amendments currently being consulted upon. The PRA will give firms at least 2 months' notice, through an update to its website, of the date of its application, which will not be before 1 January 2020. The postponement is specific to the guidance in paragraph 3.12 of the SS and does not affect any other PRA expectations including, as detailed in paragraphs 2.15 and 2.19, that firms should assess the adequacy of their liquidity resources to cover liabilities as they fall due in stressed conditions and consider the lowest point of cumulative stressed net cash outflows within the 30-day LCR horizon.

2.15 See Appendix 3 for proposed updates to SS24/15.

3 The PRA's statutory obligations

3.1 In carrying out its policy-making functions, the PRA is required to comply with several legal obligations.

3.2 Before making any rules, the Financial Services and Markets Act 2000 (FSMA)[8] requires the PRA to publish a draft of the proposed rules accompanied by:

- a cost benefit analysis;
- an explanation of the PRA's reasons for believing that making the proposed rules is compatible with the PRA's duty to act in a way that advances its general objective,[9] insurance objective[10] (if applicable), and secondary competition objective;[11]
- an explanation of the PRA's reasons for believing that making the proposed rules are compatible with its duty to have regard to the regulatory principles;[12] and

8 Section 138J of FSMA.
9 Section 2B of FSMA.
10 Section 2C of FSMA.
11 Section 2H(1) of FSMA.
12 Sections 2H(2) and 3B of FSMA.

- a statement as to whether the impact of the proposed rules will be significantly different to mutuals than to other persons.[13]

3.3 The Prudential Regulation Committee (PRC) should have regard to aspects of the Government's economic policy as recommended by HM Treasury.[14]

3.4 The PRA is also required by the Equality Act 2010[15] to have due regard to the need to eliminate discrimination and to promote equality of opportunity in carrying out its policies, services and functions.

Cost benefit analysis

3.5 The proposals included in this consultation paper fall into three areas: (i) updates to the PRA110 template and reporting instructions; (ii) removal of reporting requirements for EEA banks that have permission to accept deposits and that have their registered office (or, if it has no registered office, its head office) outside the EU; and (iii) clarifications to the Pillar 2 liquidity framework.

3.6 The PRA considers that the updates to the PRA110 template and reporting instructions include minor amendments and the addition of a limited number of rows in comparison with the total number of rows in the PRA110 template. The PRA does not expect that firms will incur any material costs to implement these changes.

3.7 The PRA considers that there are strong prudential benefits to update the PRA110. It will ensure that the PRA accurately measures the liquidity position of firms with assumptions aligned to the LCR. The PRA considers that the addition of the rows to PRA110 would benefit firms by: i) providing clarity over their reporting requirements; and ii) allowing the reporting of a liquidity profile aligned to the LCR scenario. This will facilitate the mapping for common items between the PRA110 and the LCR template.

3.8 Other proposed changes do not carry any additional costs for firms. Removing the requirement to report PRA110 and FSA047/048 for EEA banks that have permission to accept deposits and that have their registered office (or, if it has no registered office, its head office) outside the EU, would reduce the reporting burden for this category of firms. Other proposed changes include clarifications of the Pillar 2 liquidity framework through updates of the SoP, SS24/15 and the Regulatory Reporting Part of the PRA Rulebook. These changes do not impose any burden on firms.

Compatibility with the PRA's objectives

3.9 The PRA has a statutory objective to promote the safety and soundness of banks, building societies, credit unions, insurers and PRA-designated investment firms. The proposals in this CP are intended to further that objective by strengthening the PRA's regime for assessing and mitigating firms' liquidity risk, and ensuring that firms have adequate liquidity.

3.10 When discharging its general function in a way that advances its primary objectives, the PRA has, as a secondary objective, a duty to facilitate effective competition in the markets for services provided by PRA-authorised persons. The PRA considers that the proposals do not

13 Section 138K of FSMA.
14 Section 30B of the Bank of England Act 1998.
15 Section 149.

have an impact on effective competition, as they do not change the intention of any existing PRA policy.

3.11 The PRA considers that the proposals set out in this CP will assist the PRA in advancing its general safety and soundness objective by clarifying information for firms and improving the quality of reporting.

Regulatory principles

3.12 In developing the proposals in this CP, the PRA has had regard to the regulatory principles set out in FSMA. In particular, two principles are relevant:

- The principle that a burden imposed should be proportionate to the benefits expected to result: the PRA has considered changes needed to the PRA110 template and reporting instructions and only made the changes necessary to support its objectives.
- The principle that the PRA should exercise its functions as transparently as possible: making updates in an open manner and providing clarifications that we consider have no policy impact.

Impact on mutuals

3.13 The PRA considers that the impact of the proposed rule changes on mutuals is expected to be no different from the impact on other firms.

HM Treasury recommendation letter

3.14 HM Treasury has made recommendations to the Prudential Regulation Committee about aspects of the Government's economic policy to which the Committee should have regard when considering how to advance the objectives of the PRA and apply the regulatory principles as set out in FSMA. The PRA has considered HMT's recommendations when developing the proposals in this CP, and has set out its analysis in general terms in the sections above.

Equality and diversity

3.15 The PRA considers that the proposals set out in this CP do not give rise to equality and diversity implications.

Appendices

1	**Draft PRA RULEBOOK: CRR FIRMS: LIQUIDITY REGULATORY REPORTING AMENDMENT INSTRUMENT**
2	**Draft amendments to Statement of Policy 'Pillar 2 liquidity'**
3	**Draft amendments to Supervisory Statement (SS) 24/15 'The PRA's approach to supervising liquidity and funding risks'**
4	**Draft amendments to SS34/15 'Guidelines for completing regulatory reports'**
5	**Draft amendments to PRA110 reporting template available at: https://www.bankofengland.co.uk/prudential-regulation/publication/2019/pillar-2-liquidity-updates-to-the-framework**
6	**Draft amendments to PRA110 reporting instructions**

Appendix 1: Draft PRA RULEBOOK: CRR FIRMS: LIQUIDITY REGULATORY REPORTING AMENDMENT INSTRUMENT

PRA RULEBOOK: CRR FIRMS: LIQUIDITY REGULATORY REPORTING (AMENDMENT) (NO. 2) INSTRUMENT 2019

Powers exercised

A. The Prudential Regulation Authority (the "PRA") makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the "Act"):

(1) section 137G (The PRA's general rules);
(2) section 137T (General supplementary powers); and
(3) section 142H (Ring-fencing rules).

B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

C. In accordance with section 138J (Consultation by the PRA) of the Act, the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of the proposed rules and had regard to representations made.

PRA Rulebook: CRR Firms: Liquidity Regulatory Reporting (Amendment) (No. 2) Instrument 2019

D. The PRA makes the rules in Annexes A and B.

Part	Annex
Regulatory Reporting	A
Regulatory Reporting	B

Commencement of this instrument

E. Annex A comes into force on 1 July 2019.

F. Annex B comes into force on 1 January 2020.

Citation

G. This instrument may be cited as PRA Rulebook: CRR Firms: Liquidity Regulatory Reporting (Amendment) (No. 2) Instrument 2019.

By order of the Prudential Regulation Committee

[DATE]

Annex A

Amendments to the Regulatory Reporting Part

In this Annex new text is underlined and deleted text is struck through. This Annex amends the Regulatory Reporting Part as at 1 July 2019.

7 Regulated Activity Group 1

7.1 The applicable *data items* referred to in the table in 6.1 are set out according to *firm* type in the table below:

***RAG* 1**	**Prudential category of *firm*, applicable *data items* and reporting format (1)**						
	UK bank* other than a *ring-fenced body	***Ring-fenced body***	***Building society***	***Non-EEA bank***	***EEA bank* that has *permission* to accept deposits and that has its registered office (or, if it has no registered office, its head office) outside the EU**	**[deleted.]**	**[deleted.]**
Description of *data item*							
…							
Daily Flows	FSA047 ((13), (16) and (18))	FSA047 ((13), (16) and (18))	FSA047 ((13), (16) and (18))	-	[deleted] ~~FSA047 ((13), (15), (16) and (18))~~	-	-
Enhanced Mismatch Report	FSA048 ((13), (16) and (18))	FSA048 ((13), (16) and (18))	FSA048 ((13), (16) and (18))	-	[deleted] ~~FSA048 ((13), (15), (16) and (18))~~	-	-
…							
Cash Flow Mismatch	PRA110 (35) (36) (37)	PRA110 (28) (35) (36) (37)	PRA110 (35) (36) (37)	-	[deleted] ~~PRA110 (35) (36) (37)~~	-	-
…							

…

(36) Unless otherwise stated in the relevant modification, any changes to reporting requirements caused by a *firm* receiving a *domestic liquidity sub-group* permission do not take effect until the first day of the next reporting period applicable under the changed reporting requirements for the *data item* in question if the *firm* receives that permission part of the way through such a period. If the change is that the *firm* does not

have to report a particular *data item* or does not have to report it at a particular *reporting level*, the *firm* must nevertheless report that item or at that *reporting level* for any reporting period that has already begun.

…

7.2 The applicable reporting frequencies for submission of *data items* and periods referred to in 7.1 are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

***RAG* 1**				
Data item	***UK banks* and *building societies* (on an unconsolidated or individual consolidated basis) (9)**	**[deleted.]**	***UK banks* and *building societies* (on a *UK consolidation group*, *defined liquidity group*<ins>, *domestic liquidity sub-group*</ins> or *sub-consolidation group basis*, as applicable)**	**Other members of *RAG* 1**
…				
FSA047	Daily, weekly, monthly or quarterly ((2), (3), (6) and (12))		Daily, weekly, monthly or quarterly ((2), (5), (6) and (12))	[deleted] ~~Daily, weekly, monthly or quarterly ((2), (4), (6) and (12))~~
FSA048	Daily, weekly, monthly or quarterly ((2), (3), (6) and (12))		Daily, weekly, monthly or quarterly ((2), (5), (6) and (12))	[deleted] ~~Daily, weekly, monthly or quarterly ((2), (4), (6) and (12))~~
…				
PRA110	Daily, weekly or monthly (2) (13) (14)	-	Daily, weekly or monthly (2) (13) (14)	[deleted] ~~Daily, weekly or monthly (2) (13) (14)~~
…				

…

(4) [deleted]~~(a) If the report is on an individual basis (and the *firm* is not a *UK firm*) the reporting frequency is as follows:~~
~~(i) weekly if the *firm* is a *standard frequency liquidity reporting firm*; and~~
~~(ii) monthly if the *firm* is a *low frequency liquidity reporting firm*.~~
~~(b)~~

…

7.3 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 7.2, unless indicated otherwise.

***RAG* 1**						
Data item	**Daily**	**Weekly**	**Monthly**	**Quarterly**	**Half yearly**	**Annually**
…						
FSA047	22.00 hours (London time) on the *business day* immediately following the last day of the reporting period for the item in question	22.00 hours (London time) on the *business day* immediately following the last day of the reporting period for the item in question	15 *business days*	15 *business days* or one *month* *(5)*	-	-
FSA048	22.00 hours (London time) on the *business day* immediately following the last day of the reporting period for the item in question	22.00 hours (London time) on the *business day* immediately following the last day of the reporting period for the item in question	15 *business days*	15 *business days* or one *month* *(5)*	-	-
…						
PRA110	22.00 hours (London time) on the *business day* immediately following the last day of the reporting period for the item in question	22.00 hours (London time) on the 2nd *business day~~s~~* from 1 July 2019 to 31 October 2019 where 7.2(14)(a) applies. In all other cases, 22.00 hours (London time) on the *business day* immediately following the last day of the reporting period for the item in question	15 *business days*	-	-	-
…						

…

9 REGULATED ACTIVITY GROUP 3

…

9.2

…

(20) Unless otherwise stated in the relevant modification, any changes to reporting requirements caused by a *firm* receiving a *domestic liquidity sub-group* permission do not take effect until the first day of the next reporting period applicable under the changed reporting requirements for the *data item* in question if the *firm* receives that permission part of the way through such a period. If the change is that the *firm* does not have to report a particular *data item* or does not have to report it at a particular *reporting level*, the *firm* must nevertheless report that item or at that *reporting level* for any reporting period that has already begun.

…

9.3

…

(9) Reporting frequencies and reporting periods for this *data item* are calculated on a calendar year basis and not from a *firm's accounting reference date*. In particular:
(a) A week means the period beginning on Saturday and ending on Friday.
(b) A month begins on the first day of the calendar month and ends on the last day of that month.
(c) Quarters end on 31 March, 30 June, 30 September and 31 December.
(d) Daily means each *business day*.
All periods are calculated by reference to London time.
Any changes to reporting requirements caused by a *firm* receiving a *domestic liquidity sub-group* permission do not take effect until the first day of the next reporting period applicable under the changed reporting requirements if the *firm* receives that permission part of the way through such a period. If the change is that the *firm* does not have to report a particular *data item* or does not have to report it at a particular *reporting level*, the *firm* must nevertheless report that item or at that *reporting level* for any reporting period that has already begun.

…

(11) The reporting frequency is as follows:

…

(b) monthly if the *firm* has *total assets*, calculated in accordance with Council Directive 86/635/EEC, of less than EUR 30 billion on both an individual basis and *UK consolidation group* basis. This requirement~~s~~ stops applying if during any monthly reporting period the *total assets* of the *firm*, on either an individual basis or *UK consolidation group* basis, become equal to or greater than EUR 30 billion, in which case the *firm* is required to start reporting this *data item* weekly after the end of that reporting period.

9.4 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in *9.3*, unless indicated otherwise.

RAG 3						
Data	**Daily**	**Weekly**	**Monthly**	**Quarterly**	**Half**	**Annually**

item					**yearly**	
…						
PRA110	22.00 hours (London time) on the *business day* immediately following the last day of the reporting period for the item in question	22.00 hours (London time) on the 2nd *business day~~s~~* from 1 July 2019 to 31 October 2019 where 9.3(11)(a) applies. In all other cases, 22.00 hours (London time) on the *business day* immediately following the last day of the reporting period for the item in question	15 *business days*			

…

Annex B

Amendments to the Regulatory Reporting Part

In this Annex new text is underlined and deleted text is struck through. This Annex amends the Regulatory Reporting Part as at 1 January 2020.

1 APPLICATIONS AND DEFINITIONS

…

1.3 Unless otherwise defined, any italicised expression used in this Part~~:~~

~~(1) listed in Annex 1 (Liquidity definitions) to this Part has the meaning specified in the PRA Handbook as in effect on 30 September 2015;~~ and
~~(2)~~ in the CRR~~,~~ has the same meaning as in the CRR.

…

7 Regulated Activity Group 1

7.2 The applicable reporting frequencies for submission of *data items* and periods referred to in 7.1 are set out in the table below according to *firm* type. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

***RAG* 1**				
Data item	***UK banks* and *building societies* (on an unconsolidated or individual consolidated basis) (9)**	**[deleted.]**	***UK banks* and *building societies* (on a *UK consolidation group*,~~*defined liquidity group*,~~ *domestic liquidity sub-group* or *sub-consolidation group basis*, as applicable)**	**Other members of *RAG* 1**
…				

7.3 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 7.2, unless indicated otherwise.

***RAG* 1**						
Data item	**Daily**	**Weekly**	**Monthly**	**Quarterly**	**Half yearly**	**Annually**
…						
PRA110	22.00 hours (London time) on the *business day* immediately following the last day of the reporting period for the item in	~~22.00 hours (London time) on the~~ [deleted]~~nd~~ [deleted] 22.00 hours (London time) on the *business day* immediately	15 *business days*	-	-	-

	question	following the last day of the reporting period for the item in question				
…						

...

9 REGULATED ACTIVITY GROUP 3

…

9.4 The applicable due dates for submission referred to in the table in 6.1 are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in 9.3, unless indicated otherwise.

RAG 3						
Data item	**Daily**	**Weekly**	**Monthly**	**Quarterly**	**Half yearly**	**Annually**
…						
PRA110	22.00 hours (London time) on the *business day* immediately following the last day of the reporting period for the item in question	~~22.00 hours (London time) on the~~ [deleted]~~nd~~ [deleted] 22.00 hours (London time) on the *business day* immediately following the last day of the reporting period for the item in question	15 *business days*			

…

16 DATA ITEMS AND OTHER FORMS

…

16.44 PRA110 can be found *here* ~~here~~.

…

Appendix 2 – Draft amendments to Statement of Policy 'Pillar 2 liquidity'

In this appendix deleted text is struck through and new text is underlined. Please note that footnote references will be updated when the final policy is published.

…

3 Cashflow mismatch risk

…

CFMR stress scenarios and tools

…

3.7 The stress scenarios and tools described below are those which the PRA tests on an ongoing basis for all firms. The PRA systematically sets guidance on a consolidated currency basis using the granular LCR stress scenario. ~~This does not preclude the temporary use of targeted stress scenarios, for example, to test firms' resilience to specific, foreseeable, future stress events.~~ Tables 1 and 2 at the end of this chapter detail, for each stress scenario or tool, whether the PRA will systematically set guidance or monitor ~~or set guidance at the point of introduction of the CFMR framework, whether this is~~ at the consolidated currency and/or single currency level, and whether the monetisation profile is applied. This does not preclude the use of these or other stress scenarios or tools to set guidance, for example, in temporary and targeted ways based on tests of firms' resilience to specific, foreseeable, future stress events.

LCR and benchmark stresses

…

***B.** Benchmark retail only and wholesale only stress scenarios (90-day horizon)*

3.13 The PRA will also monitor a 90-day horizon. To have visibility over cliff risks under a severe yet plausible stress, the PRA extends the respective LCR inflow and outflow rates to contractual flows scheduled between days 31-90 (months two and three of stress).

3.14 The benchmark retail only stress applies the LCR stress inflow and outflow rates to retail claims and obligations contractually maturing within days 1 to 90. Liquidity flows from claims and obligations without a contractual end date should be assumed to materialise only once, as per LCR stress, within days 1 to 30 of the stress period; the timing of these liquidity flows should follow the assumptions described in paragraph 3.11.

3.15 The benchmark wholesale only stress applies the LCR stress inflow and outflow rates to wholesale claims and obligations contractually maturing within days 1 to 90. Liquidity flows from claims and obligations without a contractual end date should be assumed to materialise only once, as per LCR stress, within days 1 to 30 of the stress period; the timing of these liquidity flows should follow the assumptions described in paragraph 3.11.

3.16 The benchmark retail only and wholesale only stress scenarios are considered both separately and jointly, as a combined benchmark stress scenario. The available liquidity derived from the firm's HQLA as described in paragraph 3.12 within days 1 to 90 will be used to complete the calculation of net liquidity profiles under the benchmark stress scenarios.[1]

C. *Granular LCR stress scenario (30-day horizon) and Benchmark retail only, wholesale only and combined stress scenarios (90-day horizon) with monetisation profile*

3.17 The PRA will monitor HQLA monetisation risks related to the granular LCR stress scenario and the Benchmark retail only, wholesale only and combined stress scenarios.

…

3.19 The benchmark retail only and wholesale only stress scenarios are considered both separately and jointly, as a combined benchmark scenario, with monetisation profile. Instead of computing available liquidity as prescribed in para 3.12 the daily available liquidity derived from the firm's monetisation of non-cash HQLA will be used to complete the calculation of net liquidity profiles under the benchmark stress scenarios with monetisation profile.

Enhanced stress tools

…

D. *Combined benchmark with an ~~E~~enhanced retail stress (90-day horizon)*

3.21 The PRA assesses firms' vulnerability to an acute retail run by amplifying outflow rates on uninsured deposits to ~~the maximum withdrawal rates~~ levels informed by certain severe stress episodes observed during the financial crisis.

E. *Enhanced wholesale only stress (90-day horizon)*

3.22 The PRA assesses firms' reliance on wholesale markets and their vulnerability to a market shutdown through an enhanced wholesale only stress. This assumes a ~~complete~~ partial closure of secured, and a complete closure of unsecured, wholesale markets for 90 days, with ~~all~~ claims on, and obligations to market counterparties running off at the earliest possible date (according to contractual rights) except those secured on the most liquid assets.

…

Monitoring tools, metrics and limits

3.26 The PRA applies the CFMR stress assumptions to the contractual flows and 'open maturity' columns from the PRA110 report to compute daily projected inflows, outflows and net outflows under each scenario. The LCR inflow cap does not apply to the daily projected flows. The PRA incorporates reported Level 1, Level 2A and Level 2B assets as reported in the counterbalancing capacity rows from PRA110 or monetisation profiles to compute daily available liquidity, and accounts for projected liquidity needs associated with remaining Pillar 2 risks (which could crystallise at the same time as other risks captured in the CFMR scenarios). The PRA then calculates the following standard monitoring metrics on a consolidated currency basis:

a) survival days under the combined benchmark stress scenarios,[2] ~~and~~ the combined benchmark stress scenarios with monetisation profile,[3] and the enhanced stress tools as

1 The first 30 days of the combined benchmark scenario is equivalent to the granular LCR stress scenario.
2 This is equivalent to the granular LCR stress during the first 30 days.
3 This is equivalent to the granular LCR stress with monetisation profile during the first 30 days.

the distance (in number of days) to the future point in time when a firm's cumulative net cash outflows become larger than its available liquidity;

b) net liquidity position (the difference between available liquidity and cumulative net outflows) on expected day of default under the combined benchmark stress scenarios , ~~and~~ the combined benchmark stress scenarios with monetisation profile, and the enhanced stress tools; and

c) peak cumulative net outflows and worst net liquidity position under the granular LCR stress within 30 days, under each of the benchmark stresses and enhanced stress tools within 90 days, under the granular LCR stress scenario with monetisation profile within 30 days and the combined benchmark stress scenarios with monetisation profile within 90 days.

d) ~~peak cumulative net outflows under the enhanced stress tools~~ [Deleted.]

…

Table 1: Stress scenarios~~: monitoring and guidance, on a consolidated and single currency basis~~[4]

Stress Scenarios		Consolidated Currency		Single Currency	
		Monitoring ~~only~~	Setting guidance	Monitoring ~~only~~	Setting guidance
Granular LCR		✓	✓	✓	
Benchmark		✓		✓	
	Retail only	✓		✓	
	Wholesale only	✓		✓	
Granular LCR with monetisation profile		✓		✓	
Benchmark with monetisation profile		✓		✓	
	Retail only	✓		✓	
	Wholesale only	✓		✓	

Table 2: Stress tools~~: monitoring and guidance, on a consolidated and single currency basis~~

Stress ~~Scenarios~~ Tools	Consolidated Currency		Single Currency	
	Monitoring ~~only~~	Setting guidance	Monitoring ~~only~~	Setting guidance
Combined Benchmark with Enhanced Retail	✓			
Enhanced Wholesale Only	✓		✓	

[4] ~~The PRA will monitor the wholesale benchmark and combined benchmark stress scenarios.~~

Appendix 3: Draft amendments to SS24/15 'The PRA's approach to supervising liquidity and funding risks'

In this appendix, new text is underlined and deleted text is struck through.

Extract

2 The internal Liquidity Assessment Process

…

Cashflow mismatch risk (CFMR) monetisation assumptions

2.29A From the date firms first report PRA110, the PRA expects firms to assess, at least annually in their ILAAP, the speed with which they expect to be able to monetise different types of non-cash HQLA, on a daily basis, through repo markets and outright sales in times of stress. Firms should take into account relevant factors such as market depth, number of regular counterparties, the firm's individual turnover and incremental market access in stress, the need to rollover short-term repo transactions and settlement times etc. Firms should also consider the extent to which their ability to monetise HQLA through outright sale could be adversely affected by the accounting classification, in particular where sale of the asset would crystallise a loss that arises because of the difference between the fair value at the point of sale and the carry value in the firm's accounts. Firms should provide evidence of the data used for their assessments in their ILAAPs. Firms should not include public liquidity insurance as a non-cash HQLA monetisation channel in this assessment. This enables the PRA to monitor firms' resilience to different stresses using self-insurance alone. The monetisation profile will not be included in the granular LCR stress scenario for the purposes of assessing compliance with the guidance outlined in paragraph 3.12.

2.29AA The PRA also expects that where HQLAs are used to generate intraday liquidity – either through auto-collateralised repurchase agreements or where a Central Securities Depository (CSD) or agent provides a secured credit facility – these HQLAs should be treated as encumbered under the Delegated Act Articles 7(2) and 8(2) and not reported in a firm's LCR return. This includes whether assets are required to secure the entire credit facility (regardless of credit line usage) or only that part of the credit facility being used. Firms should also be aware of CSD or agent requirements relating to collateral quality. The amount of HQLA considered encumbered, and not to be reported in an LCR return, should be the average daily maximum amount of HQLA used to generate intraday liquidity across the reporting period.

2.29B Firms should use their assessments to apply daily monetisation limits to their stock of different types of non-cash HQLA available at the reporting date, in the CFMR framework. The monetisation profiles should be computed on a consolidated currency level as well as in each significant currency. Firms will report the resulting monetisation profiles in PRA110.

…

3 The Liquidity Supervisory Review and Evaluation Process (L-SREP)

Pillar 2 guidance

3.12 ~~From the date firms first report PRA110 , t~~The PRA expects[5] ~~sets liquidity guidance on the basis~~ that firms should survive throughout the granular LCR stress scenario (30 day horizon) of the CFMR framework on a consolidated currency basis. ~~To clarify, no guidance is being set on the other CFMR stress scenarios at this time~~. This guidance should be read as being part of a firm's ILG. This does not preclude the use of other stress scenarios or tools to set guidance, for example, in temporary and targeted ways based on tests of firms' resilience to specific, foreseeable, future stress events.

…

6 Reporting

…

6.2 The PRA considers that for firms with a balance sheet total above £5 billion it is appropriate to submit the following returns on a daily basis during times of stress in accordance with of CRR Article 414:

- Liquidity Coverage templates (C 72.00–C 76.00); and
- Rollover of funding (C 70.00).

6.2A The PRA considers that during times of stress, for example in accordance with Article 5 of Commission Delegated Regulation (EU) No 2015/61, it is appropriate~~, upon notification from the PRA,~~ for firms with:

- total assets above €30 billion to submit the PRA110 on a daily basis; and
- total assets below €30 billion to submit the PRA110 on a weekly basis.

…

6.4 ~~In requiring any additional or more frequent reporting from a firm during a stress, the~~ The PRA will be proportionate in its approach to additional or more frequent reporting from a firm during a stress.

…

5 This guidance will apply from a date, not before 1 January 2020, of which at least two months' notice will be provided on the PRA website.

Appendix 4: Draft amendments to SS34/15 'Guidelines for completing regulatory reports'

In this appendix, new text is underlined and deleted text is struck through.

There may be other changes to SS34/15 made before the PRA finalises this policy. The final updates for this policy will take any intermediate updates into account.

Extract

…

1 Overview

1.1 This statement is addressed to all firms regulated by the Prudential Regulation Authority (PRA) who are required to submit supervisory reports under the Regulatory Reporting, Close Links and Change in Control Parts of the PRA Rulebook.[1] Its purpose is to set out the PRA's expectations for how firms should complete the data items and returns required by those Parts.

…

- Appendix 11 takes effect from ~~1 July 2019~~ 1 January 2020.

…

1.4 The guidance on completing data items is set out in the following series of appendices:

Appendix	Data items	Description
11	PRA 110	Instructions for completing PRA110

Appendix 6 – Draft amendments to PRA110 instructions

In this appendix, new text is underlined and deleted text is struck through.

Extract

....

PART I: GENERAL INSTRUCTIONS

…

12. In order for institutions to apply a conservative approach in determining contractual maturities of flows, they shall ensure all of the following:

…

(h) Money due from lending that does not have a maturity date (e.g. drawn overdrafts) should be reported as an inflow in the 'Overnight' column (020) and the 'Of which: open' column (6010).

…

PART II: INSTRUCTIONS CONCERNING SPECIFIC ROWS

Row	Legal references and instructions
	1 OUTFLOWS The total amount of cash outflows shall be reported in the following sub- categories below:
7440	**1.2.1.60 Of which: UK central or regional government, local authority or public sector entity assets** The amount of cash outflows reported in item 1.2.1 which is collateralised by assets representing claims on or guaranteed by the UK central or regional governments, local authorities or public sector entities.
…	
7450	**1.2.60.1.60 Of which: UK central or regional government, local authority or public sector entity assets** The portion of cash outflows reported in item 1.2.60.1 which is collateralised by assets representing claims on or guaranteed by the UK central or regional governments, local authorities or public sector entities.
...	
6170	**1.3.2.60 Of which: other (10% category)** The portion of the balance reported in item 1.3.2 which derives from retail deposits which are multiplied by 10% in accordance with Article 25 of Regulation (EU) No 2015/61 (report the un-weighted balance~~).~~, including in columns for maturities of beyond 30 days).
...	

6190	**1.3.2.61 Of which: higher outflow retail: category 1 (10-15% category)** The portion of the balance reported in item 1.3.2 which derives from retail deposits multiplied by 10-15% in accordance with Article 25 of Regulation (EU) No 2015/61 (report the un-weighted balance~~).~~, including in columns for maturities of beyond 30 days).
...	
6210	**1.3.2.62 Of which: higher outflow retail: category 2 (15-20% category)** The portion of the balance reported in item 1.3.2 which derives from retail deposits multiplied by 15-20% in accordance with Article 25 of Regulation (EU) No 2015/61 (report the un-weighted balance~~).~~, including in columns for maturities of beyond 30 days).
...	
6230	**1.3.2.63 Of which: deposits in third countries where a higher outflow is applied** The portion of the balance reported in item 1.3.2 which derives from retail deposits in third countries where a higher outflow is applied in accordance with Article 25 (5) of Regulation (EU) No 2015/61 (report the un-weighted balance~~).~~, including in columns for maturities of beyond 30 days).
...	
6250	**1.3.2.64 Of which: deposits where the payout has been agreed (100% category)** The portion of the balance reported in item 1.3.2 where the payout has been agreed~~.~~, including in columns for maturities of beyond 30 days.
...	
7460	**1.3.7.60 Of which: covered by DGS** The portion of the balance reported in item 1.3.7 which is covered by a Deposit Guarantee Scheme in accordance with Directive 94/19/EC, or Directive 2014/49/EU or an equivalent deposit guarantee scheme in a third country.
...	
6280	**1.3.8.60 Of which: covered by DGS** The portion of the balance reported in item~~s 1.3.7 and~~ 1.3.8 which is covered by a Deposit Guarantee Scheme in accordance with Directive 94/19/EC, or Directive 2014/49/EU or an equivalent deposit guarantee scheme in a third country.
	2 INFLOWS The total amount of cash inflows shall be reported in the following sub- categories below:
...	
7470	**2.1.1.60 Of which: UK central or regional government, local authority or public sector entity assets**

	The amount of cash inflows reported in item 2.1.1 which is collateralised by assets representing claims on or guaranteed by the UK central or regional governments, local authorities or public sector entities.
...	
7480	**2.1.60.1.60 Of which: UK central or regional government, local authority or public sector entity assets** The portion of cash inflows reported in item 2.1.60.1 which is collateralised by assets representing claims on or guaranteed by the UK central or regional governments, local authorities or public sector entities.
...	
590	**2.2 Monies due not reported in item 2.1 resulting from loans and advances granted to:** Cash inflows from loans and advances. Cash inflows shall be reported at the latest contractual date for repayment. For revolving facilities, the existing loan shall be assumeed to be rolled-over and any remaining balances shall be treated as committed facilities. Money due from lending that does not have a maturity date (e.g. drawn overdrafts) should be reported as an inflow in the Overnight column (020) and the ‘Of which: open’ column (6010).
600	**2.2.1 retail customers** The amount of cash inflows reported in item 2.2, which derives from natural persons or SMEs in accordance with Article 3(8) of Regulation (EU) No 2015/61.
6450	**2.2.1.60 Of which: not corresponding to principal repayment (~~i.e.~~ e.g. interest)** The portion of the balance reported in item 2.2.1 which does not correspond to principal repayment, e.g. interest payments.
610	**2.2.2 non-financial corporates** The amount of cash inflows reported in item 2.2, which derives from non-financial corporates.
6460	**2.2.2.60 Of which: not corresponding to principal repayment (~~i.e.~~ e.g. interest)** The portion of the balance reported in item 2.2.2 which does not correspond to principal repayment, e.g. interest payments.
…	
7490	**2.5.60 Of which: HQLA** The portion of cash inflows reported in item 2.5 which relates to maturing securities that the firm recognises as HQLA in accordance with Article 7 of Regulation (EU) No 2015/61.
7500	**2.5.60.1 Of which: UK central or regional government, local authority or public sector entity assets**

	The portion of cash inflows reported in item 2.5.60 which relates to maturing assets representing claims on or guaranteed by the UK central or regional governments, local authorities or public sector entities in accordance with Article 10 of Regulation (EU) No 2015/61.
7510	**2.5.60.2 Of which: Level 1 CQS1 excluding covered bonds** The portion of cash inflows reported in item 2.5.60 which relates to maturing securities that the firm recognises as Level 1 (excluding covered bonds) in accordance with Article 10 of Regulation (EU) No 2015/61, and represent claims on or guaranteed by issuer or guarantor that is assigned credit quality step 1 by a nominated ECAI.
	3 COUNTERBALANCING CAPACITY **...** Items in the counterbalancing capacity shall be reported in the following sub- categories below: …
...	
7520	**3.3.60 Of which: UK central or regional government, local authority or public sector entity assets** The portion of the amount reported in item 3.3 that is assets representing claims on or guaranteed by the UK central or regional governments, local authorities or public sector entities.
. . .	
840	**3.4.3~~2~~ Level 2A covered bonds (CQS 1, CQS2)** The amount reported in item 3.4 which is covered bonds that are assigned credit quality step 1 or 2 by a nominated ECAI.
850	**3.4.4~~3~~ Level 2A public sector (CQS1, CQS2)** The amount reported in item 3.4 which is assets representing claims on or guaranteed by central governments, central banks, regional governments, local authorities or public sector entities. Note that in accordance with Article 11(1)(a) and (b) of Regulation (EU) No 2015/61 all public sector assets eligible as Level 2A must be either credit quality step 1 or credit quality step 2.
	4 CONTINGENCIES The ‘Contingencies’ of the maturity ladder shall contain information on contingent outflows.
...	
6550	**4.1.1.2.62 Of which: Credit institutions not for funding promotional loans; or regulated financial institutions other than credit institutions** The amount reported in item 4.1.1.2 which derives from committed credit facilities in accordance with Article 31(8)(a) of Regulation (EU) No

	2015/61.
...	
6590	**4.1.2.62Of which: to non-financial customers other than retail customers, or to credit institutions for funding promotional loans of non-financial customers** The amount reported in item 4.1.2 which derives from committed liquidity facilities in accordance with Article 31(~~4~~ 5) or 31(9), provided that those loans meet the requirements for the outflow rates referred to Article 31(~~4~~ 5), of Regulation (EU) No 2015/61.
...	
6640	**4.1.2.67~~6.1~~ Of which: to other financial customers** The amount reported in item 4.1.2 which derives from committed liquidity facilities in accordance with Article 31(8)(c) of Regulation (EU) No 2015/61.
...	
6660	**4.60.1 other off-balance sheet and contingent funding obligations** Credit institutions shall report the amount of other off-balance sheet and contingent funding obligations referred to in Article 23(1) of Regulation (EU) 2015/61~~.~~, and the amount of other products or services referred to in Article 23 (1) of Commission delegated regulation (EU) 2015/61 that are not captured in items 4.60.2 – 4.60.8.
...	
	MEMORANDUM ITEMS
...	
7010	**60 Collateral swap flows** Columns shall contain flows of assets from collateral swap transactions. Assets lent shall be reported as future inflows of securities and assets borrowed shall be reported as future outflows of securities, subject to the rules below. All security values shall be reported in the relevant bucket at current market values. For this section: - ~~Exclude transactions with central banks.~~ Exclude any collateral upgrades maturing with a central bank, where upgrade refers to transactions in which the borrowed assets have a higher LCR weight (ie lower LCR haircut) relative to the assets lent. - For maturing **downgrade** trades (ie where better collateral would be received if the trade matures): ...

...	
7530	**60.1.60 Of which: UK central or regional government, local authority or public sector entity assets** The portion of securities flows report in item 60.1 which are assets representing claims on or guaranteed by the UK central or regional governments, local authorities or public sector entities.
...	
7540	**77 Holding of derivatives collateral received: Level 1 excluding covered bonds** The market value of holdings of collateral that have been received in the context of collateralised derivatives that the firm recognises as Level 1 (excluding covered bonds) in accordance with Articles 7, 8 and 10 of Regulation (EU) No 2015/61, and which have not been reported in the Counterbalancing Capacity section. There should be no double counting if these holdings are already reported in the Counterbalancing Capacity section.
7550	**77.1 Of which: CQS1** The portion of the amount reported in item 77 which are assets representing claims on or guaranteed by issuer or guarantor that is assigned credit quality step 1 by a nominated ECAI.
7560	**77.2 Of which: UK central or regional government, local authority or public sector entity assets** The portion of the amount reported in item 77 which are assets representing claims on or guaranteed by the UK central or regional governments, local authorities or public sector entities.
7570	**78 Holding of derivatives collateral received: Level 1 covered bonds** The market value of holdings of collateral that have been received in the context of collateralised derivatives that the firm recognises as Level 1 covered bonds in accordance with Articles 7, 8 and 10 of Regulation (EU) No 2015/61, and which have not been reported in the Counterbalancing Capacity section. There should be no double counting if these holdings are already reported in the Counterbalancing Capacity section.
7580	**79 Holding of derivatives collateral received: Level 2A** The market value of holdings of collateral that have been received in the context of collateralised derivatives that the firm recognises as Level 2A in accordance with Articles 7, 8 and 11 of Regulation (EU) No 2015/61, and which have not been reported in the Counterbalancing Capacity section. There should be no double counting if these holdings are already reported in the Counterbalancing Capacity section.
7590	**80 Holding of derivatives collateral received: Level 2B** The market value of holdings of collateral that have been received in the

	context of collateralised derivatives that the firm recognises as Level 2B in accordance with Articles 7, 8 and 12 of Regulation (EU) No 2015/61, and which have not been reported in the Counterbalancing Capacity section. There should be no double counting if these holdings are already reported in the Counterbalancing Capacity section.
…	
7430	**76 Pillar 2 add-on** Pillar 2 ~~requirement~~ guidance as set out in Article 105 CRD. This ~~requirements are~~ is to be reported across the time buckets as set out below: Intraday: Day 1 (to be reported in open and overnight) Prime brokerage, matched books, debt buyback and non-margined derivatives: Evenly split over the working days contained within the first seven calendar days Margined derivatives and securities financing margin: Day 1 (overnight) L-SYSC risk: evenly split over the working days contained within the 30 calendar days Any other add-ons: timing to be reported as per firm's ILG letter