

Form ELS Definitions

Eligible Liabilities Return (Form ELS)

This form should be reported according to the principles laid out in the **Cash Ratio Deposits (Eligible Liabilities) Order 1998** (found at <http://www.opsi.gov.uk/si/si1998/19981130.htm>).

- Paragraph 2 of this Statutory Instrument deals with various general interpretations and definitions.
- Paragraph 4 details the treatment of liabilities in respect of sterling deposits.
- Paragraph 5 covers the treatment of liabilities and claims in respect of transfer agreements.
- Paragraph 6 deals with the reporting of holdings of securities.

Paragraph 5 of Schedule 2 the **Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003** (found at <http://www.opsi.gov.uk/si/si2003/20031633.htm>) made some clarifications to the original CRDs Order, in particular regarding the treatment of debt securities.

The Cash Ratio Deposits (Eligible Liabilities) (Amendment) Order 2005 (found at <http://www.opsi.gov.uk/si/si2005/20053203.htm>) also amended the definition of Eligible Liabilities, and this has been taken into account in the definition below.

Note that the treatment of certain items outlined in these Statutory Instruments may not be the same as the treatment required by other Bank of England statistical returns. In all instances, reporters are required to report to the Bank of England in line with the Statutory Instruments and with their own accounts and records, rather than in line with their statistical reporting returns.

**Updated in
Statistical
Notice
2014/02**

As defined by the Statutory Instrument, “non-resident offices”, in relation to an eligible institution, means the offices outside the United Kingdom of—

- (a) that institution;
- (b) any non-resident banking subsidiary of that institution; and
- (c) if that institution has a non-resident parent, that non-resident parent and its non-resident banking subsidiaries (if any);

This form also collects **Modified Eligible Liabilities (MELs)**, and the data used to calculate them. These are defined by the PRA in Part 3 of Annex 1B to Section 4 of the PRA Fees handbook¹. In the case of a discrepancy between the PRA handbook and the definitions here, it is the handbook that should be considered

¹ This can currently be found at the following address:

<http://fshandbook.info/FS/html/handbook/FEES/4/Annex1B>

the definitive source.

Those items covered by the MELs definition that do not contribute to ELs should none-the-less be reported in line with the general guidance provided in the Statutory Instruments referred to above.

In addition, outstanding spot liabilities and assets in currencies other than sterling should be translated into sterling at the middle market spot rate pertaining in the London market at 4pm London time on the last working day of the London market in the period covered by the report.

1 Deposits

The amount of the liabilities in respect of deposits (other than those evidenced by an instrument falling within item 2 below) made with United Kingdom offices of the reporting institution.

1A Deposits by the Bank of England

1B Deposits of greater than two years original maturity

Deposits made with the reporting institution on terms to the effect that repayment cannot be required before the end of the period of two years beginning with the day on which the deposit is made (other than in exceptional circumstances outside the control of the depositor specified at the time the deposit is made).

2 Debt securities issued (with original maturity at most five years)

The amount of the reporting institution's liabilities in respect of certificates of deposit, commercial paper, bonds, notes and other similar instruments issued by United Kingdom offices of the reporting institution on terms requiring repayment not later than five years from the date of issue.

3 Liabilities under sale and repurchase agreements (repos), other than to the Bank of England

The amount of the reporting institution's liabilities to make payments for the purchase of, or otherwise in return for the transfer to it of, securities or other assets under retransfer agreements entered into by United Kingdom offices of the reporting institution, other than any such agreements entered into with the Bank of England.

4 Items in suspense

The amount of all items in suspense held by United Kingdom offices of the reporting institution.

5 Credit items in course of transmission to UK MFIs

The amount of credit items in the course of transmission by United Kingdom offices of the reporting institution to the Bank of England, any other United Kingdom office of the reporting institution or a United Kingdom office of any other

Bank or Building Society.

6 End-of-day repos in RTGS with Bank of England

The amount of the reporting institution's liabilities to make payments for the purchase of securities or other assets under sale and repurchase agreements entered into by United Kingdom offices of the reporting institution with the Bank of England in connection with the Real Time Gross Settlement system operated by the Bank of England, which the Bank of England has allowed to remain outstanding overnight.

7 Net foreign currency liabilities

The amount (if any) by which the total liabilities of the United Kingdom offices of the reporting institution denominated in currencies other than sterling (as reported in 7A) exceed the total assets of those offices denominated in such currencies (as reported in 7B).

7A Total foreign currency liabilities

The total liabilities of the United Kingdom offices of the reporting institution denominated in currencies other than sterling.

7B Total foreign currency assets

The total assets of the United Kingdom offices of the reporting institution denominated in currencies other than sterling.

8 Deposits placed at the Bank of England (including amounts payable under finance leases)

(a) The amount of any deposits made by United Kingdom offices of the reporting institution with the Bank of England (other than cash ratio deposits made with the Bank of England pursuant to Schedule 2 to the Bank of England Act or any such deposits made prior to the commencement of the Bank of England Act and any other deposits which the institution may from time to time be required by or pursuant to the provisions of any enactment to make with the Bank of England).

(b) Amounts payable by the Bank of England to United Kingdom offices of the reporting institution under the terms of any finance lease.

9A Market loans to UK Banks, other than the Bank of England

(a) The amount of any deposits made by United Kingdom offices of the reporting institution with, and loans made by such offices to, United Kingdom offices of other UK banks (including certificates of deposit and commercial paper which are -

(i) held by United Kingdom offices of the reporting institution; and

(ii) issued by United Kingdom offices of other UK banks;

but excluding any instrument which falls within item 11 below).

(b) Amounts payable to United Kingdom offices of the reporting institution by United Kingdom offices of any other UK banks under the terms of any finance

lease.

(c) The amount of cheques passed by United Kingdom offices of the eligible institution to United Kingdom offices of other UK banks for collection.

9B Market loans to UK Building Societies

As 9A, but where the counterpart is a UK building society rather than a UK bank.

10A Claims under sale and repurchase agreements (reverse repo) on UK Banks, other than the Bank of England

The amount of the reporting institution's claims to receive payments for the sale of, or otherwise in return for the transfer by it of, securities or other assets under retransfer agreements entered into by United Kingdom offices of the reporting institution with United Kingdom offices of other UK banks, excluding the Bank of England.

10B Claims under sale and repurchase agreements (reverse repo) on UK Building Societies

As 10A, but where the counterpart is a UK Building Society rather than a UK Bank other than the Bank of England.

10C Claims under sale and repurchase agreements (reverse repo) on the Bank of England

As 10A, but where the counterpart is the Bank of England rather than a UK Bank other than the Bank of England.

11A Debt securities issued by UK Banks, other than the Bank of England, of original maturity at most five years

The value of the preference shares, bonds, notes and other similar debt instruments (other than certificates of deposit and commercial paper but including subordinated loan capital not represented by the issue of securities) issued by a United Kingdom office of any other UK Bank (excluding the Bank of England) on terms requiring redemption or repayment not later than five years from the date of issue which are held by United Kingdom offices of the reporting institution for its own account.

11B Debt securities issued by UK Building Societies, of original maturity at most five years

As 11A, but where the counterpart is a UK Building Society rather than a UK Bank.

12 Debit items in course of collection from UK MFIs

The amount of debit items in the course of collection by United Kingdom offices of the reporting institution from the Bank, any other United Kingdom office of the reporting institution or a United Kingdom office of any other reporting institution.

13A Deposit liabilities to non-resident offices

Liabilities of the United Kingdom offices of the reporting institution to its non-

resident offices which fall within item 1 or item 3.

13B Net liabilities to non-resident offices

The amount (if any) by which the reporting institution's total sterling liabilities to its non-resident offices (as reported in 13BA) exceed the reporting institution's total sterling claims on its non-resident offices (as reported in 13BB).

13BA Total liabilities to non-resident offices

Total liabilities of the United Kingdom offices of the reporting institution to its non-resident offices.

13BB Total claims on non-resident offices

Total claims of the United Kingdom offices of the reporting institution on its non-resident offices.

13E Non-resident offset for Eligible Liabilities

The amount (if any) by which the reporting institution's sterling deposit liabilities to non-resident offices exceed the institution's net sterling liabilities to non-resident offices.

These should be defined by the following equation:

$(£13A - £13B)$, as long as this is positive

13M Non-resident offset for Modified Eligible Liabilities

These should be defined by the following equation:

$(£13A + (1/3)*F13A) - (£13B + (1/3)*F13B)$, as long as this is positive

A Eligible Liabilities

These should be defined by the following equation:

$(£1 - £1A - £1B) + £2 + £3 + £4 + 0.6*£5 + F7 - £9A - £9B - £10A - £10B - £11A - £11B - 0.6*£12 - £13E$

B Modified Eligible Liabilities

These should be defined by the following equation:

$(£1 + £2 + £3 + £4 + 0.6*£5 + £6 - £8 - £9A - £9B - £10A - £10B - £10C - £11A - £11B - 0.6*£12) + (1/3)*(F1 + F2 + F3 + F4 + 0.6*F5 + F6 - F8 - F9A - F9B - F10A - F10B - F10C - F11A - F11B - 0.6*F12) - £13M$