

Q&A: MREL QIS data collection

Question 1: Shall the Credit Institutions report nominal or accounting values (in panel D3: Senior Debt)?

- *Answer: According to BRRD, Article 36 – Valuation for the purposes of resolution, paragraph 6, “The valuation shall be supplemented by the information as appearing in the accounting books”, except for row 78 where derivative liabilities should take into account the counterparties netting agreement.*

Question 2: Shall the Credit institutions report total outstanding amounts (including any retained portion of the issuance) or only sold amounts?

- *Answer: Credit institutions should report the sold amounts (subtracting any amounts sold to the Group’s companies).*

Question 3: Shall the Credit Institutions take into account any embedded call options in the calculation of the remaining maturity of debt instruments? In case that they should, is it valid to assume that the first call date should be used?

- *Answer: Call options should be taken into account for the determination of the remaining maturity, as according to BRRD, Article 45, para.4, “where a liability confers upon its owner a right to early reimbursement, the maturity of that liability shall be the first date where such a right arises.”*

Question 4: Please clarify the definition of seniority as it applies to derivative instruments.

- *Answer: The seniority of the derivative instruments, as mentioned in the subordinated and senior debt panels, depends on the hierarchy of their claims on the cash flows of the collateral pool, according to the national insolvency rule.*

Question 5: Please provide a list of countries recognized as having a Deposit Guarantee Scheme under Directive 2014/49/EU.

- *Answer: EU deposits should be considered as potentially eligible for DGS coverage.*

Question 6: Could you please clarify the case “except for row 78 where derivative should take into account the counterparties netting agreement”, when the derivative liabilities are collateralized. Should they be filled in row 78?

- *Answer: Only the net exposure of the derivative liabilities should be filled in, as these instruments should be included “on the basis that full recognition is given to counterparty netting rights” (BRRD art. 45-1 paragraph 2).*

Question 7: Should the ELA funding be filled in the MREL worksheet?

- *Answer: Yes, it should be reported in the MREL worksheet. Presuming it is senior secured debt, it should be reported in cell D70.*

Question 8: Are the guidelines of page 7 of “Instructions for the EU specific template on MREL.pdf”, paragraph 2 “Subordinated debt other than own funds”, “b. the liability is owned to secured by or guaranteed the institution itself”; and “d. the liability has a remaining maturity of less than one year” correct?

- *Answer: According to BRRD, article 45-4, the eligible liabilities are based on exactly the opposite arguments. The correct sentences for b. and d. in page 7 are in b. “the liability is not owed to, secured by or guaranteed by the institution itself” and in d. “the liability has a remaining maturity of at least one year”.*

Question 9: Is ECB funding the same case as ELA funding?

- *Answer: ECB funding should also be filled in cell D70 (senior secured debt).*

Question 10: Where could interbank-transactions be entered? Should they be allocated according to their special contracts, i.e. secured, unsecured, repos?

- *Answer: Indeed, there is not a single way of reporting interbank transactions. This depends on their characteristics (e.g. Secured/Not secured, Senior/Junior, Residual maturity).*