

# POSITION PAPER



## **SRB: Standardised Data Set**

ESBG (European Savings and Retail Banking Group)

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ESBG Transparency Register ID 8765978796-80

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ESBG welcomes the opportunity to comment on this topic.

**General**

1. Do you have any comments on the overarching principles set out in the SRB Valuation Data Set Instruction document?

Yes	X
No	

Comments, if any :  
5000 character(s) maximum

In both consulted documents, the SRB explicitly states, that the SRB’s Data Set does not introduce a new reporting requirement for banks. On the other hand, the documents explain a comprehensive process with the involvement of the IRTs, that includes data to be prepared, stored and reports to be submitted (possibly on a yearly basis) as well as the right of the IRT to monitor the readiness of the institutions under its remit, to require additional data and other obligations for institutions. Due to the abovementioned, we would welcome a clarification of the exact nature of the proposed Data Set and transparent communication to institutions. Considering the complexity of the proposed exercise, sufficient time should be granted for the implementation and preparation.

Secondly, the question of the legal basis and the proportionality of the measures chosen by the SRB to comply with the mandates in the SRMR2/BRRD2 may be raised. It is worth noting, that the applicable legal framework does not foresee any such (reporting) obligations for institutions. It might be argued that the proposed data set goes beyond the general principle, stating that the execution of public authority should be done by the least intrusive means available.

In addition, the proportionality should be considered also in relation to the different needs and the connected allocation of resources of the banks in times of normal functioning (going concern) and in times of resolution (gone concern – bail in “week-end”).

Finally, there is a lack of clarity as regards institutions that, according to the responsible resolution authority, would be wound up using normal/national insolvency proceedings (“insolvency institutions”). While Point 17 (page 6) clarifies that the final data set for an institution will be based on its “resolution structure and business model, complexity, etc.”, it would be welcome to have a clear exemption for “insolvency institutions” from the requirements of the Valuation Data Set.

2. Apart from the proposed data set fields, is there any additional data the SRB will need to ensure the quality of a valuation of a bank undergoing resolution?

Yes	
No	

Comments, if any :  
5000 character(s) maximum



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3. Are there any general comments you would like to make about the SRB Data Set for valuation?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Comments, if any :

5000 character(s) maximum

<p>1. As a first point, we consider the instructions to be unclear regarding the entities in scope of this exercise. The instructions would also offer the SRB and IRT massive leeway for an institutions or resolution group-specific decision. We therefore demand further clarity regarding the scope of entities for which we as a resolution entity would have to carry out this assessment.</p> <p>2. We would like to stress that the short consultation period is (also in light of the current COVID situation) does not allow for a proper analysis of all proposed data sets (fields).</p>
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### **Data Set for valuation**

#### **I. SRB Data Set for exposures to legal persons**

4. Do you have any comments with regard to the data required and the expected actions that are set out in this section?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Comments, if any :

5000 character(s) maximum

<p>We ask for clarification whether the definition of "legal person" used in the SRB Valuation Data Set is identical to the definition of "legal entity" pursuant to the AnaCredit framework, as well as whether the requested IDs must match those that were delivered for AnaCredit reporting.</p>
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#### **II. SRB Data Set for exposures to natural persons**

5. Do you agree with the data required and the expected actions that are set out in this section?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Comments, if any :

5000 character(s) maximum



On page 14 of the instructions, the threshold for natural persons is set on EUR 25,000. With such a low threshold, the number of customers in scope would increase drastically and be significantly higher than in most AnaCredit reporting Member States. We therefore urge the SRB to consider a higher threshold for natural persons.

6. Do you agree with the fact that most of the relevant information has been mapped to Anacredit and is thus not included in the SRB dataset? This means that, the remaining fields that are not available in the ECB's database will be requested in the SRB Data Set.

Yes	
No	

Comments, if any :

5000 character(s) maximum

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### III. SRB off-balance sheet exposures Data Sets

7. Do you agree with the data required and the expected actions that are set out in this section?

Yes	
No	

Comments, if any :

5000 character(s) maximum

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### IV. SRB derivatives Data Set

8. Do you agree with the data required and the expected actions that are set out in this section?

Yes	
No	

Comments, if any :

5000 character(s) maximum

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**V. SRB financial assets – debt securities Data Set**

9. Do you agree with the data required and the expected actions that are set out in this section?

Yes	
No	

Comments, if any :  
5000 character(s) maximum

10. In accordance with Article 3a(1) of the SHS Regulation, institutions must, on a quarterly basis, provide the relevant national central bank (NCB) with data on quarter-end positions of individual securities. With regard to specific 'volatility' characteristics, the SRB expects banks to maintain daily records of debt securities and prices. Do you agree with this expectation?

Yes	
No	

Comments, if any :  
5000 character(s) maximum

**VI. SRB financial assets – Equity instruments Data Set**

11. Do you agree with the data required and the expected actions that are set out in this section?

Yes	X
No	

Comments, if any :  
5000 character(s) maximum

We believe that the Data Fields V65-67 and V97 are not applicable for equity instruments of some ESBG members' equity instruments. Our participations are not rated to the operation of the bank – there are no particular financial contracts with those participations. The expected dividend for 3 years is not available for many entities.

**VII. SRB Data Set for deferred tax assets/credit**

12. Do you agree with the data required and the expected actions that are set out in this section?



Yes	x
No	

Comments, if any :

5000 character(s) maximum

In principle data set for DTA/C seems feasible but too detailed. In particular we propose to skip the data fields V \_ 105 to V\_114.

The division of the conditions does not make sense and the maturity profile is not available/not required in current IFRS reporting, thus seems worthless in case of a stress situation.

**VIII. SRB Data Set for intangible assets**

13. Do you agree with the data required and the expected actions that are set out in this section?

Yes	
No	

Comments, if any :

5000 character(s) maximum

SRB Valuation Data Set – EXPLANATORY NOTE

**General principles**

1. Do you have any comment with regards to SRB’s approach to perform a self-assessment by the institutions of their own MIS capabilities and the resulting multiannual working programme to improve them?

Yes	x
No	

Comments, if any :

5000 character(s) maximum

We would like to stress that the self-assessment of MIS capabilities is anyhow an activity which was performed on a larger scale and monitored on a yearly basis by banks under the BCBS 239 requirements. We do not see an added value in running a parallel exercise on MIS capabilities for resolution purposes. We would instead recommend the SRB to consult with the ECB in this regard.

Secondly, the outcome of the self-evaluation does not appear to be supported by a template provided by the SRB, which must be completed by the institutions. Failure to provide such a template might lead to different interpretations of banks regarding quality metrics.



2. Do you have any comments on the two implementation' phases foreseen by the SRB?

Yes	x
No	

Comments, if any :

5000 character(s) maximum

The implementation phases as described for resolution planning (see "First phase 2020" and "Second phase 2020") are not sufficiently specific from a time perspective. Considering the draft stage of the document as well as the time needed for consultation and assessment of the feedback from the industry, it is probable that the final version of the data set would be available first in Q3/Q4 2020. We would also like to emphasise that due to the current COVID-19 crisis, such a self-assessment in 2020 is difficult to be performed in addition to various new COVID-19 regulatory and reporting requirements.

**Resolution planning: Implementation**

3. Do you have any comments regarding the operationalization of the SRB's approach

Yes	
No	

Comments, if any :

5000 character(s) maximum

4. In particular, do you have any comments regarding the operationalization of the scenario depicted as Banking Union groups with parent entity and subsidiaries in the same Member State?

Yes	
No	

Comments, if any :

5000 character(s) maximum

5. In particular, do you have any comments regarding the operationalization of the scenario depicted as Banking Union groups with parent entity and subsidiaries in different Member States?

Yes	
No	

Comments, if any :

5000 character(s) maximum



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6. In particular, do you have any comments regarding the operationalization of the scenario depicted as Banking Union entities with subsidiaries in non-Banking union Member States?

Yes	
No	

Comments, if any :

5000 character(s) maximum

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7. In particular, do have any comments regarding the operationalization of the scenario depicted as Banking Union entities with subsidiaries in third-countries?

Yes	
No	

Comments, if any :

5000 character(s) maximum

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8. In particular, do you have any comments regarding the operationalization of the scenario depicted as Banking Union subsidiaries of EU or third country groups?

Yes	
No	

Comments, if any :

5000 character(s) maximum

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9. Do you have any comments regarding the operational feasibility of the parent entity providing data for the subsidiaries under the Banking Union?

Yes	
No	

Comments, if any :

5000 character(s) maximum





### **About ESBG (European Savings and Retail Banking Group)**

ESBG represents the locally focused European banking sector, helping savings and retail banks in 21 European countries strengthen their unique approach that focuses on providing service to local communities and boosting SMEs. An advocate for a proportionate approach to banking rules, ESBG unites at EU level some 900 banks, which together employ more than 650,000 people driven to innovate at roughly 50,000 outlets. ESBG members have total assets of €5.3 trillion, provide €1 trillion in corporate loans (including to SMEs), and serve 150 million Europeans seeking retail banking services. ESBG members are committed to further unleash the promise of sustainable, responsible 21st century banking. Our transparency ID is 8765978796-80.



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