

Consiglio del 13 dicembre 2018

Punto 6 all' ODG

Stato di avanzamento delle attività associative sulla regolamentazione relativa al factoring

ALLEGATO 6.1

Net stable funding ratio (NSFR)

NSFR

Background

The European Parliament ("EP") introduced several changes to the net stable funding ratio ("NSFR"). The amendments (1) allow for a more lenient treatment of certain assets such as reverse repurchase agreements ("reverse repos"), covered bonds, trade finance and factoring and precious metals (2) give supervisors the possibility to grant more favorable treatment to cross-border intra group transactions within the Banking Union ("BU") (3) give the European banking Authority ("EBA") an enhanced role in granting and monitoring exemptions from the NSFR (4) the introduction of a simplified NSFR ("s-NSFR") requirement to be applied to smaller, non complex banks (see separate Fiche s-NSFR).

Compromise

1) Allow a more lenient treatment but only for reverse repos, trade finance and factoring:

- a transitional arrangement for reverse repos as proposed by the Council (4 years period with an automatic return to Basel Committee's calibration at the end), but with the lower calibration envisaged by the EP (0% and 5%)
- trade finance off-balance sheet items would receive the more lenient treatment envisaged by the EP (5% - 7.5% - 10%); moreover, the specific treatment granted to trade finance activities would be extended to factoring as requested by the EP.

Keep the Council's approach on covered bonds and precious metals.

2) Keep the Council's approach and do not allow for a better treatment for NSFR purposes for intra-group exposures if both the institution and the counterparty are located in different Member States ("MS"), even within the BU.

3) Give the EBA an enhanced role in monitoring exemptions from the NSFR as requested by the EP, but not in granting them.

Legal text

1) more lenient treatment for:

i) reverse repos

COM/General Approach ("GA") treatment of Level 1 High Quality Liquid Assets ("HQLA").

Therefore reverse repos with a maturity lower than 6 months (subject to a 5% Required Stable Funding ("RSF") category) would be deleted:

Line 3343 (Art. 1 - para. 1 - point 114 Part VI - title IV - chapter 4 -section 2 - art. 428r - para. 1 - point fa) would be kept (EP proposal to include Level 1 HQLA repos in 0% RSF category)

Line 3350 (Art. 1 - para. 1 - point 114 Part VI - title IV - chapter 4 -section 2 - art. 428s - point b) would be deleted (Council's version of 5% RSF provision on reverse repos)

Line 3351 (Art. 1 - para. 1 - point 114 Part VI - title IV - chapter 4 -section 2 - art. 428s -point ba) would be kept (EP's proposal to include other reverse repos than Level 1 (higher quality) HQLA in 5% RSF category)

Line 3365 (Art. 1 - para. 1 - point 114 Part VI - title IV - chapter 4 -section 2 - art. 428tu - para. 1 - point a) would be deleted (as assets would be moved from 10% to new 5% category in line 3351). Keep transitional period from Council's text for reverse repos (with some adaptations in wording to reflect the transitional RSF factors of 0% and 5% instead of 5% and 10% in the Council's text).

ii) trade finance & factoring:

Lines 3358 to 3361 will be introduced (Art. 1 - para. 1 - point 114 Part VI - title IV - chapter 4 - section 2 - art. 428ta - para. 1 - point a) as per EP:

“(a) trade finance off-balance sheet related products as referred to in Article 111(1) with a residual maturity of minimum six months and less than one year.”

Line 3368 (Art. 1 - para. 1 - point 114 Part VI - title IV - chapter 4 -section 2 - art. 428tu - para. 1 - point d): move trade finance off-balance sheet related products with a residual maturity of one year or more from 15% RSF category (Council) to 10% (EP):

“(d) trade finance off-balance sheet related products as referred to in Article 111(1) with a residual maturity of one year or more.”

Line 3377 (Art. 1 - para. 1 - point 114 Part VI - title IV - chapter 4 -section 2 - art. 428tw - para. 1 - point b) would be dropped accordingly (Council's 15% RSF category for trade finance activities with a maturity longer than 12 months). **Lines 3065 to 3068 (Art. 411(15a) on definition of factoring) would be introduced as per EP.**

2) on the other asset classes (covered bonds and precious metals), Council's text will be kept;

3) keep Council's text on the intra-group exposures: Art 428h (lines 3224 and 3225);

4) EBA's role regarding interdependent assets and liabilities to be kept only on monitoring:

consequently, delete EP's amendment in line 3194 (Art. 428f(1) chapeau) and keep line 3207 (Art. 428f(2a)).