COMMISSION de SURVEILLANCE du SECTEUR FINANCIER

Luxembourg, 7 July 2015

To all credit institutions subject to the Commission Delegated Regulation (EU) 2015/63[1]

CIRCULAR CSSF 15/617

Re: **Future national resolution fund – Information requirements for the calculation of the 2015 contribution according to Articles 14 and 20 of the Commission Delegated Regulation (EU) 2015/63**

Ladies and Gentlemen,

In accordance with Article 100 et seq. of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (hereinafter the "BRRD"), Member States are required to establish national resolution financing arrangements for the purpose of ensuring the effective application by the resolution authority of the resolution tools and powers. Pursuant to Article 103 BRRD an *ex-ante* contribution shall be raised at least annually. The Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 supplementing Directive 2014/59/EU with regard to *ex-ante* contributions to resolution financing arrangements (hereinafter the "DR") specifies the methodology for the calculation of this contribution and the obligations of the credit institutions as regards the necessary information to be provided.

In order to determine, in accordance with the provisions of the DR, the annual contribution to be paid by each credit institution in 2015, the CSSF as the future resolution authority needs to obtain a certain number of information, which is not contained in the financial and prudential reporting by the credit institutions to the competent authorities.

The contribution to be paid to the future national resolution fund is calculated and charged at the individual level of each credit institution. The individual annual contribution is calculated by applying to the basic annual contribution (based on total liabilities (excluding own funds) less covered deposits) an additional risk adjustment multiplier in a range between 0,8 and 1,5. In summarizing as far as possible, the additional risk adjustment multiplier is based on 4 risk pillars each consisting of one or more indicators, where the relative risk weight of these 4 risk pillars is as follows pursuant to Article 7 DR: a) Risk exposure: 50%; b) Stability and variety of sources of funding: 20%; c) Importance of a credit institution to the stability of the financial system or economy: 10%; d) Additional risk indicators to be determined by the national resolution authority: 20%. For small credit institutions a lump sum contribution may be charged, pursuant to the provisions of Article 10 DR.

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[1] All Luxembourg credit institutions with the exception of the branches of credit institutions that are established outside the Union

The computation of the 2015 contribution to the national resolution fund, which is proportional to the size and risk profile of each credit institution, will be based mainly on data contained in the latest audited statutory financial statements or annual accounts **available prior to 31 December 2014** (hereinafter "financial statements"). In order to enable the CSSF to perform the computation, credit institutions are required to provide information by completing the attached table (Annex 1) based on guidance and instructions in Annex 2.

The request for information mainly relates to items enumerated in Article 5, paragraph 1 DR providing for a risk adjustment to the basic annual contribution as specific liabilities may be excluded from the total liabilities if certain conditions are fulfilled.

The required data has to be sent to the CSSF **at the latest by 1 September 2015**. In case not all required information is transmitted correctly by that date, the CSSF shall use estimates or its own assumptions for the computation (Article 17 (1) DR). In addition, the CSSF may assign the highest risk adjusting multiplier (Article 17 (2) DR).

For the transmission of the data to the CSSF, credit institutions shall mandatorily use the attached electronic table (Annex 1). Said table is available on our website at: http://www.cssf.lu/fileadmin/files/ESPREP-Bxxxx-yyyy-mm-NRT.xls. The name of the file must comply with the file naming convention for specific enquiries as defined in Circular CSSF 08/344 using the following file name for the survey under review: ESPREP-Bxxxx-yyyy-mm-NRT.xls. The sequence "xxxx" shall be replaced by the 4-digit identification number of the credit institution and the sequences "yyyy" and "mm" shall respectively be replaced by the four digits corresponding to the reported year end closing and the two digits corresponding to the month of the reported year end closing. For example, for the bank with identification number "999" and transmitting the data stemming from the financial statements as per 31 December 2013, the table shall be titled ESPREP-B0999-2013-12-NRT.xls. The table must then be encrypted and transmitted to the CSSF through one of the secured transmission channels (E-File or SOFiE).

The relevant file must be in ".xls" or ".xlsx" format. Any other format (for example ".doc", ".pdf", etc) will not be accepted. All required data fields of the file shall be completed. If you consider that there is no amount to be reported, a value "0" (zero) must be indicated. The table is pre-formatted and shall not be changed by the credit institutions. Information which includes error messages will be considered as void.

Due to the importance of this specific enquiry, a member of the authorised management has to validate the table before it is transmitted to the CSSF.

For any questions concerning this circular please contact Mr. Klaus Söllner (e-mail: klaus.sollner@cssf.lu) or Mr. François Basso (e-mail: francois.basso@cssf.lu).

Yours faithfully,

Claude SIMON
Directeur

Andrée BILLON
Directeur

Simone DELCOURT
Directeur

Jean GUILL
Directeur général

Annexes:

1. Information for the calculation of 2015 contribution to the future national resolution fund
www.cssf.lu/fileadmin/files/ESPREP-Bxxxx-yyyy-mm-NRT.xls
2. Guidance and instructions on the completion of the data fields
www.cssf.lu/fileadmin/files/guidance_instructions_completion_data_fields.doc