

# Q&A

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298

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35

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## Question

The guidelines for report S10.01 - Securities lending and repos – stipulates the following:

It shall be reported only when the value of the underlying securities on and off balance sheet involved in lending or repurchase agreements, with maturity date falling after the reporting reference date represent more than 5% of the total investments as reported in C0010/R0070 and C0010/RC0220 of S.02.01.

All contracts that are on the balance sheet or off balance sheet shall be reported. The information shall include all contracts in the reporting period regardless of whether they were open or closed at the reporting date. For contracts which are part of a roll-over strategy, where they substantially are the same transaction, only open positions shall be reported.

A repurchase agreement (repo) is defined as the sale of securities together

with an agreement for the seller to buy back the securities at a later date. Securities lending is defined as the lending of securities by one party to another, which requires that the borrower provides the lender with collateral.

We would like to ask how to interpret these guidelines in the following examples.

If a company within the group has Repos which represent 5,5% of total investments and Securities Lending that represent 0,5% of total investments, how should the 5% threshold be applied. Should only Repos be reported and not Securities Lending as only the repos are over 5%?

If we have 3% repos and 3% securities lending, should both be reported?

Should contracts that were closed during the period be included even if their maturity dates fell before the reporting reference date?

Securities lending is defined as: “the lending of securities by one party to another, which requires that the borrower provides the lender with collateral”. Does this mean that securities lending where the borrower does not provide the lender with collateral is not defined as securities lending and therefore not required to be included in the report?

## EIOPA answer

Please note that this answer has been revised:

The calculation of the threshold need to consider both the values involved in securities lending and repurchase agreements. This means that in both situations described the undertaking would need to report the template. The template would always need to include both types of contracts.

The contracts closed during the reporting period should also be reported if the template is due. Please note that the closed contracts do not count for the purposes of the threshold calculation.

Providing a collateral is usually part of the securities lending contract, but if that is not the case the contract still need to be reported in template S.10.01.