Information on the 2024 contribution period and expected timeline

Dear Madam, dear Sir,

As it will be the first contribution period after the end of the ex-ante Initial Period, the Single Resolution Board ("SRB") wishes to provide your institution with information on the 2024 contribution period milestones and timeline. The SRB also would like to explain the actions to be taken by your institution during this 2024 contribution period.

Introduction

The Initial Period for the constitution of the Single Resolution Fund ("SRF") is expected to end on 31 December 2023. Article 69(4) of Regulation (EU) No 806/2014 ("SRMR"), read in conjunction with Article 69(1) of that Regulation, requires the raising of contributions to the SRF after the end of the Initial Period, where the amount of available financial means in the SRF diminishes below 1% of the amount of covered deposits of all credit institutions authorized in all of the Member States participating in the Banking Union ("BU").

The SRB will verify in the first months of 2024 whether the available financial means in the SRF is equal to at least 1% of covered deposits held in the BU. Should the available financial means in the SRF decrease to below this target level, the Board will assess whether ex-ante contributions to the SRF are to be calculated and collected in the 2024 contribution period.

As the outcome of the verification exercise is unknown at this point, the SRB is obliged to take the same preparatory steps that it has taken in the previous contribution periods. This will ensure that, if required, it will be in a position to calculate and raise contributions to the SRF in the 2024 contribution period, in compliance with the applicable regulatory framework. These steps include the procurement of data from in-scope institutions, the verification of that data and the putting in place of a process for the restatement by institutions of data subject to corrections or updates.

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1 This assumes that the exceptional situation envisaged under Article 69(3) of Regulation (EU) No 806/2014 ("SRMR") does not arise in the meantime.

2 In accordance with Article 4(1)(1) of Regulation (EU) 575/2013 credit institution means an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account.
Data reporting

Article 14(1), (3) and (4) of Commission Delegated Regulation (EU) 2015/631 ("CDR") requires institutions to report their data to the SRB at least annually, based on which contributions to the SRF are, in principle, calculated, when the circumstances for raising them materialise. The list of institutions in scope of Article 2 SRMR is communicated to the SRB by the National Resolution Authorities ("NRAs") and further verified with the relevant National Competent Authorities ("NCAs") and consulted with the European Central Bank ("ECB").

Institutions are required to provide their data by completing the Data Reporting Form ("DRF"), in compliance with the uniform data formats and representations as established by the SRB and included in the DRF, notified to your institution together with this letter.

Since the SRB revises and updates the DRF each year, institutions are kindly reminded that they are legally obliged to complete and submit the 2024 DRF in order to provide the required data for the 2024 contribution period. The 2024 DRF will be made available to your institution by your NRA. For the data required to determine the 2024 contributions, the only acceptable reporting format is XBRL. Restatements for the years 2016 to 2022 (inclusive) can be submitted in both Excel and XBRL formats while restatements for the year 2023 can only be provided in XBRL format.

Furthermore, institutions are requested to note that the DRF contains a new section in relation to a number of data points required for the application of the risk indicator "own funds and eligible liabilities held by the institution in excess of 'Minimum Requirement for own funds and Eligible Liabilities (MREL)". Taking into account the status of the resolution planning exercises of both the SRB and the NRAs, and with reference to comments received from institutions in the previous cycles, the SRB considers it appropriate for the 2024 contribution period to request institutions to start reporting the data. This allows for further analysis of the availability, reliability and comparability of the data required for the potential implementation of the MREL risk indicator. Therefore, please consult a new section with regard to the MREL risk indicator in tab 4 of the DRF.

On 3 November 2023, the dedicated online platform for submitting the completed DRFs ("eReg") will be opened. Please follow the instructions from your NRA as regards the features and timeline for providing the DRF to the NRA.

Institutions that would like to have their data provisionally verified by the SRB (via its automated data checks4 mechanism) should submit their DRF to their NRA in a timely manner following the instructions given. Institutions may benefit from the SRB data checks to correct and/or complete data where necessary and to avoid the need for the SRB being compelled to use estimated data.

Based on the legal deadline imposed by the CDR, the institutions (via NRAs) must submit their DRF no later than 31 January 2024.

If your institution has any questions regarding the DRF, please contact your NRA, which serves as a first contact point in case of any queries.

Restatements

Pursuant to Article 14(5) of the CDR, where the information or data previously submitted by an institution is subject to updates or corrections, such updates or corrections shall be submitted by the institutions to the resolution authorities without undue delay. Where the information submitted by the institutions is subject to

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1 Ibid.
2 Data checks highlight the discrepancies between a number of fields in the DRF and other data sources (e.g., supervisory reporting; the values reported in the previous cycle). Passing the data checks without inconsistencies being detected does not imply that the data is fully correct or validated.
restatements or revisions, the resolution authority adjusts the annual contribution in accordance with the updated information.

If the data of your institution for any of the previous ex-ante contributions cycles (2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023) is subject to updates, corrections or revisions, your institution should amend the corresponding DRF(s) via the dedicated restatement process.

If your institution has not already done so, please submit to your NRA the corrected or updated data within the DRF pertaining to the contribution period whose data your institution wishes to amend (e.g., if your institution wishes to correct/update 2023 data, please use the 2023 DRF). The NRA will transmit the amended DRF to the SRB. Pursuant to Article 17(3) of the CDR, the SRB will assess the restated data and, if appropriate, may revert to your institution for further clarifications.

The amended DRF(s) with the restated data can be submitted by institutions throughout the year to the NRAs. **Amended DRFs containing restated data must be uploaded to eReg (by the NRAs) by 31 December 2023** if they are to be processed by the SRB during the 2024 contribution period\(^6\).

### Data checks\(^7\)

In **early February 2024**, the SRB will perform some checks on the data submitted from the institutions in their 2024 DRF\(^8\). Those checks will be performed in collaboration with the relevant NRAs and NCAs where appropriate. In case any additional clarifications are required, the SRB will liaise with the relevant NRAs. The institutions in question will be informed and given the opportunity to respond, via the relevant NRA, to any requests for clarification.

### Additional Assurance Requirements

By **15 March 2024**, all the contributing institutions that are part of a group that falls under the direct supervision of the ECB have to provide additional data assurance to the NRAs, unless the group is subject to the lump-sum payment\(^8\). For the 2024 contribution period, the institutions have to provide confirmation by an auditor on specific agreed-upon procedures ("AUP")\(^9\). The above requirement extends also to the restatements that relate to data points that are subject to additional assurance (including restatements originating from additional data verification exercises). The additional assurance document will be made available by your NRA.

### Target level verification

As noted earlier, the SRB will verify in **early 2024** whether the available financial means in the SRF is equal to at least 1% of covered deposits held in the BU. The Board will decide, based on the outcome of that verification exercise, whether ex-ante contributions to the SRF will be calculated and collected in the 2024 contribution period. The SRB will publish the verification results on its website and institutions are invited to consult this website regularly in the period of February-March 2024.

### Industry dialogue

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\(^5\) To avoid any misunderstanding: restated DRFs uploaded on or after 1 January 2024 will not be processed in the 2024 contribution period.

\(^6\) All restated DRFs submitted after 31 December 2023 to the NRAs but not reported to the SRB by the NRAs (e.g. pending initial verification with your institution by the NRA), will be considered, if accepted, in a later contribution period.

\(^7\) Having the contributions calculated based on the data which were not questioned as a result of the data verification exercise should not be considered as confirmation of the substantial correctness of that data.

\(^8\) The SRB points out that this verification exercise cannot be understood as an audit under any auditing standard with regard to the information provided by your institution.

\(^9\) In accordance with Commission Delegated Regulation (EU) 2015/63 Articles 10(1)-(6).

\(^10\) The list of procedures has been defined by the SRB and provided to the NRAs. These procedures concern covered deposits, derivative adjustment and intragroup, IPS and promotional loans deductions, along with own funds (in the sole case of waiver).
At the end of February 2024, the SRB will organize the annual meeting with the banking associations to update the industry regarding the 2024 contribution period and, in particular, on the data collection process and the target level verification process, as well as providing information on the observed evolution of covered deposits in the Banking Union in 2023. The participants will be given the opportunity to raise questions and clarify concerns regarding the 2024 contribution period.

**Administrative penalties**

The SRB kindly informs that it may impose administrative penalties and other administrative measures referred to in Article 110 of Directive 2014/59/EU to the persons or entities responsible for breaches.

We thank your institution for the good cooperation in the above mentioned process. For more information as well as general information on the SRF and ex-ante contributions, you are kindly invited to consult the SRB’s website (http://srb.europa.eu/).

Yours faithfully,

[E-signed]

Jan Reinder de Carpentier
Vice-Chair

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