



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Template for comments

ECB Guide to the internal liquidity adequacy assessment process (ILAAP)

Institution/Company

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General comments

Template for comments

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Please enter all your feedback in this list.

When entering feedback, please make sure that:

- each comment deals with a single issue only;
- you indicate the relevant article/chapter/paragraph, where appropriate;
- you indicate whether your comment is a proposed amendment, clarification or deletion.

Deadline: 4 May 2018

ID	Chapter	Paragraph	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter	Personal data
1	Principle 1	17	6	Clarification	The guideline requires that internal reviews of the ILAAP are expected to be carried out comprehensively by the three lines of defence, in accordance with their respective roles and responsibilities. We interpret it that 2nd line of defence should review all elements of ILAAP.	Seeking clarification on whether all elements of the ILAAP have to be reviewed by each Line of Defence.	Nikou, Orestis	Publish
2	Principle 1	21	7	Deletion	The authority to sign the LAS on behalf of the management body is expected to be decided by the institution in the light of national regulations and relevant prudential requirements and guidelines. Paragraph 15 stipulates that LAS should be signed by the management body, therefore this paragraph seems to be in a contradiction with para. 15	This statement seems to contradict earlier passage therefore should be removed.	Nikou, Orestis	Publish
3	Principle 2	(iii)	8	Amendment	The ILAAP is expected to be consistent and coherent throughout the group. This should not prevent more rigid ILAAP treatment to be applied to specific areas of the institution where the institution concludes that this is desirable or where 3rd country regulatory requirements prescribe a more conservative treatment (CRD IV Art 109(3)).	Amend to align with para. 11 and 34 and allow for ability to selectively apply more conservative treatment if desired by the institution to address e.g. specific business risks	Nikou, Orestis	Publish

4	Principle 3	43 and Example 3.1	14-15&17	Deletion	This is contradicting para 43, where the economic assumptions are meant to be used to project Balance Sheet and off-Balance Sheet balances used as inputs into LCR projection calculations with the outflow rates being prescribed by the normative and not the economic perspective. In addition, this information is used to quantify the 30-day outflow rate for credit card cash flows under the normative perspective.	Example 3.1 contradicts para. 43. It would be useful if it were deleted	Nikou, Orestis	Publish
5	Principle 4	(iv)	18	Amendment	The guidelines require the institution either to cover identified risks with sufficient liquidity or to risk-accept and not hold additional liquidity. The guideline doesn't seem to cover instances where institution decides to mitigate risk e.g. via the limits framework.	Amend to incorporate that the risk could be addressed via mitigants other than holding additional liquidity.	Nikou, Orestis	Publish
6	Principle 4	56	19	Amendment	When determining its internal risk inventory, the institution is responsible for defining its own internal risk taxonomy. It is expected not to simply adhere to a regulatory risk taxonomy. It should be clarified that this definition pertains to new/emerging risks only so as not to create multiple definitions of the already widely recognized risks which would hinder harmonisation across the industry.	Amend to prevent inconsistencies in the taxonomy of already established risks.	Nikou, Orestis	Publish
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