

9 September 2021

Circular to Credit Institutions on the Reporting of MREL and TLAC Data

Reference is made to the [Commission Implementing Regulation \(EU\) 2021/763](#) (the 'Regulation') published on the Official Journal of the European Union on 12 May 2021 laying down Implementing Technical Standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council¹ (CRR) and Directive 2014/59/EU of the European Parliament and of the Council² (BRRD) with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities (MREL) (hereinafter referred to as 'CIR on the supervisory and public disclosure of MREL').

The Malta Financial Services Authority (MFSA), in its capacity both as Malta's National Competent Authority (NCA) and National Resolution Authority (NRA), will cooperate with the European Banking Authority (EBA) on the obligation, emanating from the BRRD (Article 45l), for the preparation of two reports that the EBA submits to the European Commission concerning the application and the impact of MREL requirements.

In this respect, the EBA has set reporting requirements for the information collected by competent and resolution authorities from institutions pursuant to Article 45i of the BRRD³, relating to their MREL and Total Loss Absorbing Capacity (TLAC) position. Similarly, the EBA will, in accordance with Article 504a of the CRR, report to the Commission on the amounts and distribution of holdings of eligible liabilities instruments among institutions identified as Global Systemically Important Institutions or Other Systemically Important Institutions, on potential impediments to resolution and the risk of contagion in relation to those holdings.

Resolution Entities and those with a contingent resolution fall under the scope of the CIR on the supervisory and public disclosure of MREL.

¹ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended.

² 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 and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, as amended.

³ And its corresponding regulation 45l of the Recovery and Resolution Regulations (Subsidiary Legislation 330.09) of the Laws of Malta.

Institutions in scope of this new reporting requirement were notified bilaterally by the MFSA. These institutions shall submit the required data via MFSA's [LH Portal](#) according to the [MFSA Submission Guidelines](#).

To continue improving the services through which Licence Holders comply with their reporting obligations, the MFSA has created a new project on the LH Portal entitled "*MRELTAC reporting*". This new project will avoid duplication of reporting to the NRA and the NCA and hence no unnecessary additional reporting burden for institutions. Against this background, MREL and TLAC data is uploaded by Licence Holders once, and both the NRA and NCA can access it concurrently.

The reporting process for MREL and TLAC data will be identical to the one used for the annual data collection for resolution reporting in XBRL format (zipped file). Data quality feedback on submissions through the MRELTAC reporting project will be automatically received by a credit institution following the submission. The full details on submission of the CIR on the supervisory and public disclosure of MREL are available in the [MFSA Submission Guidelines](#) for the reporting of MREL and TLAC data.

The first reference date for reporting of MREL and TLAC data is 30 June 2021, with a deadline for submission of the first reporting to the MFSA on 30 September 2021. For information on reference and remittance dates for reference dates after 30 June 2021, institutions are kindly requested to refer to Articles 1 and 2 of the Regulation.

Any queries in relation to the above should be directed to resolution.planning@mfsa.mt and Bankingdata@mfsa.mt.