

Reg. No: 57/093/093/21-5/MD
Zagreb, 20 April 2021

TO ALL CREDIT INSTITUTIONS

Attention of: Management Board

Subject: Application of the Guidelines specifying the conditions for the application of the alternative treatment of institutions' exposures related to 'tri-party repurchase agreements' set out in Article 403(3) of Regulation (EU) No 575/2013 for large exposures purposes (EBA/GL/2021/01)

Dear Sir/Madam,

We hereby draw your attention to the fact that the European Banking Authority (hereinafter: the EBA) on 15 February 2021 issued the Guidelines specifying the conditions for the application of the alternative treatment of institutions' exposures related to 'tri-party repurchase agreements' set out in Article 403(3) of Regulation (EU) No 575/2015 for large exposures purposes (EBA/GL/2021/01; hereinafter: the Guidelines).

In accordance with Article 4, paragraph (1), item (3) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020 and 146/2020), the Croatian National Bank (hereinafter: the CNB) shall make every effort to comply with those guidelines and recommendations issued by the European Banking Authority in accordance with Article 16 of Regulation (EU) No 1093/2010 (OJ L 24.11.2010).

The Guidelines apply from 28 June 2021 in relation to all institutions' exposures to collateral issuers due to three-party repurchase agreements facilitated by a tri-party agent. Furthermore, the Guidelines specify the conditions that institutions should comply with where they decide to make use of the alternative treatment with regard to tri-party repurchase agreements facilitated by a tri-party agent that executes collateral management services. The Guidelines also specify the conditions and frequency for determining, monitoring and revising the full amount of the limits specified by the institution to the tri-party agent.

All credit institutions are expected to apply the Guidelines as good practice; in this sense, the provisions of the Guidelines are expectations by which the CNB will, for large exposures purposes, be guided in the case of application or announced application of the alternative treatment of exposures arising from tri-party repurchase agreements facilitated by a tri-party agent.

The English version of the EBA Final report on the Guidelines is available at the following link:
https://www.eba.europa.eu/sites/default/documents/files/document_library/Publications/Guidelines/2021/963185/Final%20guidelines%20on%20tri-party%20repos%20for%20LE%20purposes.pdf

The Croatian version of the Guidelines is available at the following link:

https://www.eba.europa.eu/sites/default/documents/files/document_library/Publications/Guidelines/2021/Translations/964553/EBA%20Guidelines%20on%20tri-party%20repos%20for%20large%20exposures%20purposes_HR.pdf

Kind regards,

Martina Drvar

Vicegovernor