

Chapter 1

Commission Implementing Regulation (EU) No 1423/2013



**ANNEX III Instructions for completing the
capital instruments main features template**

- (1) Institutions shall apply the instructions provided in this Annex in order to complete the capital main features template as presented in Annex II.
- (2) Institutions shall complete this template for the following categories: Common Equity Tier 1 instruments, Additional Tier 1 instruments and Tier 2 instruments.
- (3) The templates shall comprise columns with the features of the different instruments. In cases where capital instruments of a same category have identical features, institutions may complete only one column disclosing these identical features and identify the issuances to which the identical features refer.

Instructions for completing the capital instruments main features template	
1	Identifies issuer legal entity. <i>Free text</i>
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement). <i>Free text</i>
3	Specifies the governing law(s) of the instrument. <i>Free text</i>
4	Specifies transitional regulatory capital treatment contained in Regulation (EU) No 575/2013. The original classification of the instrument is the point of reference independently of possible reclassification in lower tiers of capital. <i>Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Ineligible] [N/A]</i> <i>Free text – specify if a fraction of the issuance has been reclassified in lower tiers of capital.</i>
5	Specifies regulatory capital treatment under rules contained in Regulation (EU) No 575/2013 without taking into account the transitional treatment. <i>Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Ineligible]</i>
6	Specifies the level(s) within the group at which the instrument is included in the capital. <i>Select from menu: [Solo] [(Sub-)Consolidated] [Solo and (Sub-)Consolidated]</i>
7	Specifies instrument type, varying by jurisdiction. <i>Select from menu: menu options to be provided to institutions by each jurisdiction – legal references of Regulation (EU) No 575/2013 articles for each type of instrument to be inserted</i> <i>For CET1 instruments, CET1 as published in the EBA list (art. 26(3)).</i>
8	Specifies the amount recognised in regulatory capital (total amount of the instrument recognised in regulatory capital before transitional provisions for the relevant level of the disclosure - currency used for the reporting obligations). <i>Free text – specify in particular if some parts of the instruments are in different tiers of the regulatory capital and if the amount recognised in regulatory capital is different from the amount issued.</i>
9	Nominal amount of instrument (in currency of issuance and currency used for the reporting obligations). <i>Free text</i>
9a	Issue price of instrument. <i>Free text</i>
9b	Redemption price of instrument. <i>Free text</i>

10	Specifies accounting classification. <i>Select from menu: [Shareholders' equity] [Liability – amortised cost] [Liability – fair value option] [Non-controlling interest in consolidated subsidiary]</i>
11	Specifies date of issuance. <i>Free text</i>
12	Specifies whether dated or perpetual. <i>Select from menu: [Perpetual] [Dated]</i>
13	For dated instrument, specifies original maturity date (day, month and year). For perpetual instrument put 'no maturity'. <i>Free text</i>
14	Specifies whether there is an issuer call option (all types of call options). <i>Select from menu: [Yes] [No]</i>
15	For instrument with issuer call option, specifies first date of call if the instrument has a call option on a specific date (day, month and year) and, in addition, specifies whether the instrument has a tax and/or regulatory event call. Also specifies the redemption price. Helps to assess permanence. <i>Free text</i>
16	Specifies the existence and frequency of subsequent call dates, if applicable. Helps to assess permanence. <i>Free text</i>
17	Specifies whether the coupon/dividend is: either fixed over the life of the instrument, or floating over the life of the instrument, or currently fixed but will move to a floating rate in the future, or currently floating but will move to a fixed rate in the future. <i>Select from menu: [Fixed], [Floating] [Fixed to floating], [Floating to fixed]</i>
18	Specifies the coupon rate of the instrument and any related index that the coupon/dividend rate references. <i>Free text</i>
19	Specifies whether the non-payment of a coupon or dividend on the instrument prohibits the payment of dividends on common shares (i.e. whether there is a dividend stopper). <i>Select from menu: [yes], [no]</i>
20a	Specifies whether the issuer has full discretion, partial discretion or no discretion over whether a coupon/dividend is paid. If the institution has full discretion to cancel coupon/dividend payments under all circumstances it must select 'fully discretionary' (including when there is a dividend stopper that does not have the effect of preventing the institution from cancelling payments on the instrument). If there are conditions that must be met before payment can be cancelled (e.g. capital below a certain threshold), the institution must select 'partially discretionary'. If the institution is unable to cancel the payment outside of insolvency the institution must select 'mandatory'. <i>Select from menu: [Fully discretionary] [Partially discretionary] [Mandatory]</i> <i>Free text (specify the reasons for discretion, existence of dividend pushers, dividend stoppers, ACSM)</i>
20b	Specifies whether the issuer has full discretion, partial discretion or no discretion over the amount of the coupon/dividend. <i>Select from menu: [Fully discretionary] [Partially discretionary] [Mandatory]</i>
21	Specifies whether there is a step-up or other incentive to redeem. <i>Select from menu: [Yes] [No]</i>
22	Specifies whether dividends/coupons are cumulative or noncumulative. <i>Select from menu: [Noncumulative] [Cumulative] [ACSM]</i>

23	Specifies whether instrument is convertible or not. <i>Select from menu: [Convertible] [Nonconvertible]</i>
24	Specifies the conditions under which the instrument will convert, including point of non-viability. Where one or more authorities have the ability to trigger conversion, the authorities should be listed. For each of the authorities it should be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger conversion (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach). <i>Free text</i>
25	Specifies whether the instrument will always convert fully, may convert fully or partially, or will always convert partially. <i>Select from menu: [Always Fully] [Fully or Partially] [Always partially]</i>
26	Specifies rate of conversion into the more loss absorbent instrument. <i>Free text</i>
27	For convertible instruments, specifies whether conversion is mandatory or optional. <i>Select from menu: [Mandatory] [Optional] [NA] and [at the option of the holders] [at the option of the issuer] [at the option of both the holders and the issuer]</i>
28	For convertible instruments, specifies instrument type convertible into. Helps to assess loss absorbency. <i>Select from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Other]</i>
29	If convertible, specify issuer of instrument it converts into. <i>Free text</i>
30	Specifies whether there is a write down feature. <i>Select from menu: [Yes] [No]</i>
31	Specifies the triggers at which write-down occurs, including point of non-viability. Where one or more authorities have the ability to trigger write-down, the authorities should be listed. For each of the authorities it should be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger write-down (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach) <i>Free text</i>
32	Specifies whether the instrument will always be written down fully, may be written down partially, or will always be written down partially. Helps assess the level of loss absorbency at write-down. <i>Select from menu: [Always Fully] [Fully or Partially] [Always partially]]</i>
33	For write down instrument, specifies whether write down is permanent or temporary. <i>Select from menu: [Permanent] [Temporary] [NA]</i>
34	Describes the write-up mechanism. <i>Free text</i>
35	Specifies instrument to which it is most immediately subordinate. Where applicable, banks should specify the column numbers of the instruments in the completed main features template to which the instrument is most immediately subordinate. <i>Free text</i>
36	Specifies whether there are non-compliant features. <i>Select from menu: [Yes] [No]</i>
37	If there are non-compliant features, asks institution to specify which ones. <i>Free text</i>