

Chapter 1

Commission Delegated Regulation (EU) 2016/101

Article 3 Sources of market data

(1) Where institutions calculate AVAs based on market data, they shall consider the same range of market data as the data used in the independent price verification ("IPV") process referred to in Article 105(8) of Regulation (EU) No 575/2013, as relevant, subject to the adjustments described in this Article.

(2) Institutions shall consider a full range of available and reliable market data sources to determine a prudent value including each of the following, where relevant:

- (a) exchange prices in a liquid market;
- (b) trades in the exact same or very similar instrument, either from the institution's own records or, where available, trades from across the market;
- (c) tradable quotes from brokers and other market participants;
- (d) consensus service data;
- (e) indicative broker quotes;
- (f) counterparty collateral valuations.

(3) For cases where an expert-based approach is applied for the purpose of Articles 9, 10 and 11, alternative methods and sources of information shall be considered, including each of the following, where relevant:

- (a) the use of proxy data based on similar instruments for which sufficient data is available;
- (b) the application of prudent shifts to valuation inputs;
- (c) the identification of natural bounds to the value of an instrument.