UK Finance

UK Finance response to PRA's CP15/25: Resolution planning – Amendments to MREL reporting

31 October 2025

Introduction

1. UK Finance[1] is pleased to respond to the PRA's CP15/25 – Resolution planning: Amendments to MREL reporting | Bank of England.

2. Through a working group, our members have contributed to this consultation paper (CP) response alongside our responses to CP14/25 and CP16/25.

3. In this response we focus on the PRA's proposals and recommendations in the section below.

Our Recommendations

Removal of reporting duplications

4. We welcome the PRA's proposals in this CP, CP16/25 and CP21/25 to reduce the regulatory reporting burden on firms, this is a positive step to reduce the regulatory burden by 25%, supporting the UK FS' growth and competitiveness.

5. We have however, identified persistent duplications of reporting requirements. These are outlined below:

MRL003 and Pillar 3

6. We note that there is a high degree of duplication between the MRL003 and the Pillar 3 Capital Instruments and Eligible Liabilities Main Features (Pillar 3) submissions. Both require the same core data on capital instruments, including:
    - **Instrument identification and classification** – Issuer Name / Unique Identifier (e.g., ISIN, CUSIP), Instrument Type (e.g., AT1, Tier 2, Senior Unsecured), Governing Law.
    - **Instrument terms and features** (dates, amounts, coupons, maturities) –Date of Issuance / Maturity, Coupon Details, Currency and Amount.
    - **Regulatory and accounting treatment** – Regulatory Value / Accounting Value, Accounting Classification.
    - **Subordination and Loss Absorption features** – information on contractual recognition of bail-in, write-down triggers, and conversion features.

7. This results in repeated data collection, validation, and reporting processes for the same instruments. However, due to the Pillar 3 (UK CCA) and MRL003 templates not being transposable, this would add additional burden on reporting firms thereby eroding some of the benefits of the PRA's intended outcomes of their proposed amendments to MREL reporting.

8. We recommend that the PRA consider aligning MRL003 with the UK CCA template, to enable firms to reduce duplication of effort and associated costs in producing substantively similar outcomes.

MRL001 and TLAC

[1] **UK Finance** is the collective voice for the banking and finance industry. Representing over 300 firms, we're a centre of trust, expertise and collaboration at the heart of financial services, championing a thriving sector and building a better society.

9. We note that for globally systemically important banks (G-SIBs), the MREL reporting standards in MRL001 are duplications of Total Loss Absorbing Capacity (TLAC) disclosures.

10. We recommend the PRA streamline the required reporting, aligning or removing duplicated data fields or data points, and enable data re-use where necessary.

Clarifications of reporting processes

11. **We request the PRA provide greater clarity regarding what firms should include in reporting to support clarity and consistency.**

Basis of Preparation

12. Could the PRA to clarify its request for firms to provide a 'basis of preparation' for MREL reporting requirements as outlined in paragraph 2.15 of the consultation paper. More specifically:
    - What are the expectations of firms in this submission – what does a successful submission entail?
    - What is the level of granularity? And will this be standardised across firms?
    - can banks with multiple subsidiaries submit a single consolidated response at resolution entity level.
    - are quarterly submissions required in the absence of changes to the basis of preparation.

13. Members consider that incorporating interpretation changes or movement analysis could be helpful, but it would be beneficial to understand which types of information the PRA considers most relevant to ensure consistency and reduce operational burden.

Accounting Value

14. In the reporting instructions, the definition of 'accounting value' refers to descriptions in the MREL SoP, which outlines that accounting value will include the '*reverse [of] any previous subtraction from, or addition to, CET1 through the prudential filter for changes in own creditworthiness*.'[2] Firms will need to adjust the accounting value for their own credit spread; this could be clearer in the instructions.

15. Could the PRA clarify 'accounting value' to its fullest extent in the **MREL reporting instructions**, with regards to footnote 19 in the **MREL SoP**.

Frequency of reporting

16. We urge the PRA to align the frequency of MREL001 and MREL003 to the same semi-annual cadence of UK MREL 1/2/3.

Scope and template specific clarifications for MRL001, and MRL003

MRL001 – Scope

17. Could the PRA outline explicitly the scope of instruments expected to be included in the MREL001 template. The CP describes the scope of instruments for MREL001 reporting

[2] para.4.13. **Statement of policy: The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL) | Bank of England**

(in paragraph 2.83) and MREL003 (in paragraph 2.20[4]) *'is not limited to*' which causes uncertainty and needs immediate clarification.

18. The new requirements under PRA SS19/13 table 2.38A are unclear whether MRL001 should be completed on a solo or consolidated basis. Whilst it would be to be on a solo basis, if expected at consolidated or sub-consolidated basis, the inclusion of "Certain own funds and other liabilities that do not qualify to count towards MREL, not including excluded liabilities", which could include own funds instrument issued to third parties which do not qualify as MREL, would be contradictory. Could the PRA confirm if solo basis reporting is the intention or explain otherwise.

MRL001– Template

19. We ask the PRA to explain the reason for including **Columns 070** and **140** of 'current reporting aggregate' for the previous columns of 'nominal value' or 'reporting value' respectively. This does not seem to add much value and simply calculates cumulative data inserts.

20. We ask for clarification as to whether **Rows 077** and **079** should only be populated by entities with external MREL requirements; it will be useful for worked examples to be provided as the instructions stating '*This should be repeated for each creditor class, contained within one data element [cell] in the Excel file*' creates ambiguity.

MRL003 – Scope

21. Could the PRA outline explicitly the scope of instruments expected to be included in the MREL003 template:
    - The CP describes the scope of instruments for MREL003 reporting (in paragraph 2.20[5]) *'is not limited to'* which causes uncertainty and needs immediate clarification.
    - The CP also proposes reporting of '*bail-in liabilities that on issuance did not qualify as own funds or MREL eligible liabilities'*; *'any shares or other equity interests that do not qualify as own funds'*; and *'instruments that were previously qualified to be own funds or MREL eligible liabilities but now do not qualify due to changes in legal or regulatory requirements'* which all similarly require clear guidelines to minimise any subsequent interpretations and unnecessary cost burdens for firms.

22. There is inconsistency regarding the CP's proposed requirements to report 'bail-in liabilities' that do not qualify as eligible MREL, as stated paragraph 2.206 and the MREL003 instructions and template wherein the requirement is not explicitly outlined. Whilst in the template and instructions for MREL001 outline the introduction of relevant rows 70, 73, 75, 77, and 79, for such reporting, the MREL003 instructions and template do not have corresponding directives. Can the PRA ensure they outline specific requirements regarding '*bail-in liabilities that on issuance did not qualify as own funds or MREL eligible liabilities'* in the MREL003 instructions and template. Including guidelines for relevant columns, for example, **Column 250** '*regulatory value*' which does not apply for non-MREL instruments.

23. From SS19/13, we understand the scope of MRL003 to include only UK resolution entities and their material subsidiaries and not include third country resolution entities and their material subsidiaries or instruments issued by non-UK subsidiaries that are not

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[3] Statement of policy: The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL) | Bank of England
[4] Ibid
[5] Ibid
[6] Ibid

resolution entities. Could the PRA confirm this remains the case in the reporting instructions?

24. We ask the PRA to clarify should the required Own Funds measurements correspond to capital instruments only (i.e. Articles 28, 52, and 63 UK CRR) or whether the regulatory values relating to Own Funds items (i.e. Articles 26, 51 and 62 UK CRR) should also be reported.

25. If inclusion of values relating to Own Funds items is also required, could the PRA provide guidance whether these should be presented in a single aggregated line or disclosed separately.

26. In either case, further guidance is needed regarding the treatment and presentation of those in the returns including any associated regulatory adjustments. This is to ensure consistency in approach for all firms subject to these requirements including alignment to equivalent disclosure requirements set out in CP16/25.

27. Could the PRA clarify what is intended by the line 'any shares or other equity interests that do not qualify as own funds' and its presentation, as per 2.20 in the CP, specifically, guidance is needed on whether minority interests should be included.

28. Could the PRA also provide clarity on the line for 'instruments that were previously qualified to be own funds or MREL eligible liabilities but now do not qualify due to changes in legal or regulatory requirements', as per 2.20 in the CP, and if this should include instruments for which a notification of redemption has been made, but the actual redemption occurs after the reporting reference date.

MRL003 – Template Specific

29. Could the PRA clarify if firms are required to use country codes of full country names in **Column 026** 'jurisdiction in which the issuer is established'. This could be outlined in the technical taxonomy release.

30. For UK governed law instruments, should **Column 040** *'Contractual recognition of non-UK law governed instruments'* be left blank?

31. If the field under **Column 090** is not relevant to the firm, should this be left blank? This would be covered in Column 050 if applicable.

32. Could the PRA clarify, if in **Column 120**, whether the Legal Final Maturity Date includes call options for both perpetual and dated securities?

33. Regarding **Column 130** *'earliest redemption date'*, could the PRA please clarify the intention of '*where there is a…other event or change linked to redemption*'? This would bring into scope the option to redeem following a tax or loss absorption/capital disqualification event. These events could, theoretically, occur immediately following an issuance and the instrument could be redeemed immediately after the redemption notice period after issuance. Members do not believe the intention is to capture such events and therefore, would like clarification.

34. **Column 210** asks for the *'coupon payment date'*, could the PRA clarify that this is refers to the 'first coupon date'? If this is not the case, could the PRA clarify will firms be required to report the next coupon date after the reporting date? For example, if reporting date is 30/09/2025, do we have to report the IPD falling right after 30/09/2025.

35. If the PRA intends for the scope of MRL003 to include only UK resolution entities and their material subsidiaries, then could the PRA clarify the below:
    37.1. **Column 240** asks for the '*class of instrument'* should the class 'other' be used for forms of instrument that do not qualify for own funds and eligible liabilities under UK rules but do in the third country?
    37.2. Is the *'regulatory value'* required in **Column 250** the value that included at consolidated UK resolution entity level or third country entity level?

36. **Column 290** asks for the '*Conversion or write-down trigger for AT1 capital instruments*'. We ask for a third option for 'both' conversion and write-down, and request clarification.

37. We ask the PRA also clarify if for both **Column 290** and **Column 295**, if there is a specific value that we need to use (e.g 'N/A', 'No' etc) for when values are not applicable, or leave it as blank.

38. **Column 315** asks for the '*Other contractual or statutory conversion or write-down powers of any non-UK authority'*. However, this appears to be a duplicate of the information asked for in **Column 300**. We note that the instruction also refers to the 'UK consolidation group', please could the PRA clarify if this should refer to the UK resolution group?

39. Could the PRA clarify:
    - If the instructions for **Columns 333** and **410**, which refer to the deleted **Column 380**, mean to refer to **Column 330**?
    - If the instructions for **Columns 335** which asks for legal entity identifier based on **Column 330,** means to refer to data in **Column 333**?

40. Can the PRA clarify if under **Column 460**, for internally issued instruments, should firms just put 'N/A' in lieu of a URL?

Repeat issuances

41. We welcome the changes the PRA has made in the treatment of legal opinions regarding repeat issuances. This is a significant change to firms' practice and eases operational burdens.

42. With the variance of repeat issuance frequencies, quarterly, biannual etc. we urge the PRA to provide clarity and consistency in the threshold of what consists of a repeat issuance. While less frequent is definitely more beneficial for firms, we wish to have consistency in these frequencies, and maintain their exemptions.

43. When defining a threshold of repeat issuance frequency, we ask the PRA to provide rationale alongside the threshold, expressing the scope they intend to capture.

44. Additionally, in MRL003, **Column 325** asks for the '*Eligibility legal opinions on MREL eligible liabilities instruments'*. Does this cover UK entities only? If not, could the PRA please clarify what should be included for third country entities?

Other suggestions

Risk based approach

45. We recommend that in a pro-growth environment, the BoE should review how it assesses risk from firm to firm with differing business profiles and strategies. The BoE should

consider adopting an approach to risk tolerance across business models that focus on commercial considerations in non-common areas.

46. We argue that a blanket approach to the BoE's resolution risk assessments are not consistent with a pro-growth environment, and has the potential to hamper the growth of businesses which operate in alternative lending markets by inappropriately judging a business' risk profile against an incongruent norm.

47. Upon consideration of the BoE's approach to firms' varying risk and business models, we urge greater communication and planning between the bank and firms, outlining proportionate expectations regarding disclosure, reporting and assessment requirements.

Engagement

48. We would be pleased to facilitate any further discussion.

49. UK Finance is content with the PRA publishing this consultation response on its website.

Responsible Executive

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