Correlation Table
for the Proposed Amendments of the EFDI Non-Binding Guidance Paper

Ref.	Approved text (12 April 2018)	Comments Received until 17 May 2018	Comment from - Accepted (Y/N)	Final Guidance for Approval by EU Committee on 18 June 2018
3	**This overarching context puts more pressure on the definition and implementation of a DGS's adequate investment policy.** When the payout delay in the EU was 3 months renewable, DGSs could potentially make the choice of investing their short-term liquidity resources in short term assets of the same duration. With now much shorter payout delays, only sight or very short-term deposits or securities seem to mature within this investment horizon. Tension between liquidity, an inescapable constraint of a DGS's business and regulatory framework, and cash investment looks now more acute than it has ever been.	**This overarching context puts more pressure on the definition and implementation of a DGS's adequate investment policy.** When the payout delay in the EU was 3 months renewable, DGSs could potentially make the choice of investing their short-term liquidity resources in short term assets of the same duration. With now much shorter payout delays, only sight or very short-term deposits or securities seem to mature within this investment horizon. ~~Tension between liquidity, an inescapable constraint of a DGS's business and regulatory framework, and cash investment looks now more acute than it has ever been~~A broader understanding of the factors affecting liquidity has thus become necessary.	Mirjami: 18.May 2018 (Y)	**This overarching context puts more pressure on the definition and implementation of a DGS's adequate investment policy.** When the payout delay in the EU was 3 months renewable, DGSs could potentially make the choice of investing their short-term liquidity resources in short term assets of the same duration. With now much shorter payout delays, only sight or very short-term deposits or securities seem to mature within this investment horizon. A broader understanding of the factors affecting liquidity has thus become necessary.
12	· market risk (market turbulences, freeze or crash especially at the time the portfolio has to be liquidated);	· market risk (market turbulences, freeze or crash especially at the time the portfolio has to be liquidated, impact of a fire sale);	Thierry: 3 May 2018 (Y);	· market risk (market turbulences, freeze or crash especially at the time the portfolio has to be liquidated, impact of a fire sale);
12	· liquidation risk (the ability to sell the total available financial means in relatively short period of time (max. 1 – 2 days) and the impact of liquidation on the price of the financial instruments).	· liquidation risk (the ability to sell the total available financial means in relatively short period of time (max. 1 – 2 days) and the impact of liquidation on the price of the financial instruments).	Thierry: 3 May 2018; Sonja: 27 April 2018 (Y)	text deleted
14	Shortening of the repayment period increases the role of repo transactions as a liquidity enhancement instrument.	**Shortening of the repayment period may increase the role of repo transactions as a liquidity enhancement instrument**	Thierry: 3 May 2018 (Y); Sonja: 27 April 2018 (Y)	**Shortening of the repayment period may increase the role of repo transactions as a liquidity enhancement instrument**

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14	Repo transactions can increase a portfolio liquidity and mitigate the tension between the regulatory liquidity requirements and maturity of cash investments. Depending on their characteristics, securities in the portfolio may be used as a collateral of the repo transactions from which the DGS can obtain required liquidity without immediate sale of the securities.	In the extent the DGS can accept the counterparty risk, repo transactions can increase a portfolio liquidity and mitigate the tension between the regulatory liquidity requirements and maturity of cash investments. Depending on their characteristics, securities in the portfolio may be used as a collateral of the repo transactions from which the DGS can obtain required liquidity without immediate sale ofselling the securities within the 7-day period.	Thierry: 3 May 2018 (Y);	In the extent the DGS can accept the counterparty risk, repo transactions can increase a portfolio liquidity and mitigate the tension between the regulatory liquidity requirements and maturity of cash investments. Depending on their characteristics, securities in the portfolio may be used as a collateral of the repo transactions from which the DGS can obtain required liquidity without immediate sale of selling the securities within the 7-day period.
14	Thanks to that, the securities can be sold beyond the 7-day period or the repo may be rolled over until the next contributions payments. From this perspective, it may be appropriate, when possible, to invest into the securities which can be used as a collateral of repo transactions with banks or with the central bank as a last resort liquidity provider.	As a consequence, the DGS has to deal with a risk on the counterparty of the repo, which can be a member bank (wrong-way risk) or the Central Bank.	Thierry: 3 May 2018 (Y);	As a consequence, the DGS has to deal with a risk on the counterparty of the repo, which can be a member bank (wrong-way risk) or the Central Bank.

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18	■ **Monitoring and stress-testing**: the performances should be monitored carefully and on a regular basis. The risks associated to the portfolio should be measured and stress-tests performed to assess both the minimum value and liquidity of the portfolio. Specific techniques should be developed accordingly.	**Monitoring and stress-testing**: What kind of techniques DGSs will design and develop to monitor the performances of the portfolio on a regular basis, measure the risks associated with the portfolio and perform stress-tests assessing the minimum value and liquidity of the portfolio?	Thierry: 3 May 2018 (Y);	**Monitoring and stress-testing**: What kind of techniques DGSs will design and develop to monitor the performances of the portfolio on a regular basis, measure the risks associated with the portfolio and perform stress-tests assessing the minimum value and liquidity of the portfolio.
21	(…) Those function and resources should stay clearly separated from the depositor payout function and staff within the DGS. (…)	Sonja: In point 21 it is added a section on division of labour between the depositor function and the asset management function after comments from BVR Germany. We agree to this. But is it not also relevant to emphasise the need to have a clear division of labour between the front office and the back & mid office (if the asset management is done in house). This is an absolute requirement under Norwegian Law for asset managers and or DGS must also comply to these rules.	Sonja: 27 April 2018 (N)	Unchanged
21		Ralf: Sonja's additional hint to para 21 is in substance absolutely correct; but hasn't any financial service provider (e.g. like an asset manager) to fulfil regulatory rule concerning this topic? if not, this demand might be a part of the "outsourcing agreement"between the DGS and the asset manager.	Ralf: 7 May 2018 (Y)	