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*Committee on Economic and Monetary Affairs*

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**2014/0020(COD)**

3.2.2015

# **AMENDMENTS**

## **300 - 608**

**Draft report**

**Gunnar Hökmark**

(PE546.551v02-00)

on the proposal for a regulation of the European Parliament and of the Council  
on structural measures improving the resilience of EU credit institutions

Proposal for a regulation

(COM(2014)0043 – C7-0024/2014 – 2014/0020(COD))

AM\_Com\_LegReport

**Amendment 300**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 6 – title**

*Text proposed by the Commission*

Prohibition of certain trading activities

*Amendment*

Prohibition of certain trading ***and related*** activities

Or. en

**Amendment 301**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 6 – title**

*Text proposed by the Commission*

Prohibition of ***certain*** trading activities

*Amendment*

Prohibition of trading activities

Or. it

**Amendment 302**  
**Fabio De Masi**

**Proposal for a regulation**  
**Article 6 – title**

*Text proposed by the Commission*

Prohibition of certain ***trading*** activities

*Amendment*

Prohibition of certain activities

Or. en

**Amendment 303**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 6 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. *Entities referred to* in Article 3 shall not:

*Amendment*

1. *Credit institutions as defined* in Article 3 shall not:

Or. it

**Amendment 304**  
**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 6 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. Entities referred to in Article 3 shall not:

*Amendment*

1. Entities referred to in Article 3 shall not *unless via a separate trading entity which satisfies the conditions set in Articles 13, 14 and whose process of creation satisfies Article 18:*

Or. en

*Justification*

*Self explanatory*

**Amendment 305**  
**Fulvio Martusciello**

**Proposal for a regulation**  
**Article 6 – paragraph 1 – point a**

*Text proposed by the Commission*

(a) engage in proprietary trading;

*Amendment*

(a) engage in proprietary trading, *as defined under Article 5, paragraph 4, unless a dedicated subsidiary has been established to that effect;*

**Amendment 306**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 6 – paragraph 1 – point b – introductory part**

*Text proposed by the Commission*

(b) with its own capital or borrowed money  
and for the **sole** purpose of making a profit  
for own account:

*Amendment*

(b) with its own capital or borrowed money  
and for the **primary** purpose of making a  
profit for own account:

Or. en

**Amendment 307**  
**Neena Gill**

**Proposal for a regulation**  
**Article 6 – paragraph 1 – point b – introductory part**

*Text proposed by the Commission*

(b) with its own capital or borrowed money  
**and for the sole purpose of making a  
profit for own account:**

*Amendment*

(b) with its own capital or borrowed  
money:

Or. en

**Amendment 308**  
**Fabio De Masi**

**Proposal for a regulation**  
**Article 6 – paragraph 1 – point b – introductory part**

*Text proposed by the Commission*

(b) with its own capital or borrowed money  
and for the **sole** purpose of making a profit  
for own account:

*Amendment*

(b) with its own capital or borrowed money  
and for the purpose of making a profit for  
own account:

**Amendment 309**

**Markus Ferber**

**Proposal for a regulation**

**Article 6 – paragraph 1 – point b – point i**

*Text proposed by the Commission*

(i) acquire or retain units or shares of AIFs *as defined by* Article 4(1)(a) of Directive 2011/61/EU;

*Amendment*

(i) acquire or retain units or shares of AIFs ***which are considerably leveraged, meaning to exceed the marginal value of the global exposure relating to the use of derivative instruments of*** Article 51 (3) of Directive 2009/65/EC;

Or. en

*Justification*

*In accordance with a risk-based approach only investments in highly leveraged AIFs should be prohibited. Investments in AIFs with a risk profile that is comparable to UCITS should therefore not be prohibited.*

**Amendment 310**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 6 – paragraph 1 – point b – point i**

*Text proposed by the Commission*

(i) acquire or retain units or shares of AIFs as defined by Article 4(1)(a) of Directive 2011/61/EU;

*Amendment*

(i) ***extend credit or guarantees to or*** acquire or retain units or shares of AIFs as defined by Article 4(1)(a) of Directive 2011/61/EU;

Or. en

**Amendment 311**  
**Burkhard Balz**

**Proposal for a regulation**  
**Article 6 – paragraph 1 – point b – point i**

*Text proposed by the Commission*

(i) acquire or retain units or shares of AIFs  
*as defined by Article 4(1)(a) of Directive  
2011/61/EU;*

*Amendment*

(i) acquire or retain units or shares of AIFs  
***established in the Union or foreign AIFs,  
which are leveraged above the threshold  
defined in Article 111 of Delegated  
Regulation (EU) No 231/2013;***

Or. en

**Amendment 312**  
**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 6 – paragraph 1 – point b – point i**

*Text proposed by the Commission*

(i) acquire or retain units or shares of AIFs  
as defined by Article 4(1)(a) of Directive  
2011/61/EU;

*Amendment*

(i) acquire or retain units or shares of  
***substantially leveraged*** AIFs as defined by  
Article 4(1)(a) of Directive 2011/61/EU;

Or. en

*Justification*

*There are different types of AIFs with different leverages some with low leverage. Consistency with Volcker rule.*

**Amendment 313**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 6 – paragraph 1 – point b – point ii**

*Text proposed by the Commission*

(ii) invest in derivatives, certificates,

*Amendment*

(ii) invest in derivatives, certificates,

indices or any other financial instrument the performance of which is linked to shares or units of AIFs;

indices or any other financial instrument the performance of which is linked to shares or units of AIFs ***which are considerably leveraged, meaning to exceed the marginal value of the global exposure relating to the use of derivative instruments of Article 51 (3) of Directive 2009/65/EC;***

Or. en

*Justification*

*In accordance with a risk-based approach only investments in highly leveraged AIFs should be prohibited. Investments in AIFs with a risk profile that is comparable to UCITS should therefore not be prohibited.*

**Amendment 314**  
**Michael Theurer**

**Proposal for a regulation**  
**Article 6 – paragraph 1 – point b – point ii**

*Text proposed by the Commission*

(ii) invest in derivatives, certificates, indices or any other financial instrument the performance of which is linked to shares or units of AIFs;

*Amendment*

(ii) invest in derivatives, certificates, indices or any other financial instrument the performance of which is linked to shares or units of AIFs ***that are leveraged on a substantial basis as defined in Article 111 of delegated Commission Regulation no. 231/2013/EU;***

Or. en

*Justification*

*This amendment refines the definition of Alternative Investment Funds within scope to make it consistent with existing regulation under the Alternative Investment Funds Directive (AIFMD).*

**Amendment 315**  
**Burkhard Balz**



**Proposal for a regulation**

**Article 6 – paragraph 1 – point b – point ii**

*Text proposed by the Commission*

(ii) invest in derivatives, certificates, indices or any other financial instrument the performance of which is linked to shares or units of AIFs;

*Amendment*

(ii) invest in derivatives, certificates, indices or any other financial instrument the performance of which is linked to shares or units of AIFs ***established in the Union or foreign AIFs, which are leveraged above the threshold defined in Article 111 Delegated Regulation (EU) No 231/2013;***

Or. en

**Amendment 316**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 6 – paragraph 1 – point b – point ii**

*Text proposed by the Commission*

(ii) invest in derivatives, certificates, indices or any other financial instrument the performance of which is linked to shares or units of AIFs;

*Amendment*

(ii) invest in derivatives, certificates, indices or any other financial instrument the performance of which is linked to shares or units of ***substantially leveraged*** AIFs;

Or. en

*Justification*

*There are different types of AIFs with different leverages some with low leverage. Consistency with Volcker rule.*

**Amendment 317**

**Markus Ferber**

**Proposal for a regulation**

**Article 6 – paragraph 1 – point b – point iii**

*Text proposed by the Commission*

(iii) hold any units or shares in an entity that engages in proprietary trading or acquires units or shares in AIFs.

*Amendment*

(iii) hold any units or shares in an entity that engages in proprietary trading or acquires units or shares in AIFs ***which are considerably leveraged, meaning to exceed the marginal value of the global exposure relating to the use of derivative instruments of Article 51 (3) of Directive 2009/65/EC;***

Or. en

*Justification*

*In accordance with a risk-based approach only investments in highly leveraged AIFs should be prohibited. Investments in AIFs with a risk profile that is comparable to UCITS should therefore not be prohibited.*

**Amendment 318**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 6 – paragraph 1 – point b – point iii**

*Text proposed by the Commission*

(iii) hold any units or shares in an entity that engages in proprietary trading or acquires units or shares in AIFs.

*Amendment*

(iii) ***extend credit or guarantees to or*** hold any units or shares in an entity that engages in proprietary trading or acquires units or shares in AIFs.

Or. en

**Amendment 319**

**Fulvio Martusciello**

**Proposal for a regulation**

**Article 6 – paragraph 1 – point b – point iii**

*Text proposed by the Commission*

(iii) hold **any units or shares** in an entity that engages in proprietary trading or acquires units or shares in AIFs.

*Amendment*

(iii) hold **control pursuant to the Council Regulation (EC) No 139/2004** in an entity that engages in proprietary trading or acquires units or shares in AIFs.

Or. en

**Amendment 320**

**Burkhard Balz**

**Proposal for a regulation**

**Article 6 – paragraph 1 – point b – point iii**

*Text proposed by the Commission*

(iii) hold any units or shares in an entity that engages in proprietary trading or acquires units or shares in AIFs.

*Amendment*

(iii) hold any units or shares in an entity that engages in proprietary trading or acquires units or shares in AIFs **established in the Union or foreign AIFs, which are leveraged above the threshold defined in Article 111 Delegated Regulation (EU) No 231/2013.**

Or. en

**Amendment 321**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 6 – paragraph 1 – point b – point iii**

*Text proposed by the Commission*

(iii) hold any units or shares in an entity that engages in proprietary trading or acquires units or shares in AIFs.

*Amendment*

(iii) hold any units or shares in an entity that engages in proprietary trading or acquires units or shares in **substantially leveraged** AIFs.

Or. en

*Justification*

*There are different types of AIFs with different leverages some with low leverage. Consistency with Volcker rule*

**Amendment 322**

**Fabio De Masi**

**Proposal for a regulation**

**Article 6 – paragraph 1 – point b – point iii a (new)**

*Text proposed by the Commission*

*Amendment*

***(iii a) engage in lending or issuing of guarantees to AIFs;***

Or. en

**Amendment 323**

**Jakob von Weizsäcker, Jonás Fernández, Hugues Bayet, Peter Simon, Renato Soru**

**Proposal for a regulation**

**Article 6 – paragraph 1 – point b – point iii a (new)**

*Text proposed by the Commission*

*Amendment*

***(iii a) engage in lending to, grant guarantees to, or hold any financial instrument other than those listed in point (ii) of this paragraph issued by an AIF.***

Or. en

*Justification*

*Allowing banks to leverage AIFs offers no obvious advantage for efficient capital allocation but may lead to systemic risks related to proprietary trading (e.g. Long Term Capital Management). The fundamental reason for this is that risk characteristics of equity and debt converge in times of stress which is why providing credit to AIFs could lead to risks exposures similar to those incurred when holding equity in AIFs in times of stress.*

**Amendment 324**  
**Fabio De Masi**

**Proposal for a regulation**  
**Article 6 – paragraph 1 – point b – point iii b (new)**

*Text proposed by the Commission*

*Amendment*

***(iii b) engage in excessive speculation.***

Or. en

**Amendment 325**  
**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 6 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1 a. Notwithstanding paragraph 1(b)(i), entities referred to in Article 3 may:***  
***- provide seed capital to substantially leveraged AIFs up to 3% over a period of one year extendable twice from the date of their commitment; or***  
***- retain at least one share of contractual funds.***

Or. en

*Justification*

*To authorize seed funding and consistency with Volcker rule.*

**Amendment 326**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 6 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. The prohibition in point (a) of paragraph 1 shall not apply to:** *deleted*

*(a) financial instruments issued by Member States central governments or by entities listed in point (2) of Article 117 and in Article 118 of Regulation (EU) No 575/2013;*

*(b) a situation where an entity referred to in Article 3 meets all of the following conditions:*

*i) it uses its own capital as part of its cash management processes;*

*ii) it exclusively holds, purchases sells or otherwise acquires or disposes of cash or cash equivalent assets. Cash equivalent assets must be highly liquid investments held in the base currency of the own capital, be readily convertible to a known amount of cash, be subject to an insignificant risk of a change in value, have maturity which does not exceed 397 days and provide a return no greater than the rate of return of a three-month high quality government bond.*

Or. it

#### **Amendment 327**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

#### **Article 6 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. The prohibition in point (a) of paragraph 1 shall not apply to:** *deleted*

*(a) financial instruments issued by Member States central governments or by entities listed in point (2) of Article 117*

*and in Article 118 of Regulation (EU) No 575/2013;*

*(b) a situation where an entity referred to in Article 3 meets all of the following conditions:*

*(i) it uses its own capital as part of its cash management processes;*

*(ii) it exclusively holds, purchases sells or otherwise acquires or disposes of cash or cash equivalent assets. Cash equivalent assets must be highly liquid investments held in the base currency of the own capital, be readily convertible to a known amount of cash, be subject to an insignificant risk of a change in value, have maturity which does not exceed 397 days and provide a return no greater than the rate of return of a three-month high quality government bond.*

Or. en

#### *Justification*

*Trading in highly liquid securities (government or otherwise) should be permitted within the CCI subject to the CCI demonstrating that it is necessary to meet the prudent risk, capital, funding and liquidity management needs of the CCI's non-trading activities (the definition of cash equivalent assets has been moved to the article describing such permitted trading).*

#### **Amendment 328** **Pervenche Berès**

#### **Proposal for a regulation** **Article 6 – paragraph 2 – point a**

*Text proposed by the Commission*

*Amendment*

*(a) financial instruments issued by  
Member States central governments or by  
entities listed in point (2) of Article 117  
and in Article 118 of Regulation (EU) No  
575/2013;*

*deleted*

Or. en

**Amendment 329**

**Paul Tang**

**Proposal for a regulation**

**Article 6 – paragraph 2 – point a**

*Text proposed by the Commission*

*Amendment*

*(a) financial instruments issued by  
Member States central governments or by  
entities listed in point (2) of Article 117  
and in Article 118 of Regulation (EU) No  
575/2013;* **deleted**

Or. en

*Justification*

*Recent QE efforts of the ECB create a major opportunity to further reduce links between banks and member state governments. The ECB programme allows banks to reduce their public debt positions. Government bonds are already in a favoured position in the financial system, due to the low risk weight attached to them under Basel III. Banks are allowed to keep high quality government bonds, as cash equivalents, according recital 18/19 of the directive. By deleting this element we prevent that banks are stimulated to keep more government debt than is wise from a financial stability standpoint.*

**Amendment 330**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 6 – paragraph 2 – point a**

*Text proposed by the Commission*

*Amendment*

*(a) financial instruments issued by  
Member States central governments or by  
entities listed in point (2) of Article 117  
and in Article 118 of Regulation (EU) No  
575/2013;* **deleted**

Or. en



### *Justification*

*All financial instruments should be subject to supervisory assessment.*

#### **Amendment 331**

**Michael Theurer, Cora van Nieuwenhuizen**

#### **Proposal for a regulation**

#### **Article 6 – paragraph 2 – point b – introductory part**

##### *Text proposed by the Commission*

(b) a situation where an entity referred to in Article 3 meets all of the following conditions:

##### *Amendment*

(b) a situation where an entity referred to in Article 3 ***engages in proprietary trading through a separate legal entity or*** meets all of the following conditions:

Or. en

### *Justification*

*The amendment would allow for proprietary trading to be continued in a separate legal entity within a banking group rather than prohibited outright. This would reduce the risk of unintended consequences for market liquidity of an outright ban, but would preserve protection for depositors and create additional transparency.*

#### **Amendment 332**

**Jakob von Weizsäcker**

#### **Proposal for a regulation**

#### **Article 6 – paragraph 2 – point b – point ii**

##### *Text proposed by the Commission*

(ii) it exclusively holds, purchases sells or otherwise acquires or disposes of cash or cash equivalent assets. Cash equivalent assets must be highly liquid investments held in the base currency of the own capital, be readily convertible to a known amount of cash, be subject to an insignificant risk of a change in value, have maturity which does not exceed 397 days ***and*** provide a return no greater than the

##### *Amendment*

(ii) it exclusively holds, purchases, sells or otherwise acquires or disposes of cash or cash equivalent assets, ***without engaging in short-selling***. Cash equivalent assets must be highly liquid investments held in the base currency of the own capital, be readily convertible to a known amount of cash, be subject to an insignificant risk of a change in value, have maturity which does not exceed 397 days, provide a return no

rate of return of a three-month high quality government bond.

greater than the rate of return of a three-month high quality government bond ***and not be linked to shares or units of AIFs.***

Or. en

**Amendment 333**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 6 – paragraph 2 – point ba (new)**

*Text proposed by the Commission*

*Amendment*

***(ba) activities for the purpose of management of liquidity, interest rate, currency and credit risk of a network of institutions belonging to the same IPS in the meaning of Art. 113 (7) Regulation (EU) No. 575/2013.***

Or. en

**Amendment 334**  
**Michael Theurer**

**Proposal for a regulation**  
**Article 6 – paragraph 2 – point (ba) (new)**

*Text proposed by the Commission*

*Amendment*

***(ba) the management of liquidity, interest rate, currency and credit risk in a group or network according to Art. 113 (6), (7) Regulation (EU) No.575/2013 [CRR] or Art. 16(1) of regulation XXX [LCR delegated act].***

Or. en

*Justification*

*It should be clarified that any provision of services for the purpose of prudently managing*

*capital, liquidity and funding to members of a banking group/ network is not discriminated.*

**Amendment 335**  
**Michael Theurer**

**Proposal for a regulation**  
**Article 6 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***2 a. The prohibition in point (b) of paragraph 1 shall not apply for activities such as seed funding, asset bridging and co-investing.***

Or. en

*Justification*

*This amendment would allow the provision of support by banks in the setting up of new funds. These are common activities which are important to the process of establishing new investment funds (and which have as their objective the establishment of such funds rather than the making of a profit per se) and to prohibit them would risk damaging the fund industry as a whole.*

**Amendment 336**  
**Georgios Kyrtos**

**Proposal for a regulation**  
**Article 6 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***2 a. The prohibition in point (b) of paragraph 1 shall not apply if the amount of those activities is below 3% of the core credit institution's own funds, calculated on a consolidated basis. The amount of those activities above 3% of the core credit institution's own funds, calculated on a consolidated basis, shall be phased out during a period of five years after this Regulation enters into force.***

**Amendment 337**

**Neena Gill**

**Proposal for a regulation**

**Article 6 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

**3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to closed-ended and unleveraged AIFs as defined in Directive 2011/61/EU where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU , to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].** **deleted**

**Amendment 338**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 6 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

**3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to closed-ended and unleveraged AIFs as defined in Directive 2011/61/EU where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union** **deleted**

*according to Articles 35 or 40 of Directive 2011/61/EU , to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].*

Or. it

**Amendment 339**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 6 – paragraph 3**

*Text proposed by the Commission*

3. The restrictions laid down in *point (b) of* paragraph 1 shall not apply with regard to *closed-ended* and unleveraged AIFs as defined in Directive 2011/61/EU where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU , to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

*Amendment*

3. The restrictions laid down in paragraph 1 shall not apply with regard to **UCITS**, *closed-ended* and unleveraged AIFs as defined in Directive 2011/61/EU **or AIFs which are not considerably leveraged, meaning not to exceed the marginal value of the global exposure relating to the use of derivatives of Article 51 (3) of Directive 2009/65/EC** where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

Or. en

### *Justification*

*In accordance with a risk-based approach only investments in highly leveraged AIFs should be prohibited. Investments in AIFs with a risk profile that is comparable to UCITS should therefore not be prohibited.*

#### **Amendment 340**

**Frank Engel**

#### **Proposal for a regulation**

#### **Article 6 – paragraph 3**

##### *Text proposed by the Commission*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to ***closed-ended*** and ***unleveraged*** AIFs as defined in Directive 2011/61/EU where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

##### *Amendment*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to AIFs ***which do not employ leverage on a substantial basis*** as defined in Directive 2011/61/EU, ***and more specifically in Article 111 of delegated Commission Regulation (EU) No 231/2013***, where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

Or. fr

### *Justification*

*The Commission proposal seeks to exclude open-ended alternative investment funds (AIFs), whereas they actually present less of a risk (because they are more liquid and more transparent). In addition, some leveraged AIFs permit start-ups and growth for mid-sized companies. To meet the Commission's objective, accordingly, it must also be specified that the provision applies solely to AIFs employing leverage on a substantial basis as defined in Article 111 of Commission Delegated Regulation (EU) No 231/2013.*

**Amendment 341**  
**Thomas Mann**

**Proposal for a regulation**  
**Article 6 – paragraph 3**

*Text proposed by the Commission*

3. The restrictions laid down in **point (b) of** paragraph 1 shall not apply with regard to closed-ended and unleveraged AIFs as defined in Directive 2011/61/EU where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

*Amendment*

3. The restrictions laid down in paragraph 1 shall not apply with regard to **undertakings for collective investment in transferable securities (UCITS)**, closed-ended and unleveraged AIFs as defined in Directive 2011/61/EU where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU **or AIFs designated to an exposure which is in line with Art. 51 paragraph 3 of the UCITS Directive 2009/65/EC**, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

Or. en

**Amendment 342**  
**Syed Kamall, Beatrix von Storch, Sampo Terho**

**Proposal for a regulation**  
**Article 6 – paragraph 3**

*Text proposed by the Commission*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to closed-ended **and unleveraged AIFs** as defined in Directive 2011/61/EU **where those AIFs are established in the Union or, if they are not established in the**

*Amendment*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to closed-ended **AIFs, which are not significantly leveraged** as defined in Directive 2011/61/EU **and Article 111 of the Regulation 231/2013** to qualifying

***Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU***, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

Or. en

### *Justification*

*Given the vital role that EU venture capital funds, regulated by EUVECA, play in the real economy, it is important to exempt from the proprietary trading ban.*

## **Amendment 343** **Fulvio Martusciello**

### **Proposal for a regulation** **Article 6 – paragraph 3**

#### *Text proposed by the Commission*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to ***closed-ended and unleveraged AIFs as defined in*** Directive 2011/61/EU where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

#### *Amendment*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to ***closed-ended AIFs, to funds regulated by*** Directive 2011/61/EU, where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX] ***and to those funds which are not substantially leveraged AIFs as defined in Commission Delegated Regulation (EU) No 231/2013***



**Amendment 344**

**Danuta Maria Hübner, Philippe De Backer, Luděk Niedermayer**

**Proposal for a regulation**

**Article 6 – paragraph 3**

*Text proposed by the Commission*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to closed-ended **and unleveraged AIFs** as defined in Directive 2011/61/EU **where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU**, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

*Amendment*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to closed-ended **AIFs, which are not substantially leveraged**, as defined in Directive 2011/61/EU **and Article 111 of the Regulation 231/2013**, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

*Justification*

*A binary distinction between “leveraged” and “non-leveraged” funds is not appropriate and such a stark division may exclude from the exemption private equity funds which are investing in the real economy and do not pose any systemic risk given the small amounts of leverage that they are using. The exemption for private equity funds should rather be built on the distinction between AIFs that are substantially leveraged and AIFs that are not substantially leveraged. “Substantial leverage” is already defined in the AIFMD.*

**Amendment 345**

**Mady Delvaux**

**Proposal for a regulation**  
**Article 6 – paragraph 3**

*Text proposed by the Commission*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to ***closed-ended and unleveraged AIFs*** as defined in ***Directive 2011/61/EU*** where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

*Amendment*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to ***AIFs that do not use leverage on a substantial basis*** as defined in ***Article 111 of the Commission Delegated Regulation 231/2013*** where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

Or. en

*Justification*

*Allowing banks to hold/trade only AIFs that are unleveraged and closed-ended would potentially lead to unintended consequences for the AIF market. Only AIFs that are real hedge funds, namely those that use leverage on a substantial basis, should be targeted. Numerous AIFs are plain vanilla funds that pursue investment policies with risk profiles that are fully UCITS compliant (but do not apply for a UCITS authorisation as they do not target retail investors). For such funds there is no risk that they could be used to circumvent the ban of proprietary trading.*

**Amendment 346**  
**Burkhard Balz**

**Proposal for a regulation**  
**Article 6 – paragraph 3**

*Text proposed by the Commission*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to

*Amendment*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to

closed-ended and unleveraged AIFs as defined in Directive 2011/61/EU where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU , to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

***UCITS***, closed-ended and unleveraged AIFs as defined in Directive 2011/61/EU ***or AIFs where the investment policy does not allow a leverage above the threshold of Article 111 of Delegated Regulation (EU) No 231/2013*** where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU , to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

Or. en

**Amendment 347**  
**Cora van Nieuwenhuizen**

**Proposal for a regulation**  
**Article 6 – paragraph 3**

*Text proposed by the Commission*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to closed-ended and unleveraged AIFs as defined in Directive 2011/61/EU ***where those AIFs are established in the Union or, if they are not established in the Union, they are marketed in the Union according to Articles 35 or 40 of Directive 2011/61/EU*** , to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation (EU) No [XXX/XXXX].

*Amendment*

3. The restrictions laid down in point (b) of paragraph 1 shall not apply with regard to closed-ended and unleveraged AIFs as defined in Directive 2011/61/EU, ***UCITS, other funds marketed to retail investors and to AIFs where the mandate of the fund does not allow a leverage higher than laid down in Article 51(3) of Directive 2009/65/EU as referenced in Article 128(2)(b) of Regulation (EU) 575/2013***, to qualifying venture capital funds as defined in Article 3(b) of Regulation (EU) No 345/2013, to qualifying social entrepreneurship funds as defined in Article 3(b) of Regulation (EU) No 346/2013, and to AIFs authorized as ELTIFs in accordance with Regulation

*Justification*

*AIFs with leverage levels similar to UCITS firms should receive similar treatment.*

**Amendment 348**

**Jakob von Weizsäcker**

**Proposal for a regulation**

**Article 6 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

***3 a. Each entity referred to in this Article shall include in its annual report an explanation of how it complies with the requirements in paragraph 1.***

Or. en

**Amendment 349**

**Cora van Nieuwenhuizen**

**Proposal for a regulation**

**Article 6 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

***3 a. The prohibition in point (b) of paragraph 1 shall not apply if the amount of those activities is below 2% of the core credit institution's own funds, calculated on a consolidated basis. The amount of those activities above 2% of the core credit institution's own funds, calculated on a consolidated basis, shall be phased out during a period of five years after this Regulation enters into force.***

Or. en

**Amendment 350**  
**Fulvio Martusciello**

**Proposal for a regulation**  
**Article 6 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3 a. The separation laid down in paragraph 1 shall not apply to lending activity to funds referred to in paragraph 3.**

Or. en

**Amendment 351**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 6 – paragraph 4**

*Text proposed by the Commission*

*Amendment*

4. The management body of each entity referred to in Article 3 shall ensure that the requirements set out in paragraph 1 are complied with.

4. The management body of each entity referred to in Article 3 **and all members thereof individually** shall **permanently** ensure that the requirements set out in paragraph 1 are complied with.

Or. en

**Amendment 352**  
**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 6 – paragraph 4**

*Text proposed by the Commission*

*Amendment*

4. The management body of each entity referred to in Article 3 shall ensure that the requirements set out in paragraph 1 are

4. The management body of each entity referred to in Article 3 shall ensure that the requirements set out in paragraph 1 are

complied with.

complied with. *In particular, the credit institution or the EU parent must report qualitative and quantitative information to the competent authority and have in place appropriate procedures, reasonably designed to achieve compliance with the requirements set out in paragraph 1. Procedures shall include inter alia:*

- identifying, defining and monitoring activities within the credit institution;*
- establishing appropriate risk limits unit by unit for trading activities;*
- computing a comprehensive profit and loss attribution for each unit engaged in trading;*
- reviewing on a regular basis the compliance program;*
- aligning the remuneration of the staff with a prudent management of the risks involved.*

Or. en

#### *Justification*

*It is important to outline the procedures*

#### **Amendment 353**

**Marco Valli, Marco Zanni**

#### **Proposal for a regulation**

#### **Article 6 – paragraph 5**

##### *Text proposed by the Commission*

5. The requirements in paragraphs 1 to 4 shall apply as of [*OP please introduce exact date, 18 months after publication of the Regulation*].

##### *Amendment*

5. The requirements in paragraphs 1 to 4 shall apply as of [*OP please introduce exact date, 12 months after publication of the Regulation*].

Or. it

**Amendment 354**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 6 – paragraph 6**

*Text proposed by the Commission*

*Amendment*

**6. The Commission shall be empowered to adopt delegated acts in accordance with Article 36 to exempt from the prohibition referred to in point (a) of paragraph 1:** **deleted**

**(a) financial instruments other than those referred to in point (a) of paragraph 2 issued by governments of third countries that apply supervisory and regulatory arrangements at least equivalent to those applied within the Union, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013;**

**(b) financial instruments issued by Member States' regional governments, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013.**

Or. it

**Amendment 355**  
**Syed Kamall, Sampo Terho**

**Proposal for a regulation**  
**Article 7**

*Text proposed by the Commission*

*Amendment*

**Article 7**

**deleted**

**Rules on remuneration**

**Without prejudice to the remuneration rules laid down in Directive 2013/36/EU, the remuneration policy of the entities referred to in Article 3 shall be designed**

*and implemented in such a way that it does not, directly or indirectly, encourage or reward the carrying out by any staff member of activities prohibited in Article 6(1).*

Or. en

#### *Justification*

*Since proprietary trading is to be prohibited in accordance with Article 6, it is unclear why credit institutions would therefore continue to have remuneration policies which encourage such prohibited activities. Despite the ban in the Commission's Article 6, the existence of the Commission's Article 7, although unnecessary in light of the ban, could be seen to implicitly recognise the continuing existence of such activity.*

#### **Amendment 356** **Olle Ludvigsson**

#### **Proposal for a regulation** **Article 7 – paragraph 1**

##### *Text proposed by the Commission*

Without prejudice to the remuneration rules laid down in Directive 2013/36/EU, the remuneration policy of the entities referred to in Article 3 shall be designed and implemented in such a way that it does not, directly or indirectly, encourage or reward the carrying out by any staff member of activities prohibited in Article 6(1).

##### *Amendment*

Without prejudice to the remuneration rules laid down in Directive 2013/36/EU, the remuneration policy of the entities referred to in Article 3 shall be designed and implemented in such a way that it does not, directly or indirectly, encourage or reward the carrying out by any staff member of activities prohibited in Article 6(1). ***Social partners shall, where applicable, be consulted in this process, with respect for their rights to conclude and enforce collective agreements.***

Or. en

#### *Justification*

*It is important to underline that social partners should also in this context be engaged in the roles that they normally have.*



**Amendment 357**  
**Pervenche Berès**

**Proposal for a regulation**  
**Article 7 a (new)**

*Text proposed by the Commission*

*Amendment*

**Article 7 a**

***Competent authorities shall have the power to ban specific financial products that threaten the orderly functioning and integrity of financial markets or the stability of whole or part of the Union financial system. Before taking their decision, competent authorities shall consult EBA. EBA may decide to temporarily prohibit or restrict certain financial activities in accordance with Article 9 of Regulation No 1093/2010.***

Or. en

**Amendment 358**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Chapter 3 – title**

*Text proposed by the Commission*

*Amendment*

Separation of certain trading activities

Separation of certain trading activities ***and other measures***

Or. en

**Amendment 359**  
**Philippe Lamberts, Ernest Urtasun**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Chapter 3 – title**

*Text proposed by the Commission*

Separation of ***certain*** trading activities

*Amendment*

Separation of trading activities ***prohibited in a Core Credit Institution***

Or. en

**Amendment 360**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Chapter 3 – title**

*Text proposed by the Commission*

Separation of ***certain*** trading activities

*Amendment*

Separation of trading activities

Or. it

**Amendment 361**

**Fabio De Masi**

**Proposal for a regulation**

**Chapter 3 – title**

*Text proposed by the Commission*

Separation of ***certain*** trading activities

*Amendment*

Separation of trading ***and core credit*** activities

Or. en

**Amendment 362**

**Burkhard Balz**

**Proposal for a regulation**

**Chapter 3 – title**

*Text proposed by the Commission*

*Amendment*

***Separation of*** certain trading activities

***Measures on*** certain trading activities

Or. en

**Amendment 363**

**Krišjānis Kariņš**

**Proposal for a regulation**

**Chapter 3 – title**

*Text proposed by the Commission*

*Amendment*

***Separation of*** certain trading activities

***Evaluation of*** certain trading activities

Or. en

**Amendment 364**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Chapter 3 – title**

*Text proposed by the Commission*

*Amendment*

***Separation of*** certain trading activities

***Framework for*** certain trading activities

Or. en

**Amendment 365**

**Fabio De Masi**

**Proposal for a regulation**

**Article 8 – title**

*Text proposed by the Commission*

*Amendment*

***Scope of*** activities

***Core credit*** activities

Or. en

**Amendment 366**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. For the purposes of this Chapter, trading activities shall include **activities** other than:

*Amendment*

1. For the purposes of this Chapter, trading activities shall include **market making, investments in and acting as a sponsor for securitisation, trading in derivatives irrespective of whether it is part of the prudent management of its capital, liquidity and funding and any activity** other than:

Or. en

**Amendment 367**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 8 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. For the purposes of this Chapter, trading activities shall include activities other than:

*Amendment*

1. For the purposes of this Chapter, trading activities **prohibited for a core credit institution** shall include activities other than **those permitted for the core credit institution under Article 5a(new)**:

Or. en

*Justification*

*The Green proposed Article 5a(new) defines the "white list" what a core credit institution can do. Hence, under this approach, everything else is considered trading of one sort or another and must be separated for all banks in scope (or banned if it corresponds to prop trading). The rest of the points in Article 8 are therefore deleted as they are used as the basis of the positive definition in 5a(new).*

**Amendment 368**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. For the purposes of this Chapter, **trading** activities shall include **activities other than**:

*Amendment*

1. For the purposes of this Chapter, activities **conducted by core credit institutions** shall include **solely**:

Or. it

**Amendment 369**  
**Fabio De Masi**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. **For the purposes of this Chapter, trading activities shall include** activities other than:

*Amendment*

1. **Core credit institutions shall not conduct** activities other than:

Or. en

**Amendment 370**  
**Othmar Karas**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. For the purposes of this Chapter, trading activities shall include **activities other than**:

*Amendment*

1. For the purposes of this Chapter, trading activities shall **not** include **the following activities**:

Or. en

### *Justification*

*For consistency reasons and to avoid confusion for the following amendment, the amendment of the rapporteur was replicated.*

#### **Amendment 371**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

#### **Article 8 – paragraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

*(a) taking deposits that are eligible under the Deposit Guarantee Scheme in accordance with Directive 94/19/EC of the European Parliament and of the Council<sup>40</sup> ;*

*deleted*

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<sup>40</sup> *Directive 94/19/EC of the European Parliament and of the Council of 30 May 1994 on deposit-guarantee schemes (OJ L 135, 31/05/1994, pages 0005 to 0014).*

Or. en

#### **Amendment 372**

**Syed Kamall, Sampo Terho**

#### **Proposal for a regulation**

#### **Article 8 – paragraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

*(a) taking deposits that are eligible under the Deposit Guarantee Scheme in accordance with Directive 94/19/EC of the European Parliament and of the Council<sup>40</sup> ;*

*(a) taking qualifying deposits;*

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<sup>40</sup> *Directive 94/19/EC of the European Parliament and of the Council of 30 May*

**1994 on deposit-guarantee schemes (OJ L 135, 31/05/1994, pages 0005 to 0014).**

Or. en

*Justification*

*This amendment would have the effect of balancing protection for retail depositors, with choice for larger companies and sophisticated private investors based on their preferences and needs, by allowing larger deposits, not just those guaranteed by the DGSD, to be held in the CCI or the trading entity.*

**Amendment 373**

**Michael Theurer, Cora van Nieuwenhuizen**

**Proposal for a regulation**

**Article 8 – paragraph 1 – point a a (new)**

*Text proposed by the Commission*

*Amendment*

***(a a) the management of liquidity, interest rate, currency and credit risk in a group or network according to Art. 113 (6), (7) Regulation (EU) No.575/2013 [CRR] or Art. 16(1) of Commission Delegated Regulation (EU) 2015/61.***

Or. en

*Justification*

*It should be clarified that any provision of services for the purpose of prudently managing capital, liquidity and funding to members of a banking group/ network is not discriminated against.*

**Amendment 374**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 8 – paragraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

***(b) lending including, consumer credit, credit agreements relating to immovable property, factoring with or without recourse, financing of commercial transactions (including forfeiting);***

***deleted***

Or. en

**Amendment 375**

**Cora van Nieuwenhuizen, Philippe De Backer**

**Proposal for a regulation**

**Article 8 – paragraph 1 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

***(b a) providing guarantees***

Or. en

**Amendment 376**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 8 – paragraph 1 – point c**

*Text proposed by the Commission*

*Amendment*

***(c) financial leasing;***

***deleted***

Or. en

**Amendment 377**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 8 – paragraph 1 – point d**



*Text proposed by the Commission*

*Amendment*

*(d) payment services as defined in Article 4(3) of Directive 2007/64/EC of the European Parliament and of the Council<sup>41</sup> ;* *deleted*

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<sup>41</sup> *Directive of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market (OJ L 319 of 5.12.2007, pages 1 to 36).*

Or. en

**Amendment 378**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 8 – paragraph 1 – point e**

*Text proposed by the Commission*

*Amendment*

*(e) issuing and administering other means of payment such as travellers' cheques and bankers' drafts insofar as such activity is not covered by point (d);* *deleted*

Or. en

**Amendment 379**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 8 – paragraph 1 – point f**

*Text proposed by the Commission*

*Amendment*

*(f) money broking, safekeeping and administration of securities;* *deleted*

Or. en

**Amendment 380**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 8 – paragraph 1 – point g**

*Text proposed by the Commission*

*Amendment*

**(g) credit reference services;**

***deleted***

Or. en

**Amendment 381**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 8 – paragraph 1 – point h**

*Text proposed by the Commission*

*Amendment*

**(h) safe custody services;**

***deleted***

Or. en

**Amendment 382**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 8 – paragraph 1 – point i**

*Text proposed by the Commission*

*Amendment*

**(i) issuing electronic money.**

***deleted***

Or. en

**Amendment 383**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

***(i a) activities for the purpose of management of liquidity, interest rate, currency and credit risk of a network of institutions belonging to the same IPS in the meaning of Art. 113 (7) Regulation (EU) No. 575/2013 (CRR).***

Or. en

**Amendment 384**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

***(i a) advising clients on financial instruments referred to in Article 12 and providing such instruments originated by third parties as an agent.***

Or. en

**Amendment 385**  
**Frank Engel**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

***(ia) depository bank services***

Or. fr

**Amendment 386**  
**Fabio De Masi**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

***(i a) at clients' request offering advice on  
and marketing third-party financial  
instruments without acting as a principal.***

Or. en

**Amendment 387**  
**Michael Theurer, Cora van Nieuwenhuizen**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – point (i a) (new)**

*Text proposed by the Commission*

*Amendment*

***(i a) Asset management services such as  
portfolio management and investment  
advice.***

Or. en

*Justification*

*This new paragraph would make explicit that activities related to asset management will not  
be considered trading activities for the purpose of this legislation.*

**Amendment 388**  
**Othmar Karas**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

***(i a) assets purchased by the institutions in order to fulfil the requirements of the LCR according to the Commission Delegated Regulation 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions.***

Or. en

*Justification*

*Financial institutions are obliged to buy large amounts of liquid assets in order to comply with LCR regulation. Since these steps by financial institutions are only taken to fulfil regulatory standards, assets purchased to meet the LCR requirements should be excluded from the calculation of a possible separation of the entity.*

**Amendment 389**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – point i b (new)**

*Text proposed by the Commission*

*Amendment*

***(i b) assets purchased by the institutions in order to fulfil the requirements of the Liquidity Coverage Ratio as outlined in Regulation 575/2013/EU and Delegated Regulation 2015/61;***

Or. en

*Justification*

*Assets purchased in order to fulfil regulatory requirements such as the LCR should not be counted as a trading activity in the context of this regulation.*

**Amendment 390**  
**Burkhard Balz**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

*(i a) purchasing or holding one or more collective investment undertakings or holding capital instruments or voting rights in an entity that manages one or more collective investment undertakings provided that the investment policy of the collective investment undertaking does not exceed a leverage above the threshold of Article 111 Delegated Regulation (EU) No 231/2013.*

Or. en

**Amendment 391**  
**Cora van Nieuwenhuizen, Philippe De Backer**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

*(i a) the selling of interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing, and emission allowances, to non-financial clients and to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings, or to institutions providing occupational retirement benefits, where the sole purpose of the sale is to hedge interest rate risk, foreign exchange risk, credit risk, commodity risk or emissions allowance risk.*

**Amendment 392**  
**Morten Messerschmidt**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – point i a (new)**

*Text proposed by the Commission*

*Amendment*

***(i a) the selling of interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing, and emission allowances, to non-financial clients and to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings, or to institutions providing occupational retirement benefits where the sole purpose of the sale is to hedge interest rate risk, foreign exchange risk, credit risk, commodity risk or emissions allowance risk.***

Or. en

*Justification*

*Activities pursuant to article 11, 12 and 12 a (new) which are activities that can remain in the core credit institution in case of a separation decision according to article 10(3) should be excluded when calculation the trading activities leading to a decision according to article 10. It would be inconsistent to include them in the calculation of the trading activities but allow the activities to remain in the core credit institution if a separation decision is taken.*

**Amendment 393**  
**Morten Messerschmidt**

**Proposal for a regulation**  
**Article 8 – paragraph 1 – point i b (new)**

*Text proposed by the Commission*

*Amendment*

***(i b) activities for the purpose of prudently managing capital, liquidity, funding and the balance sheet;***

Or. en

*Justification*

*Activities pursuant to article 11, 12 and 12 a (new) which are activities that can remain in the core credit institution in case of a separation decision according to article 10(3) should be excluded when calculation the trading activities leading to a decision according to article 10. It would be inconsistent to include them in the calculation of the trading activities but allow the activities to remain in the core credit institution if a separation decision is taken.*

**Amendment 394**

**Thomas Mann**

**Proposal for a regulation**

**Article 8 – paragraph 1 – subparagraph 1 (new)**

*Text proposed by the Commission*

*Amendment*

***(j) purchasing or holding one or more Collective Investment Undertakings (CIUs) or holding capital instruments or voting rights in an entity that manages one or more CIUs provided that the designated exposure is in line with Art. 51 paragraph 3 of the UCITS Directive 2009/65/EC;***

Or. en

**Amendment 395**

**Morten Messerschmidt**

**Proposal for a regulation**

**Article 8 – paragraph 1 – point i c (new)**



*Text proposed by the Commission*

*Amendment*

***(i c) market making activities which do not pose a threat to the financial stability of the core credit institution or to the whole or any part of the Union financial system.***

Or. en

*Justification*

*Activities pursuant to article 11, 12 and 12 a (new) which are activities that can remain in the core credit institution in case of a separation decision according to article 10(3) should be excluded when calculation the trading activities leading to a decision according to article 10. It would be inconsistent to include them in the calculation of the trading activities but allow the activities to remain in the core credit institution if a separation decision is taken.*

**Amendment 396**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 8 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1a. All activities not listed in paragraph 1 shall be considered trading activities.***

***These trading activities are prohibited for core credit institutions, except for the cases referred to in Article 11(1), second subparagraph.***

Or. it

**Amendment 397**

**Fabio De Masi**

**Proposal for a regulation**

**Article 8 – paragraph 1 a (new)**

***1 a. In addition to the activities permitted under paragraph 1, core credit institutions may carry out certain trading activities as detailed below provided they can demonstrate to the competent authority that they are solely used for the purpose of prudently managing capital, liquidity and funding.***

***(a) the use of interest rate derivatives, foreign exchange derivatives and credit derivatives eligible for central counterparty clearing to hedge its overall balance sheet risk where the hedging activity is designed to reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution;***

***(b) purchasing and disposing of high quality liquid assets that at least meet the standards set out in Article 416 of the Regulation (EU) No 575/2013 for the purpose of managing the cash and liquidity position of the CCI;***

***(c) lending to and borrowing in the interbank markets for the purpose of managing the cash and liquidity position of the CCI subject to the conditions in Article 15 paragraph 1;***

***(d) issuance and repurchase of securities for the purpose of meeting the capital management needs of the CCIs core activities. This may include securitisation not considered to pose a threat to the financial stability of the CCI or to parts of or the whole of the Union financial system.***

Or. en

**Amendment 398**  
**Pervenche Berès**

**Proposal for a regulation**  
**Article 8 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1 a. The requirements of this Chapter shall apply to all credit institutions subject to the direct supervision of the ECB and to every entity referred to in point b of Article 3(1) that has, or within a period of three consecutive years - but not retroactively covering any period before this Regulation entered into force - has had total trading activities amounting to at least EUR 30 billion or 10 per cent of its total assets.***

Or. en

**Amendment 399**  
**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 8 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1 a. The requirements of this Chapter shall apply to all entities referred to in Article 3 paragraph (b) that for a period of three consecutive years have total trading activities amounting to at least EUR 70 billion or 10 per cent of the entity's total assets.***

Or. en

*Justification*

*Proportionality is important*

**Amendment 400**  
**Fabio De Masi**

**Proposal for a regulation**  
**Article 8 – paragraph 1 b (new)**

*Text proposed by the Commission*

*Amendment*

***1 b. Without prejudice to the remuneration rules laid down in Directive 2013/36/EU, the remuneration policy applicable to staff of the core credit institution engaged in hedging activities shall:***

***(a) aim at preventing any residual or hidden proprietary trading activities, whether disguised as risk management or otherwise;***

***(b) reflect the legitimate hedging objectives of the core credit institution as a whole and ensure that remuneration awarded is not directly determined by reference to the profits generated by such activities but takes account of the overall effectiveness of the activities in reducing or mitigating risk.***

***The management body shall ensure that the remuneration policy of the core credit institution is in line with the provisions set out in the first subparagraph, acting on the advice of the risk committee, where such a committee is established in accordance with Article 76(3) of Directive 2013/36/EU.***

Or. en

**Amendment 401**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 8 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. The requirements of this Chapter shall not apply to the buying or selling of financial instruments issued by Member States' central governments or by entities listed in point (2) of Article 117 and in Article 118 of Regulation (EU) No 575/2013.** *deleted*

Or. en

*Justification*

*Since investment in CRR Art 416 compliant liquid securities is a permitted activity under the Green proposal in Art 5a(new) - as long as it is to meet prudent "treasury" management objectives - this exemption is redundant.*

#### **Amendment 402**

**Marco Valli, Marco Zanni**

#### **Proposal for a regulation Article 8 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. The requirements of this Chapter shall not apply to the buying or selling of financial instruments issued by Member States' central governments or by entities listed in point (2) of Article 117 and in Article 118 of Regulation (EU) No 575/2013.** *deleted*

Or. it

#### **Amendment 403**

**Pervenche Berès**

#### **Proposal for a regulation Article 8 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. The requirements of this Chapter shall not apply to the buying or selling of financial instruments issued by Member States' central governments or by entities listed in point (2) of Article 117 and in Article 118 of Regulation (EU) No 575/2013.** *deleted*

Or. en

#### **Amendment 404**

**Paul Tang**

#### **Proposal for a regulation**

#### **Article 8 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. The requirements of this Chapter shall not apply to the buying or selling of financial instruments issued by Member States' central governments or by entities listed in point (2) of Article 117 and in Article 118 of Regulation (EU) No 575/2013.** *deleted*

Or. en

#### *Justification*

*Recent QE efforts of the ECB create a major opportunity to further reduce links between banks and member state governments. The ECB programme allows banks to reduce their public debt positions. Government bonds are already in a favoured position in the financial system, due to the low risk weight attached to them under Basel III. Banks are allowed to keep high quality government bonds, as cash equivalents, according recital 18/19 of the directive. By deleting this element we prevent that banks are stimulated to keep more government debt than is wise from a financial stability standpoint.*

#### **Amendment 405**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 8 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. The requirements of this Chapter shall not apply to the buying or selling of financial instruments issued by Member States' central governments or by entities listed in point (2) of Article 117 and in Article 118 of Regulation (EU) No 575/2013.** **deleted**

Or. en

*Justification*

*All financial instruments should be subject to supervisory assessment.*

**Amendment 406**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 8 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

**3. The Commission shall be empowered to adopt delegated acts in accordance with Article 35 to exempt financial instruments:** **deleted**

**(a) other than those referred to in paragraph 2 issued by governments of third countries that apply supervisory and regulatory arrangements at least equivalent to those applied within the Union, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013;**

**(b) issued by Member States' regional governments, exposures to which are assigned a 0 per cent risk weight in**

*accordance with Article 115 of Regulation (EU) No 575/2013.*

Or. en

*Justification*

*Since investment in CRR Art 416 compliant liquid securities is a permitted activity under the Green proposal in Art 5a(new) - as long as it is to meet prudent "treasury" management objectives - this exemption is redundant.*

**Amendment 407**

**Marco Valli, Marco Zanni**

**Proposal for a regulation  
Article 8 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

**3. The Commission shall be empowered to adopt delegated acts in accordance with Article 35 to exempt financial instruments:** **deleted**

**(a) other than those referred to in paragraph 2 issued by governments of third countries that apply supervisory and regulatory arrangements at least equivalent to those applied within the Union, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013;**

**(b) issued by Member States' regional governments, exposures to which are assigned a 0 per cent risk weight in accordance with Article 115 of Regulation (EU) No 575/2013.**

Or. it

**Amendment 408**

**Fabio De Masi**



**Proposal for a regulation**  
**Article 8 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

**3 a. The Commission shall by, [OP insert the correct date 6 months from publication of this Regulation] adopt delegated acts in accordance with Article 35 to specify which type of securitisation is not considered to pose a threat to the financial stability of the core credit institution or to the Union financial system as a whole with regard to each of the following aspects:**

**(i) the structural features, such as the embedded maturity transformation and simplicity of the structure;**

**(ii) the quality of the underlying assets and related collateral characteristics;**

**(iii) the listing and transparency features of the securitisation and its underlying assets;**

**(iv) the robustness and quality of the underwriting processes.**

Or. en

**Amendment 409**  
**Fabio De Masi**

**Proposal for a regulation**  
**Article 8 – paragraph 3 b (new)**

*Text proposed by the Commission*

*Amendment*

**3 b. The Commission shall, by [OP insert the correct date 6 months from publication of this Regulation] adopt delegated acts in accordance with Article 35 to specify the criteria for determining that the hedging activity referred to in paragraph 1 a (new) is designed to**

*reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution.*

Or. en

**Amendment 410**  
**Fabio De Masi**

**Proposal for a regulation**  
**Article 8 a (new)**

*Text proposed by the Commission*

*Amendment*

**Article 8 a**

**Trading activities**

*1. All trading activities not prohibited by Article 6 and not permitted for a core credit institution in Article 8 paragraph 1 to 5 shall be transferred to an economically, legally and operationally separate institution ("trading entity").*

*2. Trading entities shall not belong to the same group as core credit institutions. All contracts and other transactions entered into between core credit institutions and trading entities shall be done at arm's length.*

*3. Core credit institutions shall not hold capital instruments or voting rights in trading entities and vice versa.*

*Notwithstanding the first subparagraph, the competent authority may decide to allow core credit institutions that meet the requirements set out in Article 49(3)(a) or (b) of Regulation (EU) No 575/2013 to hold capital instruments or voting rights in a trading entity where the competent authority considers that holding such capital instruments or voting rights is indispensable for the functioning of the group and that the core credit institution*

*has taken sufficient measures in order to appropriately mitigate the relevant risks.*

*A core credit institution, which is neither a central nor a regional credit institution, shall not, in any case, be allowed to directly hold capital instruments or voting rights in any trading entity.*

*Prior to adopting a decision in accordance with this paragraph, the competent authority shall consult EBA.*

*The competent authority shall notify its decision to EBA. EBA shall publish a list of those institutions to which this paragraph has been applied.*

*4. In accordance with the applicable national law, the name or the designation of trading entities and core credit institutions shall be such that the public can easily identify which entity is a trading entity and which entity is a core credit institution.*

*5. After separation, trading entities shall comply with the obligations laid down in Parts Two, Three and Four and Parts Six, Seven and Eight of Regulation (EU) No 575/2013 and in Title VII of Directive 2013/36/EU.*

*6. Notwithstanding the criteria laid out in Article 3, trading entities shall in any case comply with the provisions of Article 6 of this Regulation.*

Or. en

**Amendment 411**  
**Fabio De Masi**

**Proposal for a regulation**  
**Article 9**

*Text proposed by the Commission*

*[...]*

*Amendment*

*deleted*

*Justification*

*Not needed due to mandatory separation for all entities falling under the scope of the Regulation.*

**Amendment 412**

**Jakob von Weizsäcker**

**Proposal for a regulation**

**Article 9 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. The competent authority shall assess trading activities including in particular: market making, investments in and acting as a sponsor for securitisation, and trading in derivatives ***other than those derivatives permitted under Articles 11 and 12 of the following entities:***

*Amendment*

1. The competent authority shall assess trading activities including in particular: market making, investments in and acting as a sponsor for securitisation, and trading in derivatives ***of the entities within the scope of this Regulation according to Article 3 and 4.***

**Amendment 413**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 9 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. The competent authority shall assess trading activities ***including in particular: market making, investments in and acting as a sponsor for securitisation, and trading in derivatives other than those derivatives permitted under Articles 11 and 12 of*** the following entities:

*Amendment*

1. The competent authority shall assess trading activities ***to determine the extent to which they are permissible activities*** under ***Article 5a(new)*** for the following entities:

### *Justification*

*Since the logic of the Green proposal is to separate, for all significant banks with significant trading exposures, the trading activities from those permitted for a CCI, the assessment is much simpler: are the activities to do with necessary (capital, liquidity, risk) management activities or not? If they are not, they must be carried out in a bankruptcy remote entity.*

#### **Amendment 414**

**Marco Valli, Marco Zanni**

#### **Proposal for a regulation**

#### **Article 9 – paragraph 1 – introductory part**

##### *Text proposed by the Commission*

1. The competent authority shall assess trading activities ***including in particular: market making, investments in and acting as a sponsor for securitisation, and trading in derivatives other than those derivatives permitted under Articles 11 and 12*** of the following ***entities***:

##### *Amendment*

1. The competent authority shall assess ***all*** trading activities ***of entities defined in Article 3 of this Regulation. The competent authority shall implement separation of trading activities from credit institutions if any one*** of the following ***thresholds is exceeded***:

Or. it

#### **Amendment 415**

**Krišjānis Kariņš**

#### **Proposal for a regulation**

#### **Article 9 – paragraph 1 – introductory part**

##### *Text proposed by the Commission*

1. The competent authority shall assess trading activities including in particular: market making, investments in and acting as a sponsor for securitisation, and trading in derivatives other than those derivatives permitted under Articles 11 and 12 of the following entities:

##### *Amendment*

1. The competent authority shall assess ***the risks associated with*** trading activities including in particular: market making, investments in and acting as a sponsor for securitisation, and trading in derivatives other than those derivatives permitted under Articles 11 and 12 of the following entities:

Or. en

**Amendment 416**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 9 – paragraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

***(a) a core credit institution established in the Union, which is neither a parent undertaking nor a subsidiary, including all its branches irrespective of where they are located;***

***deleted***

Or. en

**Amendment 417**  
**Neena Gill**

**Proposal for a regulation**  
**Article 9 – paragraph 1 – point a a (new)**

*Text proposed by the Commission*

*Amendment*

***(a a) Paragraph 1(a) shall not apply to a core credit institution which does not engage in the regulated activity of dealing in investments as principal and holding trading assets, with the exceptions of risk mitigating activities for the purpose of prudently managing its capital, liquidity and funding and of providing limited risk management services to customers.***

Or. en

**Amendment 418**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 9 – paragraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

***(b) an EU parent, including all branches and subsidiaries irrespective of where they are located, where one of the group entities is a core credit institution established in the Union;***

***deleted***

Or. en

**Amendment 419**  
**Neena Gill**

**Proposal for a regulation**  
**Article 9 – paragraph 1 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

***(b a) An assessment under paragraph 1(b) shall not affect any core credit institution within the group which is legally separated from group entities that engage in the regulated activity of dealing in investments as a principal or hold trading assets and which:***

***- is able to make decisions independently of other group entities;***

***- has a management body that is independent of other group entities;***

***- is subject to capital and liquidity requirements in its own right; and***

***- may not enter into contracts or transactions with other group entities other than on terms similar to those referred to in Article 13(7).***

***Where all core credit institutions within the group meet those conditions, paragraph 1(b) shall not apply.***

Or. en

**Amendment 420**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 9 – paragraph 1 – point c**

*Text proposed by the Commission*

*(c) EU branches of credit institutions  
established in third countries.*

*Amendment*

*deleted*

Or. en

**Amendment 421**  
**Pablo Zalba Bidegain**

**Proposal for a regulation**  
**Article 9 – paragraph 1 – point c**

*Text proposed by the Commission*

(c) EU branches of credit institutions  
established in third countries.

*Amendment*

(c) EU branches of credit institutions  
established in third countries, ***unless they  
are subject to a legal framework deemed  
equivalent in accordance with Article  
27(1) and with reciprocity with the EU  
legislation.***

Or. en

**Amendment 422**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 9 – paragraph 1 – subparagraph 1 (new)**

*Text proposed by the Commission*

*Amendment*

***Paragraph 1(a) shall not apply to a core  
credit institution which does not engage  
in the regulated activity of dealing  
in investments as principal and holding  
trading assets, with the exceptions of risk  
mitigating activities for the purpose***



*of prudently managing its capital, liquidity and funding and of providing limited risk management services to customers or institutions belonging to the same IPS according to Regulation EU No 575/2013.*

Or. en

**Amendment 423**

**Philippe Lamberts, Ernest Urtasun**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 9 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1 a. When performing the assessment referred to in paragraph 1, the competent authority shall use the definition of prudent of management of risk, capital and liquidity as laid down in this Regulation.***

Or. en

*Justification*

*When performing the assessment referred to in paragraph 1, the competent authority shall use the definition of prudent of management of risk, capital and liquidity as laid down in this Regulation*

**Amendment 424**

**Cora van Nieuwenhuizen**

**Proposal for a regulation**

**Article 9 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1 a. Paragraph 1(a) shall not apply to a core credit institution which does not***

*engage in the regulated activity of dealing in investments as principal and holding trading assets, with the exceptions of risk-mitigating activities for the purpose of prudently managing its capital, liquidity and funding and of providing limited risk management services to customers.*

Or. en

**Amendment 425**

**Syed Kamall, Beatrix von Storch, Sampo Terho**

**Proposal for a regulation**

**Article 9 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

*1 a. Notwithstanding paragraph 1, the competent authority may decide not to review the activities of any credit institution for the purposes of this Chapter, provided that:*

*(a) the core credit institution shall be statutorily prevented from engaging in the regulated activity of dealing in investments as principal and holding trading assets, with limited exceptions to allow the core credit institution to undertake risk-mitigating activities for the purpose of prudently managing its capital, liquidity and funding and to provide limited risk management services to customers; or*

*(b) if the core credit institution belongs to a group, it shall be legally separated from group entities that engage in the regulated activity of dealing in investments as principal or hold trading assets and meets the following conditions:*

*(i) it is able to make decisions independently of other group entities;*

*(ii) it has a management body that is independent of other group entities and*

*independent of the credit institution itself;*

*(iii) it is subject to capital and liquidity requirements in its own right;*

*(iv) it may not enter into contracts or transactions with other group entities other than on terms similar to those referred to in Article 13(7).*

*Separation or restrictions under national legislation must be achieved on a timetable comparable to separation under this Regulation.*

Or. en

#### *Justification*

*Where significant financial sector analysis has already been carried out in Member States and there are legislative measures already in place to address systemic risk through banking structural reform, these should be protected. It would be inconsistent with the original aims of the Commission proposal if such robust measures were reversed when they pursue super-equivalent outcomes. Therefore such measures should be allowed to continue working by providing for a specific exemption.*

#### **Amendment 426**

**Marco Valli, Marco Zanni**

#### **Proposal for a regulation**

#### **Article 9 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1a. The competent authority shall not implement separation if the credit institution's ratio of assets in trading instruments to total assets is less than 20%.***

Or. it

#### **Amendment 427**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 9 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1 a. Even when trading activities are separated from the rest of the group, as a result of national measures referred to in Article 1, as a result of the decision laid down in Article 10 or as a choice of the institution, the competent authority shall assess these trading activities with a view, where necessary, to implement intra-group large exposure limits referred to in Article 14 or further requirements such as additional capital surcharges and risk limits.***

Or. en

*Justification*

*The supervisory assessment should be conducted even if the entity is already separated, for consistency purposes and since the supervisor could still use other supervisory tools after separation.*

**Amendment 428**  
**Cora van Nieuwenhuizen, Philippe De Backer**

**Proposal for a regulation**  
**Article 9 – paragraph 1 b (new)**

*Text proposed by the Commission*

*Amendment*

***1 b. An assessment under paragraph 1(b) shall not affect any core credit institution within the group which is legally separated from group entities that engage in the regulated activity of dealing in investments as a principal or hold trading assets and which:***  
***- is able to make decisions independently of other group entities;***

- *has a management body that is independent of other group entities;*
- *is subject to capital and liquidity requirements in its own right; and*
- *may not enter into contracts or transactions with other group entities other than on terms similar to those referred to in Article 13(7).*

*Where all core credit institutions within the group meet those conditions, paragraph 1(b) shall not apply.*

Or. en

**Amendment 429**  
**Gunnar Hökmark**

**Proposal for a regulation**  
**Article 9 – paragraph 1 b (new)**

*Text proposed by the Commission*

*Amendment*

*1 b. An assessment under paragraph 1(b) shall not affect any core credit institution within the group which*

- *is legally separated from and neither holds capital instruments or voting rights in, nor is a subsidiary of, any group entity that engages in the regulated activity of dealing in investments as a principal or holds trading assets ("trading entity");*
- *is able to make decisions independently of other group entities;*
- *has a management body that is independent of other group entities;*
- *is subject to capital and liquidity requirements in its own right; and*
- *may not enter into contracts or transactions with other group entities other than on terms similar to those referred to in Article 13(7).*

*Justification*

*This amendment updates and replaces the previous amendment made by the Rapporteur (Amendment 36 in the draft report, Article 9 - paragraph 1b (new))*

**Amendment 430**  
**Gunnar Hökmark**

**Proposal for a regulation**  
**Article 9 – paragraph 1 ba (new)**

*Text proposed by the Commission*

*Amendment*

***1 ba. Where paragraph 1b applies, the EU parent of each core credit institution shall ensure to the extent necessary that the core credit institution can carry on its activities in the event of the insolvency of any trading entity within the group.***

Or. en

**Amendment 431**  
**Gunnar Hökmark**

**Proposal for a regulation**  
**Article 9 – paragraph 1 bb (new)**

*Text proposed by the Commission*

*Amendment*

***1 bb. Paragraph 1(b) shall not apply where:***

- all core credit institutions within the group meet the conditions of paragraph 1b;***
- the group is structured such that core credit institutions and trading entities are in distinct sub-groups on a sub-consolidated basis, each sub-group***

*containing only one type of entity; and*  
*- the name or the designation of each trading entity and of each core credit institution is such that the public can easily identify which entity is a trading entity and which entity is a core credit institution.*

Or. en

**Amendment 432**  
**Gunnar Hökmark**

**Proposal for a regulation**  
**Article 9 – paragraph 1 c (new)**

*Text proposed by the Commission*

*Amendment*

*1 c. Paragraphs 1a and 1b shall not apply:*  
*- to institutions and groups which have been deemed unresolvable following the assessment by the resolution authority provided for in Articles 15 and 16 of Directive 59/2014/EU [BRRD]*  
*- to institutions and groups which have not begun the process of complying with the conditions of those paragraphs before the assessment has begun.*

Or. en

*Justification*

*This amendment updates and replaces the previous amendment made by the Rapporteur (Amendment 37 in the draft report, Article 9 - paragraph 1 c (new))*

**Amendment 433**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 9 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**[...]**

***deleted***

Or. en

**Amendment 434**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 9 – paragraph 2 – introductory part**

*Text proposed by the Commission*

*Amendment*

2. When performing the assessment referred to in paragraph 1, the competent authority shall use ***the following metrics***:

2. When performing the assessment referred to in paragraph 1, the competent authority shall use ***qualitative and quantitative parameters, inter alia***:

Or. en

*Justification*

*Supervisors need flexibility beyond the set of indicative thresholds in order to apply their judgement, mindful of broader regulatory interactions and consequences for the financial system as a whole. The metrics provided in the Commission's proposal could usefully be complemented by other additional qualitative and quantitative parameters.*

**Amendment 435**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point a**

*Text proposed by the Commission*

*Amendment*

(a) ***the relative size*** of trading ***assets, as measured by trading assets divided by total assets***;

(a) ***the value*** of ***assets in*** trading ***instruments exceeds 10% of the value of*** total ***assets***;

Or. it



**Amendment 436**  
**Nils Torvalds**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point a**

*Text proposed by the Commission*

(a) the relative *size* of trading assets, as measured by trading assets divided by total assets;

*Amendment*

(a) the relative **risk** of trading assets, as measured by **the risk weighted** trading assets divided by **the total risk weighted** assets;

Or. en

*Justification*

*Proposes a risk-based measure, determining the ratio between risk in trading activities and total risk in the bank's activities.*

**Amendment 437**  
**Burkhard Balz**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point a**

*Text proposed by the Commission*

(a) the relative size of trading assets, as measured by trading *assets* divided by total *assets*;

*Amendment*

(a) the relative size of trading assets, as measured by **risk exposure of the trading book** divided by total **risk exposure in accordance with Regulation (EU) No 575/2013**;

Or. en

**Amendment 438**  
**Morten Messerschmidt**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point a**

*Text proposed by the Commission*

*Amendment*

(a) the relative size of trading assets, as measured by trading assets divided by total assets;

(a) the relative size of trading assets, as measured by **risk weighted** trading assets divided by **the** total **risk weighted** assets;

Or. en

*Justification*

*2(a) proposes a risk-based measure, determining the ratio between risk in trading activities and total risk in the bank's activities.*

**Amendment 439**

**Nils Torvalds**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point a a (new)**

*Text proposed by the Commission*

*Amendment*

***(a a) trading related risk exposures divided by total eligible liabilities for bail-in requirements as defined in Article 45 of Directive 59/2014/EU***

Or. en

*Justification*

*A risk-related metric based on prudential standards is proposed as a threshold to define banks in scope of the regulation as it is a more appropriate way of defining when a bank has too large exposures towards trading activities. It is also a relevant metric for assessing trading activities, as it is appropriate to relate the size of the trading activities to the size of the outstanding bail-in-able debt, since that is the real buffer that can be used to absorb losses before taxpayers' money is at risk.*

**Amendment 440**

**Morten Messerschmidt**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point b**

*Text proposed by the Commission*

(b) ***the leverage of trading assets as measured by trading assets*** divided by core Tier 1 capital;

*Amendment*

(b) trading ***related risk exposures*** divided by core Tier 1 capital;

Or. en

#### **Amendment 441**

**Marco Valli, Marco Zanni**

#### **Proposal for a regulation**

#### **Article 9 – paragraph 2 – point b**

*Text proposed by the Commission*

(b) ***the leverage of trading assets as measured by trading assets*** divided by core Tier 1 capital;

*Amendment*

(b) ***the leverage as measured by total assets*** divided by core Tier 1 capital ***exceeds 10***;

Or. it

#### **Amendment 442**

**Morten Messerschmidt**

#### **Proposal for a regulation**

#### **Article 9 – paragraph 2 – point c**

*Text proposed by the Commission*

(c) the relative importance of counterparty credit risk, as measured by the ***fair value of derivatives*** divided by total ***trading*** assets;

*Amendment*

(c) the relative importance of counterparty credit risk ***stemming from non-centrally cleared derivatives***, as measured by the ***risk weighted assets stemming from non-centrally cleared derivatives*** divided by total ***risk weighted*** assets;

Or. en

#### **Amendment 443**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point c**

*Text proposed by the Commission*

(c) *the relative importance of counterparty credit risk, as measured by the fair value of derivatives divided by total trading assets;*

*Amendment*

(c) *wholesale funding exceeds 40% of total liabilities;*

Or. it

**Amendment 444**  
**Nils Torvalds**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point c**

*Text proposed by the Commission*

(c) the relative importance of counterparty credit risk, as measured by the fair value of derivatives divided by total **trading** assets;

*Amendment*

(c) the relative importance of counterparty credit risk **to financial entities**, as measured by the fair value of derivatives **with financial entities** divided by total assets;

Or. en

**Amendment 445**  
**Nils Torvalds**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point c**

*Text proposed by the Commission*

(c) the relative importance of counterparty credit risk, as measured by the fair value of derivatives divided by total **trading** assets;

*Amendment*

(c) the relative importance of counterparty credit risk **to financial entities**, as measured by the fair value of derivatives **with financial entities as counterparty** divided by total assets;

Or. en

### *Justification*

*Importance of counterparty credit risk should be measured for activities with financial entities, in line with the principle that risk-management services to non-financial customers should not be subject to measures. Also, the size of the counterparty risk in the Commission's proposal is related to the size of trading assets. This means that even if the counterparty risk is small, the indicator will show a high value if the trading assets are even smaller. That leads to counterintuitive results.*

#### **Amendment 446**

**Burkhard Balz**

#### **Proposal for a regulation**

#### **Article 9 – paragraph 2 – point c**

##### *Text proposed by the Commission*

(c) the relative importance of counterparty credit risk, *as measured by the fair value of derivatives* divided by total *trading assets*;

##### *Amendment*

(c) the relative importance of counterparty credit risk *of derivatives according to Article 92(3) f) of Regulation (EU) No 575/2013* divided by total *risk exposure in line with Regulation (EU) No 575/2013*;

Or. en

#### **Amendment 447**

**Marco Valli, Marco Zanni**

#### **Proposal for a regulation**

#### **Article 9 – paragraph 2 – point d**

##### *Text proposed by the Commission*

(d) *the relative complexity of trading derivatives, as measured by level 2 and 3 trading derivatives assets divided by trading derivatives and by trading assets*;

##### *Amendment*

*deleted*

Or. it

**Amendment 448**  
**Nils Torvalds**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point d**

*Text proposed by the Commission*

*Amendment*

*(d) the relative complexity of trading derivatives, as measured by level 2 and 3 trading derivatives assets divided by trading derivatives and by trading assets;* *deleted*

Or. en

*Justification*

*Metrics are removed as they are not indicators of risk in trading activities.*

**Amendment 449**  
**Morten Messerschmidt**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point d**

*Text proposed by the Commission*

*Amendment*

*(d) the relative complexity of trading derivatives, as measured by level 2 and 3 trading derivatives assets divided by trading derivatives and by trading assets;* *deleted*

Or. en

*Justification*

*Metrics removed as they are not indicators of risk in trading activities.*

**Amendment 450**  
**Burkhard Balz**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point d**

*Text proposed by the Commission*

*Amendment*

(d) the relative complexity of trading derivatives, as measured by level 2 **and** 3 trading derivatives assets divided by trading derivatives and by trading assets;

(d) the relative complexity of trading derivatives, as measured by level 3 trading derivatives assets divided by trading derivatives and by trading assets;

Or. en

**Amendment 451**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point e**

*Text proposed by the Commission*

*Amendment*

***(e) the relative profitability of trading income, as measured by trading income divided by total net income;***

***deleted***

Or. it

**Amendment 452**

**Nils Torvalds**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point e**

*Text proposed by the Commission*

*Amendment*

***(e) the relative profitability of trading income, as measured by trading income divided by total net income;***

***deleted***

Or. en

*Justification*

*Metrics are removed as they are not indicators of risk in trading activities.*

**Amendment 453**  
**Morten Messerschmidt**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point e**

*Text proposed by the Commission*

*Amendment*

***(e) the relative profitability of trading income, as measured by trading income divided by total net income;*** ***deleted***

Or. en

*Justification*

*Metrics removed as they are not indicators of risk in trading activities.*

**Amendment 454**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point f**

*Text proposed by the Commission*

*Amendment*

***(f) the relative importance of market risk, as measured by computing the difference between trading assets and liabilities in absolute value and dividing it by the simple average between trading assets and trading liabilities;*** ***deleted***

Or. it

**Amendment 455**  
**Nils Torvalds**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point f**

*Text proposed by the Commission*

*Amendment*

(f) the relative importance of market risk, (f) the relative importance of market risk,



as measured by *computing the difference between trading assets and liabilities in absolute value and dividing it* by the *simple average between trading assets and trading liabilities*;

as measured by *the risk exposure amount for market risk divided* by the *total risk exposure amount*;

Or. en

#### *Justification*

*The proposed indicator is difficult to understand; the size of the risk exposure for market risk is a much more well-defined way to measure market risk.*

#### **Amendment 456**

**Morten Messerschmidt**

#### **Proposal for a regulation**

#### **Article 9 – paragraph 2 – point f**

##### *Text proposed by the Commission*

(f) the relative importance of market risk, as measured by *computing the difference between trading assets and liabilities in absolute value and dividing it* by the *simple average between trading assets and trading liabilities*;

##### *Amendment*

(f) the relative importance of market risk, as measured by *the risk exposure amount for market risk divided* by the *total risk exposure amount*;

Or. en

#### *Justification*

*The indicator proposed by the Commission in point 2(f) is difficult to understand, the size of the risk exposure for market risk is a much more well-defined and clear way to measure market risk.*

#### **Amendment 457**

**Marco Valli, Marco Zanni**

#### **Proposal for a regulation**

#### **Article 9 – paragraph 2 – point g**

*Text proposed by the Commission*

*Amendment*

***(g) the interconnectedness, as measured  
by the methodology referred to in Article  
131(18) of Directive 2013/36/EU;*** ***deleted***

Or. it

**Amendment 458**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h**

*Text proposed by the Commission*

*Amendment*

***(h) credit and liquidity risk arising from  
commitments and guarantees provided by  
the core credit institution.*** ***deleted***

Or. it

**Amendment 459**

**Nils Torvalds**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h**

*Text proposed by the Commission*

*Amendment*

***(h) credit and liquidity risk arising from  
commitments and guarantees provided by  
the core credit institution.*** ***deleted***

Or. en

*Justification*

*Metrics are removed as they are not indicators of risk in trading activities.*

**Amendment 460**

**Cora van Nieuwenhuizen, Philippe De Backer**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h**

*Text proposed by the Commission*

*Amendment*

***(h) credit and liquidity risk arising from commitments and guarantees provided by the core credit institution.*** ***deleted***

Or. en

**Amendment 461**

**Morten Messerschmidt**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h**

*Text proposed by the Commission*

*Amendment*

***(h) credit and liquidity risk arising from commitments and guarantees provided by the core credit institution.*** ***deleted***

Or. en

*Justification*

*Metrics removed as they are not indicators of risk in trading activities.*

**Amendment 462**

**Pervenche Berès**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h a (new)**

*Text proposed by the Commission*

*Amendment*

***(h a) the cartography of trading activities, including methods for assessing the need to build up inventories in order to meet***

*anticipated client demand;*

Or. en

**Amendment 463**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h a (new)**

*Text proposed by the Commission*

*Amendment*

*(h a) the cartography of trading activities, including methods for assessing the need to build up inventories in order to meet anticipated client demand;*

Or. en

*Justification*

*(ECB) supervisors need flexibility beyond the set thresholds in order to apply their judgement, mindful of broader regulatory interactions and consequences for the financial system as a whole. The metrics could usefully be complemented by additional qualitative and quantitative information.*

**Amendment 464**

**Morten Messerschmidt**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h a (new)**

*Text proposed by the Commission*

*Amendment*

*(h a) trading related risk exposures divided by eligible liabilities for bail-in requirements as defined in Article 45 of Directive 59/2014/EU [BRRD]*

Or. en

### *Justification*

*A risk-related metric based on prudential standards, as it is appropriate to relate the size of the trading activities to the size of the outstanding bail-in-able debt, since that is the real buffer that can be used to absorb losses before taxpayers' money are at risk.*

#### **Amendment 465**

**Jakob von Weizsäcker, Renato Soru, Peter Simon, Paul Tang**

#### **Proposal for a regulation**

**Article 9 – paragraph 2 – point h a (new)**

*Text proposed by the Commission*

*Amendment*

***(h a) the exposure to derivatives as measured by notional outstanding divided by total assets;***

Or. en

#### **Amendment 466**

**Jakob von Weizsäcker, Paul Tang, Renato Soru, Peter Simon**

#### **Proposal for a regulation**

**Article 9 – paragraph 2 – point h b (new)**

*Text proposed by the Commission*

*Amendment*

***(h b) the exposure to derivatives as measured by the sum of derivatives assets and derivatives liabilities divided by total assets;***

Or. en

#### **Amendment 467**

**Pervenche Berès**

#### **Proposal for a regulation**

**Article 9 – paragraph 2 – point h b (new)**

*Text proposed by the Commission*

*Amendment*

***(h b) the compliance framework  
implementing this regulation;***

Or. en

**Amendment 468**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h b (new)**

*Text proposed by the Commission*

*Amendment*

***(h b) the compliance framework  
implementing this regulation;***

Or. en

*Justification*

*(ECB) Supervisors need flexibility beyond the set thresholds in order to apply their judgement, mindful of broader regulatory interactions and consequences for the financial system as a whole. The metrics could usefully be complemented by additional qualitative and quantitative information.*

**Amendment 469**

**Pervenche Berès**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h c (new)**

*Text proposed by the Commission*

*Amendment*

***(h c) the compensation schemes for  
traders;***

Or. en

**Amendment 470**  
**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point h d (new)**

*Text proposed by the Commission*

*Amendment*

***(h d) the remuneration schemes;***

Or. en

*Justification*

*The metrics could usefully be complemented by other additional qualitative and quantitative parameters.*

**Amendment 471**  
**Jakob von Weizsäcker, Paul Tang, Renato Soru, Peter Simon**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point h c (new)**

*Text proposed by the Commission*

*Amendment*

***(h c) the non-bank loan to total asset ratio.***

Or. en

**Amendment 472**  
**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 9 – paragraph 2 – point h c (new)**

*Text proposed by the Commission*

*Amendment*

***(h c) additional quantitative data such as inventory turnover, value-at-risk variations, 'day 1 profit and loss', limits on trading desks and geographic***

*diversification of the trading activities.*

Or. en

*Justification*

*(ECB) supervisors need flexibility beyond the set thresholds in order to apply their judgement, mindful of broader regulatory interactions and consequences for the financial system as a whole. The metrics could usefully be complemented by additional qualitative and quantitative information.*

**Amendment 473**

**Pervenche Berès**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h d (new)**

*Text proposed by the Commission*

*Amendment*

*(h d) additional quantitative data such as inventory turnover, value-at-risk variations, 'day 1 profit and loss', limits on trading desks and geographic diversification of the trading activities.*

Or. en

**Amendment 474**

**Jakob von Weizsäcker, Paul Tang, Renato Soru, Peter Simon**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h d (new)**

*Text proposed by the Commission*

*Amendment*

*(h d) the ratio of corporate and investment banking revenues to total revenues*

Or. en



**Amendment 475**

**Jakob von Weizsäcker, Paul Tang, Renato Soru, Peter Simon**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h e (new)**

*Text proposed by the Commission*

*Amendment*

***(h e) the ratio of derivatives assets to total assets, where derivatives assets are derivatives with positive replacement values not identified as hedging or embedded derivatives.***

Or. en

**Amendment 476**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h e (new)**

*Text proposed by the Commission*

*Amendment*

***(h e) the risk management policy;***

Or. en

*Justification*

*The metrics could usefully be complemented by other additional qualitative and quantitative parameters.*

**Amendment 477**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h f (new)**

*Text proposed by the Commission*

*Amendment*

***(h f) the risk disclosure management;***

*Justification*

*The metrics could usefully be complemented by other additional qualitative and quantitative parameters.*

**Amendment 478**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 9 – paragraph 2 – point h g (new)**

*Text proposed by the Commission*

*Amendment*

***(h g) the policy to fight aggressive tax planning and tax havens;***

Or. en

*Justification*

*The metrics could usefully be complemented by other additional qualitative and quantitative parameters.*

**Amendment 479**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 9 – paragraph 2 – subparagraph 1 (new)**

*Text proposed by the Commission*

*Amendment*

***This assessment by the competent authority shall be carried out at a detailed level up to the desk where deemed relevant, and cover all trading activities, including market making.***

Or. en

*Justification*

*The supervisor needs to undertake a thorough and detailed assessment (granular approach, desk by desk...) with the help of the parameters in order to take a sound decision.*

**Amendment 480**

**Jakob von Weizsäcker**

**Proposal for a regulation**

**Article 9 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***2 a. The competent authority may require all quantitative and qualitative information it deems relevant for the assessment of trading activities under paragraph 1.***

Or. en

**Amendment 481**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 9 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***2 a. The competent authority may require all quantitative and qualitative information it deems relevant for the assessment of trading activities under paragraph 1.***

Or. en

*Justification*

*(ECB) Information is key in order for the supervisors to take a sound decision*

**Amendment 482**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 9 – paragraph 3**

*Text proposed by the Commission*

3. The competent authority shall have finalised its assessment by [*OP – please introduce 18* months from the day of publication of the Regulation], and shall carry out assessments on a regular basis, at least yearly, thereafter.

*Amendment*

3. The competent authority shall have finalised its assessment by [*OP – please introduce 12* months from the day of publication of the Regulation], and shall carry out assessments on a regular basis, at least yearly, thereafter.

Or. it

**Amendment 483**  
**Morten Messerschmidt**

**Proposal for a regulation**  
**Article 9 – paragraph 3**

*Text proposed by the Commission*

3. The competent authority shall have finalised its assessment by [*OP – please introduce 18* months from the day of publication of the Regulation], and shall carry out assessments on a regular basis, at least yearly, thereafter.

*Amendment*

3. The competent authority shall have finalised its assessment by [*OP – please introduce 18* months from the day of publication of the Regulation], and shall carry out assessments ***when appropriate and at least every 5 years, taking into account article 19*** on a regular basis, at least yearly, thereafter.

Or. en

*Justification*

*According to article 10(4) the decision referred to in article 10(3) will be subject to review every 5 years. The review period is proposed aligned in articles 9 and 10. This is needed to ensure predictability for market actors. See also the justification for amendments in article 19.*

**Amendment 484**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 9 – paragraph 4**

*Text proposed by the Commission*

*Amendment*

**4. EBA shall develop draft regulatory technical standards to specify how the metrics shall be measured and, where appropriate, specify the details of the metrics referred to in paragraph 2 and their measurement using supervisory data. The draft regulatory technical standards shall also provide the competent authority with a methodology for the consistent measurement and application of the metrics.**

**deleted**

**EBA shall submit those draft regulatory technical standards to the Commission by [OP – please introduce 1 month from the day of publication of the Regulation.]**

**Power is delegated to the Commission to adopt the draft regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.**

Or. en

**Amendment 485**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 9 – paragraph 4**

*Text proposed by the Commission*

*Amendment*

**4. EBA shall develop draft regulatory technical standards to specify how the metrics shall be measured and, where appropriate, specify the details of the**

**deleted**

*metrics referred to in paragraph 2 and their measurement using supervisory data. The draft regulatory technical standards shall also provide the competent authority with a methodology for the consistent measurement and application of the metrics.*

*EBA shall submit those draft regulatory technical standards to the Commission by [OP – please introduce 1 month from the day of publication of the Regulation.]*

*Power is delegated to the Commission to adopt the draft regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.*

Or. it

**Amendment 486**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 9 – paragraph 4 – subparagraph 1**

*Text proposed by the Commission*

EBA shall develop draft regulatory technical standards to specify how the metrics shall be measured and, where appropriate, specify the details of the metrics *referred to in paragraph 2* and their measurement using supervisory data. The draft regulatory technical standards shall also provide the competent authority with a methodology for the consistent measurement and application of the metrics.

*Amendment*

EBA shall develop draft regulatory technical standards to specify how the metrics *referred to in paragraph 2* shall be measured and, where appropriate, specify the details of the metrics and their measurement using supervisory data. The draft regulatory technical standards shall also provide the competent authority with a methodology for the consistent measurement and application of the metrics.

Or. en

**Amendment 487**  
**Fabio De Masi**

**Proposal for a regulation**  
**Article 10**

*Text proposed by the Commission*

*Amendment*

[...]

*deleted*

Or. en

*Justification*

*Not needed due to mandatory separation for all entities falling under the scope of the Regulation.*

**Amendment 488**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 10 – title**

*Text proposed by the Commission*

*Amendment*

Power of competent authority to require that a core credit institution does not carry out certain activities

Power of competent authority to require that a core credit institution does not carry out certain activities *and to impose other measures*

Or. en

**Amendment 489**  
**Tibor Szanyi**

**Proposal for a regulation**  
**Article 10 – title**

*Text proposed by the Commission*

*Amendment*

Power of competent authority to require that a core credit institution does not carry out certain activities

Power of competent authority to require that a core credit institution does not carry out certain activities *and to impose other*

**Amendment 490**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), *the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the financial stability of the core credit institution or to the Union financial system as a whole, taking into account the objectives referred to in Article 1,* it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the core credit institution *carries out trading activities that are not permitted* it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

**Amendment 491**

**Cora van Nieuwenhuizen**

**Proposal for a regulation**

**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and



conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the financial stability of the core credit institution or to the Union financial system *as a whole*, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the financial stability of the core credit institution or to the Union financial system, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

Or. en

#### Amendment 492

Marco Valli, Marco Zanni

#### Proposal for a regulation

#### Article 10 – paragraph 1

##### *Text proposed by the Commission*

1. Where the competent authority concludes that, *following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics* referred to in points (a) to (h) of Article 9(2) *and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the financial stability of the core credit institution or to the Union financial system as a whole, taking into account the objectives referred to in Article 1*, it shall, no later than *two months* after the finalisation of that assessment, start the procedure leading *to a decision as referred to in the second subparagraph of paragraph 3*.

##### *Amendment*

1. Where the competent authority concludes that *the thresholds* referred to in points (a) to (c) of Article 9(2) *are exceeded*, it shall, no later than *one month* after the finalisation of that assessment, start the procedure leading *to the separation of trading activities from credit institutions*.

Or. it

**Amendment 493**  
**Neena Gill**

**Proposal for a regulation**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the financial stability of the core credit institution or to the Union financial system as a whole, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the financial stability of the core credit institution or to the ***whole or part of the*** Union financial system as a whole, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

Or. en

**Amendment 494**  
**Tibor Szanyi**

**Proposal for a regulation**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the financial stability of the core credit institution or to the ***Union financial system as a whole***,

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the financial stability of the core credit institution or to the ***whole or part of the Union financial***

taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

**system**, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

Or. en

**Amendment 495**  
**Syed Kamall**

**Proposal for a regulation**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the financial stability of the core credit institution or to the Union financial system as a whole, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the **resolvability or the** financial stability of the core credit institution or to **the Member State or** the Union financial system as a whole, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

Or. en

**Amendment 496**  
**Fulvio Martusciello**

**Proposal for a regulation**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it **therefore** deems that there is a threat to the financial stability of the core credit institution or to the Union financial system as a whole, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it deems that there is a threat to the financial stability of the core credit institution or to the Union financial system as a whole, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

Or. en

**Amendment 497**

**Anneliese Dodds**

**Proposal for a regulation**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there **is** a threat to the financial stability of the core credit institution or to the Union financial system as a whole, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there **may be** a threat to the financial stability of the core credit institution or to the Union financial system as a whole, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

**Amendment 498**  
**Pervenche Berès**

**Proposal for a regulation**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to **(h)** of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it **therefore** deems that there is a threat to the financial stability of the core credit institution or to the **Union financial system as a whole**, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to **(hd)** of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it deems that there is a threat to the financial stability of the core credit institution or to the **whole or part of the Union financial system**, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

**Amendment 499**

**Jakob von Weizsäcker, Jonás Fernández, Peter Simon, Renato Soru**

**Proposal for a regulation**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h **b**) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems

that there is a threat to the financial stability of the core credit institution or to the ***Union financial system as a whole***, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

that there is a threat to the financial stability of the core credit institution or to the ***whole or part of the Union financial system***, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

Or. en

**Amendment 500**  
**Morten Messerschmidt**

**Proposal for a regulation**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the ***financial stability*** of the core credit institution ***or to the Union financial system as a whole***, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is a threat to the ***resolvability*** of the core credit institution, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

Or. en

*Justification*

*The key issue is whether the institution can be resolved considering the possible contagion from trading, when taking into account the possibility to use the tools stipulated in the BRRD, the ultimate goal being the protection of the core functions of the banking system and to avoid using tax payers money.*

**Amendment 501**  
**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), ***the limits and conditions linked to the metrics referred to in points (a) to (h) of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it therefore deems that there is*** a threat to the financial stability of the core credit institution or to the Union financial system ***as a whole***, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, ***start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.***

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), ***part or all of the trading activities represent*** a threat to the financial stability of the core credit institution or to the ***whole or part of the*** Union financial system, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, ***require the institution to take measures to mitigate excessive risk taking. The institution shall submit a report to the competent authorities outlining the measures that it has taken or intends to take to efficiently address those risks.***

Or. en

*Justification*

*Market making should be separated only if the risks it represents for financial stability, after a supervisory assessment for each activity, are deemed to outweigh the advantages it brings to liquidity marking.*

**Amendment 502**  
**Gunnar Hökmark**

**Proposal for a regulation**  
**Article 10 – paragraph 1**

*Text proposed by the Commission*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the ***limits and***

*Amendment*

1. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the conditions

conditions linked to the metrics referred to in points (a) to **(h)** of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it **therefore** deems that there is a threat to the **financial stability** of the core credit institution **or to the Union financial system as a whole**, taking into account the objectives referred to in Article 1, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3.

linked to the metrics referred to in points (a) to **(g)** of Article 9(2) and specified in the delegated act referred to in paragraph 5 are met, and it deems that there is a threat to the **resolvability** of the core credit institution, taking into account the objectives referred to in Article 1 **and the size, complexity and risk intensity of the institution**, it shall, no later than two months after the finalisation of that assessment, start the procedure leading to a decision as referred to in the second subparagraph of paragraph 3. **In its assessment of resolvability, the competent authority shall specifically regard the risk that financial problems in the core credit institution could spread to other credit institutions in case of a failure.**

Or. en

#### *Justification*

*This amendment updates and replaces the amendment 44 of the draft report. Losses in the trading business of a bank should not put at risk the critical functions that the core credit institution performs. The focus should be whether an institution is possible to resolve when taking trading activities into account. The key issue is whether the institution can be resolved appropriately considering the possible contagion from trading, when taking into account the possibility to use the BRRD measures, the ultimate goal being the protection of the core functions of the banking system.*

**Amendment 503**  
**Georgios Kyrtos**

**Proposal for a regulation**  
**Article 10 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1 a. There should be a clear hierarchy of supervisory measures of the competent authority in such a way that a requirement to separate certain activities will come into effect when all other possible measures have been exhausted.***



**Amendment 504**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 10 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. Where the limits and conditions referred to in paragraph 1 are not met, the competent authority may still start the procedure leading to a decision as referred to in the third subparagraph of paragraph 3 where it concludes, following the assessment referred to in Article 9(1), that any trading activity, with the exception of trading in derivatives other than those permitted under Article 11 and 12, carried out by the core credit institution, poses a threat to the financial stability of the core credit institution or to the Union financial system as a whole taking into account the objectives referred to in Article 1.** *deleted*

**Amendment 505**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 10 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. Where the limits and conditions referred to in paragraph 1 are not met, the competent authority may still start the procedure leading to a decision as referred to in the third subparagraph of paragraph 3 where it concludes, following** *deleted*

*the assessment referred to in Article 9(1), that any trading activity, with the exception of trading in derivatives other than those permitted under Article 11 and 12, carried out by the core credit institution, poses a threat to the financial stability of the core credit institution or to the Union financial system as a whole taking into account the objectives referred to in Article 1.*

Or. it

**Amendment 506**  
**Fulvio Martusciello**

**Proposal for a regulation**  
**Article 10 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

*2. Where the limits and conditions referred to in paragraph 1 are not met, the competent authority may still start the procedure leading to a decision as referred to in the third subparagraph of paragraph 3 where it concludes, following the assessment referred to in Article 9(1), that any trading activity, with the exception of trading in derivatives other than those permitted under Article 11 and 12, carried out by the core credit institution, poses a threat to the financial stability of the core credit institution or to the Union financial system as a whole taking into account the objectives referred to in Article 1.*

*deleted*

Or. en

*Justification*

*To eliminate any residual ambiguity on the fact that the competent authorities shall in any case assess the threat to financial stability even when the metric thresholds are met.*

**Amendment 507**  
**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 10 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. Where the limits and conditions referred to in paragraph 1 are not met, the competent authority may still start the procedure leading to a decision as referred to in the third subparagraph of paragraph 3 where it concludes, following the assessment referred to in Article 9(1), that any trading activity, with the exception of trading in derivatives other than those permitted under Article 11 and 12, carried out by the core credit institution, poses a threat to the financial stability of the core credit institution or to the Union financial system as a whole taking into account the objectives referred to in Article 1.** **deleted**

Or. en

*Justification*

*Market making should be separated only if the risks it represents for financial stability, after a supervisory assessment for each activity, are deemed to outweigh the advantages it brings to liquidity marking.*

**Amendment 508**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 10 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. Where the limits and conditions referred to in paragraph 1 are not met, the competent authority may still start the**

**2. Where the limits and conditions referred to in paragraph 1 are not met, the competent authority may still start the**

procedure leading to a decision as referred to in the third subparagraph of paragraph 3 where it concludes, following the assessment referred to in Article 9(1), that any trading activity, with the exception of trading in derivatives other than those permitted under Article 11 and 12, carried out by the core credit institution, poses a threat to the financial stability of the core credit institution or to the ***Union financial system as a whole*** taking into account the objectives referred to in Article 1.

procedure leading to a decision as referred to in the third subparagraph of paragraph 3 where it concludes, following the assessment referred to in Article 9(1), that any trading activity, with the exception of trading in derivatives other than those permitted under Article 11 and 12, carried out by the core credit institution, poses a threat to the financial stability of the core credit institution or to the ***whole or part of the Union financial system*** taking into account the objectives referred to in Article 1.

Or. en

**Amendment 509**  
**Cora van Nieuwenhuizen**

**Proposal for a regulation**  
**Article 10 – paragraph 2**

*Text proposed by the Commission*

2. Where the limits and conditions referred to in paragraph 1 are not met, the competent authority may still start the procedure leading to a decision as referred to in the third subparagraph of paragraph 3 where it concludes, following the assessment referred to in Article 9(1), that any trading activity, with the exception of trading in derivatives other than those permitted under Article 11 and 12, carried out by the core credit institution, poses a threat to the financial stability of the core credit institution or to the Union financial system ***as a whole*** taking into account the objectives referred to in Article 1.

*Amendment*

2. Where the limits and conditions referred to in paragraph 1 are not met, the competent authority may still start the procedure leading to a decision as referred to in the third subparagraph of paragraph 3 where it concludes, following the assessment referred to in Article 9(1), that any trading activity, with the exception of trading in derivatives other than those permitted under Article 11 and 12, carried out by the core credit institution, poses a threat to the financial stability of the core credit institution or to the Union financial system taking into account the objectives referred to in Article 1.

Or. en

**Amendment 510**  
**Neena Gill**

**Proposal for a regulation**  
**Article 10 – paragraph 2**

*Text proposed by the Commission*

2. Where the limits and conditions referred to in paragraph 1 are not met, the competent authority may still start the procedure leading to a decision as referred to in the third subparagraph of paragraph 3 where it concludes, following the assessment referred to in Article 9(1), that any trading activity, with the exception of trading in derivatives other than those permitted under Article 11 and 12, carried out by the core credit institution, poses a threat to the financial stability of the core credit institution or to the Union financial system as a whole taking into account the objectives referred to in Article 1.

*Amendment*

2. Where the limits and conditions referred to in paragraph 1 are not met, the competent authority may still start the procedure leading to a decision as referred to in the third subparagraph of paragraph 3 where it concludes, following the assessment referred to in Article 9(1), that any trading activity, with the exception of trading in derivatives other than those permitted under Article 11 and 12, carried out by the core credit institution, poses a threat to the financial stability of the core credit institution or to the ***whole or to part of the*** Union financial system as a whole taking into account the objectives referred to in Article 1.'

Or. en

**Amendment 511**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 1**

*Text proposed by the Commission*

***The competent authority shall notify its conclusions referred to in paragraphs 1 or 2 to the core credit institution and provide the core credit institution with the opportunity to submit written comments within two months from the date of the notification.***

*Amendment*

***deleted***

Or. it

## **Amendment 512**

**Sylvie Goulard, Norica Nicolai**

### **Proposal for a regulation**

#### **Article 10 – paragraph 3 – subparagraph 1**

##### *Text proposed by the Commission*

The competent authority shall notify its conclusions referred to in **paragraphs 1 or 2** to the core credit institution and provide the core credit institution with the opportunity to submit written comments within two months from the date of the notification.

##### *Amendment*

The competent authority shall notify its conclusions referred to in **paragraph 1** to the core credit institution and provide the core credit institution with the opportunity to submit written comments within two months from the date of the notification.

Or. en

##### *Justification*

*Market making should be separated only if the risks it represents for financial stability, after a supervisory assessment for each activity, are deemed to outweigh the advantages it brings to liquidity marking.*

## **Amendment 513**

**Bernd Lucke, Syed Kamall**

### **Proposal for a regulation**

#### **Article 10 – paragraph 3 – subparagraph 1 a (new)**

##### *Text proposed by the Commission*

##### *Amendment*

***Notwithstanding a decision by the competent authority to require a credit institution to not carry out trading activities listed in its conclusions, in due course and with due respect to market conditions, the competent authority may require capital ratios or liquidity requirements significantly larger than under CRR/CRD IV.***

Or. en

**Amendment 514**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

*Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.*

*deleted*

Or. it

**Amendment 515**  
**Cora van Nieuwenhuizen**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it *not to carry out* the trading activities *specified in those conclusions*. The competent authority shall state the reasons for its decision and publicly disclose it.

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it *to reduce the risk that potential losses stemming from, the trading, related activities are transferred to the core credit institution, by taking measures in accordance with Article 17 of Directive 2014/59/EU (BRRD) to restore the resolvability of the*

*credit institution. Measures that the competent authority may take shall include enhanced supervision, higher capital requirements, and separation of the relevant trading activities from the core credit institution.* The competent authority shall state the reasons for its decision and publicly disclose it.

Or. en

## **Amendment 516**

**Tibor Szanyi**

### **Proposal for a regulation**

#### **Article 10 – paragraph 3 – subparagraph 2**

##### *Text proposed by the Commission*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the *reasons leading to the conclusions are not justified*, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.

##### *Amendment*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the *activities referred to in paragraphs 1 and 2 of this Article do not pose a threat to financial stability of the core credit institution or to the whole or part of the Union financial system*, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.

Or. en

## **Amendment 517**

**Nils Torvalds**

### **Proposal for a regulation**

#### **Article 10 – paragraph 3 – subparagraph 2**



*Text proposed by the Commission*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it ***not to carry out the trading activities specified in those conclusions***. The competent authority shall state the reasons for its decision and publicly disclose it.

*Amendment*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it ***to reduce the risk that potential losses stemming from trading related activities are transferred to the core credit institution, by taking measures in accordance with Article 17 of the Directive 2014/59/EU to restore the resolvability of the credit institution. The core credit institution shall in the first instance propose measures to remove impediments to resolvability and only in a second instance, should the measures proposed by the core credit institution be regarded as inefficient, shall the consolidating supervisor take alternative measures in accordance with Article 17(5) of Directive 2014/59/EU***. The competent authority shall state the reasons for its decision and publicly disclose it.

Or. en

*Justification*

*Authorities should be equipped with a toolbox of measures to improve resolvability, rather than just having one option, separation. Measures should be graded in such a way that a requirement to separate certain activities would only come into play when all the other measures have been exhausted.*

**Amendment 518**

**Anneliese Dodds**

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.

*Amendment*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the **complete** satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.

Or. en

**Amendment 519**  
**Pervenche Berès**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the **reasons leading to the conclusions are not justified**, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.

*Amendment*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the **relevant trading activities do not pose a threat to the financial stability of the core credit institution or to the whole or part of the Union financial system**, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.

Or. en

**Amendment 520**  
**Neena Gill**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the ***reasons leading to the conclusions are not justified***, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.

*Amendment*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the ***relevant trading activities do not pose a threat to the financial stability of the core credit institution or to the whole or part of the Union financial system***, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.

Or. en

**Amendment 521**  
**Jakob von Weizsäcker, Jonás Fernández, Peter Simon, Renato Soru**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the ***reasons leading to the conclusions are not justified***, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.

*Amendment*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the ***activities referred to in paragraphs 1 and 2 of this Article do not pose a threat to financial stability of the core credit institution or to the whole or part of the Union financial system***, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities

specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.

Or. en

**Amendment 522**  
**Burkhard Balz**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it ***not to carry out the trading activities specified in those conclusions***. The competent authority shall state the reasons for its decision and publicly disclose it.

*Amendment*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it ***to reduce the risks that potential losses from trading related activities are passed on to the core credit institution, by taking measures in line with Article 17 of Directive 2014/59/EU. Measures that the competent authority may take shall include enhanced supervision, higher capital requirements and as a last resort separation of the relevant trading activities from the core credit institution***. The competent authority shall state the reasons for its decision and publicly disclose it.

Or. en

**Amendment 523**  
**Morten Messerschmidt**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it ***not to carry out*** the trading activities ***specified in those conclusions***. The competent authority shall state the reasons for its decision and publicly disclose it.

*Amendment*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it ***to reduce the risk that potential losses stemming from the trading related activities are transferred to the core credit institution, by taking measures in accordance with Article 17 of the Directive 2014/59/EU (BRRD) to restore the resolvability of the credit institution. The core credit institution shall in the first instance propose measures to remove impediments and only in the second instance, should the measures proposed by the core credit institution be regarded as inefficient, shall the consolidating supervisor take alternative measures in accordance with Article 17(5) of Directive 2014/59/EU.*** The competent authority shall state the reasons for its decision and publicly disclose it.

Or. en

*Justification*

*Authorities should be equipped with a toolbox of measures to improve resolvability, rather than just having one option, separation. The measures should be graded in such a way that a requirement to separate certain activities would only come into play when all other measures had been exhausted. This is an implicit consequence of the principle of proportionality, but it should be stated explicitly in the regulation.*

**Amendment 524**  
**Sander Loones**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. The competent authority shall state the reasons for its decision and publicly disclose it.

*Amendment*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions. ***Other measures by the competent authority may include enhanced supervision, higher capital or liquidity requirements.*** The competent authority shall state the reasons for its decision and publicly disclose it.

Or. en

**Amendment 525**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

***Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution and requiring it not to carry out the trading activities specified in those conclusions.*** The competent authority shall state the reasons for its decision and publicly disclose it.

*Amendment*

***The competent authority shall adopt a decision addressing the credit institution and requiring it not to carry out the trading activities specified in those conclusions that should be carried out in a segregated trading entity, or alternatively set risk limits or an additional loss absorbency capacity.*** The competent authority shall state the reasons for its decision and publicly disclose it.

Or. en

### *Justification*

*Market making should be separated only if the risks it represents for financial stability, after a supervisory assessment for each activity, are deemed to outweigh the advantages it brings to liquidity marking.*

#### **Amendment 526**

**Syed Kamall, Beatrix von Storch, Sampo Terho**

#### **Proposal for a regulation**

#### **Article 10 – paragraph 3 – subparagraph 2**

##### *Text proposed by the Commission*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution **and** requiring it **not** to carry out the trading activities specified in those conclusions. The competent authority shall **state the reasons for its decision and publicly disclose it.**

##### *Amendment*

Unless the core credit institution demonstrates, within the time limit referred to in the first subparagraph, to the satisfaction of the competent authority, that the reasons leading to the conclusions are not justified, the competent authority shall adopt a decision addressing the core credit institution, requiring it to **not** carry out the trading activities specified in those conclusions. ***If a decision by the competent authority does not include a requirement to stop certain activities, the core credit institution shall implement measures necessary to protect retail depositors eligible under the Deposit Guarantee Scheme in accordance with Directive 2014/49/EU by addressing any cross-subsidisation of risky trading activity through the introduction of a liquidity transfer pricing mechanism according to next subparagraph.***

Or. en

### *Justification*

*If a decision to separate a credit institution has not been taken, the competent authority can require the credit institution to introduce a mechanism to protect retail deposits used to fund trading activities. (See Amendments introducing subparagraphs 2a and 2b.)*

**Amendment 527**  
**Syed Kamall, Sampo Terho**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

*The liquidity transfer pricing mechanism must ensure the full and fair remuneration of deposits eligible under the Deposit Guarantee Scheme in accordance with Directive 2014/49/EU used to fund trading activities. The mechanism shall ensure the fair allocation of specific liquidity costs to trading activities as far as is possible at an individual transaction level. The mechanism shall ensure the full and fair remuneration of deposits eligible under the Deposit Guarantee Scheme in accordance with Directive 2014/49/EU based on the prevailing market rates for wholesale funding and terms of funding transactions between third party entities.*

Or. en

*Justification*

*If a credit institution wishes to fund its trading activities using qualifying retail deposits, it must put in place a mechanism to ensure that the retail deposit is remunerated at a level comparable with that of funding secured on the wholesale markets or from a third party. This will ensure the elimination of any cross subsidy from retail deposits eligible under the DGS to the trading activities of a credit institution.*

**Amendment 528**  
**Syed Kamall, Sampo Terho**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 2 b (new)**



*Text proposed by the Commission*

*Amendment*

***The mechanism shall be developed and administered by an area of the credit institution independent of the trading function. The competent authority shall review and monitor the operation of the liquidity transfer mechanism to ensure all liquidity costs, benefits and risks are properly captured.***

Or. en

*Justification*

*The governance of the mechanism should be independent of the trading function and monitored by the competent authority to ensure its proper functioning.*

**Amendment 529**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 3**

*Text proposed by the Commission*

*Amendment*

***For purpose of paragraph 1, where the competent authority decides to allow the core credit institution to carry out those trading activities it shall also state the reasons for that decision and publicly disclose it.***

***deleted***

Or. it

**Amendment 530**

**Jakob von Weizsäcker**

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 3**

*Text proposed by the Commission*

For purpose of paragraph 1, where the competent authority decides to allow the core credit institution to carry out those trading activities it shall also state the reasons for that decision and publicly disclose it.

*Amendment*

For purpose of paragraph 1, where the competent authority decides ***exceptionally*** to allow the core credit institution to carry out those trading activities it shall also state the reasons for that decision and publicly disclose it.

Or. en

**Amendment 531**

**Tibor Szanyi**

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 3**

*Text proposed by the Commission*

For purpose of paragraph 1, where the competent authority decides to allow the core credit institution to carry out those trading activities it shall also state the reasons for that decision and publicly disclose it.

*Amendment*

For purpose of paragraph 1, where the competent authority decides ***exceptionally*** to allow the core credit institution to carry out those trading activities it shall also state the reasons for that decision and publicly disclose it.

Or. en

**Amendment 532**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 3**

*Text proposed by the Commission*

***For purpose of paragraph 1, where the competent authority decides to allow the core credit institution to carry out those trading activities it shall also state the reasons for that decision and publicly disclose it.***

*Amendment*

***This decision shall be proportionate to the risks taken by credit institutions and to the necessity to safeguard a competitive European banking sector aiming at financing the economy.***

The competent authority *shall in particular authorise the* credit institution to carry out those *market making* activities *which do not pose a threat to the financial stability of the credit institution or to the whole or part of the Union financial system. For this purpose, the competent authorities shall consult all relevant authorities.*

Or. en

*Justification*

*Market making should be separated only if the risks it represents for financial stability, after a supervisory assessment for each activity, are deemed to outweigh the advantages it brings to liquidity marking.*

**Amendment 533**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 4**

*Text proposed by the Commission*

*Amendment*

*For purpose of paragraph 2, where the competent authority decides to allow the core credit institution to carry out trading activities the competent authority shall adopt a decision addressed to the core credit institution to that effect.*

*deleted*

Or. en

**Amendment 534**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 4**

*Text proposed by the Commission*

*Amendment*

***For purpose of paragraph 2, where the competent authority decides to allow the core credit institution to carry out trading activities the competent authority shall adopt a decision addressed to the core credit institution to that effect.***

***deleted***

Or. it

#### **Amendment 535**

**Sylvie Goulard, Norica Nicolai**

#### **Proposal for a regulation**

#### **Article 10 – paragraph 3 – subparagraph 4**

*Text proposed by the Commission*

*Amendment*

***For purpose of paragraph 2, where the competent authority decides to allow the core credit institution to carry out trading activities the competent authority shall adopt a decision addressed to the core credit institution to that effect.***

***deleted***

Or. en

#### **Amendment 536**

**Cora van Nieuwenhuizen**

#### **Proposal for a regulation**

#### **Article 10 – paragraph 3 – subparagraph 4**

*Text proposed by the Commission*

*Amendment*

***For purpose of paragraph 2, where the competent authority decides to allow the core credit institution to carry out trading activities the competent authority shall adopt a decision addressed to the core credit institution to that effect.***

The competent authority ***may, in particular, authorise*** the core credit institution to carry out ***those*** trading activities ***which do not pose a threat to the financial stability of*** the core credit institution ***or to the Union's financial system.***

**Amendment 537**  
**Pervenche Berès**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 4**

*Text proposed by the Commission*

For purpose of paragraph 2, where the competent authority decides to allow the core credit institution to carry out trading activities the competent authority shall adopt a decision addressed to the core credit institution to that effect.

*Amendment*

For purpose of paragraph 2, where the competent authority decides to allow the core credit institution to carry out trading activities the competent authority shall adopt a decision addressed to the core credit institution to that effect. ***The competent authority may in particular authorise the core credit institution to carry out those market making activities which do not pose a threat to the financial stability of the core credit institution or to the whole or part of the Union financial system.***

**Amendment 538**  
**Syed Kamall**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 4 a (new)**

*Text proposed by the Commission*

*Amendment*

***For the purpose of the conclusions referred to in paragraphs 1 or 2 and any decision referred to in this paragraph, the competent authority shall take account of the activities of any EU branches of credit institutions established in third countries and of the activities of subsidiaries of a credit institution or EU Parent within scope of this Regulation where that subsidiary is legally constituted outside of***

*the EU. The competent authority shall not address the conclusions referred to in paragraphs 1 or 2 and any decision referred to in this paragraph, in whole or in part, to the EU branches of credit institutions established in third countries or to the subsidiaries of a credit institution or EU Parent within scope of this Regulation where that subsidiary is legally constituted outside of the EU.*

Or. en

**Amendment 539**

**Othmar Karas**

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 4 a (new)**

*Text proposed by the Commission*

*Amendment*

*Unless the competent authority concludes that trading activities pose a threat to the resolvability of the core credit institution or to financial stability, the core credit institution does not need prior permission to carry out trading activities, and in particular market making activities.*

Or. en

*Justification*

*Especially on smaller and regional stock exchanges, market makers play a vital role in providing liquidity and therefore for a functioning secondary market. According to BSR proposal competent authorities may require CCIs not to carry out certain activities if they pose certain threats. By reverse as long as the competent authority does not prohibit such activities, CCIs are allowed to do so, which is hereby clarified.*

**Amendment 540**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 5**

*Text proposed by the Commission*

***Prior to adopting any decision referred to in this paragraph the competent authority shall consult the EBA on the reasons underlying its envisaged decision and on the potential impact of such a decision on the financial stability of the Union and the functioning of the internal market. The competent authority shall also notify the EBA of its final decision.***

*Amendment*

The competent authority ***shall inform the EBA of its final*** decision. ***The competent authority shall also publicly disclose and make accessible the separation*** decision.

Or. it

**Amendment 541**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 6**

*Text proposed by the Commission*

***The competent authority shall adopt its final decision within two months from having received the written comments referred to in the first subparagraph.***

*Amendment*

***deleted***

Or. it

**Amendment 542**

**Jakob von Weizsäcker**

**Proposal for a regulation**

**Article 10 – paragraph 3 – subparagraph 6**

*Text proposed by the Commission*

The competent authority shall adopt its final decision within two months from having received the written comments referred to in the first subparagraph.

*Amendment*

The competent authority shall adopt its final decision within two months from having received the written comments referred to in the first subparagraph ***or four***

*months after the notification referred to in the first subparagraph, whichever is earlier.*

Or. en

**Amendment 543**  
**Tibor Szanyi**

**Proposal for a regulation**  
**Article 10 – paragraph 3 – subparagraph 6**

*Text proposed by the Commission*

The competent authority shall adopt its final decision within two months from having received the written comments referred to in the first subparagraph.

*Amendment*

The competent authority shall adopt its final decision within two months from having received the written comments referred to in the first subparagraph *or four months after the notification referred to in the first subparagraph, whichever is earlier.*

Or. en

**Amendment 544**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 10 – paragraph 4**

*Text proposed by the Commission*

*4. The decisions referred to in the second subparagraph of paragraph 3 will be subject to review by the competent authority every 5 years.*

*Amendment*

*deleted*

Or. it

**Amendment 545**  
**Sylvie Goulard, Norica Nicolai**



**Proposal for a regulation**  
**Article 10 – paragraph 4**

*Text proposed by the Commission*

4. The decisions referred to in the second subparagraph of paragraph 3 will be subject to review by the competent authority every **5 years**.

*Amendment*

4. The decisions referred to in the second subparagraph of paragraph 3 will be subject to review by the competent authority ***at least every year in the context of the Supervisory Review and Evaluation Process that competent authorities shall carry out under Article 97 of Directive 2013/36/EU.***

Or. en

**Amendment 546**  
**Tibor Szanyi**

**Proposal for a regulation**  
**Article 10 – paragraph 4 a (new)**

*Text proposed by the Commission*

*Amendment*

***4 a. Notwithstanding separation decisions, the competent authority may impose additional capital and liquidity requirements that it deems necessary to counter a threat to the financial stability of the core credit institution or to the whole or part of the Union financial system.***

Or. en

**Amendment 547**  
**Jakob von Weizsäcker, Paul Tang, Jonás Fernández, Peter Simon, Renato Soru**

**Proposal for a regulation**  
**Article 10 – paragraph 4 a (new)**

*Text proposed by the Commission*

*Amendment*

***4 a. Notwithstanding separation decisions,***

*the competent authority may impose additional capital and liquidity requirements that it deems necessary to counter a threat to the financial stability of the core credit institution or to the whole or part of the Union financial system.*

Or. en

#### **Amendment 548**

**Jakob von Weizsäcker, Paul Tang, Renato Soru, Peter Simon**

#### **Proposal for a regulation**

#### **Article 10 – paragraph 4 b (new)**

*Text proposed by the Commission*

*Amendment*

*4 b. Where the competent authority concludes that, following the assessment referred to in Article 9(1), the metric referred to in point h c) of Article 9(2) falls below 40 percent or the metric referred to in point h d) of Article 9(2) exceeds 30 percent or the metric referred to in point h e) of Article 9(2) exceeds 15 percent, it shall no later than two months after the finalisation of that assessment adopt a final decision addressing the core credit institution and requiring it not to carry out certain trading activities and publicly disclose it.*

Or. en

#### *Justification*

*The universal banking model is based on the idea that a significant share of the balance sheet is to consist of loans directly to the real economy. As part of the assessment, the competent authority shall examine parameters such as the non-bank loan to total asset ratio, corporate and investment banking revenues as a percentage of total revenues and the ratio of derivatives assets to total assets to identify large institutions no longer operating as universal banks in the traditional sense of the word. Forcing separation of such banks will serve to reduce systemic risks, make the effects of this Regulation more predictable and serve to protect the universal banking model.*

**Amendment 549**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 10 – paragraph 5**

*Text proposed by the Commission*

*Amendment*

*[...]*

*deleted*

Or. en

**Amendment 550**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 10 – paragraph 5**

*Text proposed by the Commission*

*Amendment*

*[...]*

*deleted*

Or. it

**Amendment 551**  
**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**  
**Article 10 – paragraph 5 – introductory part**

*Text proposed by the Commission*

*Amendment*

5. The *Commission* shall, *[OP insert the correct date by 6 months of publication of this Regulation]* adopt delegated acts in accordance with Article 35 to:

5. The *EBA* shall *develop and submit guidance on the parameters to the competent authority.*

*In order to properly assess the risk, the EBA shall review regularly the guidance.*

Or. en

### *Justification*

*EBA is well placed to develop guidance on the parameters. Risks are evolving and it is therefore crucial to regularly update the information used by the supervisor to take its decision.*

#### **Amendment 552**

**Sylvie Goulard, Norica Nicolai**

#### **Proposal for a regulation**

#### **Article 10 – paragraph 5 – point a**

*Text proposed by the Commission*

*Amendment*

**(a) specify, with regard to the metrics:** **deleted**

**(a) the relevant limit of each of the metrics provided in points (a) to (h) of Article 9(1), above which the risk level of the trading activity concerned is deemed individually significant;**

**(ii) the conditions, including how many of the metrics need to exceed the relevant limit, and in what combination, in order for the competent authority to start the procedure referred to in Article 10(1).**

**(iii) The specification of the conditions in point (ii) shall include an indication of the level of the aggregate significant risk of the trading activity concerned that results from several metrics having exceeded the relevant limits referred to in point (i);**

Or. en

### *Justification*

*EBA is well placed to develop guidance on the parameters. Risks are evolving and it is therefore crucial to regularly update the information used by the supervisor to take its decision.*

#### **Amendment 553**

**Cora van Nieuwenhuizen, Philippe De Backer**

**Proposal for a regulation**

**Article 10 – paragraph 5 – point a – point a**

*Text proposed by the Commission*

(a) the relevant limit of each of the metrics provided in points (a) to **(h)** of Article 9(1), above which the risk level of the trading activity concerned is deemed individually significant;

*Amendment*

(a) **(i)** the relevant limit of each of the metrics provided in points (a) to **(g)** of Article 9(1), above which the risk level of the trading activity concerned is deemed individually significant;

Or. en

*Justification*

*Adjustment in line with amendment made to Article 9(1)*

**Amendment 554**

**Jakob von Weizsäcker**

**Proposal for a regulation**

**Article 10 – paragraph 5 – point a – point ii**

*Text proposed by the Commission*

(ii) the conditions, including how many of the metrics need to exceed the relevant limit, and in what combination, in order for the competent authority to start the procedure referred to in Article 10(1).

*Amendment*

(ii) the conditions, including how many of the metrics ***provided in points (a) to (hb) of Article 9(1)*** need to exceed the relevant limit, and in what combination, in order for the competent authority to start the procedure referred to in Article 10(1).

Or. en

**Amendment 555**

**Jakob von Weizsäcker**

**Proposal for a regulation**

**Article 10 – paragraph 5 – point a – point iii**

*Text proposed by the Commission*

(iii) The specification of the conditions in

*Amendment*

(iii) the specification of the conditions in

point (ii) shall include an indication of the level of the aggregate significant risk of the trading activity concerned that results from several metrics having exceeded the relevant limits referred to in point (i);

point (ii) shall include an indication of the level of the aggregate significant risk of the trading activity concerned that results from several metrics ***provided in points (a) to (h) of Article 9(1)*** having exceeded the relevant limits referred to in point (i);

Or. en

## **Amendment 556**

**Sylvie Goulard, Norica Nicolai**

### **Proposal for a regulation**

#### **Article 10 – paragraph 5 – point b**

*Text proposed by the Commission*

*Amendment*

***(b) specify which type of securitisation is not considered to pose a threat to the financial stability of the core credit institution or to the Union financial system as a whole with regard to each of the following aspects:***

***deleted***

***(i) the structural features, such as the embedded maturity transformation and simplicity of the structure;***

***(ii) the quality of the underlying assets and related collateral characteristics;***

***(iii) the listing and transparency features of the securitisation and its underlying assets;***

***(iv) the robustness and quality of the underwriting processes.***

Or. en

#### *Justification*

*EBA is well placed to develop guidance on the parameters. Risks are evolving and it is therefore crucial to regularly update the information used by the supervisor to take its decision.*

**Amendment 557**

**Jakob von Weizsäcker**

**Proposal for a regulation**

**Article 10 – paragraph 5 – point b – introductory part**

*Text proposed by the Commission*

(b) specify which type of securitisation is not considered to pose a threat to the financial stability of the core credit institution or to the ***Union financial system as a whole*** with regard to each of the following aspects:

*Amendment*

(b) specify which type of securitisation is not considered to pose a threat to the financial stability of the core credit institution or to the ***whole or part of the Union financial system*** with regard to each of the following aspects:

Or. en

**Amendment 558**

**Neena Gill**

**Proposal for a regulation**

**Article 10 – paragraph 5 – point b – introductory part**

*Text proposed by the Commission*

(b) specify which type of securitisation is not considered to pose a threat to the financial stability of the core credit institution or to the Union financial system as a whole with regard to each of the following aspects:

*Amendment*

(b) specify which type of securitisation is not considered to pose a threat to the financial stability of the core credit institution or to the ***whole or part of the*** Union financial system as a whole with regard to each of the following aspects:

Or. en

**Amendment 559**

**Tibor Szanyi**

**Proposal for a regulation**

**Article 10 – paragraph 5 – point b – introductory part**

*Text proposed by the Commission*

(b) specify which type of securitisation is not considered to pose a threat to the

*Amendment*

(b) specify which type of securitisation is not considered to pose a threat to the

financial stability of the core credit institution or to the *Union financial system as a whole* with regard to each of the following aspects:

financial stability of the core credit institution or to the *whole or part of the Union financial system* with regard to each of the following aspects:

Or. en

**Amendment 560**  
**Morten Messerschmidt**

**Proposal for a regulation**  
**Article 10 – paragraph 5 – point b – introductory part**

*Text proposed by the Commission*

(b) specify which type of securitisation is not considered to pose a threat to the *financial stability* of the core credit institution or to the Union financial system as a whole with regard to each of the following aspects:

*Amendment*

(b) specify which type of securitisation is not considered to pose a threat to the *resolvability* of the core credit institution or to the Union financial system as a whole with regard to each of the following aspects:

Or. en

*Justification*

*The focus should be whether an institution is possible to resolve, cf. amendments to article 10(1).*

**Amendment 561**  
**Fabio De Masi**

**Proposal for a regulation**  
**Article 11**

*Text proposed by the Commission*

*[...]*

*Amendment*

*deleted*

Or. en



*Justification*

*Incorporated in Article 8.*

**Amendment 562**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 11 – title**

*Text proposed by the Commission*

Prudent management of own risk

*Amendment*

Prudent management of own risk, **capital, liquidity and funding of a core credit institution**

Or. en

*Justification*

*This article should provide the benchmark according to which some trading activities are deemed essential to the prudent management of risk, capital, liquidity and funding and are therefore allowed within the CCI. It is appropriate to keep COM delegated acts to further specify what kind of instruments and activities this includes*

**Amendment 563**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 11 – title**

*Text proposed by the Commission*

**Prudent management of own risk**

*Amendment*

**Prohibited activities for a core credit institution**

Or. it

**Amendment 564**

**Jakob von Weizsäcker**

**Proposal for a regulation**

**Article 11 – paragraph 1 – subparagraph 1**

*Text proposed by the Commission*

A core credit institution that has been subject to a decision referred to in Article 10(3) may carry out trading activities to the extent that the purpose is limited to only prudently managing its capital, liquidity and funding.

*Amendment*

A core credit institution that has been subject to a decision referred to in Article 10(3) may carry out trading activities to the extent that the purpose is limited to only prudently managing its capital, liquidity and funding **and that the trading is carried out on a trading venue as defined in Directive 2014/65/EU.**

Or. en

**Amendment 565**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 11 – paragraph 1 – subparagraph 1**

*Text proposed by the Commission*

A core credit institution that has been subject to a ***decision referred to in Article 10(3)*** may carry out trading activities ***to the extent that the purpose is limited to only prudently managing its capital, liquidity and funding.***

*Amendment*

A core credit institution that has been subject to a ***separation*** may ***not*** carry out trading activities, ***except where stated in Article 11(1) subparagraph 2.***

Or. it

**Amendment 566**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 11 – paragraph 1 – subparagraph 1**

*Text proposed by the Commission*

A core credit institution ***that has been subject to a decision referred to in Article***

*Amendment*

***The*** core credit institution ***shall demonstrate to the competent supervisor***

***10(3) may carry out trading activities to the extent that the purpose is limited to only prudently managing its capital, liquidity and funding.***

***that any trading activities it carries out are solely for the purpose of prudently managing its capital, liquidity and funding. These activities include:***

***(a) the use of interest rate derivatives, foreign exchange derivatives and credit derivatives eligible for central counterparty clearing to hedge its overall balance sheet risk to which the CCI is exposed through the carrying out of its core activities where the hedging activity is designed to reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution;***

***(b) purchasing and disposing of cash equivalent assets for the purpose of management of the cash position of the CCI or high quality liquid assets that at least meet the standards set out in CRR Art 416 for the purpose of managing liquidity position of the CCI;***

***(c) lending to and borrowing in the interbank markets for the purpose of managing the cash and liquidity position of the CCI subject to the conditions in Article 15, paragraph 1;***

***(d) issuance and repurchase of securities for the purpose of meeting the capital management needs of the CCIs core activities. This may include securitisation not considered to pose a threat to the financial stability of the core credit institution or to the Union financial system as a whole;***

***Cash equivalent assets referred to in point (b) must be highly liquid investments held in the base currency of the own capital, be readily convertible to a known amount of cash, be subject to an insignificant risk of a change in value, have maturity which does not exceed 397 days and provide a return no greater than the rate of return of a three-month high quality government***

*bond.*

Or. en

**Amendment 567**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 11 – paragraph 1 – subparagraph 1**

*Text proposed by the Commission*

*A core credit institution that has been subject to a decision* referred to in Article 10(3) *may* carry out trading activities to the extent that the purpose is limited to only prudently managing its capital, liquidity and funding.

*Amendment*

*Without prejudice to the decision of the competent authority* referred to in Article 10(3), *a core credit institution may also* carry out trading activities to the extent that the purpose is limited to only prudently managing its capital, liquidity and funding.

Or. en

*Justification*

*(ECB) The suggested change aims to clarify that the separation decision will identify all the activities which the core credit institution may continue to perform*

**Amendment 568**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 11 – paragraph 1 – subparagraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

*A core credit institution may not purchase or hold direct or indirect shareholdings in non-financial companies. Equity holdings deriving from the payment of a guarantee given by borrowers for loans obtained are, however, permitted.*

Or. it

**Amendment 569**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 11 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

*As part of the prudent management of its capital, liquidity and funding, a core credit institution may only use interest rate derivatives, foreign exchange derivatives and credit derivatives eligible for central counterparty clearing to hedge its overall balance sheet risk. The core credit institution shall demonstrate to the competent supervisor that the hedging activity is designed to reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution.*

*deleted*

Or. en

**Amendment 570**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 11 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

As part of the prudent management of its capital, liquidity and funding, a core credit institution may only use interest rate derivatives, foreign exchange derivatives and credit derivatives eligible for central counterparty clearing to hedge its overall balance sheet risk. The core credit institution shall demonstrate to the competent supervisor that the hedging activity is designed to reduce, and

As part of the prudent management of its capital, liquidity and funding, a core credit institution may only use **standard (plain vanilla)** derivatives, foreign exchange derivatives and credit derivatives eligible for central counterparty clearing to hedge its overall balance sheet risk. The core credit institution shall demonstrate to the competent supervisor that the hedging activity is designed to reduce, and

demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution.

demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution.

Or. it

**Amendment 571**  
**Fulvio Martusciello**

**Proposal for a regulation**  
**Article 11 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

As part of the prudent management of its capital, liquidity and funding, a core credit institution may ***only use interest rate derivatives, foreign exchange derivatives and credit*** derivatives eligible for central counterparty clearing to hedge its overall balance sheet risk. The core credit institution shall demonstrate to the competent supervisor that the hedging activity is designed to reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution.

*Amendment*

As part of the prudent management of its capital, liquidity and funding, a core credit institution may ***use*** derivatives eligible for central counterparty clearing to hedge its overall balance sheet risk. The core credit institution shall demonstrate to the competent supervisor that the hedging activity is designed to reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution.

Or. en

*Justification*

*Non centrally cleared derivatives may be used if this ensures that the core credit institution achieves a balance sheet that is as well hedged as possible.*

**Amendment 572**  
**Luděk Niedermayer**

**Proposal for a regulation**  
**Article 11 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

As part of the prudent management of its capital, liquidity and funding, a core credit institution may **only** use interest rate derivatives, foreign exchange derivatives and credit derivatives **eligible for central counterparty clearing** to hedge its overall balance sheet risk. The core credit institution shall demonstrate to the competent supervisor that the hedging activity is designed to reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution.

*Amendment*

As part of the prudent management of its capital, liquidity and funding, a core credit institution may use interest rate derivatives, foreign exchange derivatives, **equity derivatives** and credit derivatives to hedge its overall balance sheet risk. The core credit institution shall demonstrate to the competent supervisor that the hedging activity is designed to reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution.

Or. en

*Justification*

*The distinction between cleared and non-cleared derivatives is not appropriate, as long as the bank can demonstrate to the supervisor that derivatives are used for the sole purpose of hedging its risks. Regulation should not discriminate a range of products, which are useful for the sound risk-management. This would prevent core credit institutions from hedging properly their risks.*

**Amendment 573**

**Cora van Nieuwenhuizen**

**Proposal for a regulation**

**Article 11 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

As part of the prudent management of its capital, liquidity and funding, a core credit institution may only use interest rate derivatives, foreign exchange derivatives and credit derivatives eligible **for central counterparty clearing** to hedge its overall balance sheet risk. The core credit institution shall demonstrate to the competent supervisor that the hedging

*Amendment*

As part of the prudent management of its capital, liquidity and funding, a core credit institution may only use interest rate derivatives, foreign exchange derivatives and credit derivatives eligible to hedge its overall balance sheet risk. The core credit institution shall demonstrate to the competent supervisor that the hedging activity is designed to reduce, and

activity is designed to reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution.

demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution. ***The competent supervisor may prohibit the core credit institution from using a type of instrument when it has good reason to believe that the use of such an instrument would pose a risk to the stability or resolvability of the core credit institution, or to the stability of the Union's financial system.***

Or. en

**Amendment 574**  
**Georgios Kyrtzos**

**Proposal for a regulation**  
**Article 11 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

As part of the prudent management of its capital, liquidity and funding, a core credit institution may only use interest rate derivatives, foreign exchange derivatives and credit derivatives eligible for central counterparty clearing to hedge its overall balance sheet risk. The core credit institution shall demonstrate to the competent supervisor that the hedging activity is designed to reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution.

*Amendment*

As part of the prudent management of its capital, liquidity and funding, a core credit institution may only use interest rate derivatives, foreign exchange derivatives and credit derivatives eligible for central counterparty clearing to hedge its overall balance sheet risk. The core credit institution shall demonstrate to the competent supervisor that the hedging activity is designed to reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution. ***Market making activities shall be exempted from limitations on the prudent management of own risk.***

Or. en



**Amendment 575**  
**Syed Kamall, Sampo Terho**

**Proposal for a regulation**  
**Article 11 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. Without prejudice to the remuneration rules laid down in Directive 2013/36/EU, the remuneration policy applicable to staff of the core credit institution engaged in hedging activities shall:** **deleted**

**(a) aim at preventing any residual or hidden proprietary trading activities, whether disguised as risk management or otherwise;**

**(b) reflect the legitimate hedging objectives of the core credit institution as a whole and ensure that remuneration awarded is not directly determined by reference to the profits generated by such activities but takes account of the overall effectiveness of the activities in reducing or mitigating risk.**

**The management body shall ensure that the remuneration policy of the core credit institution is in line with the provisions set out in the first subparagraph, acting on the advice of the risk committee, where such a committee is established in accordance with Article 76(3) of Directive 2013/36/EU.**

Or. en

*Justification*

*Since proprietary trading is to be prohibited in accordance with Article 6, it is unclear why credit institutions would therefore continue to have remuneration policies which encourage such prohibited activities.*

**Amendment 576**  
**Jakob von Weizsäcker**

**Proposal for a regulation**

**Article 11 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

The management body shall ensure that the remuneration policy of the core credit institution is in line with the provisions set out in the first subparagraph, acting on the advice of the risk committee, where such a committee is established in accordance with Article 76(3) of Directive 2013/36/EU.

*Amendment*

The management body ***and all members thereof individually*** shall ***continually*** ensure ***and include in the annual report*** that the remuneration policy of the core credit institution is in line with the provisions set out in the first subparagraph, acting on the advice of the risk committee, where such a committee is established in accordance with Article 76(3) of Directive 2013/36/EU.

Or. en

**Amendment 577**

**Olle Ludvigsson**

**Proposal for a regulation**

**Article 11 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

The management body shall ensure that the remuneration policy of the core credit institution is in line with the provisions set out in the first subparagraph, acting on the advice of the risk committee, where such a committee is established in accordance with Article 76(3) of Directive 2013/36/EU.

*Amendment*

The management body shall ensure that the remuneration policy of the core credit institution is in line with the provisions set out in the first subparagraph, acting on the advice of the risk committee, where such a committee is established in accordance with Article 76(3) of Directive 2013/36/EU. ***In doing this, the management body shall, where applicable, consult the social partners.***

Or. en

*Justification*

*It is important to underline that social partners should also in this context be engaged in the roles that they normally have.*

**Amendment 578**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 11 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

**3. The Commission shall be empowered to** **deleted**  
**adopt delegated acts in accordance with**  
**Article 35 of this Regulation to**  
**supplement the financial instruments**  
**referred to in paragraph 1 by adding other**  
**financial instruments including other**  
**types of derivatives, in particular those**  
**subject to the obligations set out in Article**  
**11 of Regulation (EU) No 648/2012 of the**  
**European Parliament and of the**  
**Council<sup>42</sup>, in order to take into account**  
**financial instruments, which have the**  
**same effect on financial stability as those**  
**mentioned in paragraph 1 for the purpose**  
**of prudent management of capital,**  
**liquidity and funding.**

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<sup>42</sup> Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

Or. en

**Amendment 579**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 11 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

**3. The Commission shall be empowered to** **deleted**  
**adopt delegated acts in accordance with**  
**Article 35 of this Regulation to**

*supplement the financial instruments referred to in paragraph 1 by adding other financial instruments including other types of derivatives, in particular those subject to the obligations set out in Article 11 of Regulation (EU) No 648/2012 of the European Parliament and of the Council<sup>1</sup>, in order to take into account financial instruments, which have the same effect on financial stability as those mentioned in paragraph 1 for the purpose of prudent management of capital, liquidity and funding.*

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<sup>42</sup> *Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.*

Or. it

**Amendment 580**  
**Luděk Niedermayer**

**Proposal for a regulation**  
**Article 11 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

**3. The Commission shall be empowered to adopt delegated acts in accordance with Article 35 of this Regulation to supplement the financial instruments referred to in paragraph 1 by adding other financial instruments including other types of derivatives, in particular those subject to the obligations set out in Article 11 of Regulation (EU) No 648/2012 of the European Parliament and of the Council<sup>42</sup>, in order to take into account financial instruments, which have the** **deleted**

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<sup>1</sup> Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

*same effect on financial stability as those mentioned in paragraph 1 for the purpose of prudent management of capital, liquidity and funding.*

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<sup>42</sup> *Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.*

Or. en

### *Justification*

*The distinction between cleared and non-cleared derivatives is not appropriate, as long as the bank can demonstrate to the supervisor that derivatives are used for the sole purpose of hedging its risks. Regulation should not discriminate a range of products, which are useful for the sound risk-management. This would prevent core credit institutions from hedging properly their risks.*

### **Amendment 581**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

**Article 11 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

***3 a. The Commission shall, [OP insert the correct date by 6 months of publication of this Regulation] adopt delegated acts in accordance with Article 35 to specify which type of securitisation is not considered to pose a threat to the financial stability of the core credit institution or to the Union financial system as a whole with regard to each of the following aspects:***

***(i) the structural features, such as the embedded maturity transformation and simplicity of the structure;***

***(ii) the quality of the underlying assets***

*and related collateral characteristics;*  
*(iii) the listing and transparency features*  
*of the securitisation and its underlying*  
*assets;*  
*(iv) the robustness and quality of the*  
*underwriting processes.*

Or. en

**Amendment 582**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 11 – paragraph 3 b (new)**

*Text proposed by the Commission*

*Amendment*

*3 b. The Commission shall, [OP insert the correct date by 6 months of publication of this Regulation] adopt delegated acts in accordance with Article 35 to specify the criteria for determining that the hedging activity referred to in paragraph 1 is designed to reduce, and demonstrably reduces or significantly mitigates, specific, identifiable risks of individual or aggregated positions of the core credit institution.*

Or. en

**Amendment 583**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 12**

*Text proposed by the Commission*

*Amendment*

*[...]*

*deleted*

**Amendment 584**

**Fabio De Masi**

**Proposal for a regulation**

**Article 12**

*Text proposed by the Commission*

*Amendment*

*[...]*

*deleted*

Or. en

*Justification*

*Partly incorporated in Article 8.*

**Amendment 585**

**Markus Ferber**

**Proposal for a regulation**

**Article 12 – paragraph 1 – subparagraph 1 – introductory part**

*Text proposed by the Commission*

*Amendment*

*A core credit institution that has been subject to a decision* referred to in Article 10(3) **may** sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives **eligible for central counterparty clearing** and emission allowances to its non-financial clients, to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits **when** the following conditions have been satisfied:

*Without prejudice to the decision of the competent authority* referred to in Article 10(3), **a core credit institution may also** sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives and emission allowances to its non-financial clients, to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits, **and to institutions belonging to the same IPS referred to in Art. 113 (7) Regulation EU No. 575/2013 and may engage in offsetting transactions to lay off risk in such sales, when** the

following conditions have been satisfied:

Or. en

#### **Amendment 586**

**Jakob von Weizsäcker**

#### **Proposal for a regulation**

#### **Article 12 – paragraph 1 – subparagraph 1 – introductory part**

##### *Text proposed by the Commission*

A core credit institution that has been subject to a decision referred to in Article 10(3) may ***sell*** interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing and emission allowances to its non-financial clients, to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits when the following ***conditions have*** been satisfied:

##### *Amendment*

A core credit institution that has been subject to a decision referred to in Article 10(3) may, ***as an agent, offer*** interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing and emission allowances to its non-financial clients, to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits, ***all of the above as third party products***, when the following ***condition has*** been satisfied:

Or. en

#### **Amendment 587**

**Marco Valli, Marco Zanni**

#### **Proposal for a regulation**

#### **Article 12 – paragraph 1 – subparagraph 1 – introductory part**

##### *Text proposed by the Commission*

A core credit institution that has been subject to ***a decision referred to in Article 10(3)*** may sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives

##### *Amendment*

A core credit institution that has been subject to ***a separation*** may ***not*** sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty



eligible for central counterparty clearing and emission allowances to its non-financial clients, to financial entities ***referred to in the second and third indents of point (19) of Article 5***, to insurance undertakings and to institutions providing for occupational retirement benefits ***when the following conditions have been satisfied***:

clearing and emission allowances to its non-financial clients, to financial entities, to insurance undertakings and to institutions providing for occupational retirement benefits.

Or. it

**Amendment 588**  
**Frank Engel**

**Proposal for a regulation**

**Article 12 – paragraph 1 – subparagraph 1 – introductory part**

*Text proposed by the Commission*

A core credit institution that has been subject to a decision referred to in Article 10(3) may sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives ***eligible for central counterparty clearing*** and emission allowances to its ***non-financial*** clients, ***to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits*** when the following conditions have been satisfied:

*Amendment*

A core credit institution that has been subject to a decision referred to in Article 10(3) may sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives and emission allowances to its clients when the following conditions have been satisfied:

Or. fr

*Justification*

*In the European Market Infrastructure Regulation, the legislative authority acknowledged the existence and usefulness of non-standard derivatives, which should be sold over the counter, however, rather than via the central counterparty clearing mechanism. Non-standard derivatives should be included within the scope of Article 12. However, the selling of derivative products should not be restricted to a limited number of financial entities, since*

*that would be detrimental to smaller clients, who would be offered derivatives at higher cost.*

#### **Amendment 589**

**Cora van Nieuwenhuizen**

#### **Proposal for a regulation**

#### **Article 12 – paragraph 1 – subparagraph 1 – introductory part**

##### *Text proposed by the Commission*

A core credit institution that has been subject to a decision referred to in Article 10(3) may sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives ***eligible for central counterparty clearing*** and emission allowances to its non-financial clients, to financial entities referred to in ***the*** second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits when the following conditions have been satisfied:

##### *Amendment*

A core credit institution that has been subject to a decision referred to in Article 10(3) may sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives and emission allowances to its non-financial clients, to financial entities referred to in ***the first***, second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits when the following conditions have been satisfied:

Or. en

#### **Amendment 590**

**Michael Theurer**

#### **Proposal for a regulation**

#### **Article 12 – paragraph 1 – subparagraph 1 – introductory part**

##### *Text proposed by the Commission*

***A core credit institution that has been subject to a decision*** referred to in Article 10(3) ***may*** sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing and emission allowances to its non-

##### *Amendment*

***Without prejudice to the decision of the competent authority*** referred to in Article 10(3), ***a core credit institution may also*** sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing and emission

financial clients, to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits when the following conditions have been satisfied:

allowances to its non-financial clients, to financial entities referred to in the second and third indents of point (19) of Article 5 ***except those mentioned in indent four***, to insurance undertakings and to institutions providing for occupational retirement benefits when the following conditions have been satisfied:

Or. en

### *Justification*

*The amendment of Mr. Hökmark is a step in the right direction. According to Art. 12 paragraph 1, a core credit institution that has been subject to a decision according to Art. 10 (3) may sell different kinds of derivatives eligible for CCP clearing and emission allowances to its non-financial customers. However, the limitation to non-financial customers is not sufficient. Therefore the scope of Art. 12 should be extended to all credit institutions.*

### **Amendment 591** **Fulvio Martusciello**

#### **Proposal for a regulation**

#### **Article 12 – paragraph 1 – subparagraph 1 – introductory part**

##### *Text proposed by the Commission*

A core credit institution that has been subject to a decision referred to in Article 10(3) may ***sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing and emission allowances*** to its non-financial clients, ***to*** financial entities referred to in the second and third indents of point (19) of Article 5, ***to*** insurance undertakings and ***to*** institutions providing for occupational retirement benefits when the following conditions have been satisfied:

##### *Amendment*

A core credit institution that has been subject to a decision referred to in Article 10(3) may ***enter into*** derivatives ***eligible for central counterparty clearing or subject to the risk mitigation techniques as per article 11 of regulation 9EU) No 648/2012*** with its non-financial clients, financial entities referred to in the second and third indents of point (19) of Article 5, insurance undertakings and institutions providing for occupational retirement benefits when the following conditions have been satisfied:

Or. en

**Amendment 592**  
**Burkhard Balz**

**Proposal for a regulation**

**Article 12 – paragraph 1 – subparagraph 1 – introductory part**

*Text proposed by the Commission*

A core credit institution that has been subject to a decision referred to in Article 10(3) may sell interest rate derivatives, **foreign exchange derivatives**, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing **and** emission allowances to its non-financial clients, to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits when the following conditions have been satisfied:

*Amendment*

A core credit institution that has been subject to a decision referred to in Article 10(3) may sell interest rate derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing **as well as** emission allowances **and foreign exchange derivatives** to its non-financial clients, to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits when the following conditions have been satisfied:

Or. en

**Amendment 593**  
**Luděk Niedermayer**

**Proposal for a regulation**

**Article 12 – paragraph 1 – subparagraph 1 – introductory part**

*Text proposed by the Commission*

A core credit institution that has been subject to a decision referred to in Article 10(3) may sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing and emission allowances to its non-financial clients, to financial entities referred to in the second and third indents

*Amendment*

A core credit institution that has been subject to a decision referred to in Article 10(3) may sell interest rate derivatives, foreign exchange derivatives, credit derivatives, **equity derivatives**, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing and emission allowances to its non-financial clients, to financial entities referred to in the second and third indents

of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits when the following conditions have been satisfied:

of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits when the following conditions have been satisfied:

Or. en

*Justification*

*There is no reason for excluding equity derivatives.*

**Amendment 594**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 12 – paragraph 1 – subparagraph 1 – introductory part**

*Text proposed by the Commission*

A core credit institution that has been subject to a decision referred to in Article 10(3) may sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing and emission allowances to its non-financial clients, to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits when ***the following conditions have been satisfied:***

*Amendment*

***Without prejudice to the decision of the competent authority referred to in Article 10(3),*** a core credit institution that has been subject to a decision referred to in Article 10(3) may ***also*** sell interest rate derivatives, foreign exchange derivatives, credit derivatives, emission allowances derivatives and commodity derivatives eligible for central counterparty clearing and emission allowances to its non-financial clients, to financial entities referred to in the second and third indents of point (19) of Article 5, to insurance undertakings and to institutions providing for occupational retirement benefits when ***the sole purpose of the sale is to hedge interest rate risk, foreign exchange risk, credit risk, commodity risk or emissions allowance risk.***

Or. en

*Justification*

*(ECB partly) As underlined in the ECB opinion, the restriction of activities for the institution should be case by case.*

**Amendment 595**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 12 – paragraph 1 – subparagraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

*(a) the sole purpose of the sale is to hedge interest rate risk, foreign exchange risk, credit risk, commodity risk or emissions allowance risk;* *deleted*

Or. it

**Amendment 596**

**Sylvie Goulard, Norica Nicolai**

**Proposal for a regulation**

**Article 12 – paragraph 1 – subparagraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

*(a) the sole purpose of the sale is to hedge interest rate risk, foreign exchange risk, credit risk, commodity risk or emissions allowance risk;* *deleted*

Or. en

*Justification*

*the restriction of activities for the institution should be made on a case by case basis.*

**Amendment 597**

**Fulvio Martusciello**

**Proposal for a regulation**

**Article 12 – paragraph 1 – subparagraph 1 – point a**

*Text proposed by the Commission*

*Amendment*

(a) the sole purpose of the sale is to hedge interest rate risk, ***foreign exchange risk, credit risk, commodity risk or emissions allowance risk***;

(a) the sole purpose of the sale is to hedge interest rate risk;

Or. en

**Amendment 598**

**Jakob von Weizsäcker**

**Proposal for a regulation**

**Article 12 – paragraph 1 – subparagraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

***(b) the core credit institution's own funds requirements for position risk arising from the derivatives and emission allowances does not exceed a proportion of its total risk capital requirement to be specified in a Commission delegated act in accordance with paragraph 2.*** ***deleted***

Or. en

**Amendment 599**

**Marco Valli, Marco Zanni**

**Proposal for a regulation**

**Article 12 – paragraph 1 – subparagraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

***(b) the core credit institution's own funds requirements for position risk arising from the derivatives and emission allowances does not exceed a proportion of its total risk capital requirement to be specified in a Commission delegated act*** ***deleted***

*in accordance with paragraph 2.*

Or. it

#### **Amendment 600**

**Sylvie Goulard, Norica Nicolai**

#### **Proposal for a regulation**

#### **Article 12 – paragraph 1 – subparagraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

*(b) the core credit institution's own funds requirements for position risk arising from the derivatives and emission allowances does not exceed a proportion of its total risk capital requirement to be specified in a Commission delegated act in accordance with paragraph 2.*

*deleted*

Or. en

*Justification*

*the restriction of activities for the institution should be made on a case by case basis.*

#### **Amendment 601**

**Cora van Nieuwenhuizen**

#### **Proposal for a regulation**

#### **Article 12 – paragraph 1 – subparagraph 1 – point b**

*Text proposed by the Commission*

*Amendment*

*(b) the core credit institution's own funds requirements for position risk arising from the derivatives and emission allowances does not exceed a proportion of its total risk capital requirement to be specified in a Commission delegated act in accordance with paragraph 2.*

*(b) the sales reflect the legitimate hedging objectives of the core credit institution's clients, are fully disclosed to the competent authority, and the position risk arising from the derivatives and emission allowances to the core credit institution do not pose undue risk to the stability and resolvability of the core credit institution or stability the Union's financial*



*system. The competent supervisor may at any time prohibit the core credit institution from engaging in a sale of a financial instrument, in particular those subject to the obligations set out in Article 11 of Regulation (EU) No 648/2012, when it has good reason to believe such a sale would pose a risk to the stability or resolvability of the core credit institution, or to the stability of the Union's financial system.*

Or. en

**Amendment 602**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 12 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

*When the requirement in point (b) is not fulfilled, the derivatives and emission allowances may neither be sold by the core credit institution nor be recorded on its balance sheet.*

*deleted*

Or. en

**Amendment 603**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 12 – paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

*When the requirement in point (b) is not fulfilled, the derivatives and emission allowances may neither be sold by the core credit institution nor be recorded on its balance sheet.*

*deleted*

**Amendment 604**  
**Georgios Kyrtzos**

**Proposal for a regulation**  
**Article 12 – paragraph 1 – subparagraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***Market making activities shall be exempted from the provision of risk management services to customers.***

Or. en

**Amendment 605**  
**Jakob von Weizsäcker**

**Proposal for a regulation**  
**Article 12 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

***2. The Commission shall be empowered to adopt delegated acts in accordance with Article 35 to:***

***deleted***

***(a) permit other financial instruments than those mentioned in paragraph 1, in particular those subject to the obligations set out in Article 11 of Regulation (EU) No 648/2012, for purpose of hedging risk to be sold to the type of clients listed in paragraph 1 of this Article;***

***(b) specify the proportion of the core credit institution's own funds requirements above which derivatives and emission allowances referred to in paragraph 1 of this Article may not be sold nor recorded on the balance sheet of the core credit institution.***

Or. en

**Amendment 606**  
**Marco Valli, Marco Zanni**

**Proposal for a regulation**  
**Article 12 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. The Commission shall be empowered to adopt delegated acts in accordance with Article 35 to:** **deleted**

*(a) permit other financial instruments than those mentioned in paragraph 1, in particular those subject to the obligations set out in Article 11 of Regulation (EU) No 648/2012, for purpose of hedging risk to be sold to the type of clients listed in paragraph 1 of this Article;*

*(b) specify the proportion of the core credit institution's own funds requirements above which derivatives and emission allowances referred to in paragraph 1 of this Article may not be sold nor recorded on the balance sheet of the core credit institution.*

Or. it

**Amendment 607**  
**Cora van Nieuwenhuizen**

**Proposal for a regulation**  
**Article 12 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

**2. The Commission shall be empowered to adopt delegated acts in accordance with Article 35 to:** **deleted**

*(a) permit other financial instruments than those mentioned in paragraph 1, in particular those subject to the obligations set out in Article 11 of Regulation (EU)*

*No 648/2012, for purpose of hedging risk to be sold to the type of clients listed in paragraph 1 of this Article;*

*(b) specify the proportion of the core credit institution's own funds requirements above which derivatives and emission allowances referred to in paragraph 1 of this Article may not be sold nor recorded on the balance sheet of the core credit institution.*

Or. en

**Amendment 608**  
**Morten Messerschmidt**

**Proposal for a regulation**  
**Article 12 a (new)**

*Text proposed by the Commission*

*Amendment*

*Article 12 a*

*A core credit institution that has been subject to a decision referred to in Article 10(3) may carry out those market making activities which do not pose a threat to the financial stability of the core credit institution or to the whole or any part of the Union financial system.*

Or. en

*Justification*

*Market making activities are essential to a Capital Markets Union where some of the funding of the real economy is done through securities markets. Therefore market making activities should be allowed to be kept within the core credit institution in case of a separation decision in line with prudent management of own risk (article 11) and provision of risk management services to customers (article 12).*