23.6.2017

AMENDMENTS
32 - 185

Draft report
Peter Simon
(PE605.934v02-00)

Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds and the large exposures treatment of certain public sector exposures denominated in non-domestic currencies of Member States

Proposal for a regulation
(COM(2016)0850 – C8-0158/2017 – 2016/0360B(COD))
Amendment 32
Notis Marias

Proposal for a regulation
Citation 1 a (new)

Text proposed by the Commission

Amendment

having regard to the Protocol (No 1) of the Treaty on the Functioning of the European Union (TFEU) on the role of national parliaments in the European Union,

Or. el

Amendment 33
Notis Marias

Proposal for a regulation
Citation 1 b (new)

Text proposed by the Commission

Amendment

having regard to the Protocol (No 2) of the Treaty on the Functioning of the European Union (TFEU) on the application of the principles of subsidiarity and proportionality,

Or. el

Amendment 34
Notis Marias

Proposal for a regulation
Recital 1

Text proposed by the Commission

Amendment

(1) In the aftermath of the financial crisis that unfolded in 2007-2008 the Union implemented a substantial reform of the financial services regulatory framework

I. In the aftermath of the world financial crisis that unfolded in 2007-2008 the Union implemented a substantial reform of the financial services regulatory
to enhance the resilience of its financial institutions. That reform was largely based on internationally agreed standards. Among its many measures, the reform package included the adoption of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2013/36/EU of the European Parliament and of the Council, which strengthened the prudential requirements for credit institutions and investment firms.


Or. el

Amendment 35
Notis Marias

Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) While the reform has rendered the financial system more stable and resilient against many types of possible future shocks and crises, it did not address all identified problems. An important reason for that was that international standard setters, such as the Basel Committee on

Amendment

2. It has been shown that ‘ambitious’ reform and austerity have failed to render the financial system more stable and resilient against many types of possible future shocks and crises. On the contrary, they have caused massive unemployment in southern European countries such as
Banking Supervision (Basel Committee) and the Financial Stability Board (FSB), had not finished their work on internationally agreed solutions to tackle those problems at the time. Now that work on important additional reforms has been completed, the outstanding problems should be addressed.

Greece, Italy, Portugal and Spain, with thousands of shops and businesses closing down and hundreds of young people choosing to emigrate.

Amendment 36
Notis Marias

Proposal for a regulation
Recital 4

Text proposed by the Commission

4. Risk reduction measures should not only further strengthen the resilience of the European banking system and the markets’ confidence in it, but also provide the basis for further progress in completing the Banking Union. Those measures should also be considered against the background of broader challenges affecting the Union economy, especially the need to promote growth and jobs at times of uncertain economic outlook. In that context, various major policy initiatives, such as the Investment Plan for Europe and the Capital Markets Union, have been launched in order to strengthen the economy of the Union. It is therefore important that all risk reduction measures interact smoothly with those policy initiatives as well as with broader recent reforms in the financial sector.

Amendment

4. Risk reduction measures should not only further strengthen the resilience of the European banking system and the markets’ confidence in it, but also provide the basis for further progress in completing the Banking Union. However, the precondition for implementing any such measures is consultation of the public and of producers in the country concerned.

Amendment 37
Notis Marias
Proposal for a regulation
Recital 30

Text proposed by the Commission

(30) In 2009, a first set of reforms were finalised at international level and transposed in the Union law with Directive 2010/76/EU of the European Parliament and of the Council.

Amendment

(30) In 2009, a good two years after the start of the financial crisis, a first set of reforms was finalised at international level and transposed into the Union law under Directive 2010/76/EU of the European Parliament and of the Council.

Or. el


Proposal for a regulation
Recital 45

Text proposed by the Commission

(45) The consolidation of subsidiaries in third countries should take due account of the stable funding requirements applicable in those countries. Accordingly, consolidation rules in the Union should not introduce a more favourable treatment for available and required stable funding in third country subsidiaries than the treatment which is available under the national law of those third countries.

Amendment

(45) The consolidation of subsidiaries in third countries should take due account of the stable funding requirements applicable in those countries. Accordingly, consolidation rules in the Union must not introduce a more favourable treatment for available and required stable funding in third country subsidiaries than the treatment which is available under the national law of those third countries.

Or. el
Amendment 39
Notis Marias

Proposal for a regulation
Recital 49

Text proposed by the Commission

(49) Respondents to the Commission’s Call for Evidence on the EU regulatory framework for financial services regarded current disclosure requirements as disproportionate and burdensome for smaller institutions. Without prejudice to aligning disclosures more closely with international standards, smaller and less complex institutions should be required to produce less frequent and detailed disclosures than their larger peers, thus reducing the administrative burden to which they are subject.

Amendment

(49) Respondents to the Commission’s Call for Evidence on the EU regulatory framework for financial services regarded current disclosure requirements as disproportionate and burdensome for smaller institutions. Without prejudice to aligning disclosures more closely with international standards, smaller and less complex institutions should normally be required to produce less detailed disclosures than their larger peers.

Or. el

Amendment 40
Notis Marias

Proposal for a regulation
Recital 50

Text proposed by the Commission

(50) Some clarifications should be made to the remuneration disclosures. Furthermore, institutions benefiting from a derogation from certain remuneration rules should be required to disclose information concerning such derogation.

Amendment

(50) Some clarifications should be made to the remuneration disclosures. Furthermore, institutions benefiting from a derogation from certain remuneration rules are required to disclose information concerning such derogation.

Or. el

Amendment 41
Sven Giegold, Ernest Urtasun, Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 50 a (new)

Text proposed by the Commission

(50a) The global financial crisis brought the role played by international financial reporting standards (IFRS) in financial stability and growth, in particular the rules regarding the recognition of losses incurred in the banking system, onto the G20 and EU agendas. The G20 and the de Larosière report highlighted key issues with respect to accounting standards ahead of the crisis, including procyclicality related to the mark-to-market principle and profit and loss recognition, the underestimation of risk accumulation during cyclical upturns and the lack of a common and transparent methodology for the valuation of illiquid and impaired assets. The International Accounting Standards Board (IASB) issued IFRS 9 – Financial Instruments as a key response to some aspects of the financial crisis and to its impact on the banking sector. The IFRS 9 constitutes an improvement on IAS 39 insofar as the move from an ‘incurred loss’ to an ‘expected loss’ impairment model addresses the problem of ‘too little, too late’ in the credit loss recognition procedure. The entry into force of IFRS 9 was in that context expected by all stakeholders and the EU credit institutions have already had time to adapt to the new framework and to identify the changes required for the transition to the new standard.

Or. en

Amendment 42
Roberto Gualtieri
Proposal for a regulation
Recital 51

Text proposed by the Commission

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9”, may lead to a sudden significant increase in the capital ratios of institutions. While discussions are on-going on the appropriate prudential treatment of the impact of increased expected credit losses and to prevent an unwarranted detrimental effect on lending by credit institutions, the incremental provisioning for credit risk of IFRS9 should be phased in.

Amendment

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9”, may lead to a sudden significant decrease in the capital ratios of institutions. For this reason, appropriate transitional arrangements and a phase-in period of 5 years should be introduced in order to allow institutions to offset the potential significant negative impact on CET1 capital arising from expected credit losses accounting during the transition period determined by the introduction of the new international accounting standards.

Or. en

Amendment 43
Danuta Maria Hübner

Proposal for a regulation
Recital 51

Text proposed by the Commission

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9”, may lead to a sudden significant increase in the capital ratios of institutions. While discussions are on-going on the appropriate prudential treatment of the impact of increased expected credit losses and to prevent an unwarranted detrimental effect on lending by credit institutions, the incremental provisioning for credit risk of IFRS9 should be phased in.

Amendment

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9”, may lead to a sudden significant increase in the capital ratios of institutions. While discussions are on-going on the appropriate prudential treatment of the impact of increased expected credit losses and to prevent an unwarranted detrimental effect on lending by credit institutions, it is appropriate to give credit institutions the possibility to opt for a phase-in of the incremental provisioning for credit risk of
IFRS9. However, in accordance with the guidance provided by the Basel Committee on Banking Supervision, the impact on the CET1 capital of the new expected credit loss model introduced by IFRS9 should not be fully neutralised during the transitional period.

Amendment 44
Marco Zanni

Proposal for a regulation
Recital 51

Text proposed by the Commission

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9”, may lead to a sudden significant increase in the capital ratios of institutions. While discussions are on-going on the appropriate prudential treatment of the impact of increased expected credit losses and to prevent an unwarranted detrimental effect on lending by credit institutions, the incremental provisioning for credit risk of IFRS9 should be phased in.

Amendment

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9”, may lead to a sudden significant decrease in the capital ratios of institutions and create even more challenges for the stability of the financial sector, already under pressure in raising fresh capital. While discussions are on-going on the appropriate prudential treatment of the impact of increased expected credit losses and to prevent an unwarranted detrimental effect on lending by credit institutions, the incremental provisioning for credit risk of IFRS9 should be adequately phased in. Credit institutions should benefit from a progressive phased-in transitional period of a duration of eight years, starting from 1 January 2018.

Amendment 45
Marco Valli
Proposal for a regulation
Recital 51

Text proposed by the Commission

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9”, may lead to a sudden significant increase in the capital ratios of institutions. While discussions are ongoing on the appropriate prudential treatment of the impact of increased expected credit losses and to prevent an unwarranted detrimental effect on lending by credit institutions, the incremental provisioning for credit risk of IFRS9 should be phased in.

Amendment

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9” may lead to a sudden significant increase in the capital ratios of institutions, especially those which are more oriented towards traditional commercial activities, and could consequently limit their capacity to finance the real economy. While discussions are ongoing on the appropriate prudential treatment of the impact of increased expected credit losses and to prevent an unwarranted detrimental effect on lending by credit institutions, the incremental provisioning for credit risk of IFRS9 should be phased in.

Or. it

Amendment 46
Sven Giegold, Ernest Urtasun, Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 51

Text proposed by the Commission

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9”, may lead to a sudden significant increase in the capital ratios of institutions. While discussions are on-going on the appropriate prudential treatment of the impact of increased expected credit losses and to prevent an unwarranted detrimental effect on lending by credit institutions, the incremental provisioning for credit risk of

Amendment

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9”, may lead to a sudden significant increase (“cliff-effect”) in the capital ratios of institutions. While discussions are on-going on the appropriate prudential treatment of the impact of increased expected credit losses and to prevent an unwarranted detrimental effect on lending by credit institutions, the incremental
IFRS9 should be phased in. The phase in should address the “cliff-effect” on the first date of application of IFRS9 and spread the impact on capital at that date over three years. In line with the Standard on regulatory treatment of accounting provisions - interim approach and transitional arrangements of March 2017 by Basel Committee on Banking Supervision, the impact of the expected credit loss provisions on CET1 capital should not be fully neutralised during the transition period.

Amendment 47
Brian Hayes

Proposal for a regulation
Recital 51

Text proposed by the Commission

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9”, may lead to a sudden significant increase in the capital ratios of institutions. While discussions are on-going on the appropriate prudential treatment of the impact of increased expected credit losses and to prevent an unwarranted detrimental effect on lending by credit institutions, the incremental provisioning for credit risk of IFRS9 should be phased in.

Amendment

(51) The application of the expected credit loss provisioning introduced by the revised international accounting standards on financial instruments “IFRS9”, may lead to a sudden significant increase in the capital ratios of institutions. Whereas the Basel Committee is currently considering the longer-term regulatory capital treatment of expected credit loss provisions and while discussions are on-going on the appropriate prudential treatment of the impact of increased expected credit losses and to prevent an unwarranted detrimental effect on lending by credit institutions, the incremental provisioning for credit risk of IFRS9 should be phased in.
Amendment 48
Marco Valli

Proposal for a regulation
Recital 51 a (new)

Text proposed by the Commission

(51a) The change to new accounting principles based on expected losses on loans not yet classed as non-performing could have a considerable adverse effect on the balance sheets of credit institutions more exposed as regards the financing of SMEs and the real economy, placing them at a disadvantage compared with large investment banks carrying out financial activities. In order not to worsen the position further for banks already in crisis, and to keep distortions of competition in the banking sector to a minimum, the application of the new accounting rules should therefore be suspended and the rules revised.

Or. it

Amendment 49
Matt Carthy, Fabio De Masi

Proposal for a regulation
Recital 51 a (new)

Text proposed by the Commission

(51a) Institutions should benefit from an optional phased-in transitional period of a maximum duration of three years. In line with the Standard on regulatory treatment of accounting provisions - interim approach and transitional arrangements of March 2017 by Basel Committee on Banking Supervision, the impact of the expected credit loss provisions on CET1 capital should not be fully neutralised during the transition period.
Amendment 50
Brian Hayes

Proposal for a regulation
Recital 51 a (new)

Text proposed by the Commission

Amendment

(51a) For institutions that have not applied transitional provisions for the incremental provisioning for credit risk of IFRS9 and in the case of a significant economic shock, those institutions should be given an option at a later date to apply transitional provisions, in accordance with the procedures set out in this Regulation and subject to the prior approval of the competent authority.

Amendment 51
Matt Carthy, Fabio De Masi

Proposal for a regulation
Recital 51 b (new)

Text proposed by the Commission

Amendment

(51b) Institutions should disclose publicly their capital ratios as well as their leverage ratio both with and without the application of the IFRS 9 transitional arrangements specified in this Regulation in order for the public to be able to determine the impact of those arrangements on those ratios.
Sven Giegold, Ernest Urtasun, Philippe Lamberts  
on behalf of the Verts/ALE Group  
Proposal for a regulation  
Recital 51 a (new)

Text proposed by the Commission

(Amendment)  Mandatory application by all institutions of the IFRS transitional provisions would ensure maximum harmonisation and a consistent transition to IFRS 9 among EU institutions as well as comparability of financial disclosures, and would also address any unintended discrimination against institutions ('the stigma effect').

Or. en

Amendment 53
Sven Giegold, Ernest Urtasun, Philippe Lamberts  
on behalf of the Verts/ALE Group  
Proposal for a regulation  
Recital 51 b (new)

Text proposed by the Commission

(Amendment)  A proper quantitative impact assessment for IFRS 9 is currently missing due in part to a lack of reliable data. The Commission should proceed to such quantitative impact assessment as soon as sufficient reliable data is available and to the extent possible no latter that by 2019.

Or. en

Amendment 54
Sven Giegold, Ernest Urtasun, Philippe Lamberts  
on behalf of the Verts/ALE Group
Proposal for a regulation
Recital 51 c (new)

Text proposed by the Commission  
(51c)  The accounting treatment under IFRS 9 of certain financial instruments held directly or indirectly as long-term investments, in particular equity, may have a negative overall aim of promoting long-term investment which is instrumental for sustainable economic growth.

Amendment 55
Sven Giegold, Ernest Urtasun, Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 51 d (new)

Text proposed by the Commission  
(51d)  The Commission has cooperated closely with the European Supervisory Agencies (ESAs), the SSM, the European Systemic Risk Board (ESRB) and EFRAG ahead of the entry into force of the IFRS 9 standard and should closely and regularly monitor the implementation of IFRS 9 in the Union and its financial stability implications in cooperation with the abovementioned bodies in order to make sure that IFRS 9 serves the Union’s long-term investment strategy, reduces pro-cyclicality and incentives for excessive risk-taking.

Amendment 56
Sven Giegold, Ernest Urtasun, Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 51 e (new)

Text proposed by the Commission

(51e) Credit institutions using the Standardised Approach (SA) which are also instrumental for providing long-term financing notably for SMEs might be the most seriously affected by a reduction in their Core Equity Tier 1 capital as loss provisions in the framework of the Standardized Approach are based on provisions for impaired assets and do not include an expected loss rationale for calculating those provisions. Although more heavily affected by increased provisions under IFRS 9, credit institutions using the SA would not be able to recognise any part of their accounting provisions in Tier 2 capital if all provisions were considered specific. In contrast, institutions using the Internal Ratings Based (IRB) approach to measure credit risk might have regulatory expected losses exceeding accounting provisions under IAS 39, which could reduce the negative impact on CET1 (or even result in no impact) under IFRS 9, and they would be able to recognise in their Tier 2 capital any excess accounting provisions. The IFRS 9 transitional provisions should therefore provide for a differentiated treatment for institutions using the IRB approach and those implementing the SA.

Amendment 57
Othmar Karas

Proposal for a regulation
Recital 51 a (new)
Text proposed by the Commission

(51a) Any potential unintended negative consequences of exemptions under Article 400(1) of Regulation (EU) No 575/2013 should be avoided, when providing for transitional arrangements for the exemption from the large exposure limit available to exposures to certain public sector debt of Member States denominated in non-domestic currencies of Member States.

Or. en

Amendment 58
Notis Marias

Proposal for a regulation
Recital 52

Text proposed by the Commission

(52) Small and medium-sized enterprises (SMEs) are one of the pillars of the Union’s economy as they play a fundamental role in creating economic growth and providing employment. Given the fact that SMEs carry a lower systematic risk than larger corporates, capital requirements for SME exposures should be lower than those for large corporates to ensure an optimal bank financing of SMEs. Currently, SME exposures of up to EUR 1.5 million are subject to a 23.81% reduction in risk weighted exposure amount. Given that the threshold of EUR 1.5 million for an SME exposure is not indicative of a change in riskiness of an SME, reduction in capital requirements should be extended to SME exposures beyond the threshold of EUR 1.5 million and for the exceeding part should amount to a 15% reduction of a risk-weighted exposure amount.

Amendment

(52) Small and medium-sized enterprises (SMEs) are the backbone of the Union’s economy as they play a fundamental role in creating economic growth and providing employment. For this reason, it is necessary for capital requirements for SME exposures to be more than EUR 1.5 million.
Amendment 59
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 7 (new)
Regulation (EU) No 575/2013
Article 11 – paragraph 6 a (new)

Text proposed by the Commission

6a. By way of derogation to paragraph 1 and 2, the consolidating supervisor may allow that institutions comply, to the extent and in the manner prescribed in Article 18, with the obligations laid down in Parts Two to Four and Parts Six to Eight of this Regulation and in Title VII of Directive 2013/36/EU on a different consolidated basis. Specifically, on a case-by-case basis, the consolidating supervisor may not consider the parent financial holding company or the parent mixed financial holding company as parent institution for the group, provided the following conditions are met:

a) The articles of association of the parent financial holding company or the parent mixed financial holding company explicates that the parent financial holding company or the parent mixed financial holding cannot undertake management and coordination functions of their subsidiaries
b) The parent financial holding company or the parent mixed financial holding company does not have any other significant investment than the institution or credit institution set forth in the following subparagraph
c) There is a direct subsidiary in the same Member State of the parent financial holding company or the parent mixed financial holding company that:
   i. is not controlled by any credit institution
or investment firm
ii. undertakes management and coordination functions of the group
Should the consolidating supervisor not consider the parent financial holding company or the parent mixed financial holding company as parent institution for the group, the EU institution referred to subparagraph (c) shall be identified as the parent institution of the group.

Or. en

Justification
The proposed amendment introduces rooms for flexibility.

Amendment 60
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 10
Regulation (EU) No 575/2013
Article 18 – paragraph 4

Text proposed by the Commission
4. The consolidating supervisor shall require the proportional consolidation according to the share of capital held of participations in institutions and financial institutions managed by an undertaking included in the consolidation together with one or more undertakings not included in the consolidation, where the liability of those undertakings is limited to the share of the capital they hold.

Amendment
4. The consolidating supervisor shall require the proportional consolidation according to the share of capital held of participations in institutions and financial institutions managed by an undertaking included in the consolidation or by the parent institutions, financial holding companies and mixed financial holdings together with one or more undertakings not included in the consolidation, where the liability of those undertakings is limited to the share of the capital they hold.

Or. en

Justification
The version of Article 18 (2) currently into force allows institutions to apply the supervisory authority for a proportional consolidation at the level of the holding company.
The Commission proposal amending Article 18 seems not clear on whether the proportional consolidation is still applicable at the level of “financial holding companies and mixed financial holding companies”.

The proposed amendment is aimed to clarify this point.

**Amendment 61**

**Barbara Kappel**

Proposal for a regulation

**Article 1 – paragraph 1 – point 27 (new)**

Regulation (EU) No 575/2013

Article 72a – paragraph 1 – point b a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>(ba) Minority interests related to Common Equity Tier 1, Additional Tier 1 and Tier 2 items not included in consolidated own funds.</em></td>
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</tbody>
</table>

Or. en

**Amendment 62**

**Barbara Kappel**

Proposal for a regulation

**Article 1 – paragraph 1 – point 48**

Regulation (EU) No 575/2013

Article 104 – paragraph 2 – point e

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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</thead>
<tbody>
<tr>
<td><em>(e) financial assets or liabilities measured at fair value; (e) financial assets or liabilities held as accounting trading assets or liabilities;</em></td>
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</tbody>
</table>

Or. en

**Justification**

The Commission proposal significantly diverges from the Basel standards. The Basel standards “Minimum capital requirements for market risk – January 2016” include the instruments held as accounting trading assets or liabilities among positions that would customarily be assigned to the trading book. The Commission proposal, instead, includes financial assets or liabilities measured at fair value in the presumptive list of trading book
positions. Deviations are although permitted, only in case the bank is able to prove, to the satisfaction of the supervisor, that those asset are not held with trading intent as stated in Article 104 point 4 of CRR “Notwithstanding paragraph 2, an institution may not assign a position in an instrument referred to in points (e) to (i) of paragraph 2 to the trading book where that institution is able to satisfy the competent authorities that the position is not held with trading intend or does not hedge positions held with trading intend”.

The Basel definition is more clear and consistent with the rationale underlying the definition of the trading book boundary - which lies in the trading intent - and therefore is consistent with the rest of the provisions contained in the new text of Article 104 CRR proposed by the Commission.

The Commission proposal, including all financial assets or liabilities measured at fair value in the presumptive list of trading book positions, would determine a huge extension of the scope of the trading book and require banks to provide evidence that a large number of positions shall be assigned to the non-trading book to the satisfaction of the competent authorities, with the risk that different competent authorities will apply different (judgemental) criteria for this. These impacts have not been assessed by the Commission.

Amendment 63
Barbara Kappel
Proposal for a regulation
Article 1 – paragraph 1 – point 57 a (new)
Regulation (EU) No 575/2013
Article 155a (new)

Text proposed by the Commission

Amendment

(57a) The following Article 155a is inserted:

“Article 155a

1. The risk-weighted exposure amount for investments in private equity in the form of units or shares in a Collective Investment Undertakings as resulting from art 128, 132, 152 and 155 complying with point 2 below, shall be adjusted, in accordance with the following formulae:

Adjusted risk-weighted exposure amount = RW exposure value * 0,85

2. For the purpose of this Article, the exposures to private equity investments will comply with both the following
criteria:
(a) investments done in not listed with a turnover up to 150 million euros; this requirement will have to be specified in the fund’s rules;
(b) each investment transaction can’t exceed 150 million euros; this target amount will have to be specified in the fund’s rules.

3. The Commission shall, by (three years after the entry into force) report on the impact of the requirement laid down in this Regulation on private equity investments and shall submit that report to the European Parliament and to the Council, together with a legislative proposal, if appropriate.”

Or. en

Amendment 64
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 83
Regulation (EU) No 575/2013
Article 325a – paragraph 1

Text proposed by the Commission

1. An institution may calculate the own funds requirements for market risks with the approach referred to in point (c) of Article 325(1) provided that the size of the institution’s on- and off-balance sheet business subject to market risks is equal to or less than the following thresholds on the basis of an assessment carried out on a monthly basis:

Amendment

1. An institution may calculate the own funds requirements for market risks with the approach referred to in point (c) of Article 325(1) provided that the size of the institution’s on- and off-balance sheet business subject to market risks is equal to or less than the higher of the following thresholds on the basis of an assessment carried out on a monthly basis:
**Justification**

*In order to mitigate distortions and to ensure proportionality, we propose to permit using the simplified standardized approach if the size of the business subject to market risks is less than the higher of EUR 300 million and 10% of total assets.*

**Amendment 65**

**Barbara Kappel**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 114**

Regulation (EU) No 575/2013

Article 428f – paragraph 2 – subparagraph 1

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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</thead>
<tbody>
<tr>
<td>2. Assets and liabilities directly linked to the following products or services shall be considered to meet the conditions of paragraph 1 and be considered <em>as interdependent</em>:</td>
<td>2. Assets and liabilities directly linked to the following products or services shall be considered to meet the conditions of paragraph 1 and be considered <em>at both the individual and consolidated levels</em>: Or. en</td>
</tr>
</tbody>
</table>

**Amendment 66**

**Barbara Kappel**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 114**

Regulation (EU) No 575/2013

Article 428f – paragraph 2 – point c

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>(c) covered bonds as referred to in Article 52(4) of Directive 2009/65/EC;</td>
<td>(c) covered bonds as referred to in Article 52(4) of Directive 2009/65/EC; <em>or that meet the eligibility requirements for the treatment set out in Article 129(4) or (5), and (7) of the Regulation (EU) No 575/2013;</em> Or. en</td>
</tr>
</tbody>
</table>
Amendment 67
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114
Regulation (EU) No 575/2013
Article 428h – paragraph 1 – subparagraph 1

Text proposed by the Commission

1. By way of derogation from Article 428g and from Chapters 3 and 4 of this Title, competent authorities **may on a case-by-case basis** authorise institutions to apply a higher available stable funding factor or a lower required stable funding factor to assets, liabilities and committed credit or liquidity facilities where all of the following conditions are fulfilled:

Amendment

1. By way of derogation from Article 428g and from Chapters 3 and 4 of this Title, competent authorities **shall** authorise institutions to apply a higher available stable funding factor or a lower required stable funding factor to assets, liabilities and committed credit or liquidity facilities where all of the following conditions are fulfilled:

Or. en

Amendment 68
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114 (new)
Regulation (EU) No 575/2013
Article 428h – paragraph 1 – point a – point va (new)

Text proposed by the Commission

(va) the counterparty is located within the same Member State or in a different Member State

Amendment

Or. en

Amendment 69
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114
Regulation (EU) No 575/2013
Article 428h – paragraph 1 – point b

Text proposed by the Commission

(b) there are reasons to expect that the liability or committed credit or liquidity facility received constitutes a more stable source of funding or that the asset or committed credit or liquidity facility granted requires less stable funding within the one-year horizon of the net stable funding ratio than the same liability, asset or committed credit or liquidity facility with other counterparties;

Amendment

Or. en

Amendment 70
Barbara Kappel

Proposal for a regulation

Article 1 – paragraph 1 – point 114
Regulation (EU) No 575/2013
Article 428h – paragraph 2

Text proposed by the Commission

2. Where the institution and the counterparty are established in different Member States, competent authorities may waive the condition set out in point (d) of paragraph 1 where, in addition to the criteria set out in paragraph 1, the following criteria are fulfilled:

(a) there are legally binding agreements and commitments between group entities regarding the liability, asset or committed credit or liquidity facility;

(b) the funding provider presents a low funding risk profile;

(c) the funding risk profile of the funding receiver has been adequately taken into account in the liquidity risk management of the funding provider.

Amendment
The competent authorities shall consult each other in accordance with point (b) of Article 20(1) to determine whether the additional criteria set out in this paragraph are met.

Amendment 71
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114 (new)
Regulation (EU) No 575/2013
Article 428q – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Ia. The residual maturity of assets with an undefined contractual end date is the date at which the contract allows the credit institution to withdraw or to request payment.

Or. en

Amendment 72
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114 (new)
Regulation (EU) No 575/2013
Article 428q – paragraph 1 b (new)

Text proposed by the Commission

Amendment

Ib. Securities contractually hedging a derivative have the maturity of the derivative;

Or. en
Amendment 73
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114 (new)
Regulation (EU) No 575/2013
Article 428q – paragraph 5 a (new)

Text proposed by the Commission

5a. When calculating the residual maturity of an asset with an early termination where the option to withdraw the money is exercisable at the discretion of both parts, the institution shall consider the asset at the maturity of the date in which the option can be exercised.

Or. en

Justification

Assets with early termination options exercisable by both counterparties of the transaction should be deemed to mature at the next exercise date. Based on the current definition, the borrower should consider the deposit as a short term deposit and the lender should consider the asset as a long term loan. Such an asymmetric treatment is financially inconsistent, since the borrower would not be willing to pay the lender a higher cost of funding, corresponding to a long term deposit, in the presence of an early termination option. From a financial perspective, if there are no exit penalties, the early repayment option exercisable by both parts should always allow the counterparty penalized by a change in market parameters to close the deal and renegotiate it with the new market conditions. Therefore the treatment of these transactions should be symmetric, with both sides (asset/liability) assigned to the same maturity bucket. These trades are made by regulated financial institutions and exit fees are not a typical feature. The bank can demonstrate that the expected maturity of these assets is different from the contractual maturity based on evidence that counterparties do exercise the early termination option when it is beneficial to do so.

Amendment 74
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114 (new)
Regulation (EU) No 575/2013
Article 428r – paragraph 1 – point aa (new)
Text proposed by the Commission

Amendment

(aa) assets that have a residual maturity of less than six months resulting from secured lending transactions and capital market-driven transactions as defined in Article 192(2) and (3), where those assets are collateralised by assets that qualify as Level 1 assets under Title II of Delegated Regulation (EU) 2015/61, excluding extremely high quality covered bonds referred to in point (f) of Article 10(1) of that Delegated Regulation, and where the institution would be legally entitled and operationally able to reuse those assets for the life of the transaction, regardless of whether the collateral has already been reused. Institutions shall take those assets into account on a net basis where Article 428e(1) of this Regulation applies;

(ab) assets that have a residual maturity of less than six months resulting from secured lending transactions and capital market-driven transactions as defined in Article 192(2) and (3) with regulated financial customers, where the institution would be legally entitled and operationally able to reuse those assets for the life of the transaction, regardless of whether the collateral has already been reused. Institutions shall take those assets into account on a net basis where Article 428e(1) of this Regulation applies;

Or. en

Amendment 75
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114
Regulation (EU) No 575/2013
Article 428s – point b
Text proposed by the Commission

(b) assets that have a residual maturity of less than six months resulting from secured lending transactions and capital market-driven transactions as defined in Article 192(2) and (3) with financial customers, where those assets are collateralised by assets that qualify as Level 1 assets under Title II of Delegated Regulation (EU) 2015/61, excluding extremely high quality covered bonds referred to in point (f) of Article 10(1) of that Delegated Regulation, and where the institution would be legally entitled and operationally able to reuse those assets for the life of the transaction, regardless of whether the collateral has already been reused. Institutions shall take those assets into account on a net basis where Article 428e(1) of this Regulation applies;

Justification

The Commission proposal takes on board the Repo/Reverse Repo asymmetry from Basel which has adverse effects on market liquidity: Outright L1 RSF 0% vs L1 sourced by Reverse Repo RSF 5% vs L1 funded via repo ASF 0%. Non-economic terms and conditions may force banks to refrain from primary and secondary markets as well as from secured funding which may hamper the liquidity also from HQLA resulting in non-eligibility even of high quality assets for purpose of LCR and NSFR (since no deep liquid private repo market is left). It is proposed to set RSF for Reverse Repo on L1 collateral to 0%.

More generally, to ensure market liquidity and be consistent with the development of the Capital Market Union, it is recommended that reverse repo are treated symmetrically to repos when they are executed with regulated financial institutions.

Amendment 76
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114
Regulation (EU) No 575/2013
Article 428s – point d
Text proposed by the Commission

(d) trade finance off-balance sheet related products as referred to in Article 111(1) of this Regulation with a residual maturity of less than six months.

Amendment

(d) all trade finance off-balance sheet related products as referred to in Article 111(1) of this Regulation.

Or. en

Amendment 77
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114
Regulation (EU) No 575/2013
Article 428u – paragraph 1 – point d

Text proposed by the Commission

(d) trade finance off-balance sheet related products as referred to in Article 111(1) with a residual maturity of minimum six months and less than one year.

Amendment

deleted

Or. en

Amendment 78
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114
Regulation (EU) No 575/2013
Article 428w – point b

Text proposed by the Commission

(b) trade finance off-balance sheet related products as referred to in Article 111(1) with a residual maturity of one year or more.

Amendment

deleted

Or. en
Amendment 79
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114 (new)
Regulation (EU) No 575/2013
Article 428x – paragraph 3 a (new)

Text proposed by the Commission

3a. trade finance on-balance sheet related products with a residual maturity of minimum six months and less than one year;

Amendment

Or. en

Amendment 80
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114
Regulation (EU) No 575/2013
Article 428ac – point e

Text proposed by the Commission

(e) trade finance on-balance sheet related products with a residual maturity of minimum six months and less than one year;

Amendment

deleted

Or. en

Justification

As Trade Finance asset with residual maturity of less than 6 months receive a 10% RSF, EBF recommends a 20% RSF factor for Trade Finance asset with residual maturity between 6 months and 1 year. This enables to avoid cliff effect between the two time bands (shorter than 6 month and greater than 6 months). This also takes into account the self-liquidating nature of Trade Finance assets that other loans don’t benefit from (they receive a 50% RSF when their residual maturity is between 6 months and 1 year).
Amendment 81
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114 (new)
Regulation (EU) No 575/2013
Article 428ac – point g a (new)

Text proposed by the Commission

Amendment

(ga) those assets referred in Article 428af that have been purchased with the intent of being sold within one year;

Or. en

Amendment 82
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114 (new)
Regulation (EU) No 575/2013
Article 428ae – point b a (new)

Text proposed by the Commission

Amendment

(ba) any assets other than those referred to in Articles 428r to 428af, including loans to financial customers having a residual contractual maturity of one year or more when collateralized by Level 1 high quality liquid assets in accordance with Article 10 of Delegated Regulation (EU) 2015/61.

Or. en

Amendment 83
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114
Regulation (EU) No 575/2013
Article 428af – point f
Text proposed by the Commission

(f) unencumbered exchange-traded equities that are not eligible as Level 2B assets in accordance with Article 12 of Delegated Regulation (EU) 2015/61;

Amendment

(f) unencumbered exchange-traded equities that are not eligible as Level 2B assets in accordance with Article 12 of Delegated Regulation (EU) 2015/61 unless they have been purchased with the intent of being sold within one year;

Or. en

Amendment 84
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114
Regulation (EU) No 575/2013
Article 428af – point g

Text proposed by the Commission

(g) physical traded commodities, including gold but excluding commodity derivatives.

Amendment

(g) physical traded commodities, including gold but excluding commodity derivatives, unless they have been purchased with the intent of being sold within one year.

Or. en

Amendment 85
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 114 (new)
Regulation (EU) No 575/2013
Article 428af – point g a (new)

Text proposed by the Commission

(ga) any assets other than those referred to in Articles 428r to 428af, including loans to financial customers having a residual contractual maturity of one year or more when collateralized by Level 2

Amendment

(ga) any assets other than those referred to in Articles 428r to 428af, including loans to financial customers having a residual contractual maturity of one year or more when collateralized by Level 2
liquid assets
in accordance with Article 10 of

Or. en

Justification

In a repo agreement, the property of the securities used as collateral remains in the balance sheet of the bank that entered into a repo transaction; on the other hand, the securities are accounted as “off-balance sheet” from the perspective of the bank who enters into a reverse repo.

While a reverse repo is qualified as unsecured loan, such an approach totally disregards the economic benefits of holding good quality securities as collateral for the bank that entered into a reverse repo (RSF equivalent to 100% in case of reverse repos above 1 year as in article 428 ag.1.b “any assets other than those referred to in Articles 428r to 428af, including loans to financial customers having a residual contractual maturity of one year or more, ”).

The NSFR approach should be revised to take into consideration the economic benefit associated to good quality collateral even in case of reverse repo above 1 year.

Amendment 86
Marco Zanni

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 1

Text proposed by the Commission

1. Until [date of application of this Article + 5 years] institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

Amendment

1. Until 31 December 2025 institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.
Amendment 87
Matt Carthy, Fabio De Masi

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 1

Text proposed by the Commission

1. Until [date of application of this Article + 5 years] institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

Amendment

1. Until 31 December 2020, institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002, and institutions that are required pursuant to Article 24(2) of this Regulation to effect the valuation of assets and off-balance sheet items and the determination of own funds in accordance with international accounting standards, shall, by way of derogation from Article 50 of this Regulation, add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

Or. en

Amendment 88
Sven Giegold, Ernest Urtasun, Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 1

Text proposed by the Commission

1. Until [date of application of this Article + 5 years] institutions that prepare

Amendment

1. Until 31 December 2020, institutions that prepare their accounts in
their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002, and institutions that are required pursuant to Article 24(2) of this Regulation to effect the valuation of assets and off-balance sheet items and the determination of own funds in accordance with international accounting standards, shall, by way of derogation from Article 50 of this Regulation, add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

Amendment 89
Cora van Nieuwenhuizen

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 1

Text proposed by the Commission

1. Until [date of application of this Article + 5 years] institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

Amendment

1. Until 31 December 2022, institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002, and institutions that are required pursuant to Article 24(2) of this Regulation to effect the valuation of assets and off-balance sheet items and the determination of own funds in accordance with international accounting standards, may, by way of derogation from Article 50 of this Regulation, add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor
laid down in paragraph 3. During the transitional period, an institution may, on a one time basis, change its decision to apply transitional provisions as set out in this Article where it has received prior permission of the competent authority. Institutions shall disclose the decision taken in accordance with this subparagraph.

Or. en

Amendment 90
Ashley Fox
on behalf of the ECR Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 1

Text proposed by the Commission

1. Until [date of application of this Article + 5 years] institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

Amendment

1. Until 31 December 2022 institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3. An institution shall notify the competent authorities at the beginning of each year of the transitional period whether or not it shall apply the treatment set out in this Article.

Or. en

Justification

We need to make sure incentives are correctly aligned. We do not want to see banks frontloading their provisions only for a benign economic situation over the phase-in period leading to overly generous and unnecessary capital relief. Conversely we need to maintain
necessary flexibility in the event of adverse economic expectations. Limiting flexibility to an annual decision, formally notified to supervisors, would offer a solution.

Amendment 91
Brian Hayes

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 1

Text proposed by the Commission

1. Until [date of application of this Article + 5 years] institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

Amendment

1. Until 31 December 2022 institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

Or. en

Amendment 92
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 1

Text proposed by the Commission

1. Until [date of application of this Article + 5 years] institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated

Amendment

1. Until 31 December 2022 institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated
in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

Or. en

Amendment 93
Luigi Morgano, Simona Bonafè

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 1

Text proposed by the Commission

1. Until [date of application of this Article + 5 years] institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 may add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

Amendment

1. Until the end of the transitional period set out in paragraph 3 institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 and institutions that are required pursuant to Article 24(2) of this Regulation to effect the valuation of assets and off-balance sheet items and the determination of own funds in accordance with international accounting standards shall, by way of derogation from Article 50 of this Regulation, add to their Common Equity Tier 1 capital the amount calculated in accordance with paragraph 2 of this Article multiplied by the applicable factor laid down in paragraph 3.

Or. en

Justification

Granting institutions the option to apply or not transitional arrangements has the potential to affect the practical ability of some banks to make use of such arrangements due to market pressure.

Amendment 94

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Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a– paragraph 2

Text proposed by the Commission

2. The amount referred to in paragraph 1 shall be calculated as the
twelve month expected credit losses
determined in accordance with paragraph
5.5.5 of Commission Regulation (EU) No .... / 2016 (32) and the amount of the loss
allowance for financial instruments equal
to the lifetime expected losses determined
in accordance with paragraph 5.5.3 of

Amendment

2. The amount referred to in paragraph 1 shall be calculated as the
greater of the following:

a) zero

b) the difference between the following :

(i) the institution’s Common Equity Tier 1
capital calculated as of the first date of
application of IFRS 9

(ii) the institution’s Common Equity Tier
1 capital calculated as of the day before
the application of IFRS9

32 Commission Regulation (EU) No
.... / 2016 of .. .... 2016 adopting certain
international accounting standards in
accordance with Regulation (EC) No
1606/2002 of the European Parliament and
of the Council (OJ L , .... , p.).

Justification

In order to make the phase-in less complex, thereby also facilitating a swifter implementation
of IFRS, a static approach is to be preferred to a dynamic approach.

Amendment 95
2. The amount referred to in paragraph 1 shall be calculated as the twelve month expected credit losses determined in accordance with paragraph 5.5.5 of Commission Regulation (EU) No 2016/2016 (32) and the amount of the loss allowance for financial instruments equal to the lifetime expected losses determined in accordance with paragraph 5.5.3 of Commission Regulation (EU) No 2016/2016 (1).

(a) zero

(b) the after-tax amount calculated in accordance with point (i) reduced by the amount calculated in accordance with point (ii):

(i) the sum of the loss allowances for 12-month expected credit losses determined in accordance with paragraph 5.5.5 of the Annex to Commission Regulation (EU) No 2016/2067 and the loss allowances for lifetime expected losses determined in accordance with paragraph 5.5.3 of the Annex to that Regulation for financial instruments that are not credit-impaired financial assets as defined in Appendix A of the Annex to that Regulation;

(ii) the total amount of impairment losses on loans and receivables, held to maturity investments and available for sale assets determined in accordance with paragraphs 63, 67 and 68 of IAS 39 adopted in the Union by Commission Regulation (EC) No 1126/2008 as at 31 December 2017 or on the day before the first application of IFRS 9, reduced by the total amount of the loss allowances for
lifetime expected losses of credit impaired financial instruments that are not credit-impaired financial assets determined in accordance with paragraph 5.5.3 of the Annex to Regulation (EU) No 2016/2067 as at 1 January 2018 or on the date of the first application of IFRS 9.


Amendment 96
Roberto Gualtieri

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) 575/2013
Article 473a – paragraph 2

Text proposed by the Commission

2. The amount referred to in paragraph 1 shall be calculated as the twelve month expected credit losses determined in accordance with paragraph 5.5.5 of Commission Regulation (EU) No …. / 2016 (32) and the amount of the loss allowance for financial instruments equal to the lifetime expected losses determined in accordance with paragraph 5.5.3 of Commission Regulation (EU) No …. / 2016 (1).

Amendment

2. Institutions shall calculate the amount referred to in paragraph 1 as the greater of the amounts in points (a) and point (b):

(a) zero

(b) the after-tax amount calculated in accordance with point (i) reduced by the amount calculated in accordance with point (ii):
(i) the sum of the twelve-month expected credit losses determined in accordance with paragraph 5.5.5 of the Annex to Commission Regulation (EU) No 2016/2067 and the amount of the loss allowance for lifetime expected losses determined in accordance with paragraph 5.5.3 of the Annex to that Regulation for financial assets that are not credit-impaired as defined by Appendix A of Commission Regulation(EU) No 2016/2067;

(ii) the total amount of impairment losses on loans and receivables, held to maturity investments and available for sale assets, other than equity instruments and units or shares in collective investment undertakings, determined in accordance with paragraphs 63, 67 and 68 of IAS 39 adopted in the Union by Commission Regulation (EC) No 1126/2008 as at 31 December 2017 or on the day before the first application of IFRS 9, reduced by the total amount of the loss allowances for lifetime expected losses of credit impaired financial assets determined in accordance with paragraph 5.5.3 of the Annex to Regulation (EU) No 2016/2067 as at 1 January 2018 or on the date of the first application of IFRS 9.


Or. en

Amendment 97
Sven Giegold, Ernest Urtasun, Philippe Lamberts
on behalf of the Verts/ALE Group
Proposal for a regulation

Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 2

Text proposed by the Commission

2. The amount referred to in paragraph 1 shall be calculated as the twelve month expected credit losses determined in accordance with paragraph 5.5.5 of Commission Regulation (EU) No .... / 2016 (32) and the amount of the loss allowance for financial instruments equal to the lifetime expected losses determined in accordance with paragraph 5.5.3 of Commission Regulation (EU) No .... / 2016 (1).

Amendment

2. 2. The amount referred to in paragraph 1 shall be the greater of the following:

(a) zero
(b) the after-tax amount calculated in accordance with point (i) reduced by the amount calculated in accordance with point (ii):

(i) the sum of the twelve-month expected credit losses determined in accordance with paragraph 5.5.5 of the Annex to Commission Regulation (EU) No 2016/2067 and the amount of the loss allowance for lifetime expected losses determined in accordance with paragraph 5.5.3 of the Annex to that Regulation for financial assets that are not credit-impaired as defined in Appendix A to IFRS 9 as at 1 January 2018 or on the date of the first application of IFRS 9;

(ii) the total amount of impairment losses on loans and receivables, held to maturity investments and available for sale assets determined in accordance with paragraphs 63, 67 and 68 of IAS 39 adopted in the Union by Commission Regulation (EC) No 1126/2008 as at 31 December 2017 or on the day before the first application of IFRS 9, reduced by the total amount of the loss allowances for lifetime expected losses of credit impaired...
financial assets determined in accordance with paragraph 5.5.3 of the Annex to Regulation (EU) No 2016/2067 as at 1 January 2018 or on the date of the first application of IFRS 9.

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Amendment 98
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 2

Text proposed by the Commission

2. The amount referred to in paragraph 1 shall be calculated as the twelve month expected credit losses determined in accordance with paragraph 5.5.5 of Commission Regulation (EU) No …. / 2016 (32) and the amount of the loss allowance for financial instruments equal to the lifetime expected losses determined in accordance with paragraph 5.5.3 of Commission Regulation (EU) No …. / 2016 (1).

Amendment

2. The amount referred to in paragraph 1 shall be the greater of the following:

(a) zero

(b) the after-tax amount calculated in accordance with point (i) reduced by the amount calculated in accordance with point (ii):

(i) the sum of the twelve-month expected credit losses determined in accordance with paragraph 5.5.5 of the Annex to
Commission Regulation (EU) No 2016/2067 and the amount of the loss allowance for lifetime expected losses determined in accordance with paragraph 5.5.3 of the Annex to that Regulation for financial assets that are not credit-impaired as defined in Appendix A to IFRS 9 as of the reporting date;

(ii) the total amount of impairment losses on loans and receivables, held to maturity investments and available for sale assets determined in accordance with paragraphs 63, 64, 65, 67 and 68 of IAS 39 adopted in the Union by Commission Regulation (EC) No 1126/2008 as at 31 December 2017 or on the day before the first application of IFRS 9, reduced by the total amount of the loss allowances for lifetime expected losses of credit impaired financial assets determined in accordance with paragraph 5.5.3 of the Annex to Regulation (EU) No 2016/2067 as at 1 January 2018 or on the date of the first application of IFRS 9.


Or. en

Justification

This amendment includes a reference point clarifying that in line with a dynamic approach, in point (i), the sum of the twelve-month expected credit losses (...) – as well as the amount of the loss allowance for lifetime expected losses (...) – is ‘as of the reporting date’. Furthermore, in point (ii), references to IAS 39.64 and IAS 39.65 are added to account for IBNR provisions.

Amendment 99
Ashley Fox
on behalf of the ECR Group
Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 2

Text proposed by the Commission

2. The amount referred to in paragraph 1 shall be calculated as the twelve month expected credit losses determined in accordance with paragraph 5.5.5 of Commission Regulation (EU) No .... / 2016 (32) and the amount of the loss allowance for financial instruments equal to the lifetime expected losses determined in accordance with paragraph 5.5.3 of Commission Regulation (EU) No .... / 2016 (1).

Amendment

2. The amount referred to in paragraph 1 shall be the greater of the following:

(a) zero

(b) the after-tax amount calculated in accordance with point (i) reduced by the amount calculated in accordance with point (ii):

(i) the sum of the twelve-month expected credit losses determined in accordance with paragraph 5.5.5 of the Annex to Commission Regulation (EU) No 2016/2067 and the amount of the loss allowance for lifetime expected losses determined in accordance with paragraph 5.5.3 of the Annex to that Regulation for financial assets that are not credit-impaired as defined in Appendix A to Regulation (EU) No 2016/2067;

(ii) the total amount of impairment losses on loans and receivables, held to maturity investments and non-equity available for sale assets determined in accordance with paragraphs 63, 67 and 68 of IAS 39 adopted in the Union by Commission Regulation (EC) No 1126/2008 as at 31 December 2017 or on the day before the first application of IFRS 9, reduced by the total amount of the loss allowances for lifetime expected losses of credit impaired financial assets determined in accordance with
with paragraph 5.5.3 of the Annex to Commission Regulation (EU) No 2016/2067 as at 1 January 2018 or on the date of the first application of IFRS 9.

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Or. en

Amendment 100
Matt Carthy, Fabio De Masi

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 2

Text proposed by the Commission

2. The amount referred to in paragraph 1 shall be calculated as the twelve month expected credit losses determined in accordance with paragraph 5.5.5 of Commission Regulation (EU) No …. /2016 (32) and the amount of the loss allowance for financial instruments equal to the lifetime expected losses determined in accordance with paragraph 5.5.3 of Commission Regulation (EU) No …. /2016 (1).

Amendment

2. The amount referred to in paragraph 1 shall be the greater of the following, but only in case the total impact of IFRS 9 on CET 1 is negative:

(a) zero
(b) the after-tax amount calculated in accordance with point (i) reduced by the amount calculated in accordance with point (ii):
(i) the sum of the twelve month expected credit losses determined in accordance with paragraph 5.5.5 of the Annex to Commission Regulation (EU) No
2016/2067 and the amount of the loss allowance for lifetime expected losses determined in accordance with paragraph 5.5.3 of the Annex to Commission Regulation (EU) No 2016/2067 as at 1 January 2018 or on the date of initial application of IFRS 9;

(ii) the total amount of impairment losses on loans and receivables, held to maturity investments and available for sale assets determined in accordance with paragraphs 63, 67 and 68 of IAS 39 adopted in the Union by Commission Regulation (EC) No 1126/2008 as at 31 December 2017 or on the day before the first application of IFRS 9.

_________________


Or. en

Amendment 101
Ernest Urtasun, Philippe Lamberts, Sven Giegold
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119 (new)
Regulation (EU) No 575/2013
Article 473a – paragraph 2 a (new)

Text proposed by the Commission

2a. For financial assets that are exposures subject to risk weighting in accordance with Chapter 3 of Title II of Part Three, institutions shall reduce the amount of expected credit losses for non-defaulted assets calculated in accordance with point (b)(i) of paragraph 2 of this Article by the expected loss amounts
calculated in accordance with Article 158(5), (6) and (10). Where the reduction would result in a negative amount it shall be calculated as zero.

Or. en

Amendment 102
Matt Carthy, Fabio De Masi

Proposal for a regulation
Article 1 – paragraph 1 – point 119 (new)
Regulation (EU) No 575/2013
Article 473a – paragraph 2a (new)

Text proposed by the Commission

Amendment

2a. For financial assets that are exposures subject to risk weighting in accordance with Chapter 3 of Title II of Part Three, institutions shall reduce the amount of expected credit losses for non-defaulted assets calculated in accordance with point (b)(i) of paragraph 2 of this Article by the expected loss shortfall amounts currently deducted from CET 1 capital calculated in accordance with Article 158(5), (6) and (10). Where the reduction would result in a negative amount it shall be calculated as zero.

Or. en

Amendment 103
Luigi Morgano, Simona Bonafè

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point a

Text proposed by the Commission

Amendment

(a) 1 in the period from [date of] (a) 1 in the period from 1 January
Amendment 104
Marco Zanni

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point a

Text proposed by the Commission

(a) 1 in the period from [date of application of this Article] to [date of application of this Article + 1 year - 1 day];

Amendment

(a) 1 in the period from 1 January 2018 to 31 December 2019;

Or. en

Amendment 105
Marco Valli

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point a

Text proposed by the Commission

(a) 1 in the period from [date of application of this Article] to [date of application of this Article + 1 year - 1 day];

Amendment

(a) 1 in the period from 1 January 2018 to 31 December 2019;

Or. it

Amendment 106
Barbara Kappel
Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
473a – paragraph 3 – point a

Text proposed by the Commission

(a) 1 in the period from [date of application of this Article] to [date of application of this Article + 1 year - 1 day];

Amendment

(a) 1 in the period from 1 January 2018 to 31 December 2018;

Or. en

Amendment 107
Roberto Gualtieri

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – Paragraph 3 – point a

Text proposed by the Commission

(a) 1 in the period from [date of application of this Article] to [date of application of this Article + 1 year - 1 day];

Amendment

(a) 1 in the period from 1 January 2018 to 31 December 2018;

Or. en

Amendment 108
Brian Hayes

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point a

Text proposed by the Commission

(a) 1 in the period from [date of application of this Article] to [date of application of this Article + 1 year - 1 day];

Amendment

(a) 1 in the period from 1 January 2018 to 31 December 2018;
Amendment 109
Ashley Fox
on behalf of the ECR Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point a

Text proposed by the Commission

(a) 1 in the period from [date of application of this Article] to [date of application of this Article + 1 year - 1 day];

Amendment

(a) 0.9 in the period from 1 January 2018 to 31 December 2018;

Or. en

Justification

The previously proposed add-back factors may be too small in the early years when uncertainty about the impact of the IFRS 9 provisioning approach will be greatest, and when firms may not have been able to raise the additional capital required as a result of IFRS 9.

Amendment 110
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point a

Text proposed by the Commission

(a) 1 in the period from [date of application of this Article] to [date of application of this Article + 1 year - 1 day];

Amendment

(a) 0.9 in the period from 1 January 2018 to 31 December 2018;

Or. en
Justification

This amendment is in line with the reference on neutralisation by the ‘Standard on regulatory treatment of accounting provisions – interim approach and transitional arrangements of March 2017 by the Basel Committee on Banking Supervision’, which foresees that the impact of ECL provisions on CET 1 capital must not be fully neutralised during the transition period.

Amendment 111
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473 a (new)–point a

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) I in the period from [date of application of this Article] to [ date of application of this Article + 1 year - 1 day];</td>
<td>(a) 0.8 in the period from [date of application of this Article] to [ date of application of this Article + 1 year - 1 day];</td>
</tr>
</tbody>
</table>

Or. en

Amendment 112
Sven Giegold, Ernest Urtasun, Philippe Lamberts on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point a

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) I in the period from [date of application of this Article] to [ date of application of this Article + 1 year - 1 day];</td>
<td>(a) 0.75 in the period from 1 January 2018 to 31 December 2018 ;</td>
</tr>
</tbody>
</table>

Or. en

Amendment 113
Matt Carthy, Fabio De Masi
Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point a

Text proposed by the Commission

(a) 1 in the period from [date of application of this Article] to [date of application of this Article + 1 year - 1 day];

Amendment

(a) 0,7 in the period from 1 January 2018 to 31 December 2018;

Or. en

Amendment 114
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point b

Text proposed by the Commission

(b) 0,8 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Amendment

(b) 1 in the period from 1 January 2019 to 31 December 2019;

Or. en

Amendment 115
Brian Hayes

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point b

Text proposed by the Commission

(b) 0,8 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Amendment

(b) 0,9 in the period from 1 January 2019 to 31 December 2019;
Amendment 116
Roberto Gualtieri

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point b

Text proposed by the Commission
(b) 0,8 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Amendment
(b) 0,8 in the period from 1 January 2019 to 31 December 2019;

Amendment 117
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point b

Text proposed by the Commission
(b) 0,8 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Amendment
(b) 0,8 in the period from 1 January 2019 to 31 December 2019;

Amendment 118
Ashley Fox
on behalf of the ECR Group
Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point b

Text proposed by the Commission

(b) 0,8 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Amendment

(b) 0,8 in the period from 1 January 2019 to 31 December 2019;

Or. en

Amendment 119
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a (new) – point b

Text proposed by the Commission

(b) 0,8 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Amendment

(b) 0,6 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Or. en

Amendment 120
Sven Giegold, Ernest Urtasun, Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point b

Text proposed by the Commission

(b) 0,8 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Amendment

(b) 0,5 in the period from 1 January 2019 to 31 December 2019;
years - 1 day];

Amendment 121
Matt Carthy, Fabio De Masi

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point b

Text proposed by the Commission

(b) 0,8 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Amendment

(b) 0,4 in the period from 1 January 2019 to 31 December 2019;

Or. en

Amendment 122
Marco Zanni

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point b

Text proposed by the Commission

(b) 0,8 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Amendment

(b) 0,8 in the period from 1 January 2020 to 31 December 2021;

Or. en

Amendment 123
Marco Valli

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point b

Text proposed by the Commission

(b) 0,8 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Amendment

(b) 0,8 in the period from 1 January 2020 to 31 December 2020;

Or. it

Amendment 124
Luigi Morgano, Simona Bonafè

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point b

Text proposed by the Commission

(b) 0,8 in the period from [date of application of this Article + 1 year] to [date of application of this Article + 2 years - 1 day];

Amendment

(b) 0,8 in the period from January 2020 to 31 December 2020;

Or. en

Amendment 125
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point c

Text proposed by the Commission

(c) 0,6 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Amendment

(c) 0,8 in the period from 1 January 2020 to 31 December 2020;
Amendment 126
Ashley Fox
on behalf of the ECR Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point c

Text proposed by the Commission
(c) 0,6 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Amendment
(c) 0,7 in the period from 1 January 2020 to 31 December 2020;

Amendment 127
Brian Hayes

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point c

Text proposed by the Commission
(c) 0,6 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Amendment
(c) 0,7 in the period from 1 January 2020 to 31 December 2020;

Amendment 128
Roberto Gualtieri

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013

AM\1128999EN.docx 61/88 PE606.266v01-00
Article 473a – paragraph 3 – point c

Text proposed by the Commission

(c) 0,6 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Amendment

(c) 0,6 in the period from 1 January 2020 to 31 December 2020;

Or. en

Amendment 129
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point c

Text proposed by the Commission

(c) 0,6 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Amendment

(c) 0,6 in the period from 1 January 2020 to 31 December 2020;

Or. en

Amendment 130
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation 575/2013/EU
Article 473a (new) – point c

Text proposed by the Commission

(c) 0,6 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Amendment

(c) 0,4 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Or. en
Amendment 131
Sven Giegold, Ernest Urtasun, Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point c

Text proposed by the Commission

(c) 0,6 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Amendment

(c) 0,25 in the period from 1 January 2020 to 31 December 2020;

Or. en

Amendment 132
Matt Carthy, Fabio De Masi

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point c

Text proposed by the Commission

(c) 0,6 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Amendment

(c) 0,2 in the period from 1 January 2020 to 31 December 2020.

Or. en

Amendment 133
Luigi Morgano, Simona Bonafè

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point c
Text proposed by the Commission

(c) 0,6 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Amendment

(c) 0,6 in the period from 1 January 2021 to 31 December 2021;

Or. en

Amendment 134
Marco Valli

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point c

Text proposed by the Commission

(c) 0,6 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Amendment

(c) 0,6 in the period from 1 January 2021 to 31 December 2021;

Or. it

Amendment 135
Marco Zanni

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point c

Text proposed by the Commission

(c) 0,6 in the period from [date of application of this Article +2 years] to [date of application of this Article +3 years - 1 day];

Amendment

(c) 0,6 in the period from 1 January 2022 to 31 December 2023;

Or. en
Amendment 136
Matt Carthy, Fabio De Masi

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point d

Text proposed by the Commission

(d) 0,4 in the period from \([\text{date of application of this Article} +3 \text{ years}]\) to \([\text{date of application of this Article} +4 \text{ years} - 1 \text{ day}]\);

Amendment

deleted

Or. en

Amendment 137
Sven Giegold, Ernest Urtasun, Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point d

Text proposed by the Commission

(d) 0,4 in the period from \([\text{date of application of this Article} +3 \text{ years}]\) to \([\text{date of application of this Article} +4 \text{ years} - 1 \text{ day}]\);

Amendment

deleted

Or. en

Amendment 138
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point d

Text proposed by the Commission

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PE606.266v01-00
(d) 0,4 in the period from [date of application of this Article +3 years] to [date of application of this Article +4 years - 1 day];

(d) 0,6 in the period from 1 January 2021 to 31 December 2021;

Or. en

Amendment 139
Ashley Fox
on behalf of the ECR Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point d

Text proposed by the Commission

Amendment

(d) 0,4 in the period from [date of application of this Article +3 years] to [date of application of this Article +4 years - 1 day];

(d) 0,5 in the period from 1 January 2021 to 31 December 2021;

Or. en

Amendment 140
Brian Hayes

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point d

Text proposed by the Commission

Amendment

(d) 0,4 in the period from [date of application of this Article +3 years] to [date of application of this Article +4 years - 1 day];

(d) 0,5 in the period from 1 January 2021 to 31 December 2021;

Or. en
Amendment 141
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point d

Text proposed by the Commission

(d) 0,4 in the period from \[date of application of this Article +3 years\] to \[date of application of this Article +4 years - 1 day\];

Amendment

(d) 0,4 in the period from \[1 January 2021 to 31 December 2021\];

Or. en

Amendment 142
Roberto Gualtieri

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point d

Text proposed by the Commission

(d) 0,4 in the period from \[date of application of this Article +3 years\] to \[date of application of this Article +4 years - 1 day\];

Amendment

(d) 0,4 in the period from \[1 January 2021 to 31 December 2021\];

Or. en

Amendment 143
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a (new) – point d

Text proposed by the Commission

(d) \[0,4\] in the period from \[date of\]

Amendment

(d) \[0,2\] in the period from \[date of\]
Application of this Article +3 years] to [date of application of this Article +4 years - 1 day];

Or. en

Amendment 144
Luigi Morgano, Simona Bonafè

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point d

*Text proposed by the Commission*

(d) 0,4 in the period from [date of application of this Article +3 years] to [date of application of this Article +4 years - 1 day];

*Amendment*

(d) 0,4 in the period from 1 January 2022 to 31 December 2022;

Or. en

Amendment 145
Marco Valli

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473 a – paragraph 3 – point d

*Text proposed by the Commission*

(d) 0,4 in the period from [date of application of this Article +3 years] to [date of application of this Article +4 years - 1 day];

*Amendment*

(d) 0,4 in the period from 1 January 2022 to 31 December 2022.

Or. it

Amendment 146
Marco Zanni
Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point d

Text proposed by the Commission

Amendment

(d) 0,4 in the period from [date of application of this Article +3 years] to [date of application of this Article +4 years - 1 day];

(d) 0,4 in the period from 1 January 2024 to 31 December 2025;

Or. en

Amendment 147
Marco Valli

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point e

Text proposed by the Commission

Amendment

(e) 0,2 in the period from [date of application of this Article +4 years] to [date of application of this Article +5 years - 1 day].

deleted

Or. it

Amendment 148
Sven Giegold, Ernest Urtasun, Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point e

Text proposed by the Commission

Amendment

(e) 0,2 in the period from [date of application of this Article +4 years] to [date of application of this Article +5 years - 1 day].

deleted

AM\1128999EN.docx 69/88  PE606.266v01-00
[date of application of this Article +5 years - 1 day].

Amendment 149
Luigi Morgano, Simona Bonafè

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point e

Text proposed by the Commission

Amendment

(e) 0,2 in the period from [date of application of this Article +4 years] to [date of application of this Article +5 years - 1 day].

Or. en

Amendment 150
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a (new)–point e

Text proposed by the Commission

Amendment

(e) 0,2 in the period from [date of application of this Article +4 years] to [date of application of this Article +5 years - 1 day].

Or. en

Amendment 151
Matt Carthy, Fabio De Masi
Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) 575/2013
Article 473a – paragraph 3 – point e

Text proposed by the Commission

Amendment

(e) 0,2 in the period from [date of application of this Article +4 years] to [date of application of this Article +5 years - 1 day].

Or. en

Amendment 152
Marco Zanni

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point e

Text proposed by the Commission

Amendment

(e) 0,2 in the period from [date of application of this Article +4 years] to [date of application of this Article +5 years - 1 day].

Or. en

Amendment 153
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point e

Text proposed by the Commission

Amendment

(e) 0,2 in the period from [date of application of this Article +4 years] to [date of application of this Article +5 years - 1 day].

(e) 0,4 in the period from 1 January 2022 to 31 December 2022;
years - 1 day].

Amendment 154
Brian Hayes

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point e

Text proposed by the Commission

(e) 0,2 in the period from [date of application of this Article +4 years] to [date of application of this Article +5 years - 1 day].

Amendment

(e) 0,3 in the period from 1 January 2022 to 31 December 2022.

Or. en

Amendment 155
Ashley Fox
on behalf of the ECR Group

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point e

Text proposed by the Commission

(e) 0,2 in the period from [date of application of this Article +4 years] to [date of application of this Article +5 years - 1 day].

Amendment

(e) 0,25 in the period from 1 January 2022 to 31 December 2022.

Or. en

Amendment 156
Roberto Gualtieri
Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point e

Text proposed by the Commission

(e) \(0.2\) in the period from \([\text{date of application of this Article} + 4 \text{ years}]\) to \([\text{date of application of this Article} + 5 \text{ years} - 1 \text{ day}]\).

Amendment

(e) \(0.2\) in the period from 1 January 2022 to 31 December 2022;

Or. en

Amendment 157
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 119
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – point e

Text proposed by the Commission

(e) \(0.2\) in the period from \([\text{date of application of this Article} + 4 \text{ years}]\) to \([\text{date of application of this Article} + 5 \text{ years} - 1 \text{ day}]\).

Amendment

(e) \(0.2\) in the period from 1 January 2022 to 31 December 2022.

Or. en

Amendment 158
Brian Hayes

Proposal for a regulation
Article 1 – paragraph 1 – point 119 (new)
Regulation (EU) No 575/2013
Article 473a – paragraph 3 – subparagraph 1 a (new)

Text proposed by the Commission

During the transitional period referred to in this paragraph, institutions that have not applied transitional provisions from the starting period referred to in point (a)

Amendment

During the transitional period referred to in this paragraph, institutions that have not applied transitional provisions from the starting period referred to in point (a)
of the first paragraph, may on a one-off basis apply the remaining transitional provisions subject to the prior approval of the competent authority.

Or. en

Amendment 159
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 119 (new)
Regulation (EU) No 575/2013
Article 493a – paragraph 3a (new)

Text proposed by the Commission

3a. Where an institution adds an amount to its Common Equity Tier 1 capital in accordance with paragraph 1, it shall recalculate the following items by multiplying each credit risk adjustment and each deferred tax asset by the following scaling factor (SF):

(a) the amount of deferred tax assets deducted from Common Equity Tier 1 capital in accordance with Article 36(1) (c) or risk weighted in accordance with Article 48(4);

(b) the exposure value as determined in accordance with Article 111(1);

(c) the amount of Tier 2 items calculated in accordance with points (c) and (d) of Article 62.

The scaling factor (SF) shall be calculated as:

\[ SF = 1 - \frac{AB}{CRA} \]

where:

\[ AB = \text{the amount calculated in accordance paragraph 1 and included in Common Equity Tier 1 capital} \]

\[ CRA = \text{the total amount of credit risk} \]
adjustments

Justification

In order to give certainty for banks on the methodology to be followed so as to neutralise the effects of the amount added back under the IFRS transitional arrangements on CET1 capital and to capture such effects as accurately as possible, it is appropriate to reduce the exposure value, the deferred tax assets and the amount of credit risk adjustments added back to Tier 2 items by a percentage reflecting the ratio between the amount added back to CET1 under the IFRS transitional arrangements and the total accounting provisions made by the institution.

Amendment 160
Cora van Nieuwenhuizen

Proposal for a regulation
Article 1 – paragraph 1 – point 119 (new)
Regulation (EU) No 575/2013
473a – paragraph 3a (new)

Text proposed by the Commission

3a. During the period set out in paragraph 1, in addition to disclosing the information required in Article 99, institutions which choose to apply this Article shall report the amount of own funds, Common Equity Tier 1 capital, Tier 1 capital, the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio, the total capital ratio and leverage ratio they would have in case they would not apply this Article.

EBA shall, in accordance with Article 16 of Regulation (EU) No 1093/2010, issue guidelines by [31 December 2017] on the reporting requirements laid down in this Article.

Amendment 161
Othmar Karas
Proposal for a regulation
Article 1 – paragraph 1 – point 119 (new)
Regulation (EU) No 575/2013
Article 473a – paragraph 3a (new)

Text proposed by the Commission

3a. During the period set out in paragraph 1, in addition to disclosing the information required in Part Eight, institutions which choose to apply this Article shall disclose the amount of own funds, Common Equity Tier 1 capital, Tier 1 capital, the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio, the total capital ratio and the leverage ratio they would have if they did not apply this Article.

EBA shall, in accordance with Article 16 of Regulation (EU) No 1093/2010, issue guidelines by [31 December 2017] on the disclosure requirements laid down in this Article.

Justification

Building on the ‘Standard on regulatory treatment of accounting provisions – interim approach and transitional arrangements of March 2017 by the Basel Committee on Banking Supervision’, this amendment specifies the disclosure requirements and includes a mandate for the EBA to issue guidelines for the specific disclosures of this article to allow for consistency in the implementation of these requirements.

Amendment 162
Peter Simon

Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b
Regulation (EU) No 575/2013
Article 493 – paragraph 4 – subparagraph 1

Text proposed by the Commission

4. By way of derogation from Article

Amendment

4. By way of derogation from Article
395, competent authorities may allow institutions to incur **one of the** exposures provided for in **points (a) (c) (d) (e) of Article 400(1)** denominated and funded in the currency of any Member States up to the following values, **after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403:**

395(1), competent authorities may allow institutions to incur **all** exposures provided for in **paragraph 5 meeting the conditions set out in paragraph 6,** up to the following **maximum limits:**

Amendment 163
Marco Zanni

Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b
Regulation (EU) No 575/2013
Article 493 – paragraph 4 – subparagraph 1

**Text proposed by the Commission**

4. By way of derogation from Article 395, competent authorities may allow institutions to incur one of the exposures provided for in points (a) (c) (d) (e) of Article 400(1) denominated and funded in the currency of any Member States **up to the following values,** after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403:

**Amendment**

4. By way of derogation from Article 395, competent authorities may allow institutions to incur one of the exposures provided for in points (a) (c) (d) (e) of Article 400(1) denominated and funded in the currency of any Member States, after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403, **up to:**

Amendment 164
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b
Regulation (EU) No 575/2013
Article 493 – paragraph 4 – point a
Amendment 165
Marco Zanni

Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b
Regulation (EU) No 575/2013
Article 493 – paragraph 4 – point a

Text proposed by the Commission
(a) 100% of the institution’s Tier 1 capital until 31 December 2018;

Amendment
(a) 200% of the institution’s Tier 1 capital until 31 December 2018;

Or. en

Amendment 166
Marco Zanni

Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b
Regulation (EU) No 575/2013
Article 493 – paragraph 4 – point b

Text proposed by the Commission
(b) 75% of the institution’s Tier 1 capital until 31 December 2019;

Amendment
deleted

Or. en

Amendment 167
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b
Regulation (EU) No 575/2013
Article 493 – paragraph 4 – point b

Prescribed amount (b) 75% of the institution’s Tier 1 capital until 31 December 2019.

Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b

Amendment 168
Marco Zanni

Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b
Regulation (EU) No 575/2013
Article 493 – paragraph 4 – point c

Text proposed by the Commission
(b) 75% of the institution’s Tier 1 capital until 31 December 2019;

Amendment
(b) 150% of the institution’s Tier 1 capital until 31 December 2019;

Or. en

Amendment 169
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b
Regulation (EU) No 575/2013
Article 493 – paragraph 4 – point c

Text proposed by the Commission
(c) 50% of the institution’s Tier 1 capital until 31 December 2020.

Amendment
(c) 100% of the institution’s Tier 1 capital until 31 December 2020.

Or. en

Amendment 170
Peter Simon
Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b (new)
Regulation (EU) No 575/2013
Article 493 – paragraph 4 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

(ca) The maximum limits specified in points (a), (b), and (c) of the first subparagraph shall apply to exposure values after taking into account the effect of credit risk mitigation in accordance with Articles 399 to 403.

Amendment 171
Peter Simon

Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b
Regulation (EU) No 575/2013
Article 493 – paragraph 5

Text proposed by the Commission

Amendment

5. Exposures referred to in points (a) (c) (d) (e) of Article 400(1) denominated and funded in the currency of any Member State and incurred by institutions before 22 November 2016 shall be exempted from the application of Article 395.

5. The treatment set out in paragraph 4 shall apply to the following exposures:

(a) asset items constituting claims on central governments, central banks, or public sector entities of Member States;

(b) asset items constituting claims expressly guaranteed by central governments, central banks, or public sector entities of Member States;

(c) other exposures to, or secured by, central governments, central banks, or public sector entities of Member States;
(d) asset items constituting claims on regional governments or local authorities of Member States treated as exposures to the central government in accordance with Article 115(2);

(e) other exposures to, or secured by, regional governments or local authorities of Member States treated as exposures to the central government in accordance with Article 115(2).

For the purposes of points (a), (b), and (c) of the first subparagraph, the treatment set out in paragraph 4 shall apply only to asset items and other exposures to, or secured by, public sector entities which are treated as exposures to the central government, a regional government, or a local authority in accordance with Article 116(4). Where asset items and other exposures to, or secured by, public sector entities are treated as exposures to a regional government or local authority in accordance with Article 116(4), treatment under paragraph 4 may be applied only if the exposures to that regional government or local authority are treated as exposures to the central government in accordance with Article 115(2).

Or. de

Amendment 172
Peter Simon

Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b (new)

Regulation (EU) No 575/2013
Article 493 – paragraph 5 a (new)

Text proposed by the Commission

5a. Treatment under paragraph 4 may be applied only if an exposure as referred to in paragraph 5 meets all of the following conditions:
(a) the exposure has been assigned a risk weight of 0% in accordance with Article 495(2) as it stood before 1 January 2018;
(b) the exposure was incurred on or after [date of adoption to be added when the text is published].

Or. de

Amendment 173
Peter Simon
Proposal for a regulation
Article 1 – paragraph 1 – point 120 – point b (new)
Regulation (EU) No 575/2013
Article 493 – paragraph 5 b (new)

Text proposed by the Commission

Amendment

5b. An exposure as referred to in paragraph 5 incurred before [date of adoption to be added when the text is published] to which a risk weight of 0% was assigned on 31 December 2017 in accordance with Article 495(2) shall be exempted from the application of Article 395(1).”

Or. de

Amendment 174
Barbara Kappel
Proposal for a regulation
Article 1 – paragraph 1 – point 127
Regulation (EU) No 575/2013
Article 501a – paragraph 1 – point b

Text proposed by the Commission

(b) the exposure is to an entity which was created specifically to finance or operate physical structures or facilities, systems and networks that provide or

Amendment

(b) the exposure is to an entity or – under specific conditions – to an affiliated holding company which was created specifically to finance or operate physical
support essential public services; structures or facilities, systems and networks that provide or support essential public services; \textit{the entity can be an affiliated holding company structure if the sources, use and purpose of the loan is adequately fixed by contractual obligations and the cash-flows for repayment are adequately separated and controlled.} \\

Or. en

\textbf{Amendment 175}\n
\textbf{Barbara Kappel} \\

\textbf{Proposal for a regulation} \\
\textbf{Article 1 – paragraph 1 – point 127}  \\
Regulation (EU) No 575/2013 \\
Article 501a – paragraph 1 – point c \\

\textit{Text proposed by the Commission} \hspace{1cm} \textit{Amendment} \\

(c) \textit{the primary source of repayment of the obligation is the income generated by the assets being financed, rather than the independent capacity of a broader commercial enterprise;}

(c) \textit{the primary source of repayment of the obligation is the income generated by or associated with the assets being financed (i.e. including concession based business), rather than the independent capacity of a broader commercial enterprise;}

Or. en

\textbf{Amendment 176}\n
\textbf{Barbara Kappel} \\

\textbf{Proposal for a regulation} \\
\textbf{Article 1 – paragraph 1 – point 127}  \\
Regulation (EU) No 575/2013 \\
Article 501a – paragraph 1 – point d \\

\textit{Text proposed by the Commission} \hspace{1cm} \textit{Amendment} \\

(d) \textit{the obligor can meet its financial obligations even under \textit{severely stressed} scenarios} \\

(d) \textit{the obligor can meet its financial obligations even under stressed \textit{scenarios}}
**conditions** that are relevant for the risk of the project;

that are relevant for the risk of the project;

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**Amendment 177**  
**Barbara Kappel**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 127**  
Regulation (EU) No 575/2013  
Article 501a – paragraph 1 – point g – point i

**Text proposed by the Commission**  
(i) where the revenues of the obligor are not funded by payments from a large number of users, the contractual arrangements shall include provisions that effectively protect lenders against losses resulting from the termination of the project by the party which agrees to purchase the goods or services provided by the obligor;

**Amendment**  
(i) where the revenues of the obligor are not funded by payments from a large number of users, the **revenues are covered by law or the** contractual arrangements shall include provisions that effectively protect lenders against losses resulting from the termination of the project by the party which agrees to purchase the goods or services provided by the obligor;

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**Amendment 178**  
**Barbara Kappel**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 127**  
Regulation (EU) No 575/2013  
Article 501a – paragraph 1 – point g – point ii

**Text proposed by the Commission**  
(ii) the obligor has sufficient reserve funds fully funded in cash or other financial arrangements with **highly** rated guarantors to cover the contingency funding and working capital requirements **over lifetime** of the assets referred to in point b) of this paragraph;

**Amendment**  
(ii) the obligor has sufficient reserve funds fully funded in cash or other financial arrangements with **adequately** rated guarantors to cover the contingency funding and working capital requirements **covering a substantial tenor of the financing** of the assets referred to in point
b) of this paragraph. The guarantor should have an ECAI rating with a credit quality step of at least 3, or a corresponding internal rating, at the time of the financing. A credit quality step of 4 should be allowed when tariffs are fixed by law;

Amendment 179
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 127
Regulation (EU) No 575/2013
Article 501a – paragraph 1 – point g – point iii

Text proposed by the Commission

(iii) the lenders have a substantial degree of control over the assets and the income generated by the obligor;

Amendment

(iii) the lenders have a substantial degree of control over the assets and the income generated by the obligor to be ensured by adequate contractual covenants;

Amendment 180
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 127
Regulation (EU) No 575/2013
Article 501a – paragraph 1 – point g – point v

Text proposed by the Commission

(v) equity is pledged to lenders such that they are able to take control of the entity upon default;

Amendment

(v) equity is pledged to lenders or other measures (e.g. step-in rights) are agreed in order to ensure ability to take control of the entity upon default;

Or. en
Amendment 181
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 128 – introductory part
Regulation (EU) No 575/2013
Article 507

Text proposed by the Commission

Amendment

(128) Article 507 is replaced by the following:

(128) Article 507 is deleted.

Or. en

Justification

The Commission proposal introduces a too broad mandate to the EBA, to monitor the use of exemptions from the large exposures limits set out in Article 390 (6), 400 (1) and 400(2), and to report to the Commission about the impact of their possible removal or restriction.

Amendment 182
Barbara Kappel

Proposal for a regulation
Article 1 – paragraph 1 – point 128
Regulation (EU) No 575/2013
Article 507

Text proposed by the Commission

Amendment

The EBA shall monitor the use of exemptions set out in Article 390 (6) and Article 400 (1) and Article 400(2) and by [one year after entry into force of the amending Regulation] submit a report to the Commission assessing the quantitative impact that the removal of those exemptions or the setting of a limit on their use would have. The report shall assess, in particular, for each exemption provided for in those Articles:

(a) the number of large exposures exempted in each Member State;

deleted
(b) the number of institutions that make use of the exemption in each Member State;

(c) the aggregate amount of exposures exempted in each Member State.

Amendment 183
Brian Hayes

Proposal for a regulation
Article 3 – paragraph 2 – subparagraph 1 – point b
Regulation (EU) No 575/2013

Text proposed by the Commission  Amendment

(b) the provisions in point (119) concerning amendments to Article 473a of Regulation (EU) No 575/2013, which shall apply from the date of entry into force of this Regulation.

(b) the provisions in point (119) concerning amendments to Article 473a of Regulation (EU) No 575/2013, which shall apply from 1 January 2018.

Amendment 184
Barbara Kappel

Proposal for a regulation
Article 3 – paragraph 2 – subparagraph 1 – point b a (new)
Regulation (EU) No 575/2013

Text proposed by the Commission  Amendment

(ba) the provisions in point (126) concerning amendments to Article 501 to include an adjustment to SME exposures, which shall apply from the date of entry into force of this Regulation.

Or. en
Justification

The opportunity of an SMEs Supporting Factor applicable to a wider number of credit operations and a broader spectrum of SMEs has been wisely introduced as a “zero” cost measure to strength the European economy. Consistently, it seems appropriate to consider the new SME SF among those measure for which a fast track must be envisaged.

Amendment 185
Barbara Kappel

Proposal for a regulation
Article 3 – paragraph 2 – subparagraph 1 – point b b (new)
Regulation (EU) No 575/2013

Text proposed by the Commission

(b) the provisions on the introduction of an adjustment to capital requirements for credit risk for exposures to entities that operate or finance physical structures or facilities, systems and networks that provide or support essential public services pursuant to Article 501a, which shall apply from the date of entry into force of this Regulation.

Or. en

Justification

Since the scaling factor would be introduced with the purpose of fostering investments in sound and essential infrastructure projects, the introduction of the factor as soon as the CRR enters into force, without a two years delay, is vital. Otherwise the objective of revamping the economy after the crisis might be jeopardized.