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Committee on Economic and Monetary Affairs

2021/0342(COD)

11.8.2022

AMENDMENT
313 - 587

Draft report
Jonás Fernández
(PE731.818v01-00)

Amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor

Proposal for a regulation
(COM(2021)0664 – C9-0397/2021 – 2021/0342(COD))

AM_Com_LegReport

Amendment 313
Othmar Karas

Proposal for a regulation
Recital 2

Text proposed by the Commission	*Amendment*
(2) To address those problems, provide legal certainty and signal our commitment to our international partners in the G20, it is of utmost importance to implement the outstanding elements of the Basel III reform faithfully. At the same time, the implementation should ***avoid a*** significant increase in overall capital requirements for the EU banking system on the whole and take ***into*** account specificities of the EU economy. Where possible, adjustments to the international standards should be applied on a transitional basis. The implementation should help avoid competitive disadvantages for EU institutions, in particular in the area of trading activities, where EU institutions directly compete with their international peers. Furthermore, the proposed approach should be coherent with the logic of the Banking Union and ***avoid further fragmentation of*** the Single Market for banking. Finally, it should ensure proportionality of the rules and aim at further reducing compliance costs, in particular for ***smaller*** institutions, without loosening the prudential standards.	(2) To address those problems, provide legal certainty and signal our commitment to our international partners in the G20, it is of utmost importance to implement the outstanding elements of the Basel III reform faithfully. At the same time, the implementation should ***lead to no*** significant increase in overall capital requirements for the EU banking system on the whole and take ***due*** account ***of*** specificities of the EU economy***, as stressed in the European Parliament resolution[1a] of 23 November 2016 on the finalisation of Basel III***. Where possible, adjustments to the international standards should be applied on a transitional basis. The implementation should help avoid competitive disadvantages for EU institutions, in particular in the area of trading activities, where EU institutions directly compete with their international peers. Furthermore, the proposed approach should be coherent with the logic of the Banking Union and ***harmonise*** the Single Market for banking. Finally, it should ensure proportionality of the rules and aim at further reducing compliance ***and reporting*** costs, in particular for ***small and non-complex*** institutions, without loosening the prudential standards***, in line with the EBA Cost of Compliance Study[1b] targeting a reduction of reporting costs of 10% to 20%***.

[1a] P8_TA(2016)0439

[1b] EBA/Rep/2021/15

Or. en

(See European Parliament resolution of 23 November 2016 on the finalisation of Basel III and EBA Study of the cost of compliance with supervisory reporting requirement EBA/Rep/2021/15.)

Justification

This amendment aims to strengthen the objectives of "no significant capital requirements" and accounting for European specificities, as stressed in the European Parliament resolution of 23 November 2016 on the finalisation of Basel III. Additionally, proportionality should be a key driver in this regulation to also achieve further reductions of reporting costs for SNCIs as outlined in the EBA Cost of Compliance Study EBA/Rep/2021/15.

Amendment 314
Alfred Sant

Proposal for a regulation
Recital 2

Text proposed by the Commission	*Amendment*
(2) To address those problems, provide legal certainty and signal our commitment to our international partners in the G20, it is of utmost importance to implement the outstanding elements of the Basel III reform faithfully. At the same time, the implementation should avoid a significant increase in overall capital requirements for the EU banking system on the whole and take into account specificities of the EU economy. Where possible, adjustments to the international standards should be applied on a transitional basis. The implementation should ***help*** avoid competitive disadvantages for EU institutions, in particular in the area of trading activities, where EU institutions directly compete with their international peers. Furthermore, the proposed approach should be coherent with the logic of the Banking Union and avoid further fragmentation of the Single Market for banking. Finally, it should ensure proportionality of the rules and aim at further reducing compliance costs, in particular for smaller institutions, without loosening the prudential standards.	(2) To address those problems, provide legal certainty and signal our commitment to our international partners in the G20, it is of utmost importance to implement the outstanding elements of the Basel III reform faithfully. At the same time, the implementation should avoid a significant increase in overall capital requirements for the EU banking system on the whole and take into account specificities of the EU economy. Where possible, adjustments to the international standards should be applied on a transitional basis. The implementation should avoid competitive disadvantages for EU institutions, in particular in the area of trading activities, where EU institutions directly compete with their international peers***. It should take into full account the different financial structures prevailing outside the Union, especially but not only with regards to the mortgage market***. Furthermore, the proposed approach should be coherent with the logic of the Banking Union and avoid further fragmentation of the Single Market for banking. Finally, it should ensure proportionality of the rules

and aim at further reducing compliance costs, in particular for smaller institutions, ***and the economies of the smaller Member States,*** without loosening the prudential standards.

Or. en

Amendment 315
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Recital 2

Text proposed by the Commission	*Amendment*
(2) To address those problems, provide legal certainty and signal our commitment to our international partners in the G20, it is of utmost importance to implement the outstanding elements of the Basel III reform faithfully. At the same time, the implementation should avoid a significant increase in overall capital requirements for the EU banking system on the whole and take into account specificities of the EU economy***. Where possible, adjustments to the international standards should be applied on a transitional basis***. The implementation should help avoid competitive disadvantages for EU institutions, in particular in the area of trading activities, where EU institutions directly compete with their international peers. Furthermore, the proposed approach should be coherent with the logic of the Banking Union and avoid further fragmentation of the Single Market for banking. Finally, it should ensure proportionality of the rules and aim at further reducing compliance costs, in particular for smaller institutions, without loosening the prudential standards.	(2) To address those problems, provide legal certainty and signal our commitment to our international partners in the G20, it is of utmost importance to implement the outstanding elements of the Basel III reform faithfully. At the same time, the implementation should avoid a significant increase in overall capital requirements for the EU banking system on the whole and take into account specificities of the EU economy. The implementation should help avoid competitive disadvantages for EU institutions, in particular in the area of trading activities, where EU institutions directly compete with their international peers. Furthermore, the proposed approach should be coherent with the logic of the Banking Union and avoid further fragmentation of the Single Market for banking. Finally, it should ensure proportionality of the rules and aim at further reducing compliance costs, in particular for smaller institutions, without loosening the prudential standards.

Or. en

Justification

Specific measures to take into account specificities of the EU economy need to be assessed by EBA in time and then the European Commission must decide if new legislative proposals are appropriate, rather than a fixed end date being decided now.

Amendment 316
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 2

Text proposed by the Commission	*Amendment*
(2) To address those problems, provide legal certainty and signal our commitment to our international partners in the G20, it is of utmost importance to implement the outstanding elements of the Basel III reform ***faithfully***. At the same time, the implementation should ***avoid a significant increase in overall capital requirements for the EU banking system on the whole and*** take into account specificities of the EU economy***.*** Where ***possible, adjustments to*** the international ***standards should be applied on a transitional basis***. The implementation should help avoid competitive disadvantages for EU institutions, in particular in the area of trading activities, where EU institutions directly compete with their international peers. Furthermore, the proposed approach should be coherent with the logic of the Banking Union and avoid further fragmentation of the Single Market for banking. Finally, it should ensure proportionality of the rules and aim at further reducing compliance costs, in particular for smaller institutions, without loosening the prudential standards.	(2) To address those problems, provide legal certainty and signal our commitment to our international partners in the G20, it is of utmost importance to implement ***fairly, fully and timely*** the outstanding elements of the Basel III reform. At the same time, the implementation should take into account specificities of the EU economy***,*** where ***there is sufficient and robust evidence that*** the international ***framework does not capture these specificities***. The implementation should help avoid competitive disadvantages for EU institutions, in particular in the area of trading activities, where EU institutions directly compete with their international peers. Furthermore, the proposed approach should be coherent with the logic of the Banking Union and avoid further fragmentation of the Single Market for banking. Finally, it should ensure proportionality of the rules and aim at further reducing compliance costs, in particular for smaller institutions, without loosening the prudential standards.

Or. en

Amendment 317
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel, Engin Eroglu

Proposal for a regulation
Recital 3

Text proposed by the Commission	*Amendment*
(3) Regulation (EU) No 575/2013 enables institutions to calculate their capital requirements either by using standardised approaches, or by using internal model approaches. Internal model approaches allow institutions to estimate most or all the parameters required to calculate capital requirements on their own, whereas standardised approaches require institutions to calculate capital requirements using fixed parameters, which are based on relatively conservative assumptions and laid down in Regulation (EU) No 575/2013. The Basel Committee decided in December 2017 to introduce an aggregate output floor. That decision was based on an analysis carried out in the wake of the financial crisis of 2008-2009, which revealed that internal models tend to underestimate the risks that institutions are exposed to, especially for certain types of exposures and risks, and hence, tend to result in insufficient capital requirements. Compared to capital requirements calculated using the standardised approaches, internal models produce, on average, lower capital requirements for the same exposures.	(3) Regulation (EU) No 575/2013 enables institutions to calculate their capital requirements either by using standardised approaches, or by using internal model approaches. Internal model approaches***, approved by national competent authorities,*** allow institutions to estimate most or all the parameters required to calculate capital requirements on their own, whereas standardised approaches require institutions to calculate capital requirements using fixed parameters, which are based on relatively conservative assumptions and laid down in Regulation (EU) No 575/2013. The Basel Committee decided in December 2017 to introduce an aggregate output floor. That decision was based on an analysis carried out in the wake of the financial crisis of 2008-2009, which revealed that internal models tend to underestimate the risks that institutions are exposed to, especially for certain types of exposures and risks, and hence, tend to result in insufficient capital requirements. Compared to capital requirements calculated using the standardised approaches, internal models produce, on average, lower capital requirements for the same exposures.

Or. en

Justification

National supervisors are obliged to scrutinise internal models.

Amendment 318
Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

Proposal for a regulation
Recital 5

Text proposed by the Commission	*Amendment*
(5) In order to avoid fragmentation of the internal market for banking, the approach for the output floor should be coherent with the principle of risk aggregation across different entities within the same banking group and the logic of consolidated supervision. ***At the same time, the output floor should address risks stemming from internal models in both home and host Member States.*** The output floor should therefore be calculated at the highest level of consolidation in the Union***, whereas subsidiaries located in other Member States than the EU parent should calculate, on a sub-consolidated basis, their contribution to the output floor requirement of the entire banking group***. ***That approach should avoid unintended impacts and ensure a fair distribution of the additional capital required by the application of the output floor between group entities in home and host Member States according to their risk profile.***	(5) In order to avoid fragmentation of the internal market for banking, the approach for the output floor should be coherent with the principle of risk aggregation across different entities within the same banking group and the logic of consolidated supervision. The output floor should therefore be calculated at the highest level of consolidation in the Union.

Or. en

Justification

Application of the Output Floor at the highest level of consolidation, in line with the Basel agreement and the ECB position.

Amendment 319
Jonás Fernández

Proposal for a regulation
Recital 5

Text proposed by the Commission	*Amendment*
(5) In order to avoid fragmentation ***of the internal market for banking, the approach for the output floor should be***	(5) In order to avoid fragmentation, the output floor should address risks stemming from internal models in both home and

coherent with the principle of risk aggregation across different entities within the same banking group and the logic of consolidated supervision. At the same time, the output floor should address risks stemming from internal models in both home and host Member States. The output floor should ***therefore*** be calculated at the highest level of consolidation in the Union, whereas subsidiaries located in other Member States than the EU parent should calculate, on a sub-consolidated basis, their contribution to the output floor requirement of the entire banking group. That approach ***should avoid*** unintended impacts and ensure a fair distribution of the additional capital required by the application of the output floor between group entities in home and host Member States according to their risk profile.	host Member States. ***In order to ensure that own funds are appropriately distributed and available to protect savings where needed, the output floor requirements should apply at all levels of consolidation, until strong progress is made at Union level on the implementation of a European Deposit Guarantee framework that provides sufficient levels of confidence to host Member States. The EBA shall assess by 31 December 2027 and at least every three years thereafter, the developments in the Union deposit guarantee framework and publish an opinion on the level of progress achieved. Once sufficient progress is made at the Union level the Commission may adopt a legislative proposal to amend the level of application of the output floor.*** The output floor should ***then*** be calculated at the highest level of consolidation in the Union, whereas subsidiaries located in other Member States than the EU parent should calculate, on a sub-consolidated basis, their contribution to the output floor requirement of the entire banking group. That approach ***would be coherent with the principle of risk aggregation across different entities within the same banking group and the logic of consolidated supervision while avoiding*** unintended impacts and ensure a fair distribution of the additional capital required by the application of the output floor between group entities in home and host Member States according to their risk profile.
	Or. en

Amendment 320
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 5

Text proposed by the Commission	*Amendment*
(5) In order to avoid fragmentation of the internal market for banking, the approach for the output floor should be coherent with the principle of risk aggregation across different entities within the same banking group and the logic of consolidated supervision. At the same time, the output floor should address risks stemming from internal models in both home and host Member States. The output floor should therefore be calculated at ***the highest*** level ***of consolidation in the Union, whereas subsidiaries*** located in ***other Member States than the EU*** parent ***should calculate, on a sub-consolidated basis, their contribution to*** the output floor ***requirement of the entire banking group. That approach should avoid unintended impacts and ensure a fair distribution of the additional capital required by the application of*** the output floor ***between group entities in home and host Member States according to their risk profile***.	(5) In order to avoid fragmentation of the internal market for banking, the approach for the output floor should be coherent with the principle of risk aggregation across different entities within the same banking group and the logic of consolidated supervision. At the same time, the output floor should address risks stemming from internal models in both home and host Member States. The output floor should therefore be calculated at ***entity*** level ***but competent authorities may authorise institutions*** located in ***their jurisdictions and that belong to a group with the*** parent ***institution is also located in this Member State not to apply*** the output floor ***at their level, provided that the parent institution applies*** the output floor ***on a consolidated basis***.

Or. en

Amendment 321
Othmar Karas

Proposal for a regulation
Recital 5

Text proposed by the Commission	*Amendment*
(5) In order to ***avoid fragmentation of*** the internal market for banking, the approach for the output floor should be coherent with the principle of risk aggregation across different entities within the same banking group and the logic of consolidated supervision. At the same time, the output floor should address risks stemming from internal models in both home and host Member States. The output	(5) In order to ***harmonise*** the internal market for banking, the approach for the output floor should be coherent with the principle of risk aggregation across different entities within the same banking group and the logic of consolidated supervision. At the same time, the output floor should address risks stemming from internal models in both home and host Member States. The output floor should

floor should therefore be calculated at the highest level of consolidation in the Union, whereas ***subsidiaries located in other Member States than the EU parent*** should ***calculate, on a sub-consolidated basis, their contribution to the output floor requirement*** of the ***entire banking group. That*** approach ***should avoid unintended impacts and ensure a fair distribution*** of the ***additional capital required by the application of the output floor between group entities in home and host Member States according to their risk profile***.

therefore be calculated at the highest level of consolidation in the Union, whereas ***banks and competent authorities*** should ***ensure that the capitalisation of standalone entities is adequate, in accordance with SCO 10*** of the ***Basel principles. This*** approach ***is not only in line with the objectives*** of the ***banking union, but also avoids complexities, administrative burden and adverse effects for risk management within banking groups***.

Or. en

Amendment 322
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 8

Text proposed by the Commission	*Amendment*
(8) For subordinated debt and equity exposures, a more granular and stringent risk weight treatment is necessary to reflect the higher loss risk of subordinated debt and equity exposures when compared to debt exposures, and to prevent regulatory arbitrage between the banking book and the trading book. Union institutions have long-standing, strategic equity investments in financial and non-financial corporates. As the standard risk weight for equity exposures increases over a 5-year transition period, existing strategic equity holdings in corporates and insurance undertakings under significant influence of the institution should be grandfathered to avoid disruptive effects and to preserve the role of Union institutions as long-standing, strategic equity investors. ***Given the prudential safeguards and supervisory oversight to foster financial integration of the financial sector, however, for equity***	(8) For subordinated debt and equity exposures, a more granular and stringent risk weight treatment is necessary to reflect the higher loss risk of subordinated debt and equity exposures when compared to debt exposures, and to prevent regulatory arbitrage between the banking book and the trading book. Union institutions have long-standing, strategic equity investments in financial and non-financial corporates. As the standard risk weight for equity exposures increases over a 5-year transition period, existing strategic equity holdings in corporates and insurance undertakings under significant influence of the institution should be grandfathered to avoid disruptive effects and to preserve the role of Union institutions as long-standing, strategic equity investors. In addition, to reinforce private and public initiatives to provide long-term equity to EU corporates, be they listed or unlisted, investments

holdings in other institutions within the same group or covered by the same institutional protection scheme, the current regime should be maintained. In addition, to reinforce private and public initiatives to provide long-term equity to EU corporates, be they listed or unlisted, investments should not be considered as speculative where they are made with the firm intention of the institution's senior management to hold it for three or more years.

should not be considered as speculative where they are made with the firm intention of the institution's senior management to hold it for three or more years.

Or. en

Amendment 323
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Recital 8

Text proposed by the Commission	*Amendment*
(8) For subordinated debt and equity exposures, a more granular and stringent risk weight treatment is necessary to reflect the higher loss risk of subordinated debt and equity exposures when compared to debt exposures, and to prevent regulatory arbitrage between the banking book and the trading book. Union institutions have long-standing, strategic equity investments in financial and non-financial corporates. ***As the standard risk weight for equity exposures increases over a 5-year transition period, existing*** strategic equity holdings in corporates and insurance undertakings under significant influence of the institution should be ***grandfathered*** to avoid disruptive effects and to preserve the role of Union institutions as long-standing, strategic equity investors. Given the prudential safeguards and supervisory oversight to foster financial integration of the financial sector, however, for equity holdings in other institutions within the same group or covered by the same	(8) For subordinated debt and equity exposures, a more granular and stringent risk weight treatment is necessary to reflect the higher loss risk of subordinated debt and equity exposures when compared to debt exposures, and to prevent regulatory arbitrage between the banking book and the trading book. Union institutions have long-standing, strategic equity investments in financial and non-financial corporates. Strategic equity holdings in corporates and insurance undertakings under significant influence of the institution should be ***treated under a preferential treatment*** to avoid disruptive effects and to preserve the role of Union institutions as long-standing, strategic equity investors. Given the prudential safeguards and supervisory oversight to foster financial integration of the financial sector, however, for equity holdings in other institutions within the same group or covered by the same institutional protection scheme, the current regime should be maintained ***for***

institutional protection scheme, the current regime should be maintained. In addition, to reinforce private and public initiatives to provide long-term equity to EU corporates, be they listed or unlisted, investments should not be considered as speculative where they are made with the firm intention of the institution's senior management to hold it for three or more years.	***institutions using the standardised approach, and, as a consequence, in order to ensure a level playing field, should be adequately adapted for banks using the IRB Approach***. In addition, to reinforce private and public initiatives to provide long-term equity to EU corporates, be they listed or unlisted, investments should not be considered as speculative where they are made with the firm intention of the institution's senior management to hold it for three or more years.

Or. en

Justification

In order to preserve the variety of business models and reinforce the level playing field, the current 100% risk weighting for strategic holdings should be applied irrespective of the prudential approach used (standardised or internal models)

Amendment 324
Alfred Sant

Proposal for a regulation
Recital 8

Text proposed by the Commission	*Amendment*
(8) For subordinated debt and equity exposures, a more granular and stringent risk weight treatment is necessary to reflect the higher loss risk of subordinated debt and equity exposures when compared to debt exposures, and to prevent regulatory arbitrage between the banking book and the trading book. Union institutions have long-standing, strategic equity investments in financial and non-financial corporates. As the standard risk weight for equity exposures increases over a 5-year transition period, existing strategic equity holdings in corporates and insurance undertakings under significant influence of the institution should be grandfathered to avoid disruptive effects and to preserve the role of Union institutions as long-standing,	(8) For subordinated debt and equity exposures, a more granular and stringent risk weight treatment is necessary to reflect the higher loss risk of subordinated debt and equity exposures when compared to debt exposures, and to prevent regulatory arbitrage between the banking book and the trading book. Union institutions have long-standing, strategic equity investments in financial and non-financial corporates. As the standard risk weight for equity exposures increases over a 5-year transition period, existing strategic equity holdings in corporates and insurance undertakings under significant influence of the institution should be grandfathered to avoid disruptive effects and to preserve the role of Union institutions as long-standing,

strategic equity investors. Given the prudential safeguards and supervisory oversight to foster financial integration of the financial sector, however, for equity holdings in other institutions within the same group or covered by the same institutional protection scheme, the current regime should be maintained. In addition, to reinforce private and public initiatives to provide long-term equity to EU corporates, be they listed or unlisted, investments should not be considered as speculative where they are made with the firm intention of the institution's senior management to hold it for three or more years.

strategic equity investors. Given the prudential safeguards and supervisory oversight to foster financial integration of the financial sector, however, for equity holdings in other institutions within the same group or covered by the same institutional protection scheme, the current regime should be maintained. In addition, to reinforce private and public initiatives to provide long-term equity to EU corporates, be they listed or unlisted, investments should not be considered as speculative where they are made with the firm intention of the institution's senior management to hold it for three or more years ***or when they were made in response to national strategies to support economic activity during the COVID-19 pandemic***.

Or. en

Amendment 325
Othmar Karas

Proposal for a regulation
Recital 10

Text proposed by the Commission	*Amendment*
(10) Corporate lending in the Union is predominantly provided by institutions which use the internal ratings based (IRB) approaches for credit risk to calculate their capital requirements. With the implementation of the output floor, those institutions will also need to apply the SA-CR, which relies on credit assessments by external credit assessment institutions ('ECAI') to determine the credit quality of the corporate borrower. The mapping between external ratings and risk weights applicable to rated corporates should be more granular, to bring such mapping in line with the international standards on that matter.	(10) Corporate lending in the Union is predominantly provided by institutions which use the internal ratings based (IRB) approaches for credit risk to calculate their capital requirements. With the implementation of the output floor, those institutions will also need to apply the SA-CR, which relies on credit assessments by external credit assessment institutions ('ECAI') to determine the credit quality of the corporate borrower. ***For this purpose institutions can use all eligible ECAI credit assessments.*** The mapping between external ratings and risk weights applicable to rated corporates should be more granular, to bring such mapping in line with the international standards on that

matter.

Or. en

Amendment 326
Alfred Sant

Proposal for a regulation
Recital 10

Text proposed by the Commission	*Amendment*
(10) Corporate lending in the Union is predominantly provided by institutions which use the internal ratings based (IRB) approaches for credit risk to calculate their capital requirements. With the implementation of the output floor, those institutions will also need to apply the SA-CR, which relies on credit assessments by external credit assessment institutions ('ECAI') to determine the credit quality of the corporate borrower. The mapping between external ratings and risk weights applicable to rated corporates should be more granular, to bring such mapping in line with the international standards on that matter.	(10) Corporate lending in the Union is predominantly provided by institutions which use the internal ratings based (IRB) approaches for credit risk to calculate their capital requirements. With the implementation of the output floor, those institutions will also need to apply the SA-CR, which relies on credit assessments by external credit assessment institutions ('ECAI') to determine the credit quality of the corporate borrower. ***While remaining proportionate,*** the mapping between external ratings and risk weights applicable to rated corporates should be more granular, to bring such mapping in line with the international standards on that matter.

Or. en

Amendment 327
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 11

Text proposed by the Commission	*Amendment*
(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations***. To avoid disruptive impacts on bank lending***	(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations. To inform any future initiative on the set-up of

to unrated corporates and to provide enough time to establish public or private initiatives aimed at increasing the coverage of external credit ratings, it is necessary to provide for a transitional period for such increase in the coverage. During that transitional period, institutions using IRB approaches should be able to apply a favourable treatment when calculating their output floor for investment grade exposures to unrated corporates, whilst initiatives to foster widespread use of credit ratings should be established. That transitional arrangement should be coupled with a report prepared by the European Banking Authority ('EBA'). After the transition period, institutions should be able to refer to credit assessments by ECAIs to calculate the capital requirements for most of their corporate exposures. To inform any future initiative on the set-up of public or private rating schemes, the European Supervisory Authorities (ESAs) should be requested to prepare a report on the impediments to the availability of external credit ratings by ECAIs, in particular for corporates, and on possible measures to address those impediments. In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best practices on setting up entities capable of providing ratings or providing related guidance to corporates.

public or private rating schemes, the European Supervisory Authorities (ESAs) should be requested to prepare a report on the impediments to the availability of external credit ratings by ECAIs, in particular for corporates, and on possible measures to address those impediments. In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best practices on setting up entities capable of providing ratings or providing related guidance to corporates.

Or. en

Amendment 328
Joachim Schuster, Csaba Molnár, Niels Fuglsang, René Repasi

Proposal for a regulation
Recital 11

Text proposed by the Commission	*Amendment*
(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations. To avoid disruptive impacts on bank lending to unrated corporates and to provide enough time to establish public or private initiatives aimed at increasing the coverage of external credit ratings, it is necessary to provide for a transitional period for such increase in the coverage. During that transitional period, institutions using IRB approaches should be able to apply a favourable treatment when calculating their output floor for investment grade exposures to unrated corporates***, whilst*** initiatives ***to foster widespread use of credit ratings should be established. That transitional arrangement should be coupled with a report prepared by the*** European ***Banking Authority ('EBA')***. After the transition period, institutions should be able to refer to credit assessments by ECAIs to calculate the capital requirements for most of their corporate exposures***. To inform any future initiative on the set-up of public or private rating schemes, the European Supervisory Authorities (ESAs) should be requested to prepare a report on the impediments to the availability of external credit ratings by ECAIs, in particular for corporates, and on possible measures to address those impediments***. In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best practices on setting up entities capable of providing ratings or providing related guidance to corporates.	(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations. To avoid disruptive impacts on bank lending to unrated corporates and to provide enough time to establish public or private initiatives aimed at increasing the coverage of external credit ratings, it is necessary to provide for a transitional period for such increase in the coverage. During that transitional period, institutions using IRB approaches should be able to apply a favourable treatment when calculating their output floor for investment grade exposures to unrated corporates***. In order to enhance competition in the market for credit rating agencies and support the development of an European market, the Commission should foster the availability of credit assessments by nominated ECAIs and assess how public and or private*** initiatives ***could be expanded and how oligopolies in the CRA market could be addressed, and where appropriate, submit to*** European ***Parliament and to the Council additional legislative proposals. The Commission should also assess the possibility of the creation of a European public credit rating agency as an impartial and trusted alternative to existing agencies***. After the transition period, institutions should be able to refer to credit assessments by ECAIs to calculate the capital requirements for most of their corporate exposures. In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best practices on setting up entities capable of providing ratings or providing related guidance to corporates.

Or. en

Amendment 329
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Recital 11

Text proposed by the Commission	*Amendment*
(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations. To avoid disruptive impacts on bank lending to unrated corporates and to provide enough time to establish public or private initiatives aimed at increasing the coverage of external credit ratings, it is necessary to provide for a ***transitional*** period for such increase in the coverage. During that ***transitional*** period, institutions using IRB approaches should be able to apply a favourable treatment when calculating their output floor for investment grade exposures to unrated corporates, whilst initiatives to foster widespread use of credit ratings should be established. That ***transitional*** arrangement should be coupled with a report prepared by the European Banking Authority ('EBA'). After the ***transition*** period, institutions should be able to refer to credit assessments by ECAIs to calculate the capital requirements for most of their corporate exposures. To inform any future initiative on the set-up of public or private rating schemes, the European Supervisory Authorities (ESAs) should be requested to prepare a report on the impediments to the availability of external credit ratings by ECAIs, in particular for corporates, and on possible measures to address those impediments. In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best	(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations. To avoid disruptive impacts on bank lending to unrated corporates and to provide enough time to establish public or private initiatives aimed at increasing the coverage of external credit ratings, it is necessary to provide for a period for such increase in the coverage. During that period, institutions using IRB approaches should be able to apply a favourable treatment when calculating their output floor for investment grade exposures to unrated corporates, whilst initiatives to foster widespread use of credit ratings should be established. That arrangement should be coupled with a report prepared by the European Banking Authority ('EBA'). After the period, institutions should be able to refer to credit assessments by ECAIs to calculate the capital requirements for most of their corporate exposures. To inform any future initiative on the set-up of public or private rating schemes, the European Supervisory Authorities (ESAs) should be requested to prepare a report on the impediments to the availability of external credit ratings by ECAIs, in particular for corporates, and on possible measures to address those impediments. In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best practices on setting up entities capable of providing ratings or

practices on setting up entities capable of providing ratings or providing related guidance to corporates.

providing related guidance to corporates.

Or. en

Justification

Evolution of number of rated corporates in the EU needs to be evaluated before setting date to end transitional arrangements in this area, including but not limited too : further development of EU credit rating agencies and their contribution to the market.

Amendment 330
Paul Tang, René Repasi

Proposal for a regulation
Recital 11

Text proposed by the Commission	*Amendment*
(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations. To avoid disruptive impacts on bank lending to unrated corporates and to provide enough time to establish public or private initiatives aimed at increasing the coverage of external credit ratings, it is necessary to provide for a transitional period for such increase in the coverage. During that transitional period, institutions using IRB approaches should be able to apply a favourable treatment when calculating their output floor for investment grade exposures to unrated corporates, whilst initiatives to foster widespread use of credit ratings should be established***. That transitional arrangement should be coupled with a report prepared by the European Banking Authority ('EBA')***. After the transition period, institutions should be able to refer to credit assessments by ECAIs to calculate the capital requirements for most of their corporate exposures. To inform any future initiative on the set-up of public or private rating schemes, the European Supervisory	(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations. To avoid disruptive impacts on bank lending to unrated corporates and to provide enough time to establish public or private initiatives aimed at increasing the coverage of external credit ratings, it is necessary to provide for a transitional period for such increase in the coverage. During that transitional period, institutions using IRB approaches should be able to apply a favourable treatment when calculating their output floor for investment grade exposures to unrated corporates, whilst initiatives to foster widespread use of credit ratings should be established. After the transition period, institutions should be able to refer to credit assessments by ECAIs to calculate the capital requirements for most of their corporate exposures. To inform any future initiative on the set-up of public or private rating schemes, the European Supervisory Authorities (ESAs) should be requested to prepare a report on the impediments to the availability of external credit ratings by ECAIs, in

Authorities (ESAs) should be requested to prepare a report on the impediments to the availability of external credit ratings by ECAIs, in particular for corporates, and on possible measures to address those impediments. In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best practices on setting up entities capable of providing ratings or providing related guidance to corporates.

particular for corporates, and on possible measures to address those impediments. In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best practices on setting up entities capable of providing ratings or providing related guidance to corporates. ***The transition period should not be prolonged or extended indefinitely.***

Or. en

Amendment 331
Markus Ferber

Proposal for a regulation
Recital 11

Text proposed by the Commission	*Amendment*
(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations. To avoid disruptive impacts on bank lending to unrated corporates and to provide enough time to establish public or private initiatives aimed at increasing the coverage of external credit ratings, it is necessary to provide for a transitional period for such increase in the coverage. During that transitional period, institutions using IRB approaches should be able to apply a favourable treatment when calculating their output floor for investment grade exposures to unrated corporates, whilst initiatives to foster widespread use of credit ratings should be established. That transitional arrangement should be coupled with a report prepared by the European Banking Authority ('EBA'). After the transition period, institutions should be	(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations. To avoid disruptive impacts on bank lending to unrated corporates and to provide enough time to establish public or private initiatives aimed at increasing the coverage of external credit ratings, it is necessary to provide for a transitional period for such increase in the coverage. During that transitional period, institutions using IRB approaches should be able to apply a favourable treatment when calculating their output floor for investment grade exposures to unrated corporates, whilst initiatives to foster widespread use of credit ratings should be established. That transitional arrangement should be coupled with a report prepared by the European Banking Authority ('EBA'). After the transition period, institutions should be

able to refer to credit assessments by ECAIs to calculate the capital requirements for most of their corporate exposures. To inform any future initiative on the set-up of public or private rating schemes, the European Supervisory Authorities (ESAs) should be requested to prepare a report on the impediments to the availability of external credit ratings by ECAIs, in particular for corporates, and on possible measures to address those impediments. In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best practices on setting up entities capable of providing ratings or providing related guidance to corporates.

able to refer to credit assessments by ECAIs to calculate the capital requirements for most of their corporate exposures. To inform any future initiative on the set-up of public or private rating schemes, the European Supervisory Authorities (ESAs) should be requested to prepare a report on the impediments to the availability of external credit ratings by ECAIs, in particular for corporates, and on possible measures to address those impediments. ***Member States, in close cooperation with their central bank, should assess whether a request for the recognition of their central bank as ECAI in accordance with Article 2 of Regulation (EC) 1060/2009 and the provision of corporate ratings by the central bank for the purposes of this Regulation may be desirable in order to increase the coverage of external ratings.*** In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best practices on setting up entities capable of providing ratings or providing related guidance to corporates.

Or. en

Amendment 332
Alfred Sant

Proposal for a regulation
Recital 11

Text proposed by the Commission	*Amendment*
(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations. To avoid disruptive impacts on bank lending to unrated corporates and to provide enough time to establish public or private	(11) Most EU corporates, however, do not seek external credit ratings, in particular due to cost considerations. To avoid disruptive impacts on bank lending to unrated corporates and to provide enough time to establish public or private

initiatives aimed at increasing the coverage of external credit ratings, it is necessary to provide for a transitional period for such increase in the coverage. During that transitional period, institutions using IRB approaches should be able to apply a favourable treatment when calculating their output floor for investment grade exposures to unrated corporates, whilst initiatives to foster widespread use of credit ratings should be established. That transitional arrangement should be coupled with a report prepared by the European Banking Authority ('EBA'). After the transition period, institutions should be able to refer to credit assessments by ECAIs to calculate the capital requirements for most of their corporate exposures. To inform any future initiative on the set-up of public or private rating schemes, the European Supervisory Authorities (ESAs) should be requested to prepare a report on the impediments to the availability of external credit ratings by ECAIs, in particular for corporates, and on possible measures to address those impediments. In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best practices on setting up entities capable of providing ratings or providing related guidance to corporates.	initiatives aimed at increasing the coverage of external credit ratings, it is necessary to provide for a transitional period for such increase in the coverage. During that transitional period, institutions using IRB approaches should be able to apply a favourable treatment when calculating their output floor for investment grade exposures to unrated corporates, whilst initiatives to foster widespread use of credit ratings should be established. That transitional arrangement should be coupled with a report prepared by the European Banking Authority ('EBA'). After the transition period, institutions should be able to refer to credit assessments by ECAIs to calculate the capital requirements for most of their corporate exposures. To inform any future initiative on the set-up of public or private rating schemes, the European Supervisory Authorities (ESAs) should be requested to prepare a report on the impediments to the availability of external credit ratings by ECAIs, in particular for corporates, and on possible measures to address those impediments. In the meanwhile, the European Commission stands ready to provide technical support to Member States via its Technical Support Instrument in this area, e.g. to formulate strategies on increasing the rating-penetration of their unlisted corporates or to explore best practices on setting up entities capable of providing ratings or providing related guidance to corporates. ***Meanwhile, further efforts should be made to promote the creation of a pan-European credit rating agency.***
	Or. en

Amendment 333
Luis Garicano, Esther de Lange, Caroline Nagtegaal, Luděk Niedermayer

Proposal for a regulation
Recital 15

Text proposed by the Commission	*Amendment*
(15) To ensure that the impacts of the output floor on low-risk residential mortgage lending by institutions using IRB approaches are spread over a sufficiently long period and thus avoid disruptions to that type of lending that could be caused by sudden increases in own funds requirements, it is necessary to provide for a specific transitional arrangement. For the duration of the arrangement, when calculating the output floor, IRB institutions should be able to apply a lower risk weight to the part of their residential mortgage exposures that is considered secured by residential property under the revised SA-CR. To ensure that the transitional arrangement is available only to low-risk mortgage exposures, appropriate eligibility criteria, based on established concepts used under the SA-CR, should be set. The compliance with those criteria should be verified by competent authorities. Because residential real estate markets may differ from one Member States to another, the decision on whether to activate the transitional arrangement should be left to individual Member States. The use of the transitional arrangement should be monitored by EBA.	***deleted***

Or. en

Justification

Suggested by the ECB

Amendment 334
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 15

Text proposed by the Commission	*Amendment*
(15) To ensure that the impacts of the output floor on low-risk residential mortgage lending by institutions using IRB approaches are spread over a sufficiently long period and thus avoid disruptions to that type of lending that could be caused by sudden increases in own funds requirements, it is necessary to provide for a specific transitional arrangement. For the duration of the arrangement, when calculating the output floor, IRB institutions should be able to apply a lower risk weight to the part of their residential mortgage exposures that is considered secured by residential property under the revised SA-CR. To ensure that the transitional arrangement is available only to low-risk mortgage exposures, appropriate eligibility criteria, based on established concepts used under the SA-CR, should be set. The compliance with those criteria should be verified by competent authorities. Because residential real estate markets may differ from one Member States to another, the decision on whether to activate the transitional arrangement should be left to individual Member States. The use of the transitional arrangement should be monitored by EBA.	***deleted***

Or. en

Amendment 335
Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation
Recital 15

Text proposed by the Commission	*Amendment*
(15) To ensure that the impacts of the output floor on low-risk residential mortgage lending by institutions using	***deleted***

IRB approaches are spread over a sufficiently long period and thus avoid disruptions to that type of lending that could be caused by sudden increases in own funds requirements, it is necessary to provide for a specific transitional arrangement. For the duration of the arrangement, when calculating the output floor, IRB institutions should be able to apply a lower risk weight to the part of their residential mortgage exposures that is considered secured by residential property under the revised SA-CR. To ensure that the transitional arrangement is available only to low-risk mortgage exposures, appropriate eligibility criteria, based on established concepts used under the SA-CR, should be set. The compliance with those criteria should be verified by competent authorities. Because residential real estate markets may differ from one Member States to another, the decision on whether to activate the transitional arrangement should be left to individual Member States. The use of the transitional arrangement should be monitored by EBA.

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the European Parliament should follow the call for more Basel compliance expressed by the ECB in its opinion on the banking package. The ECB considers that the proposed transitional arrangements for residential real estate (RRE) pose several concerns, and recommends not including the proposed transitional arrangements RRE when implementing the output floor.

Amendment 336
Danuta Maria Hübner

Proposal for a regulation
Recital 15

Text proposed by the Commission	*Amendment*
(15) To ensure that the impacts of the output floor on low-risk residential mortgage lending by institutions using IRB approaches are spread over a sufficiently long period and thus avoid disruptions to that type of lending that could be caused by sudden increases in own funds requirements, it is necessary to provide for a specific transitional arrangement. For the duration of the arrangement, when calculating the output floor, IRB institutions should be able to apply a lower risk weight to the part of their residential mortgage exposures that is considered secured by residential property under the revised SA-CR. To ensure that the transitional arrangement is available only to low-risk mortgage exposures, appropriate eligibility criteria, based on established concepts used under the SA-CR, should be set. The compliance with those criteria should be verified by competent authorities. Because residential real estate markets may differ from one Member States to another, the decision on whether to activate the transitional arrangement should be left to individual Member States. The use of the transitional arrangement should be monitored by EBA.	***deleted***

Or. en

Justification

The proposed transitional arrangements for residential real estate (RRE) pose several concerns, as they would weaken the backstop function of the output floor in relation to residential real estate lending – an area that has the potential to endanger financial stability . Household indebtedness and RRE overvaluation are increasing in several EU Member States, adding to the build-up of medium-term vulnerabilities and concerns over a debt-fuelled housing bubble. This could in turn leave some banks with own funds that are not commensurate to the potential losses stemming from the materialisation of these risks. The transitional arrangement may also lead to further fragmentation inside the EU banking market, insofar as institutions may be subject to different capital requirements for similar risks, depending on Member State implementation. Given these concerns, there should be no such preferential treatment of RRE. If retained, this mechanism should be of a strictly

temporary and limited nature.

Amendment 337
Paul Tang, René Repasi

Proposal for a regulation
Recital 15

Text proposed by the Commission	*Amendment*
(15) To ensure that the impacts of the output floor on low-risk residential mortgage lending by institutions using IRB approaches are spread over a sufficiently long period and thus avoid disruptions to that type of lending that could be caused by sudden increases in own funds requirements, it is necessary to provide for a specific transitional arrangement. For the duration of the arrangement, when calculating the output floor, IRB institutions should be able to apply a lower risk weight to the part of their residential mortgage exposures that is considered secured by residential property under the revised SA-CR. To ensure that the transitional arrangement is available only to low-risk mortgage exposures, appropriate eligibility criteria, based on established concepts used under the SA-CR**,** should be set. The compliance with those criteria should be verified by competent authorities. Because residential real estate markets may differ from one Member States to another, the decision on whether to activate the transitional arrangement should be left to individual Member States. ***The use of the transitional arrangement should be monitored by EBA.***	(15) To ensure that the impacts of the output floor on low-risk residential mortgage lending by institutions using IRB approaches are spread over a sufficiently long period and thus avoid disruptions to that type of lending that could be caused by sudden increases in own funds requirements, it is necessary to provide for a specific transitional arrangement. For the duration of the arrangement, when calculating the output floor, IRB institutions should be able to apply a lower risk weight to the part of their residential mortgage exposures that is considered secured by residential property under the revised SA-CR ***and that fulfil the EU's climate ambitions***. To ensure that the transitional arrangement is available only to low-risk mortgage exposures, appropriate eligibility criteria, based on established concepts used under the SA-CR should be set***. To determine whether residential property fulfil the EU's climate ambitions, Regulation (EU) 2019/852 and its Delegation Regulation (EU) 2021/2139, specifically chapter 7 of Annex I and chapter 7 of Annex II of that Delegated Regulation, should be used***. The compliance with those criteria should be verified by competent authorities. Because residential real estate markets may differ from one Member States to another, the decision on whether to activate the transitional arrangement should be left to individual Member States.

Or. en

Amendment 338
Othmar Karas

Proposal for a regulation
Recital 15

Text proposed by the Commission	*Amendment*
(15) To ensure that the impacts of the output floor on low-risk residential mortgage lending by institutions using IRB approaches are spread over a sufficiently long period and thus avoid disruptions to that type of lending that could be caused by sudden increases in own funds requirements, it is necessary to provide for a specific transitional arrangement. For the duration of the arrangement, when calculating the output floor, IRB institutions should be able to apply a lower risk weight to the part of their residential mortgage exposures that is considered secured by residential property under the revised SA-CR. To ensure that the transitional arrangement is available only to low-risk mortgage exposures, appropriate eligibility criteria, based on established concepts used under the SA-CR, should be set. The compliance with those criteria should be verified by competent authorities. ***Because residential real estate markets may differ from one Member States to another, the decision on whether to activate the transitional arrangement should be left to individual Member States.*** The use of the transitional arrangement should be monitored by EBA.	(15) To ensure that the impacts of the output floor on low-risk residential mortgage lending by institutions using IRB approaches are spread over a sufficiently long period and thus avoid disruptions to that type of lending that could be caused by sudden increases in own funds requirements, it is necessary to provide for a specific transitional arrangement. For the duration of the arrangement, when calculating the output floor, IRB institutions should be able to apply a lower risk weight to the part of their residential mortgage exposures that is considered secured by residential property under the revised SA-CR. To ensure that the transitional arrangement is available only to low-risk mortgage exposures, appropriate eligibility criteria, based on established concepts used under the SA-CR, should be set. The compliance with those criteria should be verified by competent authorities. The use of the transitional arrangement should be monitored by EBA.

Or. en

Amendment 339
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Recital 15

Text proposed by the Commission	*Amendment*
(15) To ensure that the impacts of the output floor on low-risk residential mortgage lending by institutions using IRB approaches are spread over a sufficiently long period and thus avoid disruptions to that type of lending that could be caused by sudden increases in own funds requirements, it is necessary to provide for a specific ***transitional*** arrangement. ***For the duration of the arrangement,*** when calculating the output floor, IRB institutions should be able to apply a lower risk weight to the part of their residential mortgage exposures that is considered secured by residential property under the revised SA-CR. To ensure that the ***transitional*** arrangement is available only to low-risk mortgage exposures, appropriate eligibility criteria, based on established concepts used under the SA-CR, should be set. The compliance with those criteria should be verified by competent authorities. Because residential real estate markets may differ from one Member States to another, the decision on whether to activate the ***transitional*** arrangement should be left to individual Member States. The use of the ***transitional*** arrangement should be monitored by EBA.	(15) To ensure that the impacts of the output floor on low-risk residential mortgage lending by institutions using IRB approaches are spread over a sufficiently long period and thus avoid disruptions to that type of lending that could be caused by sudden increases in own funds requirements, it is necessary to provide for a specific arrangement. When calculating the output floor, IRB institutions should be able to apply a lower risk weight to the part of their residential mortgage exposures that is considered secured by residential property under the revised SA-CR. To ensure that the arrangement is available only to low-risk mortgage exposures, appropriate eligibility criteria, based on established concepts used under the SA-CR, should be set. The compliance with those criteria should be verified by competent authorities. Because residential real estate markets may differ from one Member States to another, the decision on whether to activate the ***specific*** arrangement should be left to individual Member States. The use of the ***specific*** arrangement should be monitored by EBA.

Or. en

Justification

State of the CMU action plan needs to be evaluated before setting date to end transitional arrangements in this area.

Amendment 340
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 17

Text proposed by the Commission	*Amendment*
(17) It is important to reduce the impact of cyclical effects on the valuation of property securing a loan and to keep capital requirements for mortgages more stable. A property's value recognised for prudential purposes should therefore not exceed the ***average*** value of ***a comparable*** property measured ***over a sufficiently long monitoring period, unless modifications to that property unequivocally increase its value. To avoid unintended consequences for the functioning of the covered bond markets, competent authorities may allow institutions to revalue immovable property on a regular basis without applying those limits to value increases***. Modifications that improve the energy efficiency of buildings and housing units should be considered as value increasing.	(17) It is important to reduce the impact of cyclical effects on the valuation of property securing a loan and to keep capital requirements for mortgages more stable. A property's value recognised for prudential purposes should therefore not exceed the value of ***the*** property measured ***when the institution first acquired this exposure***. Modifications that improve the energy efficiency of buildings and housing units should be considered as value increasing.

Or. en

Amendment 341
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 19

Text proposed by the Commission	*Amendment*
(19) While the new standardised treatment for unrated specialised lending exposures laid down in Basel III standards is more granular than the current standardised treatment of exposures to corporates under this Regulation, the former is not sufficiently risk-sensitive to reflect the effects of comprehensive security packages and pledges usually associated with these exposures in the Union, which enable lenders to control the future cash flows to be generated over the life of the project or asset. ***Due to the lack***	(19) While the new standardised treatment for unrated specialised lending exposures laid down in Basel III standards is more granular than the current standardised treatment of exposures to corporates under this Regulation, the former is not sufficiently risk-sensitive to reflect the effects of comprehensive security packages and pledges usually associated with these exposures in the Union, which enable lenders to control the future cash flows to be generated over the life of the project or asset. Institutions

of external rating coverage of specialised lending exposures in the Union, the treatment for unrated specialised lending exposures laid down in Basel III standards may also create incentives for institutions to stop financing certain projects or take on higher risks in otherwise similarly treated exposures which have different risk profiles. Whereas the specialised lending exposures are mostly financed by institutions using the IRB approach that have in place internal models for these exposures, the impact may be particularly significant in the case of 'object finance' exposures, which could be at risk for discontinuation of the activities, in the particular context of the application of the output floor. To avoid unintended consequences of the lack of risk-sensitivity of the Basel treatment for unrated object finance exposures, object finance exposures that comply with a set of criteria capable to lower their risk profile to 'high quality' standards compatible with prudent and conservative management of financial risks, should benefit from a reduced risk weight. EBA shall be entrusted to develop draft regulatory technical standards specifying the conditions for institutions to assign an object finance specialised lending exposure to the 'high quality' category with a risk weight similar to 'high quality' project finance exposures under the SA-CR. Institutions established in jurisdictions that allow the use of external ratings should assign to their specialised lending exposures the risk weights determined only by the issue-specific external ratings, as provided by the Basel III framework.

established in jurisdictions that allow the use of external ratings should assign to their specialised lending exposures the risk weights determined only by the issue-specific external ratings, as provided by the Basel III framework.

Or. en

Amendment 342
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Recital 27

Text proposed by the Commission	*Amendment*
(27) Specialised lending exposures have risk characteristics that differ from general corporate exposures. It is thus appropriate to ***provide for a transitional period during which*** the LGD input floor applicable to specialised lending exposures ***is reduced***.	(27) Specialised lending exposures have risk characteristics that differ from general corporate exposures. It is thus appropriate to ***adjust*** the LGD input floor applicable to specialised lending exposures ***in order to reflect the lower risk of these exposures***.

Or. en

Justification

Important to keep option to potentially prolong this LGD input floor application, after report by EBA.

Amendment 343
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Recital 29

Text proposed by the Commission	*Amendment*
(29) To ensure a consistent approach for all RGLA-PSE exposures, a new RGLA-PSA exposure class should be created, independent from both sovereign and institutions exposure classes***, and which should all be subject to the input floors provided by the new rules***.	(29) To ensure a consistent approach for all RGLA-PSE exposures, a new RGLA-PSA exposure class should be created, independent from both sovereign and institutions exposure classes.

Or. en

Justification

Exposures to RGLA-PSE are generally safer in terms of risks than exposures to corporates. Therefore, the same requirements should not apply to RGLA-PSE exposures as to corporates.

Amendment 344
Billy Kelleher, Gilles Boyer

Proposal for a regulation
Recital 30 a (new)

Text proposed by the Commission	*Amendment*
	(30 a) In the context of removing unwarranted variability in capital requirements, existing discounting rules applied to artificial cash flows should be clarified in order to remove any unintended consequences. It has been shown that the current rules on the treatment of artificial cashflows for exposures that return to non-default status have the effect of inflating credit institutions Loss Given Default (LGD) calculations, and, in turn, Risk Weighted Assets(RWAs), and contributes to the variability in own fund requirements amongst financial institutions. These costs are ultimately reflected in the cost of banking services and borne by the customer thereby impacting the competitiveness of certain EU banks as well as the real economy. Restructuring arrangements are a viable and prudent option for debtors in arrears and should not be inadvertently penalised by the calculation methodology for LGD. Therefore, for the purpose of calculating artificial cashflows for cases which return to non-default status, the total amount to be discounted should only cover the actual period of default up to the time of cure.

Or. en

Amendment 345
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Recital 30 a (new)

Text proposed by the Commission	*Amendment*
	(30 a) The introduction of the output floor could have a significant impact on own funds requirements for securitisation positions held by institutions using the Securitisation Internal Ratings Based Approach(SEC-IRBA). Although such positions are generally small relative to other exposures, the introduction of the output floor could affect the economic viability of the securitisation operation because of an insufficient prudential benefit of the transfer of risk. This would come at a juncture where the development of the securitisation market is part of the action plan on Capital Markets Union and also where originating banks might need to use securitisation more extensively in order to manage more actively their portfolios if they become bound by the output floor. This impact should therefore be mitigated by providing for a specific arrangement increasing the risk-sensitivity of the standardized approach of the purpose of the calculation of the output floor.

Or. en

Amendment 346
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 36

Text proposed by the Commission	*Amendment*
(36) The new standardised approach for operational risk introduced by the BCBS combines an indicator that relies on the size of the business of an institution with an indicator that takes into account the loss history of that institution. The revised Basel standards envisage a number of	(36) The new standardised approach for operational risk introduced by the BCBS combines an indicator that relies on the size of the business of an institution with an indicator that takes into account the loss history of that institution. The revised Basel standards envisage a number of

discretions on how the indicator that takes into account the loss history of an institution may be implemented. ***Jurisdictions may disregard historical losses for the calculation of operational risk capital for all relevant*** institutions***, or may take*** historical loss ***data into account even for institutions below a certain business size. To ensure a level playing field within the Union and to simplify the calculation of operational risk capital, those discretions*** should be ***exercised in a harmonised manner for the minimum own funds requirements by disregarding historical operational loss data for all institutions***.

discretions on how the indicator that takes into account the loss history of an institution may be implemented. ***To increase the risk sensitivity of the framework and to incentivise*** institutions ***to better manage and mitigate their risks, the*** historical loss ***factor*** should be ***implemented in the EU***.

Or. en

Amendment 347
Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

Proposal for a regulation
Recital 36

Text proposed by the Commission	*Amendment*
(36) The new standardised approach for operational risk introduced by the BCBS combines an indicator that relies on the size of the business of an institution with an indicator that takes into account the loss history of that institution. The revised Basel standards envisage a number of discretions on how the indicator that takes into account the loss history of an institution may be implemented. Jurisdictions may disregard historical losses for the calculation of operational risk capital for all relevant institutions, or may take historical loss data into account even for institutions below a certain business size. ***To ensure a level playing field within the Union and to simplify*** the calculation of operational risk ***capital, those discretions should be exercised in a harmonised manner for the*** minimum own	(36) The new standardised approach for operational risk introduced by the BCBS combines an indicator that relies on the size of the business of an institution with an indicator that takes into account the loss history of that institution. The revised Basel standards envisage a number of discretions on how the indicator that takes into account the loss history of an institution may be implemented. Jurisdictions may disregard historical losses for the calculation of operational risk capital for all relevant institutions, or may take historical loss data into account even for institutions below a certain business size. ***In order to incentivise credit institutions to maintain a robust operational risk management framework it is appropriate to take into account credit institutions' historical losses in*** the

funds requirements ***by disregarding historical operational loss data for all institutions***.	calculation of ***their*** operational risk minimum own funds requirements.

Or. en

Justification

Introduction of the Internal Loss Multiplier (ILM) to take into account the credit institutions' historical losses in the calculation of their operational risk own funds requirements, thereby creating an incentive for credit institutions to maintain a robust operational risk management framework.

Amendment 348
Irene Tinagli

Proposal for a regulation
Recital 36 a (new)

Text proposed by the Commission	*Amendment*
	(36 a) When measuring capital requirements for operational risk, insurance policies should be allowed to be used as effective risk mitigation techniques. To that end, within 6 months after the entry into force of the Regulation EBA shall report to the Commission on a standardized formula, based on specific criteria, to be used for the calculation of operational risk capital requirements. The Commission should be empowered to submit a legislative proposal within the following 12 months, to the European Parliament and Council of the EU taking into account insurance policies for the calculation of capital requirements on operational risk. EBA should identify eligible insurance contracts.

Or. en

Amendment 349
Markus Ferber

Proposal for a regulation
Recital 38

Text proposed by the Commission	*Amendment*
(38) It is necessary to reduce the compliance burden for disclosure purposes and to enhance the comparability of disclosures. EBA should therefore establish a centralised web-based platform that enables the disclosure of information and data submitted by institutions. That centralised web-platform should serve as a single access point on institutions' disclosures, while ownership of the information and data and the responsibility for their accuracy should remain with the institutions that produce it. The centralisation of the publication of disclosed information should be fully consistent with the Capital Market Union Action Plan and represents further step towards the development of an EU-wide single access point for companies' financial ***and sustainable investment-related*** information.	(38) It is necessary to reduce the compliance burden for disclosure purposes and to enhance the comparability of disclosures. EBA should therefore establish a centralised web-based platform that enables the disclosure of information and data submitted by institutions. That centralised web-platform should serve as a single access point on institutions' disclosures, while ownership of the information and data and the responsibility for their accuracy should remain with the institutions that produce it. The centralisation of the publication of disclosed information should be fully consistent with the Capital Market Union Action Plan and represents further step towards the development of an EU-wide single access point for companies' financial information.

Or. en

Amendment 350
Markus Ferber

Proposal for a regulation
Recital 40

Text proposed by the Commission	*Amendment*
(40) To ensure convergence across the Union and a uniform understanding of the environmental, social and governance (ESG) factors and risks, general definitions should be laid down. The exposure to ESG risks is not necessarily proportional to an institution's size and complexity. Level of exposures across the Union are also quite heterogeneous, with some countries showing potential mild	***deleted***

transitional impacts and others showing potential high transitional impacts on exposures related to activities that have a significant negative impact on the environment. The transparency requirements that institutions are subject and the sustainability reporting requirements laid down in other pieces of existing legislation in the Union will provide more granular data in a few years. However, to properly assess the ESG risks that institutions may face, it is imperative that markets and supervisors obtain adequate data from all entities exposed to those risks, independently of their size. In order to ensure that competent authorities have at their disposal data that are granular, comprehensive and comparable for an effective supervision, information on exposures to ESG risks should be included in the supervisory reporting of institutions. The scope and granularity of that information should be consistent with the principle of proportionality, having regard to the size and complexity of the institutions.

Or. en

Amendment 351
Markus Ferber

Proposal for a regulation
Recital 41

Text proposed by the Commission	*Amendment*
(41) As the transition of the Union economy towards a sustainable economic model is gaining momentum, sustainability risks become more prominent and will potentially require further consideration. It is therefore necessary to bring forward by 2 years EBA's mandate to assess and report on whether a dedicated prudential treatment	***deleted***

of exposures related to assets or activities substantially associated with environmental or social objectives would be justified.

Or. en

Amendment 352
Paul Tang, René Repasi, Csaba Molnár

Proposal for a regulation
Recital 41

Text proposed by the Commission	*Amendment*
(41) As the transition of the Union economy towards a sustainable economic model is gaining momentum, sustainability risks become more prominent and will potentially require further consideration. It is therefore necessary ***to bring forward by 2 years EBA's mandate to assess and report on whether a dedicated prudential treatment of exposures related to assets or activities substantially associated with environmental or social objectives would be justified***.	(41) As the transition of the Union economy towards a sustainable economic model is gaining momentum, sustainability risks become more prominent and will potentially require further consideration. It is therefore necessary ***for banks to apply the large exposure regime as stipulated in Part Four of this Regulation to any financed emissions that are above an institution's target for financed emissions as set out in its plan to limit transition risks as stipulated by Article 76 of Directive 2013/36/EU. To allow for annual variations in the financed emissions of an institution, a 5% leeway shall be applied***.

Or. en

Amendment 353
Othmar Karas

Proposal for a regulation
Recital 41

Text proposed by the Commission	*Amendment*
(41) As the transition of the Union economy towards a sustainable economic model is gaining momentum, sustainability	(41) As the transition of the Union economy towards a sustainable economic model is gaining momentum, sustainability

risks become more prominent and will ***potentially*** require further consideration. It is therefore necessary to bring forward by 2 years EBA's mandate to assess and report on whether a dedicated prudential treatment of exposures related to assets or activities substantially associated with environmental or social objectives would be justified.	risks become more prominent and will require further consideration. It is therefore necessary to bring forward by 2 years EBA's mandate to assess and report on whether a dedicated prudential treatment of exposures related to assets or activities substantially associated with environmental or social objectives would be justified ***from a risk-based perspective***. ***However, only after the completion of this accelerated report and the ongoing climate stress tests would it be justified to potentially propose a dedicated prudential treatment for these exposures.***

Or. en

Amendment 354
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 41

Text proposed by the Commission	*Amendment*
(41) As the transition of the Union economy towards a sustainable economic model is gaining momentum, sustainability risks become more prominent and will potentially require further consideration. It is therefore necessary to bring forward by 2 years EBA's mandate to assess and report on whether a dedicated prudential treatment of exposures related to assets or activities substantially associated with environmental or social objectives would be justified.	(41) As the transition of the Union economy towards a sustainable economic model is gaining momentum, sustainability risks become more prominent and will potentially require further consideration. It is therefore necessary to bring forward by 2 years EBA's mandate to assess and report on whether a dedicated prudential treatment of exposures related to assets or activities substantially associated with environmental or social objectives would be justified. ***The EBA mandate is also broadened to assess the potential impact of biodiversity loss on financial stability.***

Or. en

Amendment 355
Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 41 a (new)

Text proposed by the Commission	*Amendment*
	(41 a) According to the International Energy Agency, to reach the carbon neutrality objective by 2050, no new fossil fuel exploration and expansion can take place. This means that fossil fuel exposures represent a higher risk both at micro level, as the value of such assets is set to decrease over time, and at macro level as financing fossil fuel activities jeopardises the objective of maintaining the global rise of temperature below 1.5°C and therefore threatens the financial stability. The higher risks embedded in such exposure should be reflected in the prudential framework, as of now. Therefore, higher risk weights are set for exposures to existing fossil fuel exposures and exposures to new fossil fuel activities should be entirely equity funded.

Or. en

Amendment 356
Fabio Massimo Castaldo

Proposal for a regulation
Recital 41 a (new)

Text proposed by the Commission	*Amendment*
	(41 a) The EU updated industrial strategy included Social Economy in the 14 industrial ecosystems where robust and consistent policies are needed to drive the transformation towards a more sustainable, digital, resilient and globally competitive economy. A better alignment of banks' prudential framework with the still constructing policy framework on Social Economy contributes to a better

inclusion of ESG risks into the banks' prudential framework. It enhances consistency between several EU policies' areas.

Or. en

Amendment 357
Fabio Massimo Castaldo

Proposal for a regulation
Recital 41 b (new)

Text proposed by the Commission	*Amendment*
	(41 b)) Some banks, by the legal form and by the business model they operate, are Social Economy entities. They fill all the boxes defining social economy entities as outlined in the Commission Communication. It is of the utmost importance that those banks and the business model they operate are recognised also in the supervisory and prudential framework as social economy entities. That recognition is consistent with the strategy that aims at putting green and sustainable financing at the heart of the financial system. It helps regulators and supervisors better understand their business model and develop consistent policies and supervisory approach and tools to deal with them. It improves the overall access to funding for social economy entities, and consequently revitalise the rural areas and proximity to the local communities, favouring the green and digital transition and the creation of job.

Or. en

Amendment 358
Elisabetta Gualmini, Brando Benifei, Patrizia Toia, Alessandra Moretti, Simona Bonafè

Proposal for a regulation
Recital 41 a (new)

Text proposed by the Commission	*Amendment*
	(41 a) A better alignment of banks' prudential framework with the EU policy framework on Social Economy will contribute to a better inclusion of ESG requirements risks into the banks' framework. Some banks have a specific legal nature, different characteristics, a unique "mutualistic" model that should be taken into account. It is therefore important that those banks are defined as "social economy entities", according to the conditions specified in Art. 4 point 146 (a). As a result, prudential and supervisory requirements should be made in a more proportionate and appropriate way.

Or. en

Amendment 359
Elisabetta Gualmini, Brando Benifei, Patrizia Toia, Alessandra Moretti, Simona Bonafè

Proposal for a regulation
Recital 41 b (new)

Text proposed by the Commission	*Amendment*
	(41 b) The creation of the new category of social economy entities is consistent and will help to fulfil the strategy that puts green and sustainable financing at the heart of the EU financial system. It will help regulators and supervisors to better understand their business model and develop consistent policies and a more proportionate supervisory approach to deal with them. It will also help to improve the overall access to funding for social economy entities, which consequently will help revitalise the rural areas and proximity to the local communities, favouring the green and

digital transition and the creation of new jobs.

Or. en

Amendment 360
Fabio Massimo Castaldo

Proposal for a regulation
Recital 41 c (new)

Text proposed by the Commission	*Amendment*
	(41 c) From a prudential and supervisory perspective, recognising some banks and business models as Social Economy entities and social economy oriented does not jeopardize the risk-based requirements underpinning the framework. To the contrary, it enriches dimensions by which risks are assessed. As a result, requirements can be made in a more proportionate and appropriate way.

Or. en

Amendment 361
Paul Tang, René Repasi

Proposal for a regulation
Recital 41 a (new)

Text proposed by the Commission	*Amendment*
	(41 a) To ensure that any adjustments for exposures to small and medium-sized enterprises and for infrastructure do not undermine the EU's climate ambitions, departure from the risk-based approach of the banking framework should only take place when such exposures contribute to the EU's climate ambitions as set out in

Regulation (EU) 2019/852.

Or. en

Amendment 362
Markus Ferber

Proposal for a regulation
Recital 41 a (new)

Text proposed by the Commission	*Amendment*
	(41 a) The infrastructure supporting factor has been proven successful and should thus be maintained in its current form.

Or. en

Amendment 363
Alfred Sant

Proposal for a regulation
Recital 42

Text proposed by the Commission	*Amendment*
(42) It is essential for supervisors to have the necessary empowerments to assess and measure in a comprehensive manner the risks to which a banking group is exposed at a consolidated level and to have the flexibility to adapt their supervisory approach to new sources of risks. It is important to avoid loopholes between prudential and accounting consolidation which may give rise to transactions aimed at moving assets out of the scope of prudential consolidation, even though risks remain in the banking group. The lack of coherence in the definition of "parent undertaking", "subsidiary" and "control" concepts, and the lack of clarity in the definition of "ancillary services undertaking", "financial holding company"	(42) It is essential for supervisors to have the necessary empowerments to assess and measure in a comprehensive manner the risks to which a banking group is exposed at a consolidated level and to have the flexibility to adapt their supervisory approach to new sources of risks. It is important to avoid loopholes between prudential and accounting consolidation which may give rise to transactions aimed at moving assets out of the scope of prudential consolidation, even though risks remain in the banking group. The lack of coherence in the definition of "parent undertaking", "subsidiary" and "control" concepts, and the lack of clarity in the definition of "ancillary services undertaking", "financial holding company"

and “financial institution” make it more difficult for supervisors to apply the applicable rules consistently in the Union and to detect and appropriately address risks at a consolidated level. Those definitions should therefore be amended and further clarified. In addition, it is deemed appropriate for EBA to investigate further whether these empowerments of the supervisors might be unintendedly constrained by any remaining discrepancies or loopholes in the regulatory provisions or in their interaction with the applicable accounting framework.	and “financial institution” make it more difficult for supervisors to apply the applicable rules consistently in the Union and to detect and appropriately address risks at a consolidated level. Those definitions should therefore be amended and further clarified ***as a matter of priority***. In addition, it is deemed appropriate for EBA to investigate further whether these empowerments of the supervisors might be unintendedly constrained by any remaining discrepancies or loopholes in the regulatory provisions or in their interaction with the applicable accounting framework.

Or. en

Amendment 364
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Recital 43 a (new)

Text proposed by the Commission	*Amendment*
	(43 a) Under the final Basel III reforms, the very short-term nature of SFTs is not well reflected in the Standardised Approach for credit risk, leading to own funds requirements calculated under that approach that could be excessively higher than own funds requirements calculated under the IRB approach and consequently affecting the liquidity of debt and securities markets, including the sovereign debt markets. The standardised approach is therefore adjusted in order to reflect the short-term nature of these exposures and mitigate the impact on the real economy and, in particular, on the financing of sovereigns.

Or. en

Amendment 365
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Recital 46

Text proposed by the Commission	*Amendment*
(46) However, the actual CVA risk of the exempted transactions may be a source of significant risk for banks applying those exemptions; if those risks materialise, the banks concerned could suffer significant losses. As EBA highlighted in their report on CVA from February 2015, the CVA risks of the exempted transactions raise prudential concerns that are not being addressed under CRR. To help supervisors monitor the CVA risk arising from the exempted transactions, institutions should report the calculation of capital requirements for CVA risks of the exempted transactions that would be required if those transactions were not exempted. In addition, EBA should develop guidelines to help supervisors identify excessive CVA risk and to improve the harmonisation of supervisory actions in this area across the EU.	***deleted***

Or. en

Amendment 366
Gianna Gancia

Proposal for a regulation
Recital 46

Text proposed by the Commission	*Amendment*
(46) However, the actual CVA risk of the exempted transactions may be a source of significant risk for banks applying those exemptions; if those risks materialise, the banks concerned could suffer significant losses. As EBA	***deleted***

highlighted in their report on CVA from February 2015, the CVA risks of the exempted transactions raise prudential concerns that are not being addressed under CRR. To help supervisors monitor the CVA risk arising from the exempted transactions, institutions should report the calculation of capital requirements for CVA risks of the exempted transactions that would be required if those transactions were not exempted. In addition, EBA should develop guidelines to help supervisors identify excessive CVA risk and to improve the harmonisation of supervisory actions in this area across the EU.

Or. en

Amendment 367
Raffaele Fitto

Proposal for a regulation
Recital 46

Text proposed by the Commission	*Amendment*
(46) However, the actual CVA risk of the exempted transactions may be a source of significant risk for banks applying those exemptions; if those risks materialise, the banks concerned could suffer significant losses. As EBA highlighted in their report on CVA from February 2015, the CVA risks of the exempted transactions raise prudential concerns that are not being addressed under CRR. To help supervisors monitor the CVA risk arising from the exempted transactions, institutions should report the calculation of capital requirements for CVA risks of the exempted transactions that would be required if those transactions were not exempted. In addition, EBA should develop guidelines to help supervisors identify excessive CVA risk and to improve the harmonisation of	***deleted***

supervisory actions in this area across the EU.

Or. en

Amendment 368
Carlo Calenda

Proposal for a regulation
Recital 46

Text proposed by the Commission	*Amendment*
(46) However, the actual CVA risk of the exempted transactions may be a source of significant risk for banks applying those exemptions; if those risks materialise, the banks concerned could suffer significant losses. As EBA highlighted in their report on CVA from February 2015, the CVA risks of the exempted transactions raise prudential concerns that are not being addressed under CRR. To help supervisors monitor the CVA risk arising from the exempted transactions, institutions should report the calculation of capital requirements for CVA risks of the exempted transactions that would be required if those transactions were not exempted. In addition, EBA should develop guidelines to help supervisors identify excessive CVA risk and to improve the harmonisation of supervisory actions in this area across the EU.	***deleted***

Or. en

Amendment 369
Michiel Hoogeveen

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

Present text	*Amendment*
	(a a) Article 4 paragraph 1 point (1) is replaced by the following
(1) ‘credit institution’ means an undertaking the business of which consists of any of the following:	"(1) ‘credit institution’ means an undertaking the business of which consists of any of the following:
(a) to take deposits or other repayable funds from the public and to grant credits for its own account;	(a) to take deposits or other repayable funds from the public and to grant credits for its own account;
(b) to carry out any of the activities referred to in points (3) and (6) of Section A of Annex I to Directive 2014/65/EU of the European Parliament and of the Council ***(6)***, where one of the following applies, but the undertaking is not a commodity and emission allowance dealer, a collective investment undertaking or an insurance undertaking:	(b) to carry out any of the activities referred to in points (3) and (6) of Section A of Annex I to Directive 2014/65/EU of the European Parliament and of the Council, where one of the following applies, but the undertaking is not a commodity and emission allowance dealer, a collective investment undertaking or an insurance undertaking**, *and where the consolidating supervisor, in consultation with the supervisory college, so decides in order to address potential risks for the financial stability of the Union or, for the purpose of point (iii), potential risks of circumvention***:
(i) the total value of the consolidated assets of the undertaking is equal to or exceeds EUR 30 billion;	*(i) the total value of the consolidated assets of the undertaking is equal to or exceeds EUR 30 billion;*
(ii) the total value of the assets of the undertaking is less than EUR 30 billion, and the undertaking is part of a group in which the total value of the consolidated assets of all undertakings in that group that individually have total assets of less than EUR 30 billion and that carry out any of the activities referred to in points (3) and (6) of Section A of Annex I to Directive 2014/65/EU is equal to or exceeds EUR 30 billion; or	(ii) the total value of the assets of the undertaking is less than EUR 30 billion, and the undertaking is part of a group in which the total value of the consolidated assets of all undertakings in that group that individually have total assets of less than EUR 30 billion and that carry out any of the activities referred to in points (3) and (6) of Section A of Annex I to Directive 2014/65/EU is equal to or exceeds EUR 30 billion; or
(iii) the total value of the assets of the undertaking is less than EUR 30 billion, and the undertaking is part of a group in which the total value of the consolidated assets of all undertakings in the group that carry out any of the activities referred to in	(iii) the total value of the assets of the undertaking is less than EUR 30 billion, and the undertaking is part of a group in which the total value of the consolidated assets of all undertakings in the group that carry out any of the activities referred to in

points (3) and (6) of Section A of Annex I to Directive 2014/65/EU is equal to or exceeds EUR 30 billion***, where the consolidating supervisor, in consultation with the supervisory college, so decides in order to address potential risks of circumvention and potential risks for the financial stability of the Union***;	points (3) and (6) of Section A of Annex I to Directive 2014/65/EU is equal to or exceeds EUR 30 billion;
for the purposes of points (b)(ii) and (b)(iii), where the undertaking is part of a third-country group, the total assets of each branch of the third-country group authorised in the Union shall be included in the combined total value of the assets of all undertakings in the group;	for the purposes of points (b)(ii) and (b)(iii), where the undertaking is part of a third-country group, the total assets of each branch of the third-country group authorised in the Union shall be included in the combined total value of the assets of all undertakings in the group;
	"

Or. en

(https://eur-lex.europa.eu/legal-content/EN/AUTO/?uri=celex:32019R2033)

Justification

This ensures the proportionate application of the prudential regime to ensure that only investment firms of a sufficient interconnectedness and scale and that conduct traditional banking activities are classified as credit institutions to create a level playing field between such firms and credit institutions With this investment firms are only reclassified after an assessment by their NCA that takes appropriate account of the size, scale and nature of the activities carried out by a firm.

Amendment 370
Engin Eroglu

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

Text proposed by the Commission	*Amendment*
(18) 'ancillary services undertaking' means an undertaking the principal activity of which, whether provided to undertakings inside the group or to clients outside the group, the competent authority considers to be any of the following:	(18) 'ancillary services undertaking' means an undertaking ***that is not an SSPE or a CIU*** the principal activity of which, whether provided to undertakings inside the group or to clients outside the group, ***is ancillary to the principal activity of one or***

more institutions and the competent authority considers to be any of the following:

Or. en

Justification

In general, we have fundamental reservations about including providers of ancillary services. We nevertheless understand the concern to limit the scope for circumvention, as recently evidenced in the Wirecard case. The gaps that came to light were, in our estimation, based in particular on fields of activity in the area of payment services and similar services. By cleverly formulating its business purpose, the firm avoided inclusion in the scope of banking supervision – contrary to the general assumption. However, the term "provider of ancillary services" also includes, among other things, real estate management companies which, for example, manage the buildings of institutions' branches. Here we see neither a risk under banking supervision law nor the danger of circumventing banking supervision regulations. Furthermore, the proposed amendment regarding SSPE and CIU reflects statements from EBA on the treatment of SSPE and CIU that are neither financial sector entities nor are they consolidated as financial institution or ancillary services undertaking. The amendment allows banks to implement EBA's expectations in a legally compliant way and in line with the Level 1 text.

Amendment 371
Ville Niinistö
on behalf of the Verts/ALE Group

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

Text proposed by the Commission	*Amendment*
(18) 'ancillary services undertaking' means an undertaking the principal activity of which, whether provided to undertakings inside the group or to clients outside the group, ***the competent authority considers to be*** any of the following:	(18) 'ancillary services undertaking' means an undertaking the principal activity of which, whether provided to undertakings inside the group or to clients outside the group, ***is*** any of the following:

Or. en

Amendment 372
Gianna Gancia

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

Text proposed by the Commission	*Amendment*
(b) ***operational leasing,*** factoring, the management of unit trusts, the ownership or management of property, the provision of data processing services or any other activity that is ancillary to banking;	(b) factoring, the management of unit trusts, the ownership or management of property, the provision of data processing services or any other activity that is ancillary to banking; ***those activities are taken into account if the activity is mainly provided to the parent undertaking;***

Or. en

Justification

EBA's normative function is relevant in order to lift uncertainties redarding the meaning of level 1 legislation. However, level 1 legislation cannot empower the EBA with the capacity to determine the very scope of the grounding definitions determining the applicability of prudential rules, as the present proposal intends to, without violating article 289 TFEU and the principle of institutional balance. Moreover, leaving for the future the completion of a definition to the EBA will raise issues of legal certainty and legal security. We therefore propose the deletion of article 4 § 18 (c).In addition, according to the current EBA approach, an entity which carries out exclusively operational leasing cannot be considered as a financial institution and shall not be included in a consolidated situation. (EBA Q&A 2014_1644)In accordance with the EBA approach, the propos deletes reference to "operational leasing" in the definition of ancillary services undertakings.

Amendment 373
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

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

Text proposed by the Commission	*Amendment*
(b) ***operational leasing,*** factoring, the management of unit trusts, the ownership or management of property, the provision of data processing services or any other activity that is ancillary to banking;	(b) factoring, the management of unit trusts, the ownership or management of property, the provision of data processing services or any other activity that is ancillary to banking***, these activities are***

	concerned if the activity is mainly provided to the parent undertaking;

Or. en

Amendment 374
Fabio Massimo Castaldo

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

Text proposed by the Commission	*Amendment*
(b) ***operational leasing,*** factoring, the management of unit trusts, the ownership or management of property, the provision of data processing services or any other activity that is ancillary to banking;	(b) factoring, the management of unit trusts, the ownership or management of property, the provision of data processing services or any other activity that is ancillary to banking***. These activities are concerned if the activity is mainly provided to the parent undertaking***;

Or. en

Amendment 375
Markus Ferber

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

Text proposed by the Commission	*Amendment*
(b) operational leasing, factoring, the management of unit trusts***, the ownership or management of property***, the provision of data processing services or any other activity that is ancillary to banking;	(b) operational leasing, factoring, the management of unit trusts, the provision of data processing services or any other activity that is ancillary to banking;

Or. en

Justification

Real estate companies maintaining the upkeep of a bank's branch should not be subject to banking regulation.

Amendment 376
Engin Eroglu

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

Text proposed by the Commission	*Amendment*
(b) operational leasing, factoring, the management of unit trusts***, the ownership or management of property***, the provision of data processing services or any other activity that is ancillary to ***banking***;	(b) operational leasing, factoring, the management of unit trusts, the provision of data processing services or any other activity that is ancillary to ***the principal activity of one or more institutions***;

Or. en

Justification

In general, we have fundamental reservations about including providers of ancillary services. We nevertheless understand the concern to limit the scope for circumvention, as recently evidenced in the Wirecard case. The gaps that came to light were, in our estimation, based in particular on fields of activity in the area of payment services and similar services. By cleverly formulating its business purpose, the firm avoided inclusion in the scope of banking supervision – contrary to the general assumption. However, the term "provider of ancillary services" also includes, among other things, real estate management companies which, for example, manage the buildings of institutions' branches. Here we see neither a risk under banking supervision law nor the danger of circumventing banking supervision regulations. Furthermore, the proposed amendment regarding SSPE and CIU reflects statements from EBA on the treatment of SSPE and CIU that are neither financial sector entities nor are they consolidated as financial institution or ancillary services undertaking. The amendment allows banks to implement EBA's expectations in a legally compliant way and in line with the Level 1 text.

Amendment 377
Engin Eroglu

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

Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 18 – point b

Text proposed by the Commission	*Amendment*
(b) ***operational leasing,*** factoring, the management of unit trusts, the ownership or management of property, the provision of data processing services or any other activity that is ancillary to banking;	(b) factoring, the management of unit trusts, the ownership or management of property, the provision of data processing services or any other activity that is ancillary to banking;

Or. en

Amendment 378
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

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

Text proposed by the Commission	*Amendment*
(c) any other activity considered similar by EBA to those mentioned in points (a) and (b);;	***deleted***

Or. en

Amendment 379
Fabio Massimo Castaldo

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

Text proposed by the Commission	*Amendment*
(c) any other activity considered similar by EBA to those mentioned in points (a) and (b);;	***deleted***

Or. en

Amendment 380
Markus Ferber

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

Text proposed by the Commission	*Amendment*
(c) any other activity considered similar by EBA to those mentioned in points (a) and (b);;	***deleted***

Or. en

Justification

This empowerment provides too much discretion for EBA.

Amendment 381
Gianna Gancia

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

Text proposed by the Commission	*Amendment*
(c) any other activity considered similar by EBA to those mentioned in points (a) and (b);;	***deleted***

Or. en

Justification

EBA's normative function is relevant in order to lift uncertainties redarding the meaning of level 1 legislation. However, level 1 legislation cannot empower the EBA with the capacity to determine the very scope of the grounding definitions determining the applicability of prudential rules, as the present proposal intends to, without violating article 289 TFEU and the principle of institutional balance. Moreover, leaving for the future the completion of a definition to the EBA will raise issues of legal certainty and legal security. We therefore propose the deletion of article 4 § 18 (c).In addition, according to the current EBA approach,

an entity which carries out exclusively operational leasing cannot be considered as a financial institution and shall not be included in a consolidated situation. (EBA Q&A 2014_1644)In accordance with the EBA approach, the propos deletes reference to "operational leasing" in the definition of ancillary services undertakings.

Amendment 382
Engin Eroglu

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point e
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 26 – point a

Text proposed by the Commission	*Amendment*
(a) the undertaking is not an institution, a pure industrial holding company, an insurance holding company or a mixed-activity insurance holding company as defined in Article 212(1), points (f) and (g), of Directive 2009/138/EC;	(a) the undertaking is not an institution, a pure industrial holding company, an insurance holding company***, an owner or manager of property,*** or a mixed-activity insurance holding company as defined in Article 212(1), points (f) and (g), of Directive 2009/138/EC; ***;***

Or. en

Justification

We are fundamentally critical of the inclusion of providers of ancillary services. On the other hand, we understand the concern to avoid circumvention possibilities as recently in the Wirecard case. The gaps that came to light there were, in our estimation, based in particular on fields of activity in the area of payment services and similar services. By cleverly formulating the business purpose, the inclusion under banking supervision was circumvented - contrary to the general assumption. However, the term "provider of ancillary services" also includes, among others, real estate management companies which, for example, manage the buildings of the institutions branches. Here we see neither a risk under banking supervision law nor the danger of circumventing the banking supervision regulations. Hence, those companies should be excluded from the definition "financial institution".In my view, Article 34 should be amended as regarding real estate companies. There is neither a risk under banking supervision law nor the danger of circumventing the banking supervision regulations. Hence, those companies should be excluded from the definition.Besides, the wording should make clear that a company is generally only an ASU, if it's activity is ancillary to the principal (banking) activity of one or more institutions.

Amendment 383
Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point g
Regulation (EU) No 575/2013
Article 4 – paragraph 1– point 27 – point g

Text proposed by the Commission	*Amendment*
(g) in point (27), point (c) ***is*** deleted;	(g) in point (27), point (c) ***and (g) are*** deleted;

Or. en

Amendment 384
Sirpa Pietikäinen

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point k
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52

Text proposed by the Commission	*Amendment*
(52) 'operational risk' means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk, model risk and ICT risk, but not strategic and reputational risk;;	(52) 'operational risk' means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including***, but not limited to,*** legal risk, model risk and ICT risk, but not strategic and reputational risk;;

Or. en

Amendment 385
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point k
Regulation (EU) No 575/2013
Article 4 ¬ paragraph 1 ¬ point 52

Text proposed by the Commission	*Amendment*
(52) 'operational risk' means the risk of loss resulting from inadequate or failed	(52) 'operational risk' means the risk of loss resulting from inadequate or failed

internal processes, people and systems or from external events, including legal risk, model risk and ICT risk, but not strategic and reputational risk;;	internal processes, people and systems or from external events, including***, but not limited to,*** legal risk, model risk and ICT risk, but not strategic and reputational risk;;

Or. en

Justification

The proposed amendment ensures that operational risk is intended as not being limited to legal risk, model risk and ICT risk.

Amendment 386
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point k
Regulation (EU) No 575/2013
Article 4 – paragraph 1– point 52

Text proposed by the Commission	*Amendment*
(52) 'operational risk' means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk, model risk and ICT risk, but not strategic and reputational risk;***;***	(52) 'operational risk' means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including ***but not limited to*** legal risk, model risk and ICT risk, but not strategic and reputational risk;

Or. en

Amendment 387
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52a

Text proposed by the Commission	*Amendment*
(52a) 'legal risk' means losses, including expenses, fines, penalties or punitive damages, caused by events that result in	***deleted***

legal proceedings, including the following:

(a) supervisory actions and private settlements;

(b) failure to act where action is necessary to comply with a legal obligation;

(c) action taken to avoid compliance with a legal obligation;

(d) misconduct events, which are events that arise from wilful or negligent misconduct, including inappropriate supply of financial services;

(e) non-compliance with any requirement derived from national or international statutory or legislative provisions;

(f) non-compliance with any requirement derived from contractual arrangements, or with internal rules and codes of conduct established in accordance with national or international norms and practices;

(g) non-compliance with ethical rules.

Legal risk does not comprise refunds to third parties or employees and goodwill payments due to business opportunities, where no breach of any rules or ethical conduct has occurred and where the institution has fulfilled its obligations on a timely basis; and external legal costs where the event giving rise to those external costs is not an operational risk event.

Or. en

Amendment 388
Sirpa Pietikäinen

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l

Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52a – introductory part

Text proposed by the Commission	*Amendment*
(52a) ‘legal risk’ means losses, including expenses, fines, penalties or punitive damages, ***caused by*** events that result in legal proceedings, including the following:	(52a) ‘legal risk’ means ***the risk of*** losses, including***, but not limited to,*** expenses, fines, penalties or punitive damages, ***which an institution may incur as a consequence of*** events that result in legal proceedings, including the following:

Or. en

Amendment 389
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52a – introductory part

Text proposed by the Commission	*Amendment*
(52a) ‘legal risk’ means losses, including expenses, fines, penalties or punitive damages, ***caused by*** events that result in legal proceedings, including the following:	(52a) ‘legal risk’ means ***risk of*** losses, including***, but not limited to,*** expenses, fines, penalties or punitive damages, ***which an institution may incur as a consequence of*** events that result in legal proceedings, including the following:

Or. en

Justification

The proposed amendment aims to clarify that legal risk refers to the risk of losses or potential loss (not limited to actual losses).

Amendment 390
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l

Regulation (EU) No 575/2013
Article 4 – paragraph 1– point 52a – introductory part

Text proposed by the Commission	*Amendment*
(52a) 'legal risk' means losses, including expenses, fines, penalties or punitive damages, caused by events that result in legal proceedings, including the following:	(52a) 'legal risk' means ***risk of*** losses, including expenses, fines, penalties or punitive damages, caused by events that result in legal proceedings, including the following:

Or. en

Amendment 391
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52a – point d

Text proposed by the Commission	*Amendment*
(d) misconduct events, which are events that arise from wilful or negligent misconduct, including inappropriate supply of financial services;	(d) misconduct events, which are events that arise from wilful or negligent misconduct, including inappropriate supply of financial services ***or inadequate or lack of information provided to retail customers about the financial products sold by the institution***; ***;***

Or. en

Amendment 392
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52b

Text proposed by the Commission	*Amendment*
(52b) 'model risk' means the loss an	***deleted***

institution may incur as a consequence of decisions that could be principally based on the output of internal models, due to errors in the development, implementation or use of such models, including the following:

(a) the improper set-up of a selected internal model and its characteristics;

(b) the inadequate verification of a selected internal model's suitability for the financial instrument to be evaluated or for the product to be priced, or of the selected internal model's suitability for the applicable market conditions;

(c) errors in the implementation of a selected internal model;

(d) incorrect mark-to-market valuations and risk measurement as a result of a mistake when booking a trade into the trading system;

(e) the use of a selected internal model or of its outputs for a purpose for which that model was not intended or designed, including manipulation of the modelling parameters;

(f) the untimely and ineffective monitoring of model performance to assess whether the selected internal model remains fit for purpose;

Or. en

Amendment 393
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1– point 52b – introductory part

Text proposed by the Commission	*Amendment*
(52b) 'model risk' means the ***loss*** an	(52b) 'model risk' means the ***risk of***

institution may incur as a consequence of decisions that could be principally based on the output of internal models, due to errors in the development, implementation ***or use*** of such models, including the following:	***losses*** an institution may incur as a consequence of decisions that could be principally based on the output of internal models, due to errors in the ***design,*** development, implementation***, use or monitoring*** of such models, including the following:

Or. en

Amendment 394
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52b – introductory part

Text proposed by the Commission	*Amendment*
(52b) 'model risk' means the loss an institution may incur as a consequence of decisions that could be principally based on the output of internal models, due to errors in the development, implementation or use of such models, including the following:	(52b) 'model risk' means the ***risk of*** loss an institution may incur as a consequence of decisions that could be principally based on the output of internal models, due to errors in the development, implementation or use of such models, including the following:

Or. en

Justification

Same as above.

Amendment 395
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52c

Text proposed by the Commission	*Amendment*
(52c) 'ICT risk' means the risk of losses	***deleted***

or potential losses related to the use of network information systems or communication technology, including breach of confidentiality, failure of systems, unavailability or lack of integrity of data and systems, and cyber risk;

Or. en

Amendment 396
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52c

Text proposed by the Commission	*Amendment*
(52c) 'ICT risk' means the risk of losses or potential losses related to the use of network information systems ***or communication*** technology***, including breach of confidentiality***, ***failure of systems, unavailability or lack of integrity of data and systems, and cyber risk;***	(52c) 'ICT risk' means the risk of losses or potential losses related to ***any reasonably identifiable circumstance in relation to*** the use of network ***and*** information systems ***which, if materialised, may compromise the security of the network and information systems, of any*** technology ***dependent tool or process***, ***of operations and processes, or of the provision of services by producing adverse effects in the digital or physical environment;***

Or. en

Amendment 397
Markus Ferber

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52d

Text proposed by the Commission	*Amendment*
(52d) 'environmental, social or governance (ESG) risk' means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution's counterparties or invested assets;	***deleted***

Or. en

Amendment 398
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52d

Text proposed by the Commission	*Amendment*
(52d) 'environmental, social or governance (ESG) risk' means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution's counterparties or invested assets;	(52d) 'environmental, social or governance (ESG) risk' means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution's counterparties or invested assets; ***ESG risks are not a separate type of risk, but rather a risk driver impacting other risk categories, such as credit risk, operational risk and market risk.***

Or. en

Amendment 399
Engin Eroglu

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l

Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52d

Text proposed by the Commission	*Amendment*
(52d) ‘environmental, social or governance (ESG) risk’ means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution’s counterparties or invested assets;	(52d) ‘environmental, social or governance (ESG) risk’ means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution’s counterparties or invested assets; ***in this context, ESG risks are drivers of the existing risk categories, such as credit risk, operational risk and market risk;***

Or. en

Justification

It is not made sufficiently clear that ESG risks are not be treated as a separate risk category but as a risk driver within the framework for existing risk types.There is a consensus that ESG risks represent factors that materialise through the traditional categories of risks, like credit, operational and market risk (see, for example, the EBA Report on Management and Supervision of ESG Risks (EBA/REP/2021/18), Definitions and Assessment methodologies, page 10).

Amendment 400
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52d

Text proposed by the Commission	*Amendment*
(52d) ‘environmental, social or governance (ESG) risk’ means the risk ***of losses*** arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution’s counterparties or invested assets;	(52d) ‘environmental, social or governance (ESG) risk’ means the risk arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution’s counterparties or invested assets;

(This amendment applies throughout the text.)

Or. en

Justification

The amendments seeks to align the definition of ESG risks with those proposed by the European Banking Authority (EBA) in its report on management and supervision of ESG risks for credit institutions and investment firms. The definitions used by the EBA are broader than those used by the COM proposal, covering any negative impact and not solely losses, and better reflecting the nature of ESG risks, which can materialise also viastrategic and reputational risks.

Amendment 401
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation EU 575/2013
Article 4 – paragraph 1– point 52d

Text proposed by the Commission	*Amendment*
(52d) 'environmental, social or governance (ESG) risk' means the risk ***of losses*** arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution's counterparties or invested assets;	(52d) 'environmental, social or governance (ESG) risk' means the risk arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution's counterparties or invested assets;

Or. en

Amendment 402
Sirpa Pietikäinen

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52d

Text proposed by the Commission	*Amendment*
(52d) ‘environmental, social or governance ***(ESG)*** risk’ means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution’s counterparties or invested assets;	(52d) ‘environmental, social or governance ***risk' or 'ESG*** risk’ means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution’s counterparties or invested assets;

Or. en

Amendment 403
Aurore Lalucq, Paul Tang

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52d

Text proposed by the Commission	*Amendment*
(52d) ‘environmental, social or governance (ESG) risk’ means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution’s counterparties or invested assets;	(52d) ‘environmental, social or governance (ESG) risk’ means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution’s counterparties or invested assets;

Or. en

Amendment 404
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52e – introductory part

Text proposed by the Commission	*Amendment*
(52e) ‘environmental risk’ means the risk ***of losses*** arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental factors on the institution’s counterparties or invested assets, including factors related to the transition towards the following environmental objectives:	(52e) ‘environmental risk’ means the risk arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental factors on the institution’s counterparties or invested assets, including factors related to the transition towards the following environmental objectives:

Or. en

Amendment 405
Sirpa Pietikäinen

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52e – introductory part

Text proposed by the Commission	*Amendment*
(52e) ‘environmental risk’ means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of environmental factors on the institution’s counterparties or invested assets, including factors related to the transition towards the following environmental objectives:	(52e) ‘environmental risk’ means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of environmental factors on the institution’s counterparties or invested assets, including factors related to the transition towards the following environmental objectives:

Or. en

Amendment 406
Aurore Lalucq, Paul Tang

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52e – introductory part

Text proposed by the Commission	*Amendment*
(52e) ‘environmental risk’ means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of environmental factors on the institution’s counterparties or invested assets, including factors related to the transition towards the following environmental objectives:	(52e) ‘environmental risk’ means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of environmental factors on the institution’s counterparties or invested assets, including factors related to the transition towards the following environmental objectives:

Or. en

Amendment 407
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1– point 52f

Text proposed by the Commission	*Amendment*
(52f) ‘physical risk’, as part of the overall environmental risk, means the risk ***of losses*** arising from any negative financial impact on the institution stemming from the current or prospective impacts of the physical effects of environmental factors on the institution’s counterparties or invested assets;	(52f) ‘physical risk’, as part of the overall environmental risk, means the risk arising from any negative financial impact on the institution stemming from the current or prospective impacts of the physical effects of environmental factors on the institution’s counterparties or invested assets;

Or. en

Amendment 408
Sirpa Pietikäinen

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52f

Text proposed by the Commission	*Amendment*
(52f) ‘physical risk’, as part of the overall environmental risk, means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of the physical effects of environmental factors on the institution’s counterparties or invested assets;	(52f) ‘physical risk’, as part of the overall environmental risk, means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of the physical effects of environmental factors on the institution’s counterparties or invested assets;

Or. en

Amendment 409
Aurore Lalucq, Paul Tang

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph1 – paragraph 52f

Text proposed by the Commission	*Amendment*
(52f) ‘physical risk’, as part of the overall environmental risk, means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of the physical effects of environmental factors on the institution’s counterparties or invested assets;	(52f) ‘physical risk’, as part of the overall environmental risk, means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of the physical effects of environmental factors on the institution’s counterparties or invested assets;

Or. en

Amendment 410
Sirpa Pietikäinen

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52g

Text proposed by the Commission	*Amendment*
(52g) ‘transition risk’, as part of the overall environmental risk, means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of the transition ***of business activities and sectors*** to an environmentally sustainable economy on the institution’s counterparties or invested assets;	(52g) ‘transition risk’, as part of the overall environmental risk, means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of the transition to an environmentally sustainable economy on the institution’s counterparties or invested assets;

Or. en

Amendment 411
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 ¬ paragraph 1 ¬ point 52g

Text proposed by the Commission	*Amendment*
(52g) ‘transition risk’, as part of the overall environmental risk, means the risk ***of losses*** arising from any negative financial impact on the institution stemming from the current or prospective impacts of the transition ***of business activities and sectors*** to an environmentally sustainable economy on the institution’s counterparties or invested assets;	(52g) ‘transition risk’, as part of the overall environmental risk, means the risk arising from any negative financial impact on the institution stemming from the current or prospective impacts of the transition to an environmentally sustainable economy on the institution’s counterparties or invested assets;

Or. en

Justification

Same as above.

Amendment 412
Aurore Lalucq, Paul Tang

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52g

Text proposed by the Commission	*Amendment*
(52g) ‘transition risk’, as part of the overall environmental risk, means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of the transition of business activities and sectors to an environmentally sustainable economy on the institution’s counterparties or invested assets;	(52g) ‘transition risk’, as part of the overall environmental risk, means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of the transition of business activities and sectors to an environmentally sustainable economy on the institution’s counterparties or invested assets;

Or. en

Amendment 413
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1– point 52g

Text proposed by the Commission	*Amendment*
(52g) ‘transition risk’, as part of the overall environmental risk, means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of the transition of business activities and sectors to an environmentally sustainable economy on the institution’s counterparties or invested assets;	(52g) ‘transition risk’, as part of the overall environmental risk, means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of the transition of business activities and sectors to an environmentally sustainable economy on the institution’s counterparties or invested assets;

Or. en

Amendment 414
Sirpa Pietikäinen

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52h

Text proposed by the Commission	*Amendment*
(52h) 'social risk' means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of social factors on its counterparties or invested assets;	(52h) 'social risk' means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of social factors on its counterparties or invested assets;

Or. en

Amendment 415
Aurore Lalucq, Paul Tang

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52h

Text proposed by the Commission	*Amendment*
(52h) 'social risk' means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of social factors on its counterparties or invested assets;	(52h) 'social risk' means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of social factors on its counterparties or invested assets;

Or. en

Amendment 416
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52h

Text proposed by the Commission	*Amendment*
(52h) ‘social risk’ means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of social factors on its counterparties or invested assets;	(52h) ‘social risk’ means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of social factors on its counterparties or invested assets;

Or. en

Amendment 417
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52i

Text proposed by the Commission	*Amendment*
(52i) ‘governance risk’ means the risk of ***losses arising from any*** negative financial impact on the institution stemming from the current or prospective impacts of governance factors on the institution’s counterparties or invested assets;;	(52i) ‘governance risk’ means the risk of negative financial impact on the institution stemming from the current or prospective impacts of governance factors on the institution’s counterparties or invested assets;;

Or. en

Amendment 418
Sirpa Pietikäinen

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52i

Text proposed by the Commission	*Amendment*
(52i) ‘governance risk’ means the risk of ***losses arising from*** any negative financial impact on the institution stemming from	(52i) ‘governance risk’ means the risk of any negative financial impact on the institution stemming from the current or

the current or prospective impacts of governance factors on the institution's counterparties or invested assets;;	prospective impacts of governance factors on the institution's counterparties or invested assets;;

Or. en

Amendment 419
Aurore Lalucq, Paul Tang

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point l
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 52i

Text proposed by the Commission	*Amendment*
(52i) 'governance risk' means the risk of ***losses arising from*** any negative financial impact on the institution stemming from the current or prospective impacts of governance factors on the institution's counterparties or invested assets;;	(52i) 'governance risk' means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of governance factors on the institution's counterparties or invested assets;;

Or. en

Amendment 420
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point m
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 54

Text proposed by the Commission	*Amendment*
(54) 'probability of default' or 'PD' means the probability of default of an obligor over a one-year period, and, in the context of dilution risk, the probability of dilution over ***that*** one-year period;	(54) 'probability of default' or 'PD' means the probability of default of an obligor over a one-year period, and, in the context of dilution risk, the probability of dilution over ***a*** one-year period;

Or. en

Amendment 421
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point m
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 55

Text proposed by the Commission	*Amendment*
(55) 'loss given default' or 'LGD' means the ***expected*** ratio of the loss on an exposure related to a single facility due to the default of an obligor or facility to the amount outstanding at default, and, in the context of dilution risk, the loss given dilution meaning the expected ratio of the loss on an exposure due to dilution, to the amount outstanding according to the pledged or purchased receivable;	(55) 'loss given default' or 'LGD' means the ratio of the loss on an exposure related to a single facility due to the default of an obligor or facility to the amount outstanding at default, and, in the context of dilution risk, the loss given dilution meaning the expected ratio of the loss on an exposure due to dilution, to the amount outstanding according to the pledged or purchased receivable;

Or. en

Justification

The use of the word 'expected' may lead to unwarranted interpretations and as such should be removed.

Amendment 422
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point m
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 55

Text proposed by the Commission	*Amendment*
(55) 'loss given default' or 'LGD' means the ***expected*** ratio of the loss on an exposure related to a single facility due to the default of an obligor or facility to the amount outstanding at default, and, in the context of dilution risk, the loss given dilution meaning the ***expected*** ratio of the loss on an exposure due to dilution, to the	(55) 'loss given default' or 'LGD' means the ratio of the loss on an exposure related to a single facility due to the default of an obligor or facility to the amount outstanding at default, and, in the context of dilution risk, the loss given dilution meaning the ratio of the loss on an exposure due to dilution, to the amount

amount outstanding according to the pledged or purchased receivable;	outstanding according to the pledged or purchased receivable;

Or. en

Amendment 423
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point m
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 56

Text proposed by the Commission	*Amendment*
(56) 'conversion factor' or 'credit conversion factor' or 'CCF' means the ***expected*** ratio of the currently undrawn amount of a commitment from a single facility that could be drawn from a single facility before default and that would therefore be outstanding at default to the currently undrawn amount of the commitment from that facility, the extent of the commitment being determined by the advised limit, unless the unadvised limit is higher;;	(56) 'conversion factor' or 'credit conversion factor' or 'CCF' means the ratio of the currently undrawn amount of a commitment from a single facility that could be drawn from a single facility before default and that would therefore be outstanding at default to the currently undrawn amount of the commitment from that facility, the extent of the commitment being determined by the advised limit, unless the unadvised limit is higher;;

Or. en

Justification

Same as above.

Amendment 424
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point m
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 56

Text proposed by the Commission	*Amendment*
(56) ‘conversion factor’ or ‘credit conversion factor’ or ‘CCF’ means the ***expected*** ratio of the currently undrawn amount of a commitment from a single facility that could be drawn from a single facility before default and that would therefore be outstanding at default to the currently undrawn amount of the commitment from that facility, the extent of the commitment being determined by the advised limit, unless the unadvised limit is higher;;	(56) ‘conversion factor’ or ‘credit conversion factor’ or ‘CCF’ means the ratio of the currently undrawn amount of a commitment from a single facility that could be drawn from a single facility before default and that would therefore be outstanding at default to the currently undrawn amount of the commitment from that facility, the extent of the commitment being determined by the advised limit, unless the unadvised limit is higher;;

Or. en

Amendment 425
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point s
Regulation (EU) 575/2013
Article 4 – paragraph 1 – point 75e

Text proposed by the Commission	*Amendment*
(75e) ‘exposure secured by residential property’, or ‘exposure secured by a mortgage on residential property’, or ‘exposure secured by residential property collateral’, or ‘exposure secured by residential immovable property’**,** means an exposure secured by ***a mortgage on*** residential ***property or secured by any other mechanisms other than mortgages but which are economically equivalent to mortgages and recognised as collateral on residential*** property ***under the applicable national law setting out the conditions for the establishment of those mechanisms***;	(75e) ‘exposure secured by residential property’, or ‘exposure secured by a mortgage on residential property’, or ‘exposure secured by residential property collateral’, or ‘exposure secured by residential immovable property’ means an exposure secured by residential ***immovable*** property; *(The same applies to points 75f and 75g, accordingly to the context of those points.)*

Or. en

Justification

Requiring mortgages or economic equivalent mechanisms is unjustifiably stricter than the related Basel III standards, which does not require any specific way of securing exposures by immovable properties received as collateral.For consistency, the term 'residential immovable property' should be used rather than 'residential property'.

Amendment 426
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point s
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 75e

Text proposed by the Commission	*Amendment*
(75e) 'exposure secured by residential property', or 'exposure secured by a mortgage on residential property', or 'exposure secured by residential property collateral', or 'exposure secured by residential immovable property', means an exposure secured by a ***mortgage on*** residential ***property or secured by any other mechanisms other than mortgages but which are economically equivalent to mortgages and recognised as collateral on residential*** property ***under the applicable national law setting out the conditions for the establishment of those mechanisms***;	(75e) 'exposure secured by residential property', or 'exposure secured by a mortgage on residential property', or 'exposure secured by residential property collateral', or 'exposure secured by residential immovable property', means an exposure secured by a residential ***immovable*** property;

Or. en

Amendment 427
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point s
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 75e

Text proposed by the Commission	*Amendment*
(75e) ‘exposure secured by residential property’, or ‘exposure secured by a mortgage on residential property’, or ‘exposure secured by residential property collateral’, or ‘exposure secured by residential immovable property’, means an exposure secured by a mortgage on residential property or ***secured by any other mechanisms other than mortgages but which are economically equivalent to mortgages and recognised as collateral on residential property under the applicable national law setting out the conditions for the establishment of those mechanisms***;	(75e) ‘exposure secured by residential property’, or ‘exposure secured by a mortgage on residential property’, or ‘exposure secured by residential property collateral’, or ‘exposure secured by residential immovable property’, means an exposure secured by a mortgage on residential property or ***an exposure regarded as such in accordance with Article 108(3)***;

Or. en

Justification

In line with the provisions of Article 108(3), under specific conditions, retail loans may be regarded as exposures secured by a mortgage on residential property. This should be made clear in the definition.

Amendment 428
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point s
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 75e

Text proposed by the Commission	*Amendment*
(75f) ‘exposure secured by commercial immovable property’, or ‘exposure secured by a mortgage on commercial immovable property’, or ‘exposure secured by commercial immovable property collateral’ means an exposure secured by a ***mortgage on*** commercial immovable property ***or secured by any other mechanisms other than mortgages but which are economically equivalent to mortgages and***	(75f) ‘exposure secured by commercial immovable property’, or ‘exposure secured by a mortgage on commercial immovable property’, or ‘exposure secured by commercial immovable property collateral’ means an exposure secured by a commercial immovable property;

recognised as collateral on commercial immovable property under the applicable national law setting out the conditions for the establishment of those mechanisms;

Or. en

Amendment 429
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point s
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 75g

Text proposed by the Commission	*Amendment*
(75g) 'exposure secured by immovable property', or 'exposure secured by a mortgage on immovable property', or 'exposure secured by immovable property collateral' means an exposure secured by a ***mortgage on*** residential or commercial immovable property ***or secured by any other mechanisms other than mortgages but which are economically equivalent to mortgages and recognised as collateral on immovable property under the applicable national law setting out the conditions for the establishment of those mechanisms***;***;***	(75g) 'exposure secured by immovable property', or 'exposure secured by a mortgage on immovable property', or 'exposure secured by immovable property collateral' means an exposure secured by a residential or commercial immovable property ;

Or. en

Amendment 430
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point s
Regulation (EU) No 575/2013
Article 4 – pargraph 1 – point 75g

Text proposed by the Commission	*Amendment*
(75g) 'exposure secured by immovable	(75g) 'exposure secured by immovable

property', or 'exposure secured by a mortgage on immovable property', or 'exposure secured by immovable property collateral' means an exposure secured by a mortgage on residential or commercial immovable property or ***secured by any other mechanisms other than mortgages but which are economically equivalent to mortgages and recognised as collateral on immovable property under the applicable national law setting out the conditions for the establishment of those mechanisms***;***;***	property', or 'exposure secured by a mortgage on immovable property', or 'exposure secured by immovable property collateral' means an exposure secured by a mortgage on residential or commercial immovable property or ***an exposure regarded as such in accordance with Article 108(3)***;

Or. en

Justification

In line with the provisions of Article 108(3), under specific conditions, retail loans may be regarded as exposures secured by a mortgage on residential property. This should be made clear in the definition.

Amendment 431
Sirpa Pietikäinen

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point t
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 79

Text proposed by the Commission	*Amendment*
(79) 'ADC exposures' or 'land acquisition, development and construction exposures' means exposures to corporates or special purpose entities financing any land acquisition for development and construction purposes, or financing development and construction of any residential or commercial immovable property;***;**	(79) 'ADC exposures' or 'land acquisition, development and construction exposures' means exposures to corporates or special purpose entities financing any land acquisition for development and construction purposes, or financing development and construction of any residential or commercial immovable property; ***except for loans to housing entities which after the construction phase continue to own and administer the financed property.***

Or. en

Amendment 432
Engin Eroglu

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point t
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 79

Text proposed by the Commission	*Amendment*
(79) ‘ADC exposures’ or ‘land acquisition, development and construction exposures’ means exposures to corporates or special purpose entities financing any land acquisition for development and construction purposes, or financing development and construction of any residential or commercial immovable property;;	(79) ‘ADC exposures’ or ‘land acquisition, development and construction exposures’ means exposures to corporates or special purpose entities financing any land acquisition for development and construction purposes, or financing development and construction of any residential or commercial immovable property ***excluding where the loan is below 80% of the property value***;;

Or. en

Amendment 433
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point t
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 79

Text proposed by the Commission	*Amendment*
(79) ‘ADC exposures’ or ‘land acquisition, development and construction exposures’ means exposures to corporates or special purpose entities financing any land acquisition for development and construction purposes, or financing development and construction of any residential or commercial immovable property;;	(79) ‘ADC exposures’ or ‘land acquisition, development and construction exposures’ means ***loans*** exposures to corporates or special purpose entities financing any land acquisition for development and construction purposes, or financing development and construction of any residential or commercial immovable property;;

Or. en

Amendment 434
Markus Ferber

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point w a (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 145 – point b

Present Text	*Amendment*
	(w a) Article 4(1), point (145), point b is amended as follows:
	"the total value of its assets on an individual basis or, where applicable, on a consolidated basis in accordance with this Regulation and Directive 2013/36/EU is on average equal to or less than the threshold of EUR 7,5 billion over the four-year period immediately preceding the current annual reporting period; Member States may lower that threshold"

Or. en

Justification

Increases the threshold for the definition of small and non-complex institutions from 5bn to 7,5bn to reflect inflation and growth in deposits over the past years.

Amendment 435
Elisabetta Gualmini, Brando Benifei, Patrizia Toia, Alessandra Moretti, Simona Bonafè

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point x a (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 146 – introductory part

Present Text	*Amendment*
	(x a) point (146) is amended as follows:
	'large institution' means an institution that is not a social economy entity and meets any of the following conditions:
	(a) it is a G-SII;

(b) it has been identified as another systemically important institution (O-SII) in accordance with Article 131(1) and (3) of Directive 2013/36/EU;

(c) it is, in the Member State in which it is established, one of the three largest institutions in terms of total value of assets;

(d) the total value of its assets on an individual basis or, where applicable, on the basis of its consolidated situation in accordance with this Regulation and Directive 2013/36/EU is equal to or greater than EUR 30 billion;

Or. en

Amendment 436
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point x a (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 146 – introductory part

Present Text	*Amendment*
	(x a) In Article 4(1), point 146 is replaced by the following:
	146) 'large institution' means an institution that is not a social economy entity and meets any of the following conditions:
	(a) it is a G-SII;
	(b) it has been identified as an other systemically important institution (O-SII) in accordance with Article 131(1) and (3) of Directive 2013/36/EU;
	(c) it is, in the Member State in which it is established, one of the three largest institutions in terms of total value of assets;
	(d) the total value of its assets on an individual basis or, where applicable, on

	the basis of its consolidated situation in accordance with this Regulation and Directive 2013/36/EU is equal to or greater than EUR 30 billion;;

Or. en

Amendment 437
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point x a (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 146 – introductory part

Present Text	*Amendment*
	(x a) in point (146), the introductory part is replaced by the following:
(146) 'large institution' means an institution that meets any of the following conditions:	(146) 'large institution' means an institution that ***is not a social economy entity and*** meets any of the following conditions:

Or. en

Amendment 438
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point x a (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 146 – introductory part

Present text	*Amendment*
	(x a) in point (146), the introductory part is replaced by the following: :
(146) 'large institution' means an institution that meets any of the following conditions:	"(146) 'large institution' means an institution that ***is not a social economy entity and*** meets any of the following conditions: ***"***

Or. en

(Regulation (EU) No 575/2013)

Amendment 439
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 1 a (new)
Regulation (EU) No 575/2013
Article 4 – paragaraph 1 – point 146 – introductory part

Present text	*Amendment*
(146) ‘large institution’ means an institution that meets any of the following conditions:	"(146) ***‘***large institution’ means an institution that ***is not a social economy entity and*** meets any of the following conditions:

Or. en

(02013R0575-20220410)

Amendment 440
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point x b (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 146 a (new)

Text proposed by the Commission	*Amendment*
	(x b) the following point 146a is added:
	146a) ‘social economy entity’ means an entity that meets all of the following conditions:
	a) the entity is not a G-SII;
	b) the entity and its subsidiaries and affiliated undertakings are linked according to Article 22, paragraph 7, of Directive 2013/34/EU and applicable national laws address subsidiaries to allocate profits mainly to common

interests of members;

c) subsidiaries or affiliated undertakings are small and non-complex entities according to point 145 of this Article or less significant institutions according to Article 6, paragraph 4, of Regulation (EU) 1024/2013;

d) affiliated undertakings are bound by national laws for a governance model informed by democratic principles.

Or. en

Amendment 441
Elisabetta Gualmini, Brando Benifei, Patrizia Toia, Alessandra Moretti, Simona Bonafè

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point x b (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 146 a (new)

Text proposed by the Commission	*Amendment*
	(x b) the following point (146 a) is inserted:
	"social economy entity' means an entity that meets all of the following conditions:
	a) The entity is not a G-SII;
	b) The entity and its subsidiaries and affiliated undertakings are linked according to article 22, paragraph 7 of Directive 2013/34/EU and applicable national laws address subsidiaries to allocate profits mainly to common interests of members;
	c) Subsidiaries or affiliated undertakings are small and non-complex entities according to point 145 of this article or less significant institutions according to art.6, paragraph 4 of Regulation (EU) 1024/2013;
	d) Affiliated undertakings are bound by national laws for a governance model

informed by democratic principles.

Or. en

Amendment 442
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point x b (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 146 a (new)

Text proposed by the Commission	*Amendment*
	(x b) the following point is inserted :
	"(146a) 'social economy entity' means an entity that meets all of the following conditions:
	a) the entity is not a G-SII
	b) the entity and its subsidiaries and affiliated undertakings are linked according to Article 22(7) of Directive 2013/34/EU and applicable national laws address subsidiaries to allocate profits mainly to common interests of members;
	c) subsidiaries and affiliated undertakings are small and non-complex entities according to point 145 of this Article or less significant institutions according to Art. 6(4) of Regulation (EU) 1024/2013;
	d) subsidiaries and affiliated undertakings are bound by national laws for a governance model informed by democratic principles.

Or. en

Amendment 443
Gianna Gancia

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

Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 146a (new)

Text proposed by the Commission	*Amendment*
	(x b) the following point is inserted:
	"(146a) 'social economy entity' means an entity that meets all of the following conditions:
	a) the entity is not a G-SII;
	b) the entity and its subsidiaries and affiliated undertakings are linked in accordance with Article 22(7) of Directive 2013/34/EU and applicable national laws address subsidiaries to allocate profits mainly to common interests of members;
	c) subsidiaries and affiliated undertakings are small and non-complex entities or less significant institutions in accordance with Article 6(4) of Regulation (EU) 1024/2013;
	d) subsidiaries and affiliated undertakings are bound by national laws for a governance model informed by democratic principles.

Or. en

Amendment 444
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point x b (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 146a (new)

Text proposed by the Commission	*Amendment*
	(146a) 'Social economy entity' means an entity that meets all of the following conditions:
	(a) the entity is not a G-SII
	(b) the entity and its subsidiaries are affiliated undertakings are linked

according to Art. 22(7) of Directive 2013/34/EU and applicable national laws address subsidiaries to allocate profits mainly to common interests of members

(c) subsidiaries or affiliated undertakings are small and non-complex entities according to point 145 of this article or less significant institutions according to Art.6(4) of Regulation (EU) 1024/2013;d) Affiliated undertakings are bound by national laws for a governance model informed by democratic principles

"

Or. en

(02013R0575-20220410)

Amendment 445
Caroline Nagtegaal

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point y
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 151

Text proposed by the Commission	*Amendment*
(151) 'revolving exposure' means any exposure whereby the borrower's outstanding balance is permitted to fluctuate based on its decisions to borrow and repay, up to ***an agreed*** limit;	(151) 'revolving exposure' means any exposure whereby the borrower's outstanding balance is permitted to fluctuate based on its decisions to borrow and repay, up to ***a*** limit ***established by the bank***;

Or. en

Justification

Technical amendment in order to align the definition with the Basel agreement.

Amendment 446
Lídia Pereira, Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point y
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 151

Text proposed by the Commission	*Amendment*
(151) 'revolving exposure' means any exposure whereby the borrower's outstanding balance is permitted to fluctuate based on its decisions to borrow and repay, up to an ***agreed*** limit;	(151) 'revolving exposure' means any exposure whereby the borrower's outstanding balance is permitted to fluctuate based on its decisions to borrow and repay, up to an ***approved*** limit;

Or. en

Justification

Alignment with Basel III approach

Amendment 447
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point y
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 152 – point a

Text proposed by the Commission	*Amendment*
(a) an exposure for which, on a regular basis of at least every 12 months, the ***balance*** to be repaid at the next scheduled repayment date is determined as the drawn amount at a predefined reference date***, with a*** scheduled repayment date not later than after 12 months, provided that the ***balance has*** been repaid in full at each scheduled repayment date for the previous 12 months;	(a) an exposure for which, on a regular basis of at least every 12 months, the ***amount*** to be repaid at the next scheduled repayment date is determined as the drawn amount at a predefined reference date ***or upon contractual repayment modalities, with all*** scheduled repayment date not later than after 12 months, provided that the ***amount or instalments owed to the bank have*** been repaid in full at each scheduled repayment date for the previous 12 months;

Or. en

Justification

Amendment to better reflect European practices when it comes to transactor exposures.

Amendment 448
Caroline Nagtegaal

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point y
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 152 – point a

Text proposed by the Commission	*Amendment*
(a) an exposure for which, on a regular basis of at least every 12 months, the balance to be repaid at the next scheduled repayment date is determined as the drawn amount at a predefined reference date, with a scheduled repayment date not later than after 12 months, provided that the balance has been repaid in full at each scheduled repayment date for the previous 12 months;	(a) an exposure for which, on a regular basis of at least every 12 months, the balance to be repaid at the next scheduled repayment date is determined as the drawn amount ***or an instalment*** at a predefined reference date, with a scheduled repayment date not later than after 12 months, provided that the balance has been repaid in full at each scheduled repayment date for the previous 12 months;

Or. en

Justification

Technical amendment in order to include creditors offering repayment in instalments, who are typically exposed to transactor exposure.

Amendment 449
Lídia Pereira, Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point y
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 152 – point a

Text proposed by the Commission	*Amendment*
(a) an exposure for which, on a regular basis of at least every 12 months, the balance to be repaid at the next scheduled repayment date is determined as the drawn amount at a predefined reference date, with a scheduled repayment date not later than after 12 months, provided that the balance	(a) an exposure for which, on a regular basis of at least every 12 months, the balance to be repaid at the next scheduled repayment date is determined as the drawn amount ***or an instalment*** at a predefined reference date, with a scheduled repayment date not later than after 12 months,

has been repaid in full at each scheduled repayment date for the previous 12 months;	provided that the balance has been repaid in full at each scheduled repayment date for the previous 12 months;

Or. en

Justification

Clarification of the text

Amendment 450
Eva Kaili

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point y
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 152 – point a

Text proposed by the Commission	*Amendment*
(a) an exposure for which, on a regular basis of at least every 12 months, the balance to be repaid at the next scheduled repayment date is determined as the drawn amount at a predefined reference date, with a scheduled repayment date not later than after 12 months, provided that the balance has been repaid in full at each scheduled repayment date for the previous 12 months;	(a) an exposure for which, on a regular basis of at least every 12 months, the balance to be repaid at the next scheduled repayment date is determined as the drawn amount ***or an instalment*** at a predefined reference date, with a scheduled repayment date not later than after 12 months, provided that the balance has been repaid in full at each scheduled repayment date for the previous 12 months;

Or. en

Justification

Clarification of the text

Amendment 451
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point y a (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 152 a (new)

Text proposed by the Commission	*Amendment*
	(y a) the following point is inserted:
	'(152a) 'fossil fuel sectors' means sectors of the economy which produce, process, store or use fossil fuels as defined in Article 2, point (62) of Regulation EU 2018/1999 of the European Parliament and the Council;

Or. en

Amendment 452
Aurore Lalucq, Paul Tang, Csaba Molnár

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point y a (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 152 a (new)

Text proposed by the Commission	*Amendment*
	(152 a) 'fossil fuel sectors' means sectors of the economy which produce, process, store or use fossil fuels as defined in Article 2(62) of Regulation (EU)2018/1999 of the European Parliament and of the Council.

Or. en

Amendment 453
Aurore Lalucq, Paul Tang, Csaba Molnár

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point y b (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 152 b (new)

Text proposed by the Commission	*Amendment*
	(152 b) 'companies active in the fossil fuel sectors' means (i) companies that derive any revenues from exploration, mining, extraction, or reining of hard coal and lignite; (ii) companies that derive any revenues from the exploration, extraction, distribution (excluding distribution, transportation, storage and trade) or reining of liquid fossil fuels; and (iii) companies that derive any revenues from exploring and extracting fossil gaseous fuels or from their dedicated distribution(excluding distribution, transportation, storage and trade).

Or. en

Amendment 454
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point y b (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 152 b (new)

Text proposed by the Commission	*Amendment*
	(y b) the following point is inserted:
	(152b) 'companies active in the fossil fuel sector' means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage, use and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council

Or. en

Amendment 455
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point y c (new)
Regulation (EU) No 575/2013
Article 4 – paragraph 1 – point 152 c (new)

Text proposed by the Commission	*Amendment*
	(y c) the following point is added:
	(152c) 'non-bank financial intermediary' means an undertaking that carries out one or more credit intermediation activities and that is not an undertaking listed in Annex III a (new).

Or. en

Amendment 456
Ville Niinistö
on behalf of the Verts/ALE Group

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

Text proposed by the Commission	*Amendment*
	(1 a) in Article 4, the following paragraph is added:
	'4a. The EBA shall develop guidelines specifying which activities are considered similar as those mentioned in points (a) and (b) of point (18) of paragraph 1 of this Article.

Or. en

Amendment 457
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 8

Text proposed by the Commission	*Amendment*
(8) 'small and medium-sized enterprise' or 'SME' means a company, enterprise or undertaking which, according to the last consolidated accounts, has an annual turnover not exceeding EUR 50 000 000;'	(8) 'small and medium-sized enterprise' or 'SME' means ***for the purpose of this Regulation*** a company, enterprise or undertaking which, according to the last consolidated accounts, has an annual turnover not exceeding EUR 50 000 000;'

Or. en

Amendment 458
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 9 – subparagraph 2 – point a

Text proposed by the Commission	*Amendment*
(a) contractual arrangements where the institution receives no fees or commissions to ***establish or*** maintain those contractual arrangements;	(a) contractual arrangements where the institution receives no fees or commissions to maintain those contractual arrangements;

Or. en

Amendment 459
Carlo Calenda

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 9 – subparagraph 2 – point d

Text proposed by the Commission	*Amendment*
(d) contractual arrangements where the institution is required to assess the creditworthiness of the client immediately prior to deciding on the execution of each drawdown;	(d) contractual arrangements where the institution is required to assess the creditworthiness of the client immediately prior to deciding on the execution of each drawdown ***is conditional upon assessing the creditworthiness of the client by the institution***;

Or. en

Amendment 460
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 9 – subparagraph 2 – point d

Text proposed by the Commission	*Amendment*
(d) ***contractual arrangements where*** the institution ***is required to assess*** the creditworthiness of the client ***immediately prior to deciding on the execution of each drawdown***;	(d) ***the decision of*** the institution ***on the execution of each drawdown is conditional upon assessment of*** the creditworthiness of the client;

Or. en

Amendment 461
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 9 – subparagraph 2 – point d

Text proposed by the Commission	*Amendment*
(d) contractual arrangements where the institution ***is required to assess*** the creditworthiness of the client ***immediately prior to deciding on the execution of each***	(d) contractual arrangements where the ***decision of the*** institution ***on the execution of each drawdown is conditional upon assessment of*** the creditworthiness of the

drawdown;	client;

Or. en

Justification

The proposed change aims at refining the definition of "commitment" in order to take into account the specificities of trade finance contracts. Proposed new point (9) of Article 5 outlines the definition of "commitment" which is applied for the purposes of the application of the Credit Conversion Factors (CCFs) to determine the exposure to be risk weighted. The same point also specifies the conditions for an arrangement not to be considered a "commitment" (and therefore not to be applied a CCF – on this point see also the following proposed Proposal to Article 111(4)). The latter represents the exercise of a discretion provided in the Basel text (Footnote 53 of BCBS d424); the exercise of such discretion is considered appropriate and should be confirmed in the final text. Anyway, the conditions identified for the exclusion should be slightly refined to account for the specificities of certain trade finance products whose risk profile would fully justify the exclusion from qualification as "commitment".

Amendment 462
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 9 – subparagraph 2 – point d

Text proposed by the Commission	*Amendment*
(d) contractual arrangements where the institution ***is required to assess*** the creditworthiness of the client ***immediately prior to deciding on the execution of each drawdown***;	(d) contractual arrangements where the ***decision of the*** institution ***on the execution of each drawdown is conditional upon assessment of*** the creditworthiness of the client;

Or. en

Amendment 463
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 9 – subparagraph 2 – point d

Text proposed by the Commission	*Amendment*
(d) ***contractual arrangements where the institution is required to assess*** the creditworthiness of the client immediately prior ***to deciding on the execution of each drawdown***;	(d) ***the institution's decision on the execution of each drawdown is only made after assessing*** the creditworthiness of the client immediately prior ***to drawdown***;

Or. en

Amendment 464
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 9 – subparagraph 2 – point e

Text proposed by the Commission	*Amendment*
(e) contractual arrangements that are offered to a corporate entity, including an SME, ***that is*** closely monitored on an ongoing basis.	(e) contractual arrangements that are offered to a corporate entity, including an SME, ***considered that those counterparties are*** closely monitored on an ongoing basis.

Or. en

Amendment 465
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 9 – subparagraph 2 – point e

Text proposed by the Commission	*Amendment*
(e) contractual arrangements that are offered to a corporate entity, including an SME, ***that is*** closely monitored on an ongoing basis.	(e) contractual arrangements that are offered to a corporate entity, including an SME, ***considered that those counterparties are*** closely monitored on an ongoing basis.

Or. en

Amendment 466
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 9 – subparagraph 2 – point e

Text proposed by the Commission	*Amendment*
(e) contractual arrangements that are offered to a corporate entity, including an SME, ***that is*** closely monitored on an ongoing basis.	(e) contractual arrangements that are offered to a corporate entity, including an SME, ***provided that those counterparties are*** closely monitored on an ongoing basis.

Or. en

Justification

The proposed change aims at refining the definition of "commitment" in order to take into account the specificities of trade finance contracts. Proposed new point (9) of Article 5 outlines the definition of "commitment" which is applied for the purposes of the application of the Credit Conversion Factors (CCFs) to determine the exposure to be risk weighted. The same point also specifies the conditions for an arrangement not to be considered a "commitment" (and therefore not to be applied a CCF – on this point see also the following proposed Proposal to Article 111(4)). The latter represents the exercise of a discretion provided in the Basel text (Footnote 53 of BCBS d424); the exercise of such discretion is considered appropriate and should be confirmed in the final text. Anyway, the conditions identified for the exclusion should be slightly refined to account for the specificities of certain trade finance products whose risk profile would fully justify the exclusion from qualification as "commitment".

Amendment 467
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 9 – subparagraph 2 – point e

Text proposed by the Commission	*Amendment*
(e) contractual arrangements that are offered to a corporate entity, including an SME, that is closely monitored on an	(e) contractual arrangements that are offered to ***a credit institution or*** a corporate entity, including an SME, that is

ongoing basis.	closely monitored on an ongoing basis.

Or. en

Amendment 468
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 10

Text proposed by the Commission	*Amendment*
(10) 'unconditionally cancellable commitment' means any commitment the terms of which permit the institution to cancel that commitment to the full extent allowable under consumer protection and related legislation at any time without prior notice to the obligor or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness.';	(10) 'unconditionally cancellable commitment' means any commitment the terms of which permit the institution to cancel that commitment**,** to the full extent allowable under consumer protection and related legislation ***where applicable,*** at any time without prior notice to the obligor or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness.';

Or. en

Amendment 469
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 10

Text proposed by the Commission	*Amendment*
(10) 'unconditionally cancellable commitment' means any commitment the terms of which permit the institution to cancel that commitment to the full extent allowable under consumer protection and related legislation at any time without prior notice to the obligor or that effectively provide for automatic cancellation due to	(10) 'unconditionally cancellable commitment' means any commitment the terms of which permit the institution to cancel that commitment**,** to the full extent allowable under consumer protection and related legislation ***where applicable,*** at any time without prior notice to the obligor or that effectively provide for automatic

deterioration in a borrower's creditworthiness.’;	cancellation due to deterioration in a borrower's creditworthiness.’;

Or. en

Amendment 470
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 10

Text proposed by the Commission	*Amendment*
(10) ‘unconditionally cancellable commitment’ means any commitment the terms of which permit the institution to cancel that commitment to the full extent allowable under consumer protection and related legislation at any time without prior notice to the obligor or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness.’;	(10) ‘unconditionally cancellable commitment’ means any commitment the terms of which permit the institution to cancel that commitment**,** to the full extent allowable under consumer protection and related legislation ***where applicable,*** at any time without prior notice to the obligor or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness.’;

Or. en

Amendment 471
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) 575/2013
Article 5 – point 10 a (new)

Text proposed by the Commission	*Amendment*
	(10a) For the purpose of this regulation, ‘agricultural enterprise’ means a natural or legal person, or a group of natural or legal persons, regardless of the legal status granted to such group and its members who exercises an agricultural

activity.

Or. en

Amendment 472
Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 2 – point b
Regulation (EU) No 575/2013
Article 5 – point 10 a (new)

Text proposed by the Commission	*Amendment*
	(10 a) For the purpose of this regulation, 'agricultural enterprise' means a natural or legal person, or a group of natural or legal persons, regardless of the legal status granted to such group and its members who exercises an agricultural activity.

Or. en

Amendment 473
Jonás Fernández

Proposal for a regulation
Article 1 – paragraph 1 – point 3 a (new)
Regulation (EU) No 575/2013
Article 7 – paragraph 3a (new)

Text proposed by the Commission	*Amendment*
	(3 a) in Article 7, a new paragraph is added:
	"3a. By 31 December 2026, the Commission shall report to the European Parliament and the Council on the possibility of allowing for the application of paragraph 1 also to a subsidiary that is subject to authorisation and supervision by a Member State other than the Member State that authorises and supervises the

institution which is the parent undertaking. The Commission shall pay particular attention to progress made on completing the banking union, and more particular to improvements made to the banking crisis management and deposit insurance framework which can address potential financial stability concerns resulting from the applying paragraph 1 on a cross-border basis.

The Commission shall also consider which additional prudential safeguards and technical modifications could further address any potential financial stability concerns resulting from such application of paragraph 1.

In particular, when applying paragraph 1 on a cross-border basis, requiring subsidiaries that benefit from an application of capital requirements in accordance with paragraph 1 to still hold adequate minimum levels of own funds requirements to ensure their resilience, also in distressed situations, could be considered. Competent authorities could define an adequate amount, taking into account the efficiency of group risk management and the effectiveness of the group financial support arrangement in resolution.

That report shall, where appropriate, be accompanied by a legislative proposal. In the event that the Commission considers that the conditions to issue a legislative proposal are not met, the review referred to in the first paragraph shall be repeated every two years until such time as the Commission deems it appropriate to publish such a legislative proposal.

Or. en

Amendment 474
Jonás Fernández

Proposal for a regulation
Article 1 – paragraph 1 – point 3 b (new)
Regulation (EU) No 575/2013
Article 8 – paragraph 1 – subparagraph 2

Present text	*Amendment*
By 1 January 2014, the Commission shall report to the European Parliament and the Council on any legal obstacles which are capable of rendering impossible the application of point (c) of the first subparagraph and is invited to make a legislative proposal, if appropriate, by 31 December 2015, on which of those obstacles should be removed.	***deleted***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02013R0575-20230628&from=EN)

Amendment 475
Jonás Fernández

Proposal for a regulation
Article 1 – paragraph 1 – point 3 c (new)
Regulation (EU) No 575/2013
Article 8 – paragraph 3 – introductory part

Present text	*Amendment*
3. Where institutions of the single liquidity sub-group are authorised in several Member States, paragraph 1 shall only be applied after following the procedure laid down in Article 21 and only to the institutions whose competent authorities agree about the ***following*** elements:	"3. Where institutions of the single liquidity sub-group are authorised in several Member States, paragraph 1 shall only be applied after following the procedure laid down in Article 21 and only to the institutions whose competent authorities agree about the elements ***set out in points (a) to (f) and that the additional conditions set out in points (g) to (j) have been fulfilled***: ***"***

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02013R0575-20230628&from=EN)

Amendment 476
Jonás Fernández

Proposal for a regulation
Article 1 – paragraph 1 – point 3 d (new)
Regulation (EU) No 575/2013
Article 8 – paragraph 3 – points (g) to (j) (new)

Text proposed by the Commission	*Amendment*
	(3 d) in Article 8(3), the following points are added:
	(g) all entities belonging to the single liquidity sub-group have entered into a group financial support agreement as defined in Directive 2014/59/EU, or another group financial support agreement that the competent authorities deem satisfactory, which requires the parent undertaking to provide liquidity support and does not provide for any upper limit to the level of support that can be provided and that would not be revocable at short notice. This group financial support agreement could also be used to satisfy the condition under point (c) of paragraph 1;
	(h) the liquidity sub-group provides an independent legal opinion to the competent authorities on the enforceability of this group financial support agreement that confirms the absence of any legal impediments to the transfer of liquidity across the entities belonging to the single liquidity sub-group;
	(i) the single liquidity sub-group is covered by a single group recovery plan that includes recovery plan indicators for each entity of the liquidity sub-group including the parent undertaking that are consistent with the liquidity sub-group's

internal liquidity management policy;

(j) the single liquidity sub-group belongs to a banking group which is subject to a group resolution scheme in accordance with Article 92 of Directive 2014/59/EU.

"

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02013R0575-20230628&from=EN)

Amendment 477
Jonás Fernández

Proposal for a regulation
Article 1 – paragraph 1 – point 3 e (new)
Regulation (EU) No 575/2013
Article 8 – paragraph 3a (new)

Present text	*Amendment*
	(3 e) in Article 8, the following paragraph is inserted:
New	***"3a. By 31 December 2025, the Commission shall report to the European Parliament and the Council on the legal form and specific prudential treatment for group financial support agreements. The report shall be accompanied, where appropriate, by a legislative proposal.***
	By 31 December 2026, the Commission shall review and report on the functioning of paragraph 3 of this Article and shall submit that report to the European Parliament and the Council. The Commission's review and report shall assess, in particular, whether the elements and conditions specified in points (a) to (j) of paragraph 3 of this Article provide sufficient flexibility to competent authorities to define institution-specific requirements as necessary for waiving the application of liquidity requirements, where justified by the efficiency of group risk management and the effectiveness of the group financial support arrangement

in resolution. The Commission's review and report shall also take into account progress made towards completing the banking union, and more particularly to improvements made to the banking crisis management framework and the Union deposit guarantee framework which can further strengthen the consistency in liquidity management during going concern and crisis times. The report shall be accompanied, where appropriate, by a legislative proposal.

"

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02013R0575-20230628&from=EN)

Amendment 478
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 9
Regulation (EU) No 575/2013
Article 34 – paragraph 4

Text proposed by the Commission	*Amendment*
EBA shall develop draft regulatory technical standards to specify the indicators and conditions that EBA will use to determine the extraordinary circumstances referred to in the second paragraph and to specify the reduction of the total aggregated additional value adjustments referred to in that paragraph.	EBA***, in consultation with the ECB and the ESMA,*** shall develop draft regulatory technical standards to specify the indicators and conditions that EBA will use to determine the extraordinary circumstances referred to in the second paragraph and to specify the reduction of the total aggregated additional value adjustments referred to in that paragraph.

Or. en

Amendment 479
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 10 – point b

Regulation (EU) No 575/2013
Article 36 – paragraph 1 – point k – point vi (new)

Text proposed by the Commission	*Amendment*
(b) ***in paragraph 1, in point*** (k)***, point (v) is deleted;***	(b) ***in point (k), the following point is added***: ***(vi) CIU exposures inaccordance with Article 132(2).***

Or. en

Amendment 480
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 10 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) in paragraph 1, point (d) ***is*** replaced by the following:	(a) in paragraph 1, point (d) ***and (k) are*** replaced by the following:

Or. en

Amendment 481
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 10 – point ba (new)
Regulation (EU) No 575/2013
Article 36 – paragraph 1 – point k – point vi (new)

Text proposed by the Commission	*Amendment*
	(ba) in point (k) a new point is added: ***'(vi) CIU exposures in accordance with Article 132(2).***

Or. en

Amendment 482
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 10 – point b a (new)
Regulation (EU) No 575/2013
Article 36 – paragraph 1 – point k – point vi (new)

Text proposed by the Commission	*Amendment*
	(b a) in paragraph 1, point (k), the following point is added:
	(vi) CIU exposures in accordance with Article 132(2).

Or. en

Amendment 483
Irene Tinagli

Proposal for a regulation
Article 1 – paragraph 1 – point 10 – point b a (new)
Regulation (EU) 575/2013
Article 36 – paragraph 1 – point m

Text proposed by the Commission	*Amendment*
	(b a) in paragraph 1, point (m) is replaced by the following:
	'(m) the applicable amount of insufficient coverage for non-performing exposures other than exposures purchased by a specilised debt restructurer which were non-performing at the time of purchase.;'

Or. en

Amendment 484
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 10 a (new)
Regulation (EU) No 575/2013
Article 39 – paragraph 2 – introductory part

Present text	*Amendment*
Deferred tax assets that do not rely on future profitability shall be limited to deferred tax assets ***which were created before 23 November 2016 and*** which arise	"Deferred tax assets that do not rely on future profitability shall be limited to deferred tax assets which arise from temporary differences, where all the

from temporary differences, where all the following conditions are met:	following conditions are met:
	"

Or. en

(Regulation 575/2013)

Amendment 485
Linea Søgaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu, Niels Fuglsang, Kira Marie Peter-Hansen

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) No 575/2013
Article 46 – paragraph 2 a (new)

Text proposed by the Commission	*Amendment*
	(11 a) the following paragraph is inserted:
	"2a. Institutions shall exclude holdings of Common Equity Tier 1 instruments in ancillary services undertakings where the following conditions apply:
	(a) the undertaking is owned in a partnership between other institutions or entities in the financial sector;
	(b) the undertaking provides and develops data services primarily to the shareholders;
	(c) the partnership between shareholders put together the main part of the board of directors of the undertaking with representatives from the shareholders;
	(d) the shareholders of the undertaking possess the equity investment with the intention of establishing a long term business relationship;
	(e) acquisition of equity in the undertaking must be approved by the management of the shareholder.
	These holdings shall be subject to a risk weight of 100 percent.

For the purposes of this Article, a long-term equity investment follows the definition in Article 133(4)."

Or. en

Justification

To ensure that smaller and regional institutions can uphold their business models and competitiveness, the risk weight should be kept at 100% and the rules regarding deductions in CET1 should not apply for strategic equity investments in ancillary services undertakings (ASUs) that provide data services to the shareholders and meet certain conditions which ensure low risk.

Amendment 486
Irene Tinagli

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) No 575/2013
Article 47a – paragraph 7 a (new)

Text proposed by the Commission	*Amendment*
	(11 a) in Article 47a, the following paragraphs are added:
	'7a. For the purpose of Article 36(m) "specialised debt restructurer" means an institution that, during the preceding financial year, complies with the all following conditions :
	(i) the main activity of the institution is the purchase of exposures of other institutions and its management body has implemented a clear and effective internal decision process to this end;
	(ii) the book value of its own originated loans does not exceed 15% of the aggregate book value, including purchased performing and non-performing exposures, of its loans; and
	(iii) its total assets do not exceed EUR 30,000,000,000.
	7b. EBA shall, taking into account the criteria set out in points (i) to (iii) of

paragraph 7a, develop draft regulatory technical standards specifying the conditions under which an institution may be considered a specialised debt restructurer.

EBA shall submit those draft regulatory technical standards to the Commission by [12 months after the date of entry into force of this amending Regulation].

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

Or. en

Amendment 487
Irene Tinagli

Proposal for a regulation
Article 1 – paragraph 1 – point 11 b (new)
Regulation (EU) No 575/2013
Article 47a – paragraph 7 b (new)

Present Text	*Amendment*
	(11 b) in Article 47b(1), the introductory part is replaced by the following:
1. Forbearance measure is a concession by an institution towards an obligor that is experiencing or is likely to experience difficulties in meeting its financial commitments. A concession may entail a loss for the lender and shall refer to either of the following actions:	'1. Forbearance measure is a concession by an institution towards an obligor that is experiencing or is likely to experience difficulties in meeting its financial commitments. ***Forbearance measures should aim to return the borrower to a sustainable performing repayment status, having regard to her fair treatment, and to all relevant national and EU consumer protection requirements that may be applicable. Credit institutions shall make best efforts to exercise, where appropriate, reasonable forbearance before enforcement proceedings are initiated. When deciding which forbearance measures to take, creditors should take into account the individual circumstances***

of the consumer, the consumer's interests and rights and the consumer's ability to repay the credit, including in particular if the credit agreement is secured by residential immovable property that is the consumer's primary residence. A concession may entail a loss for the lender and shall refer to either of the following actions:'

Or. en

Amendment 488
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) No 575/2013
Article 47a – paragraph 7a (new)

Text proposed by the Commission	*Amendment*
	(11 a) in Article 47a, the following paragraph is added:.
	7a. For the purposes of point (m) of Article 36(1), when an eligible protection provider compensates credit losses according to the original scheduled payment dates of the guaranteed exposure, and that payment is effective, the eligible protection provider shall replace the guaranteed party as debtor.

Or. en

Amendment 489
Pedro Marques

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) No 575/2013
Article 47a – paragraph 7a (new)

Text proposed by the Commission	*Amendment*
	(11 a) in Article 47a, the following paragraph is added:

7a. For the purposes of point (m) of Article 36(1), when an eligible protection provider compensates credit losses according to the original scheduled payment dates of the guaranteed exposure, and that payment is effective, the eligible protection provider shall replace the guaranteed party as debtor.

Or. en

Amendment 490
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) No 575/2013
Article 47a – paragraph 7 a (new)

Present text	*Amendment*
	(11 a) in Article 47a the following paragraph is added:
	7a. For the purposes of point (m) of Article 36(1), when an eligible protection provider compensates credit losses according to the original scheduled payment dates of the guaranteed exposure, and that payment is effective, the eligible protection provider shall be deemed replaced the guaranteed party as debtor

Or. en

(02013R0575-20220410)

Amendment 491
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 11 b (new)
Regulation (EU No 575/2013
Article 47a – paragraph 7b (new)

Text proposed by the Commission	*Amendment*
	(11 b) in Article 47a, the following

paragraph is added:.

7b. For the purposes of point (m) of Article 36(1), the competent authority may consider specific circumstances which may make the expectations for prudential provisioning inappropriate for a specific portfolio/exposure. Institutions shall notify the competent authority without delay when such specific circumstances apply along with the explanatory rationale and the internal governance applied to that decision.

Or. en

Amendment 492
Irene Tinagli

Proposal for a regulation
Article 1 – paragraph 1 – point 11 c (new)
Regulation (EU) No 575/2013
Article 47b – paragraph 1 – introductory part

Present Text	*Amendment*
	(11 c) in Article 47b(1), the introductory part is replaced by the following:
1. Forbearance measure is a concession by an institution towards an obligor that is experiencing or is likely to experience difficulties in meeting its financial commitments. A concession may entail a loss for the lender and shall refer to either of the following actions:	'1. Forbearance measure is a concession by an institution towards an obligor that is experiencing or is likely to experience difficulties in meeting its financial commitments.
	Forbearance measures should aim to return the borrower to a sustainable performing repayment status, having regard to her fair treatment, and to all relevant national and EU consumer protection requirements that may be applicable.
	Credit institutions shall make best efforts to exercise, where appropriate, reasonable forbearance before enforcement proceedings are initiated.
	When deciding which forbearance

measures to take, creditors should take into account the individual circumstances of the consumer, the consumer's interests and rights and the consumer's ability to repay the credit, including in particular if the credit agreement is secured by residential immovable property that is the consumer's primary residence. A concession may entail a loss for the lender and shall refer to either of the following actions:'

Or. en

Amendment 493
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) No 575/2013
Article 47c – paragraph 4

Present Text	*Amendment*
	(11 a) Article 47c(4) is replaced by the following:
4. By way of derogation from paragraph 3 of this Article, the following factors shall apply to the part of the non-performing exposure ***guaranteed or insured by an official export credit agency or*** guaranteed or counter-guaranteed by an eligible protection provider referred to in points (a) to (e) of Article 201(1), unsecured exposures to which would be assigned a risk weight of 0 % under Chapter 2 of Title II of Part Three:	4. By way of derogation from paragraph 3 of this Article, the following factors shall apply to the part of the non-performing exposure guaranteed or counter-guaranteed by an eligible protection provider referred to in points (a) to (e) of Article 201(1), unsecured exposures to which would be assigned a risk weight of 0 % under Chapter 2 of Title II of Part Three:
(a) 0 for the secured part of the non-performing exposure to be applied during the period between one year and seven years following its classification as non-performing; and	(a) 0 for the secured part of the non-performing exposure to be applied during the period between one year and seven years following its classification as non-performing; and
(b) 1 for the secured part of the non-performing exposure to be applied as of the first day of the eighth year following its classification as non-performing.	(b) 1 for the secured part of the non-performing exposure to be applied as of the first day of the eighth year following its classification as non-performing***, unless the guarantee or insurance has been***

invoked by the institution and the eligible protection provider has assumed and, in line with article 213(1), fulfils all payment obligations of the obligor towards the institution in full and in accordance with the applicable payment schedule, in which case a factor of 0 for the secured part of the non-performing exposure will apply.

Non-performing exposures guaranteed or insured by an official export credit agency are excluded from these requirements.

Or. en

Justification

NPLs covered by official ECAs put neither banks nor the financial system at risk. Official ECAs are backed directly or indirectly by the guarantee of the State. Therefore, ECAs can fulfil their commitment to indemnify even in time of crises. Risk does not increase after 7 years as ECAs continue to indemnify. The current rules risk an unlevel playing field internationally as non-EU banks do not have the same restrictions concerning provisions.

Amendment 494
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) No 575/2013
Article 47c – paragraph 4 – introductory part

Present Text	*Amendment*
	(11 a) Article 47(4), the introductory part is replaced by the following:
4. By way of derogation from paragraph 3 ***of this Article***, the following factors shall apply to the part of the non-performing exposure guaranteed or insured by an official export credit agency ***or guaranteed or counter-guaranteed by an eligible protection provider referred to in points (a) to (e) of Article 201(1), unsecured exposures to which would be assigned a risk weight of 0 % under Chapter 2 of Title II of Part Three:***	4. By way of derogation from paragraph 3, the following factors shall apply to the part of the non-performing exposure guaranteed or insured by an official export credit agency:

Or. en

Amendment 495
Paul Tang, René Repasi, Csaba Molnár, Eva Kaili

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) No 575/2013
Article 47c – paragraph 4 – point b

Present text	*Amendment*
	(11 a) in Article 47(4), point (b) is amended as follows:
(b) 1 for the secured part of the non-performing exposure to be applied as of the first day of the eighth year following its classification as non-performing.	(b) 1 for the secured part of the non-performing exposure to be applied as of the first day of the eighth year following its classification as non-performing***, unless the guarantee or insurance has been invoked by the institution and the eligible protection provider has assumed and, in line with article 213(1), fulfills all payment obligations of the obliger towards the institution in full and in accordance with the applicable payment schedule, in which case a factor of 0 for the secured part of the non-performing exposure will apply***. ***"***

Or. en

(Regulation (EU) 575/2013)

Justification

Public guarantees for social-purpose investments, such as social housing or healthcare, shall be included in the scope of guarantees for non-performing loans

Amendment 496
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)

Regulation (EU) No 575/2013
Article 47c – paragraph 4 – point b

Present text	*Amendment*
	(11 a) in Article 47c(4), point (b) is amended as follows:
(b) 1 for the secured part of the non-performing exposure to be applied as of the first day of the eighth year following its classification as non-performing.	(b) 1 for the secured part of the non-performing exposure to be applied as of the first day of the eighth year following its classification as non-performing***, unless the guarantee or insurance has been invoked by the institution and the eligible protection provider has assumed and, in line with article 213(1), fulfils all payment obligations of the obliger towards the institution in full and in accordance with the applicable payment schedule, in which case a factor of 0 for the secured part of the non-performing exposure will apply***. ***"***

Or. en

(02013R0575-20230628)

Justification

This amendment aims to extend the application of a factor 0 to the part of the non-performing exposure guaranteed or insured by an official export credit agency or guaranteed or counter-guaranteed by an eligible protection provider referred to in points (a) to (e) of Article 201(1) after the 8th year following its classification as non-performing, if payment obligations are made in full and in accordance to the applicable payment schedule.

Amendment 497
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 11 b (new)
Regulation (EU) No 575/2013
Article 47c – paragraph 6 – subparagraphs 2 a (new) and 2 b (new)

Present text	*Amendment*
	(11 b) in Article 47c(6), the following subparagraphs are added:

By way of derogation from paragraph 2 , when a non-performing exposure is purchased by a financial institution

(i) from another financial institution which has originated the credit,

(ii) at a price which is at least 50% lower than the total amount owed by the debtor,

(iii) before the third year following its classification as non-performing,

then the factors foreseen by paragraph 2 shall re-apply from the beginning, as if the exposure would have been just classified as non-performing.

By way of derogation from paragraph 3, when a non-performing exposure is purchased by a financial institution,

(i) from another financial institution,

(ii) at a price which is at least 50% lower than the total amount owed by the debtor,

(iii) before the seventh year following its classification of non performing, for non-performing exposures secured by other funded or unfunded credit protection, or before the nineth year following its classification as non performing, for non-performing exposure secured by immovable property,

then the factors foreseen by paragraph 3 shall re-apply from the beginning, as if the exposure would have been just classified as non-performing.

Or. en

(02013R0575-20220410)

Amendment 498
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) No 575/2013
Article 47c – paragraph 6 – subparagraphs 2 a (new) and 2 b (new)

Present text	*Amendment*
	(11 a) in Article 47c(6), the following subparagraphs are added:
	By way of derogation from paragraph 2 , when a non-performing exposure is purchased by a financial institution i) from another financial institution which has originated the credit, ii) at a price which is at least 50% lower than the total amount owed by the debtor and iii) before the third year following its classification as non-performing, then the factors foreseen by paragraph 2 shall re-apply from the beginning, as if the exposure would have been just classified as non-performing.
	By way of derogation from paragraph 3, when a non-performing exposure is purchased by a financial institution i) from another financial institution, ii) at a price which is at least 50% lower than the total amount owed by the debtor and iii) before the seventh year following its classification as non performing, for non-performing exposures secured by other funded or unfunded credit protection, or before the ninth year following its classification as non performing, for non-performing exposure secured by immovable property, then the factors foreseen by paragraph 3 shall re-apply from the beginning, as if the exposure would have been just classified as non-performing.
	"

Or. en

(Regulation (EU) No 575/2013)

Amendment 499
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) No 575/2013
Article 47c – paragraph 6 – subparagraphs 2 a (new) and 2 b (new)

Present Text	*Amendment*
	(11 a) in Article 47c(6) the following subparagraphs are added:
	4. By way of derogation from paragraph 3, the following factors shall apply to the part of the non-performing exposure guaranteed or insured by an official export credit agency:
	(a) 0 for the secured part of the non-performing exposure to be applied during the period between one year and seven years following its classification as non-performing; and
	(b) 1 for the secured part of the non-performing exposure to be applied as of the first day of the eighth year following its classification as non-performing.
	By way of derogation from paragraph 2 , when a non-performing exposure is purchased by a financial institution i) from another financial institution which has originated the credit, ii) at a price which is at least 50% lower than the total amount owed by the debtor iii) before the third year following its classification as non-performing, then the factors foreseen by paragraph 2 shall re-apply from the beginning, as if the exposure would have been just classified as non-performing.
	By way of derogation from paragraph 3, when a non-performing exposure is purchased by a financial institution, i) from another financial institution, ii) at a price which is at least 50% lower than the total amount owed by the debtor, iii) before the seventh year following its classification of non performing, for non-performing exposures secured by other funded or unfunded credit protection, or before the nine th year following its

classification as non performing, for non-performing exposure secured by immovable property, then the factors foreseen by paragraph 3 shall re-apply from the beginning, as if the exposure would have been just classified as non-performing.

Or. en

Amendment 500
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) 876/2019 amending Regulation (EU) 575/2013
Article 47c – paragraph 6 – subparagraphs 2 a (new) and 2 b (new)

Text proposed by the Commission	*Amendment*
	(11 a) in Article 47c(6) the following subparagraphs are added:
	By way of derogation from paragraph 2, when a non-performing exposure is purchased by a financial institution i) from another financial institution which has originated the credit, ii) at a price which is at least 50% lower than the total amount owed by the debtor iii) before the third year following its classification as non-performing, then the factors foreseen by paragraph 2shall re-apply from the beginning, as if the exposure would have been just classified as non-performing.
	By way of derogation from paragraph 3, when a non-performing exposure is purchased by a financial institution, i) from another financial institution, ii) at a price which is at least 50% lower than the total amount owed by the debtor, iii) before the seventh year following its classification of non performing, for non-performing exposures secured by other funded or unfunded credit protection, or before the nineth year following its classification as non performing, for non-performing exposure secured by immovable property, then the factors

foreseen by paragraph 3 shall re-apply from the beginning, as if the exposure would have been just classified as non-performing.

Or. en

Amendment 501
Linea Søgaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu, Niels Fuglsang, Kira Marie Peter-Hansen

Proposal for a regulation
Article 1 – paragraph 1 – point 12 a (new)
Regulation (EU) No 575/2013
Article 48 – paragraph 1 a (new)

Text proposed by the Commission	*Amendment*
	(12 a) in Article 48, the following paragraph is inserted:
	"1a. Institutions shall exclude holdings of Common Equity Tier 1 instruments in ancillary services undertakings where the following conditions apply:
	(a) the undertaking is owned in a partnership between other institutions or entities in the financial sector;
	(b) the undertaking provides and develops data services primarily to the shareholders;
	(c) the partnership between shareholders put together the main part of the board of directors of the undertaking with representatives from the shareholders;
	(d) the shareholders of the undertaking possess the equity investment with the intention of establishing a long term business relationship;
	(e) acquisition of equity in the undertaking must be approved by the management of the shareholder.
	For the purposes of this Article, a long-term equity investment follows the definition in Article 133(4). These holdings shall be subject to a risk weight

of 100 percent."

Or. en

Justification

To ensure that smaller and regional institutions can uphold their business models and competitiveness, the risk weight should be kept at 100% and the rules regarding deductions in CET1 should not apply for strategic equity investments in ancillary services undertakings (ASUs) that provide data services to the shareholders and meet certain conditions which ensure low risk.

Amendment 502
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 13 a (new)
Regulation (EU) No 575/2013
Article 49 –title

Present text	*Amendment*
	(13 -a) in Article 49, the title is changed by the following :
Requirement for deduction where consolidation***, supplementary supervision*** or institutional protection schemes are applied	Requirement for deduction where consolidation or institutional protection schemes are applied
	(13 -a) in Article 49, the title is changed by the following :

Or. en

(Regulation 575/2013)

Amendment 503
Irene Tinagli

Proposal for a regulation
Article 1 – paragraph 1 – point 13 -a (new) Regulation (EU) No 575/2013
Article 49 – paragraph 1 – introductory part

Present Text	*Amendment*
	(13 -a) in Article 49(1), the introductory part is replaced by the following:
1.For the purposes of calculating own funds on an individual basis, a sub-consolidated basis and a consolidated basis, where the competent authorities require or permit institutions to apply method 1, 2 or 3 of Annex I to Directive 2002/87/EC, the competent authorities may permit institutions not to deduct the holdings of ***own funds*** instruments of a financial sector entity in which the parent institution, parent financial holding company or parent mixed financial holding company or institution has a significant investment, provided that the conditions laid down in points (a) to (e) of this paragraph are met:	'1. For the purposes of calculating own funds on an individual basis, a sub-consolidated basis and a consolidated basis, where the competent authorities require or permit institutions to apply method 1, 2 or 3 of Annex I to Directive 2002/87/EC, the competent authorities may permit institutions not to deduct the holdings of ***equity*** instruments of a financial sector entity in which the parent institution, parent financial holding company or parent mixed financial holding company or institution has a significant investment, provided that the conditions laid down in points (a) to (e) of this paragraph are met:'

Or. en

Amendment 504
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 13 -a (new)
Regulation (EU) No 575/2013
Article 49 – paragraph 1 – point b

Present text	*Amendment*
	(13 -a) in Article 49(1) point b is replaced by the following :
(b) that insurance undertaking, re-insurance undertaking or insurance holding company ***is included in the same supplementary supervision under*** Directive 2002/87/EC ***as the parent institution, parent financial holding company or parent mixed financial holding company or institution that has the holding;***	(b) that insurance undertaking, re-insurance undertaking or insurance holding company ***are part of a financial conglomerate as defined in*** Directive 2002/87/EC**.**

Or. en

(Regulation 575/2013)

Amendment 505
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 13
Regulation (EU) No 575/2013
Article 49 – paragraph 4

Text proposed by the Commission	*Amendment*
(13) in Article 49, paragraph 4 is replaced by the following:	***deleted***
‘	
4. The holdings in respect of which deduction is not made in accordance with paragraph 1 shall qualify as exposures and shall be risk weighted in accordance with Part Three, Title II, Chapter 2.	
The holdings in respect of which deduction is not made in accordance with paragraphs 2 or 3 shall qualify as exposures and shall be risk weighted at 100 %.;	
’	

Or. en

Amendment 506
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 13
Regulation (EU) No 575/2013
Article 49 – paragraph 4

Text proposed by the Commission	*Amendment*
4. ***The holdings in respect of which deduction is not made in accordance with paragraph 1 shall qualify as exposures and shall be risk weighted in accordance with Part Three, Title II, Chapter 2.***	4. The holdings in respect of which deduction is not made in accordance with paragraphs ***1,*** 2 or 3 shall qualify as exposures and shall be risk weighted at 100 %.
The holdings in respect of which deduction is not made in accordance with paragraphs	

2 or 3 shall qualify as exposures and shall be risk weighted at 100 %.

Or. en

Amendment 507
Elisabetta Gualmini

Proposal for a regulation
Article 1 – paragraph 1 – point 13 Regulation (EU) No 575/2013
Article 49 – paragraph 4

Text proposed by the Commission	*Amendment*
'4. The holdings in respect of which deduction is not made in accordance with paragraph 1 shall qualify as exposures and shall be risk weighted in accordance with Part Three, Title II, Chapter 2.	
The holdings in respect of which deduction is not made in accordance with paragraphs 2 or 3 shall qualify as exposures and shall be risk weighted at 100 %.';	The holdings in respect of which deduction is not made in accordance with paragraphs ***1,*** 2 or 3 shall qualify as exposures and shall be risk weighted at 100 %.;

Or. en

Justification

A risk weight of 100% should be assigned to equity exposures in insurance sector entities included in the same scope of group, not deducted from capital ex art. 49 (1). This proposal will establish a level playing field with other categories of holdings and align the treatment allowed for the controlled shareholdings within the banking group and the insurance investment within the same financial conglomerate subject to additional supervision under Directive 2002/87/EC.

Amendment 508
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 13
Regulation (EU) No 575/2013
Article 49 – paragraph 4 – subparagraph 1

Text proposed by the Commission	*Amendment*
4. The holdings in respect of which deduction is not made in accordance with paragraph 1 shall qualify as exposures and shall be risk weighted in accordance with Part Three, Title II, Chapter 2.	4. The holdings in respect of which deduction is not made in accordance with paragraph 1 shall qualify as exposures and shall be risk weighted in accordance with Part Three, Title II, Chapter 2 ***of the present Regulation***.

Or. en

Amendment 509
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 13
Regulation (EU) No 575/2013
Article 49 ¬ paragraph 4 – subparagraph 2

Text proposed by the Commission	*Amendment*
The holdings in respect of which deduction is not made in accordance with paragraphs 2 or 3 shall qualify as exposures and shall be risk weighted at 100 %.;	***deleted***

Or. en

Justification

Holdings of own funds instruments of a financial sector entity are non-debt exposures conveying a subordinated, residual claim on the assets or income of the issuer of the own funds instrument. Such holdings meet the definition of equity exposures in Article 133(1)(a) of the CRR. In contrast to senior and less subordinated claims, being subordinated with solely a residual claim increases the loss risk if the issuer defaults. This increased loss risk is not mitigated by the circumstance that the issuer of the own funds instrument is included in the same scope of consolidated supervision or is a member of the same institutional protection scheme. It is therefore not justifiable to introduce a separate risk weight for these equity exposures.Moreover, CRE20.57 of the Basel III standards has quantified the loss risk of equity exposures by a risk weight of at least 250%. It is therefore not justifiable to apply a deviating risk weight of 100% for these types of equity exposures. Moreover, this risk weight is as low as that for senior claims on an unrated issuer. This can significantly underestimate the loss risk of these equity exposures that results from just having a subordinated residual claim.

Amendment 510
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 13
Regulation (EU) No 575/2013
Article 49 – paragraph 4 – subparagraph 2

Text proposed by the Commission	*Amendment*
The holdings in respect of which deduction is not made in accordance with paragraphs 2 or 3 shall qualify as exposures and shall be risk weighted at 100 %.;	The holdings in respect of which deduction is not made in accordance with paragraphs 2 or 3 shall qualify as exposures and shall be risk weighted at ***no more than*** 100 %.;

Or. en

Amendment 511
Markus Ferber

Proposal for a regulation
Article 1 – paragraph 1 – point 13
Regulation (EU) No 575/2013
Article 49 – Paragraph 4 – subparagraph 2

Text proposed by the Commission	*Amendment*
The holdings in respect of which deduction is not made in accordance with paragraphs 2 or 3 shall qualify as exposures and shall be risk weighted at 100 %.;	The holdings in respect of which deduction is not made in accordance with paragraphs 2 or 3 shall ***always*** qualify as exposures and shall be risk weighted at 100 %.;

Or. en

Justification

Commission text should be maintained.

Amendment 512
Lídia Pereira, Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 13
Regulation (EU) No 575/2013
Article 49 – paragraph 4 – subparagraph 2

Text proposed by the Commission	*Amendment*
The holdings in respect of which deduction is not made in accordance with paragraphs 2 or 3 shall qualify as exposures and shall be risk weighted at ***100*** %.;	The holdings in respect of which deduction is not made in accordance with paragraphs 2 or 3 shall qualify as exposures and shall be risk weighted at ***75*** %.;

Or. en

Justification

Important to guarantee a level playing field between branches-based and subsidiary-based business models.

Amendment 513
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 13
Regulation (EU) No 575/2013
Article 49 – paragraph 4 – subparagraph 2

Text proposed by the Commission	*Amendment*
The holdings in respect of which ***deduction is*** not made ***in accordance with*** paragraphs 2 or 3 shall qualify as exposures and shall be risk weighted at 100 %.;	Holdings in respect of which ***deductions are*** not made ***pursuant to*** paragraphs 2 or 3 shall qualify as exposures and shall be risk weighted at 100 %.;

Or. en

Justification

The Commission's proposal in Article 49(4), according to which equity investments within an institutional protection scheme (IPS) should receive a risk weight of 100 %, should be upheld due to their systematic relevance for the real economy and the specifics of IPS schemes.

Amendment 514
Lídia Pereira, Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Common Equity Tier 1 capital of the subsidiary minus the ***lower*** of the ***following:***	(a) the Common Equity Tier 1 capital of the subsidiary minus the ***amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum*** of the ***requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements.***

Or. en

Amendment 515
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Common Equity Tier 1 capital of the subsidiary ***minus the lower of the following***:	(a) the Common Equity Tier 1 capital of the subsidiary:

Or. en

Amendment 516
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Common Equity Tier 1 capital of the subsidiary minus ***the lower of the following:***	(a) the Common Equity Tier 1 capital of the subsidiary minus

Or. en

Amendment 517
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Common Equity Tier 1 capital of the subsidiary minus ***the lower of the following:***	(a) the Common Equity Tier 1 capital of the subsidiary minus

Or. en

Amendment 518
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Common Equity Tier 1 capital of the subsidiary minus ***the lower of the following***:	(a) the Common Equity Tier 1 capital of the subsidiary minus:

Or. en

Amendment 519
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Common Equity Tier 1 capital of the subsidiary minus ***the lower of the following***:	(a) the Common Equity Tier 1 capital of the subsidiary minus:

Or. en

Amendment 520
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Common Equity Tier 1 capital of the subsidiary minus ***the lower of the following:***	(a) the Common Equity Tier 1 capital of the subsidiary minus***;***

Or. en

Amendment 521
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i

Text proposed by the Commission	*Amendment*
(i) the amount of Common Equity Tier 1 capital of that subsidiary required to meet the following:	***deleted***
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459 , the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries	

insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;

— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries, insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;

Or. en

Amendment 522
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – parapraph 1 – point a – point i

Text proposed by the Commission	*Amendment*
(i) the amount of Common Equity Tier 1 capital of that subsidiary required to meet the following:	***deleted***
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459 , the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific	

own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries, insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;

Or. en

Amendment 523
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i

Text proposed by the Commission	*Amendment*
(i) the amount of Common Equity Tier 1 capital of that subsidiary required to meet the following:	***deleted***
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459 , the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries, insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	

Or. en

Amendment 524
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i

Text proposed by the Commission	*Amendment*
(i) the amount of Common Equity Tier 1 capital of that subsidiary required to meet the following:	***deleted***
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459 , the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries, insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	

Or. en

Amendment 525
Lídia Pereira, Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 19

Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i

Text proposed by the Commission	*Amendment*
(i) the amount of Common Equity Tier 1 capital of that subsidiary required to meet the following:	***deleted***
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459 , the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries, insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	

Or. en

Amendment 526
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i – introductory part

Text proposed by the Commission	*Amendment*
(i) ***the amount of Common Equity Tier 1 capital of that subsidiary required***	***deleted***

to meet the following:

Or. en

Amendment 527
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i –indent 1

Text proposed by the Commission	*Amendment*
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459 , the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	***deleted***

Or. en

Amendment 528
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i – indent 1

Text proposed by the Commission	*Amendment*
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459 , the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128,	***deleted***

point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;

Or. en

Amendment 529
Carlo Calenda

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i – indent 1

Text proposed by the Commission	*Amendment*
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459 , the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	***deleted***

Or. en

Amendment 530
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i – indent 1

Text proposed by the Commission	*Amendment*
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458	***deleted***

and 459 , the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;

Or. en

Amendment 531
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i – indent 1

Text proposed by the Commission	*Amendment*
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459 , the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, ***or any local supervisory regulations in third countries insofar as those requirements are to be met by*** Common Equity Tier 1 capital***, as applicable***;	— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459 , the specific own funds requirements referred to in Article 104 ***and 104 a*** of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, ***and the*** Common Equity Tier 1 capital ***of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries measured shall be based on local own funds requirements*** ;

Or. en

Amendment 532
Carlo Calenda

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i – indent 2

Text proposed by the Commission	*Amendment*
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries, insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	***deleted***

Or. en

Amendment 533
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point i – indent 2

Text proposed by the Commission	*Amendment*
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries, insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	***deleted***

Or. en

Amendment 534
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) 575/2013
Article 84 – paragraph 1 – point a – point i – indent 2

Text proposed by the Commission	*Amendment*
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries, insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	***deleted***

Or. en

Amendment 535
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a –pointi – indent 2

Text proposed by the Commission	*Amendment*
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries, insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable;	— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries, insofar as those requirements are to be met by Common Equity Tier 1 capital, as applicable; ***In case of third countries measured shall be based on local own funds requirements;***

Or. en

Amendment 536
Lídia Pereira, Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 19

Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive;;	***deleted***

Or. en

Amendment 537
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive;;	***deleted***

Or. en

Amendment 538
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 19

Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***;	(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***, and upon the approval of the competent authority, the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. Upon the approval of the competent authority, in case of third countries, it shall be measured based on local own funds requirements***;

Or. en

Justification

This amendment aims to give competent authorities the option to include Common Equity Tier 1 capital of the subsidiary required at local level to point (ii) in order to avoid restrictions on dividend payments, measured based on local own funds requirements. This can enable a more risk-sensitive treatment of minority deductions at the consolidated level in order to allow for a more attractive involvement of additional third-party shareholders.

Amendment 539
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a	(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a

consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***;	consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements***;

Or. en

Amendment 540
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***;	(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements***;

Or. en

Amendment 541
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***	(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments***; ***in case of third countries it shall be measured based on local own funds requirements;***

Or. en

Amendment 542
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***	(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid***

restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements;

Or. en

Amendment 543
Carlo Calenda

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***	(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements***;

Or. en

Amendment 544
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a	(ii) the amount of consolidated Common Equity Tier 1 capital that relates to that subsidiary that is required on a

consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***;	consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (a), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements***;

Or. en

Amendment 545
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) No 575/2013
Article 84 – paragraph 1 – subparagraph 1a (new)

Text proposed by the Commission	*Amendment*
	By way of derogation from Article 84(1), point (a), the competent authority may allow institutions to subtract either of the amounts referred to in point (i) or (ii).

Or. en

Justification

Due to the fact that excess capital of a subsidiary is currently to be deducted from the group capital in proportion to the stake held by the minority shareholders, but the capital situation of the subsidiary is calculated based on the local requirements of a third country, this amendment aims to give the competent authority to option to allow for a deduction of either point (i) or (ii) for a more risk-sensitive treatment of minority deductions.

Amendment 546
Lídia Pereira, Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Tier 1 capital of the subsidiary minus the ***lower*** of the ***following:***	(a) the Tier 1 capital of the subsidiary minus the ***amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum*** of the ***requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive; and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements.***

Or. en

Amendment 547
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 - point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Tier 1 capital of the subsidiary ***minus the lower of the following***:	(a) the Tier 1 capital of the subsidiary:

Or. en

Amendment 548
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Tier 1 capital of the subsidiary minus ***the lower of the following:***	(a) the Tier 1 capital of the subsidiary minus

Or. en

Amendment 549
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a

Text proposed by the Commission	*Amendment*
(a) the Tier 1 capital of the subsidiary minus ***the lower of the following:***	(a) the Tier 1 capital of the subsidiary minus

Or. en

Amendment 550
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Tier 1 capital of the subsidiary minus ***the lower of the following:***	(a) the Tier 1 capital of the subsidiary minus

Or. en

Amendment 551
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Tier 1 capital of the subsidiary minus ***the lower of the following***:	(a) the Tier 1 capital of the subsidiary minus:

Or. en

Amendment 552
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – introductory part

Text proposed by the Commission	*Amendment*
(a) the Tier 1 capital of the subsidiary minus ***the lower of the following***:	(a) the Tier 1 capital of the subsidiary minus:

Or. en

Amendment 553
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation EU No 575/2013
Article 85 – paragraph 1 – point a – point i

Text proposed by the Commission	*Amendment*
(i) the amount of Tier 1 capital of the subsidiary required to meet the following:	***deleted***
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 Capital, as applicable;	

— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 capital, as applicable;

Or. en

Amendment 554
Lídia Pereira, Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i

Text proposed by the Commission	*Amendment*
(i) the amount of Tier 1 capital of the subsidiary required to meet the following:	***deleted***
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 Capital, as applicable;	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 capital, as applicable;	

Or. en

Amendment 555
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i

Text proposed by the Commission	*Amendment*
(i) the amount of Tier 1 capital of the subsidiary required to meet the following:	***deleted***
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 Capital, as applicable;	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 capital, as applicable;	

Or. en

Amendment 556
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i

Text proposed by the Commission	*Amendment*
(i) the amount of Tier 1 capital of the subsidiary required to meet the following:	***deleted***
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 Capital, as applicable;	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 capital, as applicable;	

Or. en

Amendment 557
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i

Text proposed by the Commission	*Amendment*
(i) the amount of Tier 1 capital of the subsidiary required to meet the following:	***deleted***
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds	

requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 Capital, as applicable;

— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 capital, as applicable;

Or. en

Amendment 558
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i

Text proposed by the Commission	*Amendment*
(i) the amount of Tier 1 capital of the subsidiary required to meet the following:	***deleted***
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 Capital, as applicable;	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of	

Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 capital, as applicable;

Or. en

Amendment 559
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i – introductory part

Text proposed by the Commission	*Amendment*
(i) ***the amount of Tier 1 capital of the subsidiary required to meet the following:***	(i) **-**

Or. en

Amendment 560
Carlo Calenda

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation(EU) No 575/2013
Article 85 – paragraph 1 – point a – point i – introductory part

Text proposed by the Commission	*Amendment*
(i) the amount of Tier 1 capital of the subsidiary ***required to meet the following***:	(i) the amount of Tier 1 capital of the subsidiary ***minus***:

Or. en

Amendment 561
Antonio Tajani, Fulvio Martusciello, Herbert Dorfmann

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i – indent 1

Text proposed by the Commission	*Amendment*
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 Capital, as applicable;	***deleted***

Or. en

Amendment 562
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i – indent 1

Text proposed by the Commission	*Amendment*
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 Capital, as applicable;	***deleted***

Or. en

Amendment 563
Carlo Calenda

Proposal for a regulation
Article 1 – paragraph 1 – point 20

Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i – indent 1

Text proposed by the Commission	*Amendment*
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 Capital, as applicable;	***deleted***

Or. en

Amendment 564
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i – indent 1

Text proposed by the Commission	*Amendment*
— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, ***or any*** local ***supervisory regulations in*** third countries ***insofar as those*** requirements ***are to be met by Tier 1 Capital, as applicable;***	— where the subsidiary is an institution, the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 ***and 104a*** of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, ***and the Tier 1 capital of the subsidiary required at*** local ***level to avoid restrictions on dividend payments. In case of*** third countries ***measured shall be based on local own funds*** requirements

Or. en

Amendment 565
Carlo Calenda

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i – indent 2

Text proposed by the Commission	*Amendment*
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 capital, as applicable;	***deleted***

Or. en

Amendment 566
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i – indent 2

Text proposed by the Commission	*Amendment*
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 capital, as applicable;	***deleted***

Or. en

Amendment 567
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i – indent 2

Text proposed by the Commission	*Amendment*
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 capital, as applicable;	***deleted***

Or. en

Amendment 568
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point i – indent 2

Text proposed by the Commission	*Amendment*
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 capital, as applicable;	— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or any local supervisory regulations in third countries insofar as those requirements are to be met by Tier 1 capital, as applicable; ***In case of third countries measured shall be based on local own funds requirements***

Or. en

Amendment 569
Lídia Pereira, Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No575/2013
Article 85 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive;;	***deleted***

Or. en

Amendment 570
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive;;	***deleted***

Or. en

Amendment 571
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;*;	(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***,*** ***and upon the approval of the competent authority, the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. Upon the approval of the competent authority, in case of third countries, it shall be measured based on local own funds requirements***;

Or. en

Justification

This amendment aims to give competent authorities the option to include Common Equity Tier 1 capital of the subsidiary required at local level to point (ii) in order to avoid restrictions on dividend payments, measured based on local own funds requirements. This can enable a more risk-sensitive treatment of minority deductions at the consolidated level in order to allow for a more attractive involvement of additional third-party shareholders.

Amendment 572
Carlo Calenda

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Tier 1	(ii) the amount of consolidated Tier 1

capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***;	capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements.***;

Or. en

Amendment 573
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***;	(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements***;

Or. en

Amendment 574
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***	(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments***; ***in case of third countries it shall be measured based on local own funds requirements;***

Or. en

Amendment 575
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***	(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured***

based on local own funds requirements;

Or. en

Amendment 576
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***	(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments***; ***in case of third countries it shall be measured based on local own funds requirements;***

Or. en

Amendment 577
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – point a – point ii

Text proposed by the Commission	*Amendment*
(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the	(ii) the amount of consolidated Tier 1 capital that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in Article 92(1), point (b), the requirements referred to in Articles 458 and 459, the

specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive***;***;	specific own funds requirements referred to in Article 104 of Directive 2013/36/EU and the combined buffer requirement defined in Article 128, point (6), of that Directive ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements***;

Or. en

Amendment 578
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) No 575/2013
Article 85 – paragraph 1 – subparagraph 1a

Text proposed by the Commission	*Amendment*
	By way of derogation from Article 85(1), point (a), the competent authority may allow institutions to subtract either of the amounts referred to in point (i) or (ii).

Or. en

Justification

Due to the fact that excess capital of a subsidiary is currently to be deducted from the group capital in proportion to the stake held by the minority shareholders, but the capital situation of the subsidiary is calculated based on the local requirements of a third country, this amendment aims to give the competent authority to option to allow for a deduction of either point (i) or (ii) for a more risk-sensitive treatment of minority deductions.

Amendment 579
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation
Article 1 – paragraph 1 – point 20 a (new)
Regulation (EU) No 575/2013
Article 87 – paragraph 1 – point a

Text proposed by the Commission	*Amendment*
	(20 a) in Article 87 point (a) is replaced by the following:
(a) the own funds of the subsidiary minus **the lower of the following:**	***the own funds of the subsidiary minus the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point(c) of Article 92(1), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 of Directive2013/36/EU, the combined buffer requirement defined in point (6) of Article 128of Directive 2013/36/EU, the requirements referred to in Article 500 and any additional local supervisory own funds requirement in third countries and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments.***
(i) the amount of own funds ***of*** the subsidiary required ***to meet the following:***	
— the sum of the requirement laid down in point (c) of Article 92(1) ***of this Regulation,*** the requirements referred to in Articles 458 and 459 ***of this Regulation,*** the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of ***that*** Directive, and any additional local supervisory regulations in third countries,	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in point (a) of Article 39(2) of Directive (EU) 2019/2034, and any additional local supervisory regulations in third countries;	
(ii) the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and any additional local supervisory own funds requirement in third countries;	
	In case of third countries it shall be measured based on local own funds requirements;
	Or. en

Amendment 580
Lídia Pereira, Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 20 a (new) Regulation (EU) No 575/2013
Article 87 – paragraph 1 – point a

Present Text	*Amendment*
	(20 a) in article 87(1), point (a) is replaced by the following:
(a) the own funds of the subsidiary minus **the lower of the following:**	***(a) the own funds of the subsidiary minus the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 and 104a of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements.***
(i) the amount of own funds ***of*** the subsidiary required ***to meet the following:***	
— the sum of the requirement laid down in point (c) of Article 92(1) ***of this Regulation,*** the requirements referred to in Articles 458 and 459 ***of this Regulation,*** the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of ***that*** Directive, and any additional local supervisory regulations in third countries,	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in point (a) of Article 39(2) of Directive (EU) 2019/2034, and any additional local supervisory regulations in third countries;	
(ii) the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and any additional local supervisory own	

funds requirement in third countries;

Or. en

Amendment 581
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 20 a (new)
Regulation (EU) No 575/2013
Article 87 – paragraph 1 – point a – point ii

Present text	*Amendment*
	(20 a) in Article 87(1), point (a), point ii is replaced by the following:
(ii) the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and any additional local supervisory own funds requirement in third countries;	(ii) the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and any additional local supervisory own funds requirement in third countries***, and upon the approval of the competent authority, the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. Upon the approval of the competent authority, in case of third countries, it shall be measured based on local own funds requirements***;
	"

Or. en

(02013R0575-20220410)

Justification

Due to the fact that excess capital of a subsidiary is currently deducted from the group capital in proportion to the stake held by the minority shareholders, but the capital situation of the subsidiary is calculated based on the local requirements of a third country, this amendment aims to give the competent authority to option to allow for a deduction of either point (i) or

(ii) and the inclusion of Common Equity Tier 1 capital of the subsidiary required at local level to point (ii) in order to avoid restrictions on dividend payments, measured based on local own funds requirements.

Amendment 582
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 20 b (new)
Regulation (EU) No 575/2013
Article 87 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commissiot	*Amendment*
	By way of derogation from Article 87(1), point (a), the competent authority may allow institutions to subtract either of the amounts referred to in point (i) or (ii).
	"

Or. en

(02013R0575-20220410)

Justification

Due to the fact that excess capital of a subsidiary is currently deducted from the group capital in proportion to the stake held by the minority shareholders, but the capital situation of the subsidiary is calculated based on the local requirements of a third country, this amendment aims to give the competent authority to option to allow for a deduction of either point (i) or (ii) and the inclusion of Common Equity Tier 1 capital of the subsidiary required at local level to point (ii) in order to avoid restrictions on dividend payments, measured based on local own funds requirements.

Amendment 583
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 20 a (new)

Regulation (EU) No 575/2013
Article 87 – paragraph 1 – point a

Present text	*Amendment*
	(20 a) in article 87(1), point (a) is replaced by the following:
(a) the own funds of the subsidiary minus ***the lower of the following:***	"(a) the own funds of the subsidiary minus***:***
(i) the amount of own funds ***of*** the subsidiary required to meet ***the following:***	***(i)*** the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and any additional local supervisory own funds requirement in third countries ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments***; ***in case of*** third countries ***it shall be measured based on local own funds requirements;***
— the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and any additional local supervisory regulations in third countries,	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in point (a) of Article 39(2) of Directive (EU) 2019/2034, and any additional local supervisory regulations in third countries***;***	
(ii) the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and any additional local supervisory own funds requirement in third countries;	***"***

Or. en

(02013R0575-20220410)

Amendment 584
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 20 a (new)
Regulation (EU) No 575/2013
Article 87 – paragraph 1 – point a

Present text	*Amendment*
	(20 a) in Article 87(1), point (a) is replaced by the following:
(a) the own funds of the subsidiary minus ***the lower of the following:***	"(a) the own funds of the subsidiary minus the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and any additional local supervisory own funds requirement in third countries ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries it shall be measured based on local own funds requirements***;
(i) the amount of own funds of the subsidiary required to meet the following:	***"***
— the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and any additional local supervisory regulations in third countries,	
— where the subsidiary is an investment	

firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in point (a) of Article 39(2) of Directive (EU) 2019/2034, and any additional local supervisory regulations in third countries;	
(ii) the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and any additional local supervisory own funds requirement in third countries;	

Or. en

(Regulation (EU) No 575/2013)

Amendment 585
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 20 b (new)
Regulation (EU) No 575/2013
Article 87 – paragraph 1 – point a

Present text	*Amendment*
	(20 b) in Article 87(1), point (a) is replaced by the following:
	"
(a) the own funds of the subsidiary minus ***the lower of the following:***	
(i) the amount of own funds of the subsidiary required to meet the following:	(a) the own funds of the subsidiary minus the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point (c) of Article 92(1), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article

	104 of ***Directive2013/36/EU***, the combined buffer requirement defined in point (6) of Article ***128 of*** Directive ***2013/36/EU***, ***the requirements referred to in Article 500*** and any additional local supervisory own funds requirement in third countries ***and the Common Equity Tier 1 capital of the subsidiary required at local level to avoid restrictions on dividend payments***; ***in case of third countries this is to be be measured based on local own funds requirements;***
	"
—the sum of the requirement laid down in point (c) of Article 92(1) of this Regulation, the requirements referred to in Articles 458 and 459 of this Regulation, the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of that Directive, and any additional local supervisory regulations in third countries,	
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in point (a) of Article 39(2) of Directive (EU) 2019/2034, and any additional local supervisory regulations in third countries;	
(ii) the amount of own funds that relates to the subsidiary that is required on a consolidated basis to meet the sum of the requirement laid down in point (c) of Article 92(1) ***of this Regulation***, the requirements referred to in Articles 458 and 459 ***of this Regulation***, the specific own funds requirements referred to in Article 104 of ***Directive 2013/36/EU***, the combined buffer requirement defined in point (6) of Article ***128 of that*** Directive, and any additional local supervisory own funds requirement in third countries;	

Or. en

(https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02013R0575-

20220410&qid=1657181919837&from=EN)

Amendment 586
José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation
Article 1 – paragraph 1 – point 20 a (new)
Regulation (EU) No 575/2013
Article 87 – paragraph 1 – point a

Present text	*Amendment*
	(20 a) in Article 87(1), point (a) is replaced by the following:
(a) the own funds of the subsidiary ***minus the lower of the following***:	"(a) the own funds of the subsidiary:
(i) the amount of own funds ***of the*** subsidiary required to meet ***the following:***	the amount of own funds ***that relates to*** the subsidiary ***that is*** required ***on a consolidated basis*** to meet
— the sum of the requirement laid down in point (c) of Article 92(1) ***of this Regulation,*** the requirements referred to in Articles 458 and 459 ***of this Regulation,*** the specific own funds requirements referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of ***that*** Directive, and any additional local supervisory regulations in third countries,	the sum of the requirement laid down in point (c) of Article 92(1), the requirements referred to in Articles 458 and 459, the specific own funds requirements referred to in Article 104 ***and 104a*** of Directive2013/36/EU, the combined buffer requirement defined in point (6) of Article 128 of Directive 2013/36/EU, ***the requirements referred to in Article 500*** and any additional local supervisory own funds requirement in third countries ***and the own funds of the subsidiary required at local level to avoid restrictions on dividend payments. In case of third countries measured shall be based on local own funds requirements;;***
— where the subsidiary is an investment firm, the sum of the requirement laid down in Article 11 of Regulation (EU) 2019/2033, the specific own funds requirements referred to in point (a) of Article 39(2) of Directive (EU) 2019/2034, and any additional local supervisory regulations in third countries;	

Or. en

(Regulation 575/2013)

Amendment 587
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 21
Regulation (EU) No 575/2013
Article 88b – paragraph 3

Text proposed by the Commission	*Amendment*
For the purposes of this Title II, the terms 'investment firm' and 'institution' shall ***be understood to include also undertakings established in third countries, which, were they established in the Union, would fall under the definitions of those terms in Article 4(1), points (2) and (3).;***	***3. Member States*** shall ***ensure that institutions draw up, maintain and update individual statements setting out the roles of key function holders, and the persons who are part of the governance arrangements as referred to in Article74 (1) and their duties approved by the management body. Member States shall ensure that the statements of roles are made available and communicated in a timely manner, upon request, to the competent authorities.***

Or. en