



2021/0342(COD)

18.8.2022

AMENDMENT 1198 - 1561

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))

Amendment 1198

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 375/2013

Article 465 – paragraph 1 – introductory part

Text proposed by the Commission

1. By way of derogation from Article 92, **paragraphs 3 and 6, parent institutions, parent financial holding companies, parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States** may apply the following factor ‘x’ where calculating TREA:

Amendment

1. By way of derogation from Article 92, institutions may apply the following factor ‘x’ where calculating TREA:

Or. en

Justification

From a prudential or financial stability point of view there is no good reason to apply the output floor only on the consolidated level. On the contrary: this sets a dangerous precedent for host Member States and can lead to undercapitalized subsidiaries. Sufficient local buffers should be maintained by applying the output floor at the solo/subconso level as well. EBA’s impact studies moreover show that, apart from co-operative groups, such an approach does not lead to higher capital requirements and only to possibilities to shift the location of capital buffers within a group.

Amendment 1199

Siegfried Mureşan

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 1 – introductory part

Text proposed by the Commission

1. By way of derogation from Article 92, **paragraphs 3 and 6, parent institutions, parent financial holding companies, parent mixed financial holding companies, stand-alone**

Amendment

1. By way of derogation from Article 92, **paragraph 3** institutions may apply the following factor ‘x’ where calculating TREA:

institutions in the EU or stand-alone subsidiary institutions in Member States may apply the following factor ‘x’ where calculating TREA:

Or. en

Amendment 1200
Dragoş Pîslaru

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation COM(2021)0664
Article 465 – paragraph 1 – introductory part

Text proposed by the Commission

1. By way of derogation from Article 92, *paragraphs 3 and 6, parent institutions, parent financial holding companies, parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States* may apply the following factor ‘x’ where calculating TREA:

Amendment

1. By way of derogation from Article 92, *paragraph 3*, institutions may apply the following factor ‘x’ where calculating TREA:

Or. en

Amendment 1201
Enikő Győri

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 1 – introductory part

Text proposed by the Commission

1. By way of derogation from Article 92, paragraphs 3 *and 6, parent institutions, parent financial holding companies, parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions*

Amendment

1. By way of derogation from Article 92, paragraphs 3, institutions may apply the following factor ‘x’ where calculating TREA:

in Member States may apply the following factor ‘x’ where calculating TREA:

Or. en

Amendment 1202

Bogdan Rzońca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No575–2013

Article 465 – paragraph 1 – introductory part

Text proposed by the Commission

1. By way of derogation from Article 92, paragraphs 3 *and* 6, **parent institutions, parent financial holding companies, parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States** may apply the following factor ‘x’ where calculating TREA:

Amendment

1. By way of derogation from Article 92, paragraphs 3, institutions may apply the following factor ‘x’ where calculating TREA:

Or. en

Justification

There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.

Amendment 1203

Marek Belka

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Text proposed by the Commission

1. By way of derogation from Article 92, paragraphs 3 and 6, **parent institutions, parent financial holding companies, parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States** may apply the following factor ‘x’ where calculating TREA:

Amendment

1. By way of derogation from Article 92, paragraphs 3 and 6, institutions may apply the following factor ‘x’ where calculating TREA:

Or. en

Justification

There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.

Amendment 1204
Inese Vaidere

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 1 – introductory part

Text proposed by the Commission

1. By way of derogation from Article 92, paragraphs 3 and 6, **parent institutions, parent financial holding companies, parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States** may apply the following

Amendment

1. By way of derogation from Article 92, paragraphs 3 and 6, institutions may apply the following factor ‘x’ where calculating TREA:

factor 'x' where calculating TREA:

Or. en

Amendment 1205

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 1 – point (a)

Text proposed by the Commission

Amendment

(a) **50 %** during the period from 1 January 2025 to 31 December 2025;

(a) **60 %** during the period from 1 January 2025 to 31 December 2025;

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by multiple stakeholders. The output floor should hence be phased-in as foreseen in the final Basel III standards.

Amendment 1206

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 1 – point (b)

Text proposed by the Commission

Amendment

(b) **55 %** during the period from 1 January 2026 to 31 December 2026;

(b) **65 %** during the period from 1 January 2026 to 31 December 2026;

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by multiple

stakeholders. The output floor should hence be phased-in as foreseen in the final Basel III standards.

Amendment 1207

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 1 – point (c)

Text proposed by the Commission

Amendment

(c) **60 %** during the period from 1 January 2027 to 31 December 2027;

(c) **70 %** during the period from 1 January 2027 to 31 December 2027;

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by multiple stakeholders. The output floor should hence be phased-in as foreseen in the final Basel III standards.

Amendment 1208

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 1 – point (d)

Text proposed by the Commission

Amendment

(d) **65 %** during the period from 1 January 2028 to 31 December 2028;

deleted

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by multiple stakeholders. The output floor should hence be phased-in as foreseen in the final Basel III

standards.

Amendment 1209

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 1 – point (e)

Text proposed by the Commission

Amendment

(e) 70 % during the period from 1 January 2029 to 31 December 2029;

deleted

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by multiple stakeholders. The output floor should hence be phased-in as foreseen in the final Basel III standards.

Amendment 1210

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Amendment

2. By way of derogation from Article 92(3), point (a), EU parent institutions, EU parent financial holding companies or an EU parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, **until 31 December 2029**, apply the following formula when calculating TREA:

2. By way of derogation from Article 92(3), point (a), EU parent institutions, EU parent financial holding companies or an EU parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may apply the following formula when calculating TREA:

TREA=min {max {U-TREA; x·S-TREA};

TREA=min {max {U-TREA; x·S-TREA};

125% . U-TREA}

*U-TREA +10%*REA under the
IRB approaches}*

Or. en

Amendment 1211

Dragoş Pîslaru

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation COM(2021)0664

Article 465 – paragraph 2 – introductory part

Text proposed by the Commission

2. By way of derogation from Article 92(3), point (a), ***EU parent institutions, EU parent financial holding companies or an EU parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States*** may, until 31 December 2029, apply the following formula when calculating TREA:

Amendment

2. By way of derogation from Article 92(3), point (a), institutions may, until 31 December 2029, apply the following formula when calculating TREA:

Or. en

Amendment 1212

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 2 – introductory part

Text proposed by the Commission

2. By way of derogation from Article 92(3), point (a), ***EU parent institutions, EU parent financial holding companies or an EU parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States*** may, until 31 December 2029, apply the following formula when

Amendment

2. By way of derogation from Article 92(3), point (a), institutions may, until 31 December 2029, apply the following formula when calculating TREA:

calculating TREA:

Or. en

Justification

From a prudential or financial stability point of view there is no good reason to apply the output floor only on the consolidated level. On the contrary: this sets a dangerous precedent for host Member States and can lead to undercapitalized subsidiaries. Sufficient local buffers should be maintained by applying the output floor at the solo/subconso level as well. EBA's impact studies moreover show that, apart from co-operative groups, such an approach does not lead to higher capital requirements and only to possibilities to shift the location of capital buffers within a group.

Amendment 1213

Inese Vaidere

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 2 – introductory part

Text proposed by the Commission

2. By way of derogation from Article 92(3), point (a), ***EU parent institutions, EU parent financial holding companies or an EU parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States*** may, until 31 December 2029, apply the following formula when calculating TREA:

Amendment

2. By way of derogation from Article 92(3), point (a), institutions may, until 31 December 2029, apply the following formula when calculating TREA:

Or. en

Amendment 1214

Marek Belka

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 2 – introductory part

Text proposed by the Commission

2. By way of derogation from Article 92(3), point (a), ***EU parent institutions, EU parent financial holding companies or an EU parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States*** may, until 31 December 2029, apply the following formula when calculating TREA:

Amendment

2. By way of derogation from Article 92(3), point (a), institutions may, until 31 December 2029, apply the following formula when calculating TREA:

Or. en

Justification

There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.

Amendment 1215
Enikő Győri

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 2 – introductory part

Text proposed by the Commission

2. By way of derogation from Article 92(3), point (a), ***EU parent institutions, EU parent financial holding companies or an EU parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States*** may, until 31 December 2029, apply the following formula when

Amendment

2. By way of derogation from Article 92(3), point (a), institutions may, until 31 December 2029, apply the following formula when calculating TREA:

calculating TREA:

Or. en

Amendment 1216

Bogdan Rzońca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No575–2013

Article 465 – paragraph 2 – introductory part

Text proposed by the Commission

2. By way of derogation from Article 92(3), point (a), ***EU parent*** institutions, ***EU parent financial holding companies or an EU parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States*** may, until 31 December 2029, apply the following formula when calculating TREA:

Amendment

2. By way of derogation from Article 92(3), point (a), institutions may, until 31 December 2029, apply the following formula when calculating TREA:

Or. en

Justification

There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.

Amendment 1217

Siegfried Mureşan

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013
Article 465 – paragraph 2 – introductory part

Text proposed by the Commission

2. By way of derogation from Article 92(3), point (a), ***EU parent institutions, EU parent financial holding companies or an EU parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States*** may, until 31 December 2029, apply the following formula when calculating TREA:

Amendment

2. By way of derogation from Article 92(3), point (a), institutions in may, until 31 December 2029, apply the following formula when calculating TREA:

Or. en

Amendment 1218

Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013
Article 465 – paragraph 2 – introductory part

Text proposed by the Commission

2. By way of derogation from Article 92(3), point (a), EU parent institutions, EU parent financial holding companies or an EU parent mixed financial holding companies, stand-alone institutions in the EU ***or stand-alone subsidiary institutions in Member States*** may, until 31 December 2029, apply the following formula when calculating TREA:

Amendment

2. By way of derogation from Article 92(3), point (a), EU parent institutions, EU parent financial holding companies or an EU parent mixed financial holding companies, stand-alone institutions in the EU may, until 31 December 2029, apply the following formula when calculating TREA:

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 1219

Enikő Győri

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 2 – subparagraph 2

Text proposed by the Commission

For the purposes of that calculation, *EU parent* institutions, *EU parent financial holding companies or an EU parent mixed financial holding companies* shall take into account the relevant factors ‘x’ referred to in paragraph 1.

Amendment

For the purposes of that calculation, institutions shall take into account the relevant factors ‘x’ referred to in paragraph 1.

Or. en

Amendment 1220

Inese Vaidere

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 2 – subparagraph 2

Text proposed by the Commission

For the purposes of that calculation, *EU parent* institutions, *EU parent financial holding companies or an EU parent mixed financial holding companies* shall take into account the relevant factors ‘x’ referred to in paragraph 1.

Amendment

For the purposes of that calculation, institutions shall take into account the relevant factors ‘x’ referred to in paragraph 1.

Or. en

Amendment 1221

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Text proposed by the Commission

For the purposes of that calculation, ***EU parent*** institutions, ***EU parent financial holding companies or an EU parent mixed financial holding companies*** shall take into account the relevant factors ‘x’ referred to in paragraph 1.

Amendment

For the purposes of that calculation, institutions shall take into account the relevant factors ‘x’ referred to in paragraph 1.

Or. en

Justification

From a prudential or financial stability point of view there is no good reason to apply the output floor only on the consolidated level. On the contrary: this sets a dangerous precedent for host Member States and can lead to undercapitalized subsidiaries. Sufficient local buffers should be maintained by applying the output floor at the solo/subconso level as well. EBA’s impact studies moreover show that, apart from co-operative groups, such an approach does not lead to higher capital requirements and only to possibilities to shift the location of capital buffers within a group.

Amendment 1222
Bogdan Rzońca

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No575–2013
Article 465 – paragraph 2 – subparagraph 2

Text proposed by the Commission

For the purposes of that calculation, ***EU parent*** institutions, ***EU parent financial holding companies or an EU parent mixed financial holding companies*** shall take into account the relevant factors ‘x’ referred to in paragraph 1.

Amendment

For the purposes of that calculation, institutions shall take into account the relevant factors ‘x’ referred to in paragraph 1.

Or. en

Justification

There is no good reason from a prudential or financial stability point of view to apply the

output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.

Amendment 1223

Marek Belka

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 2 – subparagraph 2

Text proposed by the Commission

For the purposes of that calculation, ***EU parent*** institutions, ***EU parent financial holding companies or an EU parent mixed financial holding companies*** shall take into account the relevant factors ‘x’ referred to in paragraph 1.

Amendment

For the purposes of that calculation, institutions shall take into account the relevant factors ‘x’ referred to in paragraph 1.

Or. en

Justification

There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.

Amendment 1224

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

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3

Text proposed by the Commission

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, until 31 December 2032, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

deleted

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

Or. en

Justification

Suggested by ECB

Amendment 1225
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) 575/2013
Article 465 – paragraph 3

Text proposed by the Commission

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, until 31 December 2032, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

deleted

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

Or. en

Justification

Relying on a bank's own PD estimates for a lower risk weight to unrated corporates could damage the very purpose of the output floor, which is to protect against underestimation of risks by banks' own models. This is a material deviation from CRE20.46 of the Basel III standards which, as an alternative to directly recognising external ratings for a corporate,

permits a lower risk weight for being ‘investment grade’, but only for those corporates which have securities outstanding on a recognised securities exchange. Such corporates usually do have an external rating for these outstanding securities, which banks can use for their investment grade assessments. Thus, this risk weight is just not applicable to unrated corporates. Should the transitional arrangements remain, it is fundamental to ensure that they will not be extended or renewed.

Amendment 1226

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3

Text proposed by the Commission

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, until 31 December 2032, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

deleted

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by the ECB in its opinion. Relying on a bank's own PD estimates for a lower risk weight to unrated corporates could damage the very purpose of the output floor, i.e. to protect against underestimation of risks by banks' own models. Underestimated loss risk could already become material before the output floor is fully phased in, and would raise even more concerns should the deviation become permanent.

Amendment 1227**Ville Niinistö**

on behalf of the Verts/ALE Group

Proposal for a regulation**Article 1 – paragraph 1 – point 196**

Regulation (EU) No 575/2013

Article 465 – paragraph 3

*Text proposed by the Commission**Amendment*

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, until 31 December 2032, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %. *deleted*

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

On the basis of that report and taking due

account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

Or. en

Amendment 1228
Aurore Lalucq

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 3

Text proposed by the Commission

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, until 31 December 2032, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %. *deleted*

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to

***the Council a legislative proposal by 31
December 2031.***

Or. en

Justification

This is a material deviation from CRE20.46 of the Basel III standards which, as an alternative to directly recognising external ratings for a corporate, permits a lower risk weight for being 'investment grade', but only for those corporates which have securities outstanding on a recognised securities exchange. Such corporates usually do have an external rating for these outstanding securities, which banks can use for their investment grade assessments. Thus, this risk weight is just not applicable to unrated corporates.

**Amendment 1229
Paul Tang**

**Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 3 – subparagraph 1**

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, until 31 December 2032, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, until 31 December 2032, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 % ***and provided that the annual sales of that corporate does not exceed EUR 200 million.***

Or. en

**Amendment 1230
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU ***or stand-alone subsidiary institutions in Member States may, until 31 December 2032,*** assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies ***or*** stand-alone institutions in the EU ***may*** assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

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 1231

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member

States may, until 31 **December2032**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

States may, until 31 **December 2040**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Or. en

Amendment 1232

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, until 31 **December2032**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, until 31 **December 2040**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Or. en

Amendment 1233

Sirpa Pietikäinen

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, **until 31 December 2032**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Or. en

Amendment 1234
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, **until 31 December 2032**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Or. en

Justification

Limited availability of external ratings for corporates is a feature of the European financial market, which emphasises the importance of the prudential treatment of unrated corporates, especially if compared to jurisdictions where external ratings are not applicable for the purposes of the calculation of capital requirements applied to banks. In this regard, the legislative proposal introduces a key adjustment, i.e. the application of a 65% risk weight (RW) – instead of 100% - to exposures towards corporates qualified as ‘investment grade’ (PD no higher than 0.5%), although only for the purpose of the calculation of the output floor by banks authorised to use internal models. Such adjustment, of the utmost importance, is nonetheless a temporary arrangement, expiring in 2032. It should be permanent (or maintained at least until sufficient coverage of external ratings is achieved for corporate exposures in the EU).

Amendment 1235

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, **until 31 December 2032**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Or. en

Amendment 1236

Linea Sogaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu, Niels Fuglsang

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, **until 31 December 2032**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Or. en

Justification

This amendment serves to make the transitional arrangements for the output floor permanent.

Amendment 1237

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, **until 31 December 2032**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is

by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Or. en

Justification

This amendment aims to secure the treatment of exposures to unrated corporates proposed by the Commission within the output floor, as long as the rating coverage in the EU is substantially lower when compared to other jurisdictions.

Amendment 1238

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, **until 31 December 2032**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Or. en

Amendment 1239

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, **until 31 December 2032**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Or. en

Amendment 1240

Fabio Massimo Castaldo

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, **until 31 December 2032**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II,

than 0,5 %.

Chapter 3, is no higher than 0,5 %.

Or. en

Amendment 1241

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, **until 31 December 2032**, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Amendment

3. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States may, assign a risk weight of 65 % to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that that entity estimates the PD of those exposures, calculated in accordance with Part Three, Title II, Chapter 3, is no higher than 0,5 %.

Or. en

Amendment 1242

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs

Amendment

deleted

for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

Or. en

Amendment 1243

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Amendment

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

deleted

Or. en

Amendment 1244

Paul Tang, René Repasi

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Amendment

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

deleted

Or. en

Justification

The EU should aim for full alignment with the Basel Agreement, though it is appropriate to have a transition period allowing a proper rating infrastructure in Europe to take shape and corporates to receive ratings.

Amendment 1245

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Amendment

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

deleted

Or. en

Amendment 1246

Fabio Massimo Castaldo

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Amendment

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

deleted

Or. en

Amendment 1247
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Amendment

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

deleted

Or. en

Justification

Limited availability of external ratings for corporates is a feature of the European financial market, which emphasises the importance of the prudential treatment of unrated corporates, especially if compared to jurisdictions where external ratings are not applicable for the purposes of the calculation of capital requirements applied to banks. In this regard, the legislative proposal introduces a key adjustment, i.e. the application of a 65% risk weight (RW) – instead of 100% - to exposures towards corporates qualified as ‘investment grade’ (PD no higher than 0.5%), although only for the purpose of the calculation of the output floor by banks authorised to use internal models. Such adjustment, of the utmost importance, is nonetheless a temporary arrangement, expiring in 2032. It should be permanent (or maintained at least until sufficient coverage of external ratings is achieved for corporate exposures in the EU).

Amendment 1248
Engin Eroglu

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Amendment

EBA shall monitor the use of the

deleted

transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

Or. en

Justification

The treatment of unrated corporates is pivotal for the ability of the European banking sector to finance the real economy. The low coverage of external ratings throughout the EU is a structural factor. Therefore, a transitional arrangement is not sufficient. The adjusted risk weight for corporates with particularly good creditworthiness is still conservative from a risk perspective and should thus be made available on a permanent basis. If at all, a temporary rule only shifts the problem into the future. Experience shows that markets will expect banks to meet the fully phased-in capital requirements well before the deadline.

Amendment 1249

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

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

EBA shall monitor the use of the ***transitional*** treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

Amendment

EBA shall monitor the use of the treatment laid down in the first subparagraph and ***assess***

- the availability of credit assessments by nominated ECAIs for exposures to corporates;

- ***the development of European credit rating agencies, barriers of entry to the market of new European credit rating agencies, rate of uptake of European corporates choosing to be rated by one or multiple of these agencies;***

- *the development of private or public led solutions such as credit benchmarking and central bank ratings to provide available and reliable alternative assessment of credit risk for the purpose of calculating the output floor and how this could be implemented in legislation;*
- *evidence that the 65% RW has led to inappropriate risk weighting of exposures;*
- *the approaches of other jurisdictions concerning in the application of the output floor to unrated corporate exposures and long-term level playing field considerations that could arise as a result.*

EBA shall report its findings to the Commission by 31 December 2028.

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 1250

Carlo Calenda

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and *the availability of credit assessments by nominated ECAIs for exposures to corporates.*

Amendment

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and *assess the following*

(i) whether there is sufficient availability of credit assessments by nominated ECAIs

for exposures to corporates;

(ii) evidence that the 65% RW has led to inappropriate risk weighting of exposures;

(iii) the development of private or public led solutions such as credit benchmarking and central bank ratings to provide a viable and reliable alternative assessment of credit risk for the purpose of calculating the output floor and how this could be implemented in legislation; and (iv) the approaches of other jurisdictions in the application of the output floor to unrated corporate exposures and long-term level playing field considerations that could arise.

EBA shall report its findings to the Commission by 31 December 2028.

EBA shall report its findings to the Commission by 31 December 2028.

Or. en

Amendment 1251

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAs for exposures to corporates. EBA shall report its findings to the Commission by 31 December **2028**.

Amendment

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAs for exposures to corporates. EBA shall **provide an assessment whether the rating coverage for European corporates is high enough to justify a an end of the transitional regime. EBA shall** report its findings to the Commission by 31 December **2038**.

Or. en

Amendment 1252

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

EBA shall monitor the use of the **transitional** treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

Amendment

EBA shall monitor the use of the treatment laid down in the first subparagraph and, **in close collaboration with ESMA**, the availability of credit assessments by nominated ECAs for exposures to corporates. EBA shall, **in close collaboration with ESMA**, report its findings to the Commission by 31 December 2028.

Or. en

Justification

This amendment aims to include ESMA into the monitoring and reporting of the treatment of exposures to unrated corporates.

Amendment 1253

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAs for exposures to corporates. EBA shall report its findings to the Commission by 31 December **2028**.

Amendment

EBA shall monitor the use of the transitional treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAs for exposures to corporates. EBA shall report its findings to the Commission by 31 December **2032**.

Or. en

Amendment 1254

Linea Søgaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu, Niels Fuglsang

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 2

Text proposed by the Commission

EBA shall monitor the use of the **transitional** treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

Amendment

EBA shall monitor the use of the treatment laid down in the first subparagraph and the availability of credit assessments by nominated ECAs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2028.

Or. en

Justification

This amendment serves to make the transitional arrangements for the output floor permanent.

Amendment 1255

Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

Amendment

deleted

Or. en

Justification

Limited availability of external ratings for corporates is a feature of the European financial market, which emphasises the importance of the prudential treatment of unrated corporates, especially if compared to jurisdictions where external ratings are not applicable for the purposes of the calculation of capital requirements applied to banks. In this regard, the legislative proposal introduces a key adjustment, i.e. the application of a 65% risk weight (RW) – instead of 100% - to exposures towards corporates qualified as ‘investment grade’ (PD no higher than 0.5%), although only for the purpose of the calculation of the output floor by banks authorised to use internal models. Such adjustment, of the utmost importance, is nonetheless a temporary arrangement, expiring in 2032. It should be permanent (or maintained at least until sufficient coverage of external ratings is achieved for corporate exposures in the EU).

Amendment 1256

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

deleted

Or. en

Amendment 1257

Sirpa Pietikäinen

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Amendment

On the basis of that report and taking due

deleted

account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

Or. en

Amendment 1258
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

deleted

Or. en

Amendment 1259
Engin Eroglu

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31

deleted

December 2031.

Or. en

Amendment 1260

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

deleted

Or. en

Amendment 1261

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

deleted

Or. en

Amendment 1262
Paul Tang, René Repasi

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

deleted

Or. en

Justification

The EU should aim for full alignment with the Basel Agreement, though it is appropriate to have a transition period allowing a proper rating infrastructure in Europe to take shape and corporates to receive ratings.

Amendment 1263
Carlo Calenda

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall - ***in case the report verifies an insufficient availability of credit assessments by nominated ECAs for exposures to corporates - consider to propose an extension of the transitional arrangement.*** Where appropriate, ***the Commission shall*** submit to the European Parliament and to the Council a legislative

proposal by 31 December 2031.

Or. en

Amendment 1264

Joachim Schuster, Csaba Molnár, Niels Fuglsang, René Repasi

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to **the** European Parliament and to the Council **a** legislative **proposal by 31 December 2031.**

Amendment

The Commission shall assess whether the availability of credit assessments by nominated ECAIs could be expanded by public and or private initiatives and how to address dominance in the market and shall, where appropriate, submit to European Parliament and to the Council legislative proposals. The Commission shall also assess the possibility of the creation of a European public credit rating agency.

Or. en

Justification

From a European perspective, it is desirable to foster the development of a European market for credit rating agencies, which is still poorly developed and to create an appropriate counterbalance to the current oligopolies. With a definite termination of the transition phase, we are sending a clear and reliable signal to the market and relevant stakeholders in this regard.

Amendment 1265

Linea Søgaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu, Niels Fuglsang

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal **by 31 December 2031**.

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal, **to terminate this derogation, on the basis of finding that external ratings provide sufficient coverage for corporates**.

Or. en

Amendment 1266

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal **by 31 December 2031**.

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, **and once over 75% of EU Corporate, including SMEs, are subject to credit assessments by ECAIs**, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal.

Or. en

Amendment 1267

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

On the basis of that report and taking *due* account *of the related internationally agreed standards developed by the BCBS*, the Commission *shall*, where appropriate, *submit to the European Parliament and to the Council a legislative proposal by 31 December 2031*.

Amendment

On the basis of that report and taking *into* account *the actual loss rates in high-quality corporate lending and the potential effects to the own funds requirements of institutions*, the Commission *may*, where appropriate, *adopt a delegated act in accordance with Article 462 to extend the transitional regime by up to seven years*.

Or. en

Amendment 1268
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS *and the specificities of the EU economy*, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

Or. en

Justification

This amendment aims to ensure that a balance between the faithful implementation of the internationally agreed standards developed by the BCBS and specificities of the EU economy remain a driver for possible Commission proposal.

Amendment 1269
Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

On the basis of that report **and taking due account of the related internationally agreed standards developed by the BCBS**, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.

Amendment

On the basis of that report the Commission **may adopt a delegated act in accordance with Article 462 to extend the transitional treatment referred to in the first subparagraph by up to ten years.**

Or. en

Amendment 1270

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

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 3 – subparagraph 3

Text proposed by the Commission

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal **by 31 December 2031.**

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal.

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 1271

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

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4

Text proposed by the Commission

Amendment

4. By way of derogation from Article 92(5)(a), point (iv), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall, until 31 December 2029, replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4, where the same exposure values are calculated in accordance with the approach set out in Part Three, Title II, Chapter 3, Section 6 for the purposes of the total un-floored risk exposure amount.

deleted

The Commission may, having taken into account the EBA report referred to in Article 514, adopt a delegated act in accordance with Article 462 to permanently modify the value of alpha, where appropriate.

Or. en

Justification

Suggested by ECB

Amendment 1272

Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4

Text proposed by the Commission

Amendment

4. By way of derogation from Article 92(5)(a), point (iv), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall, until 31 December 2029, replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4, where the same exposure values are calculated in accordance with the approach set out in Part Three, Title II, Chapter 3, Section 6 for the purposes of the total un-floored risk exposure amount. *deleted*

The Commission may, having taken into account the EBA report referred to in Article 514, adopt a delegated act in accordance with Article 462 to permanently modify the value of alpha, where appropriate.

Or. en

Amendment 1273

Danuta Maria Hübner

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4

Text proposed by the Commission

Amendment

4. By way of derogation from Article 92(5)(a), point (iv), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall, until 31 *deleted*

December 2029, replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4, where the same exposure values are calculated in accordance with the approach set out in Part Three, Title II, Chapter 3, Section 6 for the purposes of the total un-floored risk exposure amount.

The Commission may, having taken into account the EBA report referred to in Article 514, adopt a delegated act in accordance with Article 462 to permanently modify the value of alpha, where appropriate.

Or. en

Justification

It should be avoided that $\alpha=1$ is set both for the output floor and for own funds requirements for counterparty credit risk, be it temporarily or permanently. The Standardised Approach for counterparty credit risk (SA-CCR) has been calibrated with $\alpha = 1.4$ consistently with the calibration of the internal models method (IMM). The SA-CCR addresses granularity adjustments and general wrong way risk even less than the IMM, being less risk-sensitive than the IMM, and hence a lower value of alpha for the SA-CCR would not be prudentially sound.

Amendment 1274

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4

Text proposed by the Commission

Amendment

4. By way of derogation from Article 92(5)(a), point (iv), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall, until 31 December 2029, replace alpha by 1 in the ***deleted***

calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4, where the same exposure values are calculated in accordance with the approach set out in Part Three, Title II, Chapter 3, Section 6 for the purposes of the total un-floored risk exposure amount.

The Commission may, having taken into account the EBA report referred to in Article 514, adopt a delegated act in accordance with Article 462 to permanently modify the value of alpha, where appropriate.

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by the ECB in its opinion. The SA-CCR has been calibrated with $\alpha = 1.4$ consistently with the IMM calibration, which has for all SSM banks (except one) an alpha of at least 1.4 to account for granularity adjustments and missing general wrong way risk in the exposure value. The SA-CCR addresses granularity adjustments and general wrong way risk even less than the IMM. A lower alpha for the SA-CCR would not be prudentially sound.

Amendment 1275

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4 – subparagraph 1

Text proposed by the Commission

4. ***By way of derogation from Article 92(5)(a), point (iv)***, parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall, ***until 31 December 2029***, replace alpha by 1 in the calculation of the exposure value for the contracts listed in

Amendment

4. Parent institutions, parent financial holding companies or parent mixed financial holding companies, ***subsidiary institutions***, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in

Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4, **where the same exposure values are calculated in accordance with the approach set out in Part Three, Title II, Chapter 3, Section 6 for the purposes of the total un-floored risk exposure amount.**

Part Three, Title II, Chapter 6, Sections 3 and 4.

Or. en

Amendment 1276

Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4 – subparagraph 1

Text proposed by the Commission

4. **By way of derogation from Article 92(5)(a), point (iv)**, parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall, **until 31 December 2029**, replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4, **where the same exposure values are calculated in accordance with the approach set out in Part Three, Title II, Chapter 3, Section 6 for the purposes of the total un-floored risk exposure amount.**

Amendment

4. parent institutions, parent financial holding companies or parent mixed financial holding companies, **subsidiary institutions**, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4.

Or. en

Justification

As to the counterparty credit risk, the legislative proposal introduces an adjustment, allowing to apply a lower multiplier (alpha=1 instead of alpha=1.4) in the formula used to calculate the exposure under the standardised approach (SA-CCR), introduced in CRR2 and applied as of June 2021. Anyway, according to the proposal, this adjustment is temporary and shall be

applied only by banks using internal models for the purpose of the calculation of the output floor. There is a strong case for setting the multiplier at 1, including level playing field considerations based on how the SA-CCR has been implemented in other jurisdictions (namely the US). The proposal aims at making the change permanent and providing for the application of the lower multiplier by all banks to calculate the exposure under SA-CCR, for all purposes and not only in the context of the calculation of the output floor. For the overall consistency of the regulation, the paragraph should be moved from Article 465 to Part Three, Title II, Chapter 6.

Amendment 1277

Carlo Calenda

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4 – subparagraph 1

Text proposed by the Commission

4. By way of derogation from Article 92(5)(a), point (iv), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall, until 31 December 2029, replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4, ***where the same exposure values are calculated in accordance with the approach set out in Part Three, Title II, Chapter 3, Section 6 for the purposes of the total un-floored risk exposure amount.***

Amendment

4. By way of derogation from Article 92(5)(a), point (iv), parent institutions, parent financial holding companies or parent mixed financial holding companies, ***subsidiary institutions***, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall, until 31 December 2029, replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4.

Or. en

Amendment 1278

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Text proposed by the Commission

4. By way of derogation from Article 92(5)(a), point (iv), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall, **until 31 December 2029**, replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4, where the same exposure values are calculated in accordance with the approach set out in Part Three, Title II, Chapter 3, Section 6 for the purposes of the total un-floored risk exposure amount.

Amendment

4. By way of derogation from Article 92(5)(a), point (iv), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4, where the same exposure values are calculated in accordance with the approach set out in Part Three, Title II, Chapter 3, Section 6 for the purposes of the total un-floored risk exposure amount.

Or. en

Amendment 1279
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 4 – subparagraph 1

Text proposed by the Commission

4. By way of derogation from Article 92(5)(a), point (iv), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall, **until 31 December 2029**, replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II,

Amendment

4. By way of derogation from Article 92(5)(a), point (iv), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States shall replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4, where

Chapter 6, Sections 3 and 4, where the same exposure values are calculated in accordance with the approach set out in Part Three, Title II, Chapter 3, Section 6 for the purposes of the total un-floored risk exposure amount.

the same exposure values are calculated in accordance with the approach set out in Part Three, Title II, Chapter 3, Section 6 for the purposes of the total un-floored risk exposure amount.

Or. en

Justification

This amendment aims to secure the treatment of a reduced alpha factor equal to one for an undetermined time period, unless the Commission exercises its option to adopt a delegated act to modify the value of alpha to a different value.

Amendment 1280

Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Amendment

The Commission may, having taken into account the EBA report referred to in Article 514, adopt a delegated act in accordance with Article 462 to permanently modify the value of alpha, where appropriate.

deleted

Or. en

Justification

As to the counterparty credit risk, the legislative proposal introduces an adjustment, allowing to apply a lower multiplier (alpha=1 instead of alpha=1.4) in the formula used to calculate the exposure under the standardised approach (SA-CCR), introduced in CRR2 and applied as of June 2021. Anyway, according to the proposal, this adjustment is temporary and shall be applied only by banks using internal models for the purpose of the calculation of the output floor. There is a strong case for setting the multiplier at 1, including level playing field considerations based on how the SA-CCR has been implemented in other jurisdictions (namely the US). The proposal aims at making the change permanent and providing for the application of the lower multiplier by all banks to calculate the exposure under SA-CCR, for all purposes and not only in the context of the calculation of the output floor. For the overall consistency of the regulation, the paragraph should be moved from Article 465 to Part Three,

Amendment 1281

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Amendment

The Commission may, having taken into account the EBA report referred to in Article 514, adopt a delegated act in accordance with Article 462 to permanently modify the value of alpha, where appropriate.

deleted

Or. en

Amendment 1282

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Amendment

The Commission may, having taken into account the EBA report referred to in Article 514, adopt a delegated act in accordance with Article 462 to *permanently modify the value of alpha, where appropriate.*

The Commission may, having taken into account the EBA report referred to in Article 514, *and upon international developments*, adopt a delegated act in accordance with Article 462 to *replace alpha by 1 as well in the calculation of exposure value set in Article 274.2.*

Or. en

Amendment 1283
Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4 – subparagraph 2

Text proposed by the Commission

The Commission may, **having taken** into account the EBA report referred to in Article 514, adopt a delegated act in accordance with Article 462 to permanently modify the value of alpha, where appropriate.

Amendment

The Commission may, **while taking** into account the EBA report referred to in Article 514, adopt a delegated act in accordance with Article 462 to permanently modify the value of alpha, where appropriate.

Or. en

Justification

Commission text should be maintained.

Amendment 1284
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 4 – subparagraph 2

Text proposed by the Commission

The Commission may, having taken into account the EBA report referred to in Article 514, adopt a delegated act in accordance with Article 462 to **permanently** modify the value of alpha, where appropriate.

Amendment

The Commission may, having taken into account the EBA report referred to in Article 514, adopt a delegated act in accordance with Article 462 to modify the value of alpha, where appropriate.

Or. en

Justification

This amendment aims to secure the Commission's option to adopt a delegated act to modify the value of alpha to a different value than 1, as outlined in the treatment in paragraph 4.

Amendment 1285

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

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5

Text proposed by the Commission

Amendment

5. [...]

deleted

Or. en

Justification

Suggested by ECB

Amendment 1286

Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5

Text proposed by the Commission

Amendment

5. [...]

deleted

Or. en

Amendment 1287

Danuta Maria Hübner

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5

Text proposed by the Commission

Amendment

5. [...] **deleted**

Or. en

Justification

Low losses observed in the past by a single Member State, in particular over a short period of only six years, do not justify the application of standardised risk weights to RRE exposures below those recalibrated under the Basel III standards which are based on a larger empirical dataset across different banks. Such limited loss observations are not sufficient for ensuring that losses will continue to be low also in the future, in particular over the typically rather long period of RRE exposures. Moreover, the Basel Committee's recalibration has already resulted in a significant decrease in the risk weight applied to the secured part of RRE exposures. In addition, putting in place transitional arrangements that lower protections for the banks at a time when real estate vulnerabilities are becoming a pressing issue in several EU countries raises several concerns. Therefore, the transitional arrangements proposed by paragraph 5 are not justified from a prudential and financial stability perspective.

Amendment 1288

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5

Text proposed by the Commission

Amendment

5. [...] **deleted**

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by the ECB in its opinion. The ECB considers that the transitional arrangements proposed in this paragraph are not justified from a prudential and financial stability perspective.

Amendment 1289

Aurore Lalucq

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 5

Text proposed by the Commission

Amendment

5. [...] *deleted*

Or. en

Justification

The ECB recommends that paragraph 5 should be deleted. In substance, low losses observed in the past by a single Member State, in particular over a short period of only six years, do not justify the application of standardised risk weights to RRE exposures below those recalibrated under the Basel III standards which are based on a larger empirical dataset across different banks.

Amendment 1290
Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 1 – introductory part

Text proposed by the Commission

Amendment

5. By way of derogation from Article 92(5)(a), point (i), Member States may, allow parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU ***or stand-alone subsidiary institutions in Member States*** to assign the following risk weights provided that all the conditions in the second subparagraph are met.

5. By way of derogation from Article 92(5)(a), point (i), Member States may, allow parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU to assign the following risk weights provided that all the conditions in the second subparagraph are met.

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 1291
Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – introductory part

Text proposed by the Commission

5. ***By way of derogation from Article 92(5)(a), point (i), Member States may, allow*** parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States to assign the following risk weights provided that all the conditions in the second subparagraph are met.

Amendment

5. Parent institutions, parent financial holding companies or parent mixed financial holding companies, ***subsidiary institutions*** stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States ***are allowed*** to assign the following risk weights provided that all the conditions in the second subparagraph are met.

Or. en

Amendment 1292

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – introductory part

Text proposed by the Commission

5. ***By way of derogation from Article 92(5)(a), point (i), Member States may, allow*** parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States to assign the following risk weights provided that all the conditions in the second subparagraph are met.

Amendment

5. Parent institutions, parent financial holding companies or parent mixed financial holding companies, ***subsidiary institutions***, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States ***are allowed*** to assign the following risk weights provided that all the conditions in the second subparagraph are met.

Amendment 1293
Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – introductory part

Text proposed by the Commission

5. ***By way of derogation from Article 92(5)(a), point (i), Member States may, allow*** parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States to assign the following risk weights provided that all the conditions in the second subparagraph are met.

Amendment

5. Parent institutions, parent financial holding companies or parent mixed financial holding companies, ***subsidiary institutions***, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States ***are allowed*** to assign the following risk weights provided that all the conditions in the second subparagraph are met:

Amendment 1294

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – introductory part

Text proposed by the Commission

5. ***By way of derogation from Article 92(5)(a), point (i), Member States may, allow*** parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States to assign the following risk weights provided that all the conditions in the second subparagraph are met.

Amendment

5. parent institutions, parent financial holding companies or parent mixed financial holding companies, ***subsidiary institutions***, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States ***are allowed*** to assign the following risk weights provided that all the conditions in the second subparagraph are met.

Amendment 1295
Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – introductory part

Text proposed by the Commission

5. By way of derogation from Article 92(5)(a), point (i), **Member States may, allow parent** institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States to assign the following risk weights provided that all the conditions in the second subparagraph are met.

Amendment

5. By way of derogation from Article 92(5)(a), point (i), institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States to assign the following risk weights provided that all the conditions in the second subparagraph are met.

Amendment 1296
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – introductory part

Text proposed by the Commission

5. By way of derogation from Article 92(5)(a), point (i), **Member States may, allow** parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States **to** assign the following risk weights provided that all the conditions in the second subparagraph are met.

Amendment

5. By way of derogation from Article 92(5)(a), point (i), parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU or stand-alone subsidiary institutions in Member States **may** assign the following risk weights provided that all the conditions in the second subparagraph are met.

Justification

Due to the risk-based conditions laid out in the second subparagraph, the transitional treatment of exposures secured by mortgages on residential property should not differ from one MS to the other. Rather, the portion of exposures subject to lower risk weights will differ from one MS to the other, depending on the exposure portfolio in the respective markets.

Amendment 1297**Markus Ferber****Proposal for a regulation****Article 1 – paragraph 1 – point 196**

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(a) until 31 December **2032**, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Amendment

(a) until 31 December **2037**, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Or. en

Amendment 1298**Dorien Rookmaker****Proposal for a regulation****Article 1 – paragraph 1 – point 196**

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(a) **until 31 December 2032**, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution

Amendment

(a) a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

have been deducted,

Or. en

Amendment 1299

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(a) **until 31 December 2032**, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Amendment

(a) a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Or. en

Amendment 1300

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(a) **until 31 December 2032**, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to **55** % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Amendment

(a) a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to **65** % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Or. en

Amendment 1301
Sirpa Pietikäinen

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(a) **until 31 December 2032**, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Amendment

(a) a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Or. en

Amendment 1302

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

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(a) **until 31 December 2032**, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Amendment

(a) a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Or. en

Justification

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

Amendment 1303
Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(a) **until 31 December 2032**, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Amendment

(a) a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Or. en

Justification

An important element introduced in the draft legislation in regard of the treatment of mortgages is the temporary preferential regime under Article 465(5), for the purpose of the calculation of the output floor by banks authorised to use internal models. The features of the EU mortgage market, and especially the so called “double recourse”, justify under certain conditions the application of a lower risk weight. This also holds true for banks applying the standardised approach and wherever the eligibility criteria are met. The preferential regime should therefore be applied to all banks (provided that the eligibility criteria are met) including banks applying the standardised approach, and not subject to the exercise of a national discretion.

Amendment 1304
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(a) **until 31 December 2032**, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu

Amendment

(a) a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the

ranking liens not held by the institution
have been deducted,

institution have been deducted,

Or. en

Justification

This amendment aims to secure the treatment of exposures secured by mortgages on residential property proposed by the Commission within the output floor, as long as the degree of securitization and the respective duration of mortgages kept on bank's balance sheets in the EU is substantially lower when compared to other jurisdictions.

Amendment 1305

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(a) *until 31 December 2032*, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Amendment

(a) a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Or. en

Amendment 1306

Linea Sogaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu, Niels Fuglsang

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(a) *until 31 December 2032*, a risk weight of 10 % to the part of the exposures secured by mortgages on residential

Amendment

(a) A risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the

property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Or. en

Justification

This amendment serves to make the transitional arrangements for the output floor permanent.

Amendment 1307

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

(a) ***until 31 December 2032***, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

(a) a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Or. en

Justification

The financing of residential real estate is an issue of high strategic importance throughout the EU. The adjusted risk weights proposed by the European Commission are subject to objective criteria ensuring particularly low risks. Thus, given that these criteria are met, the proposed risk weight adjustment is justified from a risk perspective. Therefore, there should be no time limit for this rule. The wording of the requirement of double recourse should be amended as the term “claim” is not appropriate. It refers specifically to a contractually agreed right. Often, such a legal entitlement is not present. The possibility of the institution to draw back on the respective sources to mitigate losses simply follows from the actual claim to repayment and occurs on the basis of enforcement measures. Moreover, to ensure a level playing field, the rules should be applicable in all member states without any national discretion that might lead to arbitrage.

Amendment 1308

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Règlement (UE) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(a) **until 31 December 2032**, a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Amendment

(a) a risk weight of 10 % to the part of the exposures secured by mortgages on residential property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Or. en

Amendment 1309

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Règlement (UE) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point b

Text proposed by the Commission

(b) **until 31 December 2029**, a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property **up to 80 % of the property value** remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Amendment

(b) a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Or. en

Amendment 1310

Dorien Rookmaker

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point b

Text proposed by the Commission

(b) **until 31 December 2029**, a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property **up to 80 % of the property value** remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Amendment

(b) a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Or. en

Amendment 1311

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point b

Text proposed by the Commission

(b) until 31 December **2029**, a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Amendment

(b) until 31 December **2034**, a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Or. en

Amendment 1312

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

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point b

Text proposed by the Commission

(b) **until 31 December 2029**, a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Amendment

(b) a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Or. en

Justification

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

Amendment 1313

Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point b

Text proposed by the Commission

(b) **until 31 December 2029**, a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in

Amendment

(b) a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Article 501 is not applied.

Or. en

Justification

An important element introduced in the draft legislation in regard of the treatment of mortgages is the temporary preferential regime under Article 465(5), for the purpose of the calculation of the output floor by banks authorised to use internal models. The features of the EU mortgage market, and especially the so called “double recourse”, justify under certain conditions the application of a lower risk weight. This also holds true for banks applying the standardised approach and wherever the eligibility criteria are met. The preferential regime should therefore be applied to all banks (provided that the eligibility criteria are met) including banks applying the standardised approach, and not subject to the exercise of a national discretion.

Amendment 1314

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point b

Text proposed by the Commission

(b) **until 31 December 2029**, a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Amendment

(b) a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Or. en

Amendment 1315

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 1 – point b

Text proposed by the Commission

(b) **until 31 December 2029**, a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Amendment

(b) a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Or. en

Amendment 1316
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point b

Text proposed by the Commission

(b) **until 31 December 2029**, a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Amendment

(b) a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Or. en

Justification

This amendment aims to secure the treatment of exposures secured by mortgages on residential property proposed by the Commission within the output floor, as long as the degree of securitization and the respective duration of mortgages kept on bank's balance

sheets in the EU is substantially lower when compared to other jurisdictions.

Amendment 1317

Linea Søgaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu, Niels Fuglsang

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point b

Text proposed by the Commission

(b) ***until 31 December 2029***, a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Amendment

(b) A risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Or. en

Justification

This amendment serves to make the transitional arrangements for the output floor permanent.

Amendment 1318

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point b

Text proposed by the Commission

(b) ***until 31 December 2029***, a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the

Amendment

(b) a risk weight of 45% to any remaining part of the exposures secured by mortgages on residential property up to 80 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

institution have been deducted, provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

provided that the adjustment to own funds requirements for credit risk referred to in Article 501 is not applied.

Or. en

Amendment 1319

Linea Sogaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu, Niels Fuglsang

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(b a) A risk weight of 30 % to the part of the exposures secured by mortgages on commercial property up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted,

Or. en

Justification

There is evidence that default rates of commercial mortgages evolve in a similar low range to residential mortgages, and it would therefore be justified to similarly apply a ‘hard test’ approach, as for exposures secured by mortgages on residential property in the European Commission’s proposed Art. 465(5), to these exposures also.

Amendment 1320

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – introductory part

Text proposed by the Commission

Amendment

For the purposes of assigning the risk weights in accordance with the first

For the purposes of assigning the risk weights in accordance with the first

subparagraph, *all* of the *following* conditions shall be met:

subparagraph, *at least two* of the conditions *(a) to (c)* shall be met:

Or. en

Justification

Provides more flexibility for the transitional regime for real estate exposures.

Amendment 1321

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point a

Text proposed by the Commission

Amendment

(a) the qualifying exposures are located in the *Member State that has exercised the discretion*;

(a) the qualifying exposures are located in the *EU*;

Or. en

Justification

The deletion of the MS discretion allows for a widening of the location scope of qualifying exposures to the whole EU.

Amendment 1322

Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point a

Text proposed by the Commission

Amendment

(a) the qualifying exposures are located in *the* Member State *that has exercised the discretion*;

(a) the qualifying exposures are located in *a* Member State;

Or. en

Justification

An important element introduced in the draft legislation in regard of the treatment of mortgages is the temporary preferential regime under Article 465(5), for the purpose of the calculation of the output floor by banks authorised to use internal models. The features of the EU mortgage market, and especially the so called “double recourse”, justify under certain conditions the application of a lower risk weight. This also holds true for banks applying the standardised approach and wherever the eligibility criteria are met. The preferential regime should therefore be applied to all banks (provided that the eligibility criteria are met) including banks applying the standardised approach, and not subject to the exercise of a national discretion.

Amendment 1323

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point a

Text proposed by the Commission

Amendment

(a) the qualifying exposures are located in *the* Member State *that has exercised the discretion*;

(a) the qualifying exposures are located in *a* Member State;

Or. en

Amendment 1324

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point a

Text proposed by the Commission

Amendment

(a) the qualifying exposures are located in *the* Member State *that has exercised the discretion*;

(a) the qualifying exposures are located in *a* Member State;

Or. en

Amendment 1325

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point a

Text proposed by the Commission

(a) the qualifying exposures are located in *the* Member State *that has exercised the discretion*;

Amendment

(a) the qualifying exposures are located in *a* Member State;

Or. en

Amendment 1326

Paul Tang, René Repasi

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(b a) the qualifying exposures fulfil the criteria of Article 3 of Regulation (EU) 2019/852

Or. en

Justification

Real estate exposures qualifying for the transitional arrangement should adhere to the criteria of the EU taxonomy, notably those relating to the construction of new buildings or the renovation of existing buildings

Amendment 1327

Dorien Rookmaker

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point c – introductory part

Text proposed by the Commission

(c) for the qualifying exposures the institution has ***both the following claims*** in the event of the default or non-payment of the obligor:

Amendment

(c) for the qualifying exposures the institution has, in the event of the default or non-payment of the obligor, ***a right on the residential immovable property securing the exposure (or the right to request or take a mortgage on the residential property in accordance with Article 108 (4) g) and another right over the other assets and income of the obligor either contractually or by national applicable law***

Or. en

Amendment 1328

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (UE) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point c – introductory part

Text proposed by the Commission

(c) for the qualifying exposures the institution has ***both the following claims*** in the event of the default or non-payment of the obligor:

Amendment

(c) for the qualifying exposures the institution has, in the event of the default or non-payment of the obligor, ***a right on the residential immovable property securing the exposure (or the right to request or take a mortgage on the residential property in accordance with Article 108 (4) g) and another right over the obligor's assets or revenues either contractually or by national applicable law;***

Or. en

Amendment 1329

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point c – introductory part

Text proposed by the Commission

Amendment

(c) for the qualifying exposures the institution ***has both the following claims*** in the event of the default or non-payment of the obligor:

(c) for the qualifying exposures the institution in the event of the default or non-payment of the obligor:

Or. en

Amendment 1330

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (UE) n° 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point c – point i

Text proposed by the Commission

Amendment

(i) ***a claim on the residential immovable property securing the exposure;***

deleted

Or. en

Amendment 1331

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point c – point i

Text proposed by the Commission

Amendment

(i) ***a claim on*** the residential immovable property securing the exposure;

(i) the residential immovable property securing the exposure;

Or. en

Amendment 1332

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (UE) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point c – point ii

Text proposed by the Commission

Amendment

(ii) a claim on the other assets and income of the obligor;

deleted

Or. en

Amendment 1333

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point c – point ii

Text proposed by the Commission

Amendment

(ii) a claim on the other assets and income of the obligor;

(ii) the other assets and income of the obligor;

Or. en

Amendment 1334

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 2 – point d

Text proposed by the Commission

Amendment

(d) the competent authority has verified that the conditions in points (a), (b) and (c) are met.

deleted

Amendment 1335
Paul Tang, René Repasi

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 5575/2013
Article 465 – paragraph 5 – subparagraph 2 – point d

Text proposed by the Commission

Amendment

(d) the competent authority has verified that the conditions in points (a), (b) and (c) are met.

(d) the competent authority has verified that the conditions in points (a), (b), **(ba)** and (c) are met.

Or. en

Justification

Real estate exposures qualifying for the transitional arrangement should adhere to the criteria of the EU taxonomy, notably those relating to the construction of new buildings or the renovation of existing buildings

Amendment 1336
Linea Sogaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu, Niels Fuglsang

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraphs 3 to 6

Text proposed by the Commission

Amendment

Where the discretion referred to in the first subparagraph has been exercised and all the associated conditions in the second subparagraph are met, institutions may assign the following risk weights to the remaining part of the exposures referred to in the second subparagraph, point (b), until 31 December 2032:

deleted

(a) 52,5 % during the period from 1 January 2030 to 31 December 2030;

(b) 60 % during the period from 1 January 2031 to 31 December 2031;

(c) 67,5 % during the period from 1 January 2032 to 31 December 2032.

When Member States exercise that discretion, they shall notify EBA and substantiate their decision. Competent authorities shall notify the details of all the verifications referred to in the first subparagraph, point (c), to EBA.

EBA shall monitor the use of the transitional treatment in the first subparagraph and report to the Commission by 31 December 2028 on the appropriateness of the associated risk weights.

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.;

Or. en

Justification

This amendment serves to make the transitional arrangements for the output floor permanent.

Amendment 1337

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – introductory part

Text proposed by the Commission

Amendment

Where the discretion referred to in the first subparagraph has been exercised and all the associated conditions in the second subparagraph are met, institutions may assign the following risk weights to the **deleted**

remaining part of the exposures referred to in the second subparagraph, point (b), until 31 December 2032:

Or. en

Amendment 1338
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – introductory part

Text proposed by the Commission

Where *the discretion referred to in the first subparagraph has been exercised and* all the associated conditions in the second subparagraph are met, institutions may assign *the following risk weights* to the remaining part of the exposures referred to in the second subparagraph, point (b), *until 31 December 2032:*

Amendment

Where all the associated conditions in the second subparagraph are met, institutions may assign *a risk weight of 60%* to the remaining part of the exposures referred to in the second subparagraph, point (b).

Or. en

Justification

The deletion of the Member State discretion allows for rewording. As the treatment of exposures secured by mortgages on residential property proposed by the Commission within the output floor should be secured as long as the degree of securitization and the respective duration of mortgages kept on bank's balance sheets in the EU is substantially lower when compared to other jurisdictions, the end dates of these transitional risk weights can be deleted and a risk weight of 60% can be assigned.

Amendment 1339

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – introductory part

Text proposed by the Commission

Amendment

Where ***the discretion referred to in the first subparagraph has been exercised and*** all the associated conditions in the second subparagraph are met, institutions may assign the following risk weights to the remaining part of the exposures referred to in the second subparagraph, point (b), ***until 31 December 2032:***

Where all the associated conditions in the second subparagraph are met, institutions may assign the following risk weights to the remaining part of the exposures referred to in the second subparagraph, point (b):

Or. en

Amendment 1340
Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – introductory part

Text proposed by the Commission

Amendment

Where ***the discretion referred to in the first subparagraph has been exercised and*** all the associated conditions in the second subparagraph are met, institutions may assign the following risk weights to the remaining part of the exposures referred to in the second subparagraph, point (b), ***until 31 December 2032:***

Where all the associated conditions in the second subparagraph are met, institutions may assign the following risk weights to the remaining part of the exposures referred to in the second subparagraph, point (b):

Or. en

Justification

An important element introduced in the draft legislation in regard of the treatment of mortgages is the temporary preferential regime under Article 465(5), for the purpose of the calculation of the output floor by banks authorised to use internal models. The features of the EU mortgage market, and especially the so called “double recourse”, justify under certain conditions the application of a lower risk weight. This also holds true for banks applying the standardised approach and wherever the eligibility criteria are met. The preferential regime should therefore be applied to all banks (provided that the eligibility criteria are met) including banks applying the standardised approach, and not subject to the exercise of a national discretion.

Amendment 1341
Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – introductory part

Text proposed by the Commission

Where *the discretion referred to in the first subparagraph has been exercised and* all the associated conditions in the second subparagraph are met, institutions may assign the following risk weights to the remaining part of the exposures referred to in the second subparagraph, point (b), *until 31 December 2032*:

Amendment

Where all the associated conditions in the second subparagraph are met, institutions may assign the following risk weights to the remaining part of the exposures referred to in the second subparagraph, point (b):

Or. en

Amendment 1342

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – introductory part

Text proposed by the Commission

Where *the discretion referred to in the first subparagraph has been exercised and* all the associated conditions in the second subparagraph are met, institutions may assign the following risk weights to the remaining part of the exposures referred to in the second subparagraph, point (b), *until 31 December 2032*:

Amendment

Where all the associated conditions in the second subparagraph are met, institutions may assign the following risk weights to the remaining part of the exposures referred to in the second subparagraph, point (b):

Or. en

Amendment 1343
Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – introductory part

Text proposed by the Commission

Where the discretion referred to in the first subparagraph has been exercised and ***all the associated*** conditions in the second subparagraph are met, institutions may assign the following risk weights to the remaining part of the exposures referred to in the second subparagraph, point (b), until 31 December **2032**:

Amendment

Where the discretion referred to in the first subparagraph has been exercised and ***at least two of the*** conditions ***(a) to (c)*** in the second subparagraph are met, institutions may assign the following risk weights to the remaining part of the exposures referred to in the second subparagraph, point (b), until 31 December **2037**:

Or. en

Amendment 1344
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point a

Text proposed by the Commission

(a) 52,5 % during the period from 1 January 2030 to 31 December 2030;

Amendment

deleted

Or. en

Justification

As the treatment of exposures secured by mortgages on residential property proposed by the Commission within the output floor should be secured as long as the degree of securitization and the respective duration of mortgages kept on bank's balance sheets in the EU is substantially lower when compared to other jurisdictions, the end dates of these transitional risk weights can be deleted.

Amendment 1345
Dorien Rookmaker

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point a

Text proposed by the Commission

Amendment

(a) 52,5 % during the period from 1 January 2030 to 31 December 2030; **deleted**

Or. en

Amendment 1346
Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point a

Text proposed by the Commission

Amendment

(a) 52,5 % during the period from 1 January 2030 to 31 December 2030; **deleted**

Or. en

Amendment 1347
Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point a

Text proposed by the Commission

Amendment

(a) 52,5 % during the period from 1 January 2030 to 31 December 2030;

(a) 52,5 % during the period from 1 January 2035 to 31 December 2035;

Or. en

Amendment 1348
Dorien Rookmaker

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point b

Text proposed by the Commission

Amendment

(b) 60 % during the period from 1 January 2031 to 31 December 2031; *deleted*

Or. en

Amendment 1349
Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point b

Text proposed by the Commission

Amendment

(b) 60 % during the period from 1 January 2031 to 31 December 2031; *deleted*

Or. en

Amendment 1350
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point b

Text proposed by the Commission

Amendment

(b) 60 % during the period from 1 January 2031 to 31 December 2031; *deleted*

Justification

As the treatment of exposures secured by mortgages on residential property proposed by the Commission within the output floor should be secured as long as the degree of securitization and the respective duration of mortgages kept on bank's balance sheets in the EU is substantially lower when compared to other jurisdictions, the end dates of these transitional risk weights can be deleted.

Amendment 1351

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point b

Text proposed by the Commission

Amendment

(b) 60 % during the period from 1 January **2031** to 31 December **2031**;

(b) 60 % during the period from 1 January **2036** to 31 December **2036**;

Or. en

Amendment 1352

Dorien Rookmaker

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point c

Text proposed by the Commission

Amendment

(c) **67,5 % during the period from 1 January 2032 to 31 December 2032.**

deleted

Or. en

Amendment 1353

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point c

Text proposed by the Commission

Amendment

(c) 67,5 % during the period from 1 January 2032 to 31 December 2032. deleted

Or. en

Justification

As the treatment of exposures secured by mortgages on residential property proposed by the Commission within the output floor should be secured as long as the degree of securitization and the respective duration of mortgages kept on bank's balance sheets in the EU is substantially lower when compared to other jurisdictions, the end dates of these transitional risk weights can be deleted.

Amendment 1354

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point c

Text proposed by the Commission

Amendment

(c) 67,5 % during the period from 1 January 2032 to 31 December 2032. deleted

Or. en

Amendment 1355

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point c

Text proposed by the Commission

Amendment

(c) 67,5 % *during the period* from 1 January 2032 *to 31 December 2032*.

(c) 67,5 % from 1 January 2032

Or. en

Amendment 1356
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 3 – point c

Text proposed by the Commission

Amendment

(c) 67,5 % *during the period* from 1 January 2032 *to 31 December 2032*.

(c) 67,5 % from 1 January 2032.

Or. en

Justification

An important element introduced in the draft legislation in regard of the treatment of mortgages is the temporary preferential regime under Article 465(5), for the purpose of the calculation of the output floor by banks authorised to use internal models. The features of the EU mortgage market, and especially the so called “double recourse”, justify under certain conditions the application of a lower risk weight. This also holds true for banks applying the standardised approach and wherever the eligibility criteria are met. The preferential regime should therefore be applied to all banks (provided that the eligibility criteria are met) including banks applying the standardised approach, and not subject to the exercise of a national discretion.

Amendment 1357
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 3 – point c

Text proposed by the Commission

Amendment

(c) 67,5 % *during the period* from 1 January 2032 *to 31 December 2032*.

(c) 67,5 % from 1 January 2032.

Or. en

Amendment 1358

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point c

Text proposed by the Commission

Amendment

(c) 67,5 % *during the period* from 1 January 2032 *to 31 December 2032*.

(c) 67,5 % from 1 January 2032.

Or. en

Amendment 1359

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation 575/2013

Article 465 – paragraph 5 – subparagraph 3 – point c

Text proposed by the Commission

Amendment

(c) 67,5 % during the period from 1 January **2032** to 31 December **2032**.

(c) 67,5 % during the period from 1 January **2037** to 31 December **2037**.

Or. en

Amendment 1360

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 4

Text proposed by the Commission

Amendment

When Member States exercise that discretion, they shall notify EBA and substantiate their decision. Competent authorities shall notify the details of all the verifications referred to in the first subparagraph, point (c), to EBA.

deleted

Or. en

Amendment 1361

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 4

Text proposed by the Commission

Amendment

When Member States exercise that discretion, they shall notify EBA and substantiate their decision. Competent authorities shall notify the details of all the verifications referred to in the first subparagraph, point (c), to EBA.

deleted

Or. en

Amendment 1362

Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 4

Text proposed by the Commission

Amendment

When Member States exercise that discretion, they shall notify EBA and substantiate their decision. Competent authorities shall notify the details of all the verifications referred to in the first subparagraph, point (c), to EBA. ***deleted***

Or. en

Justification

An important element introduced in the draft legislation in regard of the treatment of mortgages is the temporary preferential regime under Article 465(5), for the purpose of the calculation of the output floor by banks authorised to use internal models. The features of the EU mortgage market, and especially the so called “double recourse”, justify under certain conditions the application of a lower risk weight. This also holds true for banks applying the standardised approach and wherever the eligibility criteria are met. The preferential regime should therefore be applied to all banks (provided that the eligibility criteria are met) including banks applying the standardised approach, and not subject to the exercise of a national discretion.

Amendment 1363

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 4

Text proposed by the Commission

Amendment

When Member States exercise that discretion, they shall notify EBA and substantiate their decision. Competent authorities shall notify the details of all the verifications referred to in the first subparagraph, point (c), to EBA. ***deleted***

Or. en

Amendment 1364
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 4

Text proposed by the Commission

When Member States exercise that discretion, they shall notify EBA and substantiate their decision. Competent authorities shall notify the details of all the verifications referred to in the first subparagraph, point (c), to EBA.

Amendment

Competent authorities shall notify the details of all the verifications referred to in the first subparagraph, point (c), to EBA.

Or. en

Justification

The deletion of the MS discretion allows for rewording.

Amendment 1365
Engin Eroglu

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 5

Text proposed by the Commission

EBA shall monitor the use of the transitional treatment in the first subparagraph and report to the Commission by 31 December 2028 on the appropriateness of the associated risk weights.

Amendment

deleted

Or. en

Amendment 1366
Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 5

Text proposed by the Commission

Amendment

EBA shall monitor the use of the transitional treatment in the first subparagraph and report to the Commission by 31 December 2028 on the appropriateness of the associated risk weights.

deleted

Or. en

Amendment 1367

Paul Tang, René Repasi

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 5

Text proposed by the Commission

Amendment

EBA shall monitor the use of the transitional treatment in the first subparagraph and report to the Commission by 31 December 2028 on the appropriateness of the associated risk weights.

deleted

Or. en

Justification

The transition period for exposures to mortgages shall have a certain end point to ensure alignment with the Basel Agreement

Amendment 1368

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 5

Text proposed by the Commission

Amendment

EBA shall monitor the use of the transitional treatment in the first subparagraph and report to the Commission by 31 December 2028 on the appropriateness of the associated risk weights.

deleted

Or. en

Amendment 1369

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 5

Text proposed by the Commission

Amendment

EBA shall monitor the use of the transitional treatment in the first subparagraph and report to the Commission by 31 December 2028 on the appropriateness of the associated risk weights.

deleted

Or. en

Amendment 1370

Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 5

Text proposed by the Commission

Amendment

EBA shall monitor the use of the transitional treatment in the first

deleted

subparagraph and report to the Commission by 31 December 2028 on the appropriateness of the associated risk weights.

Or. en

Justification

An important element introduced in the draft legislation in regard of the treatment of mortgages is the temporary preferential regime under Article 465(5), for the purpose of the calculation of the output floor by banks authorised to use internal models. The features of the EU mortgage market, and especially the so called “double recourse”, justify under certain conditions the application of a lower risk weight. This also holds true for banks applying the standardised approach and wherever the eligibility criteria are met. The preferential regime should therefore be applied to all banks (provided that the eligibility criteria are met) including banks applying the standardised approach, and not subject to the exercise of a national discretion.

Amendment 1371

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

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 5

Text proposed by the Commission

EBA shall monitor the use of the ***transitional*** treatment in the first subparagraph and report to the Commission ***by 31 December 2028*** on the appropriateness of the associated risk weights.

Amendment

EBA shall monitor the use of the ***specific*** treatment in the first subparagraph and report to the Commission ***upon the completion of the comprehensive review of the Capital Markets Union Action Plan, notably but not limited to, the EU securitisation framework***, on the appropriateness of the associated risk weights, ***by 31 December 2028***.

Or. en

Justification

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

Amendment 1372
Dorien Rookmaker

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 5

Text proposed by the Commission

EBA shall monitor the use of the transitional treatment in the first subparagraph and report to the Commission by 31 December **2028** *on the appropriateness of the associated risk weights.*

Amendment

EBA shall monitor the use of the transitional treatment in the first subparagraph and report to the Commission by 31 December **2032**

Or. en

Amendment 1373
Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 5

Text proposed by the Commission

EBA shall monitor the use of the transitional treatment in the first subparagraph and report to the Commission by 31 December **2028** on the appropriateness of the associated risk weights.

Amendment

EBA shall monitor the use of the transitional treatment in the first subparagraph and report to the Commission by 31 December **2033** on the appropriateness of the associated risk weights.

Or. en

Amendment 1374
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 5

Text proposed by the Commission

EBA shall monitor the use of the **transitional** treatment in the first subparagraph and report to the Commission by 31 December **2028** on the appropriateness of the associated risk weights.

Amendment

EBA shall monitor the use of the treatment in the first subparagraph and report to the Commission by 31 December **2027** on the appropriateness of the associated risk weights.

Or. en

Justification

This amendment aims accelerate the EBA report to 2027 to give the Commission the option to submit a legislative proposal earlier, in order to permanently adjust the treatment of exposures secured by mortgages on residential property to give institutions more clarity before the cut-off date of December 2031.

Amendment 1375

Paul Tang, René Repasi

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.;

Amendment

deleted

Or. en

Justification

The transition period for exposures to mortgages shall have a certain end point to ensure alignment with the Basel Agreement

Amendment 1376

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.; *deleted*

Or. en

Amendment 1377

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.; *deleted*

Or. en

Amendment 1378

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.;

deleted

Or. en

Amendment 1379
Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.;

deleted

Or. en

Justification

An important element introduced in the draft legislation in regard of the treatment of mortgages is the temporary preferential regime under Article 465(5), for the purpose of the calculation of the output floor by banks authorised to use internal models. The features of the EU mortgage market, and especially the so called “double recourse”, justify under certain conditions the application of a lower risk weight. This also holds true for banks applying the standardised approach and wherever the eligibility criteria are met. The preferential regime should therefore be applied to all banks (provided that the eligibility criteria are met) including banks applying the standardised approach, and not subject to the exercise of a national discretion.

Amendment 1380
Engin Eroglu

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.;

deleted

Or. en

Amendment 1381
Agnès Evren

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Règlement (UE) No 575/2013
Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December **2031.**;

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December **2034 if the EBA demonstrates the inappropriateness of the coefficients of 10 % and 45 % for the countries in which Member States have exercised the discretion in the first subparagraph on the basis of clear evidence from observed losses incurred.**;

Or. en

Amendment 1382
Markus Ferber

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (UE) No 575/2013
Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

On the basis of that report and taking due account of the *related internationally agreed standards developed by the BCBS*, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December **2031**;

Amendment

On the basis of that report and taking due account of the *actual loss rates in residential real estate lending as well as the potential impact on own funds requirement for institutions*, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December **2036**;

Or. en

Amendment 1383
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.;

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS *and the specificities of the EU economy*, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.;

Or. en

Justification

This amendment aims to ensure that a balance between the faithful implementation of the internationally agreed standards developed by the BCBS and specificities of the EU economy remain a driver for possible Commission proposal.

Amendment 1384 Dorien Rookmaker

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December **2031**.;

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December **2034**.;

Or. en

Amendment 1385 Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel

Proposal for a regulation
Article 1 – paragraph 1 – point 196
Regulation (EU) No 575/2013
Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal **by 31 December 2031**.;

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal;

Or. en

Justification

Only once the comprehensive review of the CMU action plan is complete and EBA has reported on the impact of this action plan on the application of this transitional arrangement can it be evaluated whether or not it should be extended or removed.

Amendment 1386

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 6

Text proposed by the Commission

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.;

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS **and the specificities of the EU economy**, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.;

Or. en

Justification

This amendment aims to give the Commission the option to adjust risk weights, not only for exposures secured by mortgages on residential property, but also for exposures secured by mortgages on commercial property, in the same time frame, on the basis of the additional EBA report due in 2027 by means of a legislative proposal.

Amendment 1387

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 – subparagraph 6 a (new)

Text proposed by the Commission

Amendment

EBA shall assess the appropriateness of adjusting risk weights for exposures

secured by mortgages on commercial property, taking into account the appropriateness of risk weights for exposures secured by mortgages on residential property laid out in the first subparagraph and the relative differences in risk, and report to the Commission by 31 December 2027.

Or. en

Justification

This amendment aims to widen the scope of the EBA report to assess whether the proposed transitional treatment of exposures secured by mortgages on residential property should be applied to exposures secured by mortgages on commercial property also.

Amendment 1388

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

Proposal for a regulation

Article 1 – paragraph 1 – point 196

Regulation (EU) No 575/2013

Article 465 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5 a. By way of derogation from Article 92, paragraph 5, when the standardized risk-weighted exposure amounts for credit risk and dilution risk referred to in paragraph 4, point (a), and for counterparty risk arising from the trading book business as referred to in point (f) of that paragraph shall be calculated using the SEC-SA following Article 261 or Article 262 of Regulation (EU) n°575/2013, parent institutions, parent financial holding companies or parent mixed financial holding companies, stand-alone institutions in the EU shall be permitted, until the completion of the comprehensive review of the EU securitisation framework as part of the Capital Markets Union Action Plan, to apply the following modifications:

(a) $p = 0,25$ for a position in an STS securitisation

(b) $p = 0,5$ for a position in anon-STS securitisation

Or. en

Justification

The highly conservative calibration of the SEC-SA means the output floor would very significantly reduce the efficiency of securitisation transactions. While awaiting the delayed “securitisation comprehensive review”, an essential element of the CMU Action Plan, and without prejudice to its outcome, a transitional arrangement providing that the “p” factor is divided by two for the purpose of the Output Floor calculation, in order to mitigate the unintended impact of the SEC-SA is justified.

Amendment 1389

José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation

Article 1 – paragraph 1 – point 196 a (new)

Regulation (EU) No 575/2013

Article 465a – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. By way of derogation from Part Three, Title II, Chapter 6, Sections 3 and 4, parent institutions, parent financial holding companies or parent mixed financial holding companies, stand alone institutions in the EU or stand-alone subsidiary institutions in Member States shall, until 31 December 2029, replace alpha by 1 in the calculation of the exposure value for the contracts listed in Annex II in accordance with the approaches set out in Part Three, Title II, Chapter 6, Sections 3 and 4. The Commission may, having taken into account the EBA report referred to in Article 514 and taking due account of Article 465.4 second subparagraph, adopt a delegated act in accordance with Article 462 to permanently modify the value of alpha, where appropriate.

Amendment 1390

Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 196 a (new)

Regulation (EU) No 575/2013

Article 465a (new)

Text proposed by the Commission

Amendment

(196 a) the following article is inserted:

‘Article 465a

Availability of credit assessment by nominated ECAI

EBA, in coordination with ESMA, shall monitor the availability and comprehensiveness, including as regards to ESG risks, of credit assessments by nominated ECAIs for exposures to corporates. EBA shall report its findings to the Commission by 31 December 2025. On the basis of that report, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2026.

Amendment 1391

Elisabetta Gualmini

Proposal for a regulation

Article 1 – paragraph 1 – point 196 a (new)

Regulation (EU) No 575/2013

Article 471

1. By way of derogation from Article 49(1), **during the period from 31 December 2018 to 31 December 2024**, institutions may choose not to deduct equity holdings in insurance undertakings, reinsurance undertakings and insurance holding companies where the following conditions are met:

(a) the conditions set out in points (a), and (e) of Article 49(1);

(b) the competent authorities are satisfied with the level of risk control and financial analysis procedures specifically adopted by the institution in order to supervise the investment in the undertaking or holding company;

(c) the equity holdings of the institution in the insurance undertaking, reinsurance undertaking or insurance holding company do not exceed 15 % of the Common Equity Tier 1 instruments **issued by that insurance entity as at 31 December 2012 and during the period from 1 January 2013 to 31 December 2024**;

(d) the amount of the equity holding which is not deducted does not exceed the amount held in the Common Equity Tier 1 instruments in the insurance undertaking, reinsurance undertaking or insurance holding company as at 31 December 2012.

2. The equity holdings which are not deducted pursuant to paragraph 1 shall qualify as exposures and be risk weighted at **370 %**.

(196a) Article 471 is replaced by the following:

1. By way of derogation from Article 49(1), institutions may choose not to deduct equity holdings in insurance undertakings, reinsurance undertakings and insurance holding companies where the following conditions are met:

(a) the conditions set out in points (a), and (e) of Article 49(1);

(b) the competent authorities are satisfied with the level of risk control and financial analysis procedures specifically adopted by the institution in order to supervise the investment in the undertaking or holding company;

(c) the equity holdings of the institution in the insurance undertaking, reinsurance undertaking or insurance holding company do not exceed 15 % of the Common Equity Tier 1 instruments;

2. The equity holdings which are not deducted pursuant to paragraph 1 shall qualify as exposures and be risk weighted at **250%**.

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0664>)

Amendment 1392
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 197
Regulation (EU) No 575/2013
Article 494d – introductory part

Text proposed by the Commission

By way of derogation from Article 149, paragraphs 1, 2 and 3, an institution may from **1 January 2025** until 31 December 2027, revert to the Standardised Approach for one or more of the exposure classes provided for in Article 147(2), where all the following conditions are met:

Amendment

By way of derogation from Article 149, paragraphs 1, 2 and 3, an institution may from **[OP please insert date = date of entry into force of this Regulation]** until 31 December 2027, revert to the Standardised Approach for one or more of the exposure classes provided for in Article 147(2), where all the following conditions are met:

Or. en

Justification

This amendment aims to allow for a more flexible reversion in terms of the foreseen time period for this provision. This would avoid future calculations of the output floor for IRBA portfolios which will be required as of 1 January 2025.

Amendment 1393
Markus Ferber

Proposal for a regulation
Article 1 – paragraph 1 – point 197
Regulation (EU) No 575/2013
Article 494d – introductory part

Text proposed by the Commission

By way of derogation from Article 149, paragraphs 1, 2 and 3, an institution may from **1 January 2025** until 31 December 2027, revert to the Standardised Approach for one or more of the exposure classes provided for in Article 147(2), where all the following conditions are met:

Amendment

By way of derogation from Article 149, paragraphs 1, 2 and 3, an institution may from **[OP: insert date of entry into force of this regulation]** until 31 December 2027, revert to the Standardised Approach for one or more of the exposure classes provided for in Article 147(2), where all the following conditions are met:

Or. en

Justification

Allows for more flexibility and an easier transition.

Amendment 1394

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 197

Regulation (EU) No 575/2013

Article 494d – point b

Text proposed by the Commission

(b) the institution requests a reversal to the Standardised Approach only once during *that three year* period;

Amendment

(b) the institution requests a reversal to the Standardised Approach only once during *the* period *set out in paragraph 1*;

Or. en

Justification

This amendment aims align the time period with the period set out in paragraph 1 (starting on [OP please insert date = date of entry into force of this Regulation] and ending on 31 December 2027)

Amendment 1395

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 197

Regulation (EU) No 575/2013

Article 494d – point b

Text proposed by the Commission

(b) the institution requests a reversal to the Standardised Approach only once during that *three year* period;

Amendment

(b) the institution requests a reversal to the Standardised Approach only once during that period;

Or. en

Amendment 1396

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 198

Regulation (EU) No 575/2013

Article 495 – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. Instead of applying the treatment laid down in paragraph 1, institutions that have received the permission to apply the Internal Ratings Based Approach to calculate the risk weighted exposure amount for equity exposures may choose to apply the treatment set out in Article 133 and the transitional arrangements in Article 495a to all of their equity exposures at any time until 31 December 2029.

Amendment

2. Instead of applying the treatment laid down in paragraph 1, institutions that have received the permission to apply the Internal Ratings Based Approach to calculate the risk weighted exposure amount for equity exposures may **alternatively** choose to apply the treatment set out in Article 133 and the transitional arrangements in Article 495a to all of their equity exposures at any time until 31 December 2029.

Or. en

Justification

Commission wording should be maintained.

Amendment 1397

Jonás Fernández

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraph 1 – introductory part

Text proposed by the Commission

1. By way of derogation from the treatment laid down in Article 133(3), equity exposures shall be assigned the following risk-weights:

Amendment

1. By way of derogation from the treatment laid down in Article 133(3), equity exposures shall be assigned the **higher of the risk-weight applicable at the date [one day before the date of entry into force of this amending Regulation], capped at 250%, and the** following risk-weights:

Or. en

Amendment 1398

Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraph 3

Text proposed by the Commission

Amendment

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking. *deleted*

Or. en

Amendment 1399

Danuta Maria Hübner

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraph 3

Text proposed by the Commission

Amendment

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this *deleted*

amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Or. en

Justification

The fact that an institution's equity exposure to an entity is a longer lasting 'strategic investment' in that entity over which the institution exercises significant influence does not justify in itself permanently maintaining a 100% risk weight. A risk weight of 100% is the same as for unrated senior debt. Thus, this cannot reflect the higher risk of being subordinated in equity with only a residual claim on whatever remains after satisfying other claims in case of the default of that entity. The nature of a 'strategic investment' in an entity does not reduce the risk to that institution of a more senior claim on that entity. That 'strategic investments' have a relatively lower risk compared to speculative equity investments is already acknowledged by footnote 1 to CRE20.58 of the Basel III standards, to be implemented by the proposed Article 133(4) of the CRR, which excludes from the category of speculative equity investments any investments which an institution has with the intention of establishing a long-term business relationship. However, this solely justifies the same risk weight for such strategic investments as for any other non-speculative equity investments, but not the same risk weight as for senior claims.

Amendment 1400

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] **to** equity exposures

Amendment

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] - **till a maximum of**

to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

250% - to the current value of equity exposures, **including the part of the exposures not deducted from own funds in accordance with Article 471**, to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Or. en

Amendment 1401
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Amendment

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] - **till a maximum of 250 %** - to equity exposures, **including the part of the exposures not deducted from own funds in accordance with Article 471**, to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which, **at [adoption date]**, they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Amendment 1402
Irene Tinagli

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Amendment

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures, ***including the part of the exposures not deducted from own funds in accordance with Article 471***, to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise, ***at least, control or*** significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Amendment 1403
Lídia Pereira, Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may continue to assign the

Amendment

3. By way of derogation from Article 133, institutions may continue to assign the

same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence **or control** in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking **or when an institution is in the capacity to name at least one member of the management body of the entity.**

Or. en

Amendment 1404

José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Amendment

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence **or control** in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking **or when an institution is in the capacity to name at least one member**

of the management body of the entity.

Or. en

Amendment 1405

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] **to** equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Amendment

3. By way of derogation from Article 133 **and Article 471**, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] – **till a maximum of 250% - to the current value of** equity exposures to entities, **be they corporate or insurance undertakings**, of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Or. en

Amendment 1406

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may ***continue to*** assign ***the same*** risk weight ***that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation]*** to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Amendment

3. By way of derogation from Article 133, institutions may assign ***a*** risk weight ***of 100%*** to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise ***at least*** significant influence ***or control*** in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Or. en

Amendment 1407

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

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may ***continue to*** assign ***the same*** risk weight ***that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation]*** to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an

Amendment

3. By way of derogation from Article 133, institutions may assign ***a*** risk weight ***of 100%*** to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise ***at least*** significant influence ***or control*** in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

undertaking.

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 1408

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Amendment

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they **- or together with the network the institutions belong to -** exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person **or network of institutions** and an undertaking

Or. en

Justification

I expressly welcome the intention of the Commission's grand-fathering regulation on long-term investments. These types of participations are subject to lower default risks, as they are held by the institutions on a long-term basis and with the aim of long-term cooperation (partly also taking into account a controlling influence). Nevertheless, such regulation must be available to all institutions and must therefore be adapted with regard to institutions that

cooperate in a network of institutions. Institutions in a network of institutions often only jointly have a controlling influence in the associated company. Therefore, the I proposes a corresponding addition. Without this addition, associations would be disadvantaged in comparison to groups - this would not be appropriate.

Amendment 1409
Sirpa Pietikäinen

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may ***continue to*** assign ***the same*** risk weight ***that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation]*** to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Amendment

3. By way of derogation from Article 133, institutions may assign risk weight ***of 100 %*** to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise ***at least*** significant influence ***or control*** in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking, ***regardless of the sector that undertaking is active in, of the risk weight previously assigned to the exposures, and of the approach previously applied to the exposures.***

Or. en

Amendment 1410
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may ***continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation]*** to equity exposures to entities of which they have been a shareholder at [***adoption date***] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Amendment

3. By way of derogation from Article 133, institutions may assign ***a risk weight of 100%*** to equity exposures to entities of which they have been a shareholder at [***OP please insert the date = 2 years after the date of entry into force of this amending Regulation***] for six consecutive years and over which they exercise significant influence in the meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a similar relationship between any natural or legal person and an undertaking.

Or. en

Justification

This amendment aims to allow institutions (standardised and internal model) to assign a risk weight of 100% to strategic equity exposures to avoid a potential sell-off of these exposures.

Amendment 1411

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraph 3

Text proposed by the Commission

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the

Amendment

3. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and over which they exercise significant influence in the

meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a *similar* relationship between any natural or legal person and an undertaking.

meaning of Directive 2013/34/EU, or the accounting standards to which an institution is subject under Regulation (EC) No 1606/2002, or a *comparable* relationship between any natural or legal person and an undertaking.

Or. en

Justification

Commission text should be maintained.

Amendment 1412

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

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3 a. By way of derogation from Article 133, institutions may continue to assign the same risk weight that was applicable as of [OP please insert the date = one day before the date of entry into force of this amending Regulation] to equity exposures to entities of which they have been a shareholder at [adoption date] for six consecutive years and meet the following conditions:

- The entity is owned in a partnership between other institutions or entities in the financial sector

- The entity is a credit institution or a financial institution

-The shareholders buy or convey services or products produced by the entity

- The partnership between shareholders put together the main part of the board of directors of the entity with representatives from the shareholders

- The shareholders of the entity possess the equity investment with the intention of establishing a long term business relationship

- Acquisition of equity in the entity must be approved by the management of the shareholder institutions or entities in the financial sector.

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

Or. en

Justification

In order to maintain current business models and ownership structures in smaller and regional institutions and uphold their competitiveness, the risk weight should be kept at 100% for existing strategic equity investments in jointly owned credit institutions and financial institutions that provide products and services to the shareholders and their customers and meet certain conditions which ensure low risk.

Amendment 1413

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495a – paragraphs 3 a (new)

Text proposed by the Commission

Amendment

3a. By way of derogation from Article 471, the amount of equity exposures currently held in insurance undertakings, reinsurance undertakings and insurance holding companies not deducted from own funds in accordance with paragraph 3 of this Article, where such holdings do not exceed 15% of the Common Equity Tier 1 instrument issued by that insurance entity shall be risk weighted at 250%.

Or. en

Amendment 1414
Agnès Evren

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495b – paragraph 1 – point a

Text proposed by the Commission

(a) **50** % during the period from 1 January 2025 to 31 December **2027**;

Amendment

(a) **30** % during the period from 1 January 2025 to 31 December **2028**;

Or. en

Amendment 1415
Dorien Rookmaker

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495b – paragraph 1 – point a

Text proposed by the Commission

(a) **50** % during the period from 1 January 2025 to 31 December **2027**;

Amendment

(a) **30** % during the period from 1 January 2025 to 31 December **2028**;

Or. en

Amendment 1416
Dorien Rookmaker

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495b – paragraph 1 – point b

Text proposed by the Commission

(b) **80** % during the period from 1 January **2028** to 31 December 2028;

Amendment

(b) **70** % during the period from 1 January **2029** to 31 December 2028;

Amendment 1417
Agnès Evren

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495b – paragraph 1 – point b

Text proposed by the Commission

(b) **80 %** during the period from 1 January **2028** to 31 December **2028**;

Amendment

(b) **70 %** during the period from 1 January **2029** to 31 December **2030**;

Or. en

Amendment 1418
Agnès Evren

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495b – paragraph 1 – point c

Text proposed by the Commission

(c) **100 % during the period** from 1 January **2029 to 31 December 2029**.

Amendment

(c) **80 %** from 1 January **2031**.

Or. en

Amendment 1419
Dorien Rookmaker

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495b – paragraph 1 – point c

Text proposed by the Commission

(c) **100 %** during the period from 1

Amendment

(c) **80 %** during the period from 1

Amendment 1420

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

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495b – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. EBA shall prepare a report on the appropriate calibration of risk parameters applicable to specialised lending exposures under the IRB Approach, and in particular on own estimates of LGD and LGD input floors. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for different samples of institutions with different business and risk profiles.

Amendment

2. EBA shall prepare a report on the appropriate calibration of risk parameters, ***including haircut parameter***, applicable to specialised lending exposures under the IRB Approach, and in particular on own estimates of LGD and LGD input floors, ***for each specific category of specialised lending as defined in Articles 122a(3)(a), 122a(3)(b) and 122a(3)(c)***. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for different samples of institutions with different business and risk profiles. ***EBA shall recommend specific calibrations of risk parameters that would reflect the specific and different risk profile of each of the aforementioned categories of specialised lending exposures.***

Justification

Important EBA report on risk parameters applicable to specialised lending under IRB approach. Further details are provided about the content of the EBA report and the expectation that the EBA report must make concrete recommendations on specific risk parameters consistent with the risk profile of each category of specialised lending exposures, which differs from one category to the next.

Amendment 1421

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495b – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. EBA shall prepare a report on the appropriate calibration of **risk parameters** applicable to specialised lending exposures under the IRB Approach, **and in particular on own estimates of LGD and LGD input floors**. EBA shall in particular include in its report data on **average** numbers of defaults and realised losses observed in the Union for different samples of institutions with different business and risk profiles.

Amendment

2. EBA shall prepare a report on the appropriate calibration of **final LGD input floors, including the haircut parameter**, applicable to specialised lending exposures under the IRB Approach, **in order not to penalize high quality transactions**. EBA shall in particular include in its report **detailed** data on numbers of defaults and realised losses observed in the Union for different samples of institutions with different business and risk profiles, **and also an assessment of the impact of the applicable regulation and guidelines, on the financing of underlying economic activities financed by SLEs**.

Or. en

Amendment 1422

Dorien Rookmaker

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495b – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. EBA shall prepare a report on the appropriate calibration of **risk parameters** applicable to specialised lending exposures under the IRB Approach, **and in particular on own estimates of LGD and LGD input floors**. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for different samples of institutions

Amendment

2. EBA shall prepare a report on the appropriate calibration of **final LGD input floors, including the haircut parameter**, applicable to specialised lending exposures under the IRB Approach, **in order not to penalize high quality transactions**. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for

with different business and risk profiles.

different samples of institutions with different business and risk profiles, **and also an assessment of the impact of the applicable regulation and guidelines, on the financing of underlying economic activities financed by SLEs**

Or. en

Amendment 1423

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495b – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. EBA shall prepare a report on the appropriate calibration of risk parameters applicable to specialised lending exposures under the IRB Approach, and in particular on own estimates of LGD and LGD input floors. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for different samples of institutions with different business and risk profiles.

Amendment

2. EBA shall prepare a report on the appropriate calibration of risk parameters applicable to specialised lending exposures under the IRB Approach, and in particular on own estimates of LGD and LGD input floors. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for different samples of institutions with different business and risk profiles **and, if applicable, any significant Member State differences.**

Or. en

Justification

This amendment aims to introduce Member State differences in the EBA report to assess whether specialised lending exposures can be treated similarly across the EU.

Amendment 1424

Agnès Evren

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Text proposed by the Commission

EBA shall **submit the report on its findings to the European Parliament, to the Council, and to the Commission, by 31 December 2025.**

Amendment

EBA shall, **by one year after the entry into force of this Regulation, issue guidelines, in accordance with Article 16 of Regulation (EU) N° 1093/2010, related to internal modelling of PD and LGD of specialised lending, taking into account their specificities, with notably discount rate assumption.**

Or. en

Amendment 1425
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495b – paragraph 2 – subparagraph 3

Text proposed by the Commission

On the basis of that report, the Commission shall **be empowered to amend this Regulation by adopting a delegated act**, where appropriate, **in accordance with Article 462**, to amend the treatment applicable to specialised lending exposures under Part Three, Title II.?’;

Amendment

On the basis of that report **and taking due account of the related internationally agreed standards developed by the BCBS and the specificities of the EU economy**, the Commission shall, where appropriate, **submit to the European Parliament and to the Council a legislative proposal by 31 December 2027**, to amend the treatment applicable to specialised lending exposures under Part Three, Title II.?’;

Or. en

Justification

This amendment aims to introduce a legislative proposal by the Commission instead of a delegated act for the treatment of specialised lending exposures. Additionally, it aims to ensure that a balance between the faithful implementation of the internationally agreed standards developed by the BCBS and specificities of the EU economy remain a driver for possible Commission proposal.

Amendment 1426
Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495c – paragraph 1 – introductory part

Text proposed by the Commission

1. By way of derogation from Article 230, the applicable value of H_c corresponding to ‘other physical collateral’ for the exposures referred to in Article 199(7) where the **property** leased corresponds to the ‘other physical collateral’ type of funded credit protection, shall be the value of H_c for ‘other physical collateral’ provided for in Article 230(2), Table 1, multiplied by the following factors:

Amendment

1. By way of derogation from Article 230, the applicable value of H_c corresponding to ‘other physical collateral’ for the exposures referred to in Article 199(7) where the **asset** leased corresponds to the ‘other physical collateral’ type of funded credit protection, shall be the value of H_c for ‘other physical collateral’ provided for in Article 230(2), Table 1, multiplied by the following factors:

Or. en

Amendment 1427
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495c – paragraph 1 – introductory part

Text proposed by the Commission

1. By way of derogation from Article 230, the applicable value of H_c corresponding to ‘other physical collateral’ for the exposures referred to in Article 199(7) where the **property** leased corresponds to the ‘other physical collateral’ type of funded credit protection, shall be the value of H_c for ‘other physical collateral’ provided for in Article 230(2), Table 1, multiplied by the following factors:

Amendment

1. By way of derogation from Article 230, the applicable value of H_c corresponding to ‘other physical collateral’ for the exposures referred to in Article 199(7) where the **asset** leased corresponds to the ‘other physical collateral’ type of funded credit protection, shall be the value of H_c for ‘other physical collateral’ provided for in Article 230(2), Table 1, multiplied by the following factors:

Justification

This amendment proposes to use the word "asset" instead of "property", as in some jurisdictions, translation into national languages might implicitly assume a real estate connotation.

Amendment 1428**Markus Ferber****Proposal for a regulation****Article 1 – paragraph 1 – point 199**

Regulation (EU) No 575/2013

Article 495c – paragraph 1 – introductory part

Text proposed by the Commission

1. By way of derogation from Article 230, the applicable value of H_c corresponding to ‘other physical collateral’ for the exposures referred to in Article 199(7) where the *property* leased corresponds to the ‘other physical collateral’ type of funded credit protection, shall be the value of H_c for ‘other physical collateral’ provided for in Article 230(2), Table 1, multiplied by the following factors:

Amendment

1. By way of derogation from Article 230, the applicable value of H_c corresponding to ‘other physical collateral’ for the exposures referred to in Article 199(7) where the *asset* leased corresponds to the ‘other physical collateral’ type of funded credit protection, shall be the value of H_c for ‘other physical collateral’ provided for in Article 230(2), Table 1, multiplied by the following factors:

Justification

To clarify that his exemption does not only apply to leased real estate.

Amendment 1429**Othmar Karas****Proposal for a regulation****Article 1 – paragraph 1 – point 199**

Regulation (EU) No 575/2013

Article 495c – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. EBA shall prepare a report on the appropriate calibrations of risk parameters associated with leasing exposures under the IRB Approach, and in particular on the LGD_s and H_c provided for in Article 230. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for exposures associated with different types of leased **properties** and different types of institutions practicing leasing activities.

Amendment

2. EBA shall prepare a report on the appropriate calibrations of risk parameters associated with leasing exposures **for different asset categories** under the IRB Approach, and in particular on the LGD_s and H_c provided for in Article 230 **as well as appropriate calibrations of risk parameters associated with leasing exposures for different asset categories under the standard approach**. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for exposures associated with different types of leased **assets** and different types of institutions practicing leasing activities.

Or. en

Justification

This amendment also proposes to use the word "asset" instead of "property", as in some jurisdictions, translation into national languages might implicitly assume a real estate connotation. Moreover, it proposes to increase the scope of the EBA report to specify treatment of different asset classes as well as the calibration under that standard approach.

Amendment 1430
Engin Eroglu

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495c – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. EBA shall prepare a report on the appropriate calibrations of risk parameters associated with leasing exposures under the IRB **Approach, and** in particular on the LGD_s and H_c provided for in Article 230. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for

Amendment

2. EBA shall prepare a report on the appropriate calibrations of risk parameters associated with **movable** leasing exposures **for different asset categories** under the IRB, in particular on the LGD_s and H_c provided for in Article 230. **The report shall also propose risk weights calibrations for leasing under the**

exposures associated with different types of leased *properties* and different types of institutions practicing leasing activities.

Standardised Approach (SA) that more adequately reflect its risk profile. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for exposures associated with different types of leased *assets* and different types of institutions practicing leasing activities.

Or. en

Amendment 1431

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

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495c – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. EBA shall prepare a report on the appropriate calibrations of risk parameters associated with leasing exposures under the IRB Approach, and in particular on the LGD_s and H_c provided for in Article 230. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for exposures associated with different types of leased properties and different types of institutions practicing leasing activities.

Amendment

2. EBA shall prepare a report on the appropriate calibrations of risk parameters associated with leasing exposures under ***the Standardised Approach for Credit Risk and*** the IRB Approach, and in particular on the LGD_s and H_c provided for in Article 230. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for exposures associated with different types of leased properties and different types of institutions practicing leasing activities.

Or. en

Justification

The EBA should look at both IRB and SA, to ensure a level playing field between all actors.

Amendment 1432

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) 575/2013

Article 495c – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. EBA shall prepare a report on the appropriate calibrations of risk parameters associated with leasing exposures under the IRB Approach, and in particular on the LGD_s and H_c provided for in Article 230. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for exposures associated with different types of leased *properties* and different types of institutions practicing leasing activities.

Amendment

2. EBA shall prepare a report on the appropriate calibrations of risk parameters associated with leasing exposures under the IRB *and Standard* Approach, and in particular on the LGD_s and H_c provided for in Article 230. EBA shall in particular include in its report data on average numbers of defaults and realised losses observed in the Union for exposures associated with different types of leased *assets* and different types of institutions practicing leasing activities.

Or. en

Amendment 1433

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495c – paragraph 2 – subparagraph 2

Text proposed by the Commission

EBA shall submit the report on its finding to the European Parliament, to the Council, and to the Commission, by **30 June 2026**.

Amendment

EBA shall submit the report on its finding to the European Parliament, to the Council, and to the Commission, by **31 December 2025**.

Or. en

Justification

This amendment aims to accelerate the EBA report by setting the deadline to 31 December 2025.

Amendment 1434
Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495c – paragraph 2 – subparagraph 3

Text proposed by the Commission

On the basis of that report, the Commission shall ***be empowered to amend this Regulation by adopting a delegated act***, where appropriate, ***in accordance with Article 462***, to amend the treatment applicable to exposures arising from leasing under Part Three, Title II.’;

Amendment

On the basis of that report, ***and taking due account of the related internationally agreed standards developed by the BCBS and the specificities of the EU economy***, the Commission shall, where appropriate, ***submit to the European Parliament and to the Council a legislative proposal by 31 December 2027***, to amend the treatment applicable to exposures arising from leasing under Part Three, Title II.’;

Or. en

Justification

This amendment aims to introduce a legislative proposal by the Commission instead of a delegated act for the treatment of specialised lending exposures. Additionally, it aims to ensure that a balance between the faithful implementation of the internationally agreed standards developed by the BCBS and specificities of the EU economy remain a driver for possible Commission proposal.

Amendment 1435
Danuta Maria Hübner

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495d – title

Text proposed by the Commission

Article 495d

Transitional arrangements for unconditional cancellable commitments

Amendment

deleted

Or. en

Justification

Amendments 62 to 64 deletes transitions arrangements provided in this Article as the rationale for this transitional deviation as explained by the Commission is ‘to allow the EBA to assess whether the impact of a 10% CCF for those commitments would not lead to unintended consequences for certain types of obligors that rely on those commitment as a source of flexible funding’. This rationale conflicts with the very purpose of own funds requirements for credit risk. The purpose of these requirements is to protect depositors and other creditors of institutions against losses arising from credit risk to which an institution is exposed. This core protective function would be damaged by applying zero or lower own funds requirements for the sake of obligors that rely on costs for their flexible funding that are not sustainable for institutions in view of the potential credit losses from such commitments. CRE20.100 of the Basel III standards, which is based on empirical evidence, has now addressed the previous gap in protection against credit losses from additional drawings on unconditionally cancellable credit lines, by requiring a credit conversion factor of at least 10% for any committed but still undrawn amount, even where the credit line is unconditionally cancellable without prior notice. This necessary correction must not be delayed by a phase-in period. Indeed, perpetuating this imprudent gap by a permanent deviation from the Basel III standards would be even more imprudent.

Amendment 1436

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

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495d – title

Text proposed by the Commission

Amendment

Article 495d

deleted

***Transitional arrangements for
unconditional cancellable commitments***

Or. en

Justification

Suggested by ECB

Amendment 1437

Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495d – title

Text proposed by the Commission

Amendment

Article 495d **deleted**

**Transitional arrangements for
unconditional cancellable commitments**

Or. en

Amendment 1438
Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495d – title

Text proposed by the Commission

Amendment

Article 495d **deleted**

**Transitional arrangements for
unconditional cancellable commitments**

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by the ECB in its opinion. The amendments proposed in the Rapporteur's draft report do not yet bring the CRR proposals fully in line with the Basel standards. The draft report eliminates the possibility to prolong the transitional arrangements (art. 495d §2) but not the transitional arrangements themselves (art. 495d §1). It is suggested to follow the ECB proposal to delete both.

Amendment 1439
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495d – paragraph 1

Text proposed by the Commission

Amendment

1. By way of derogation from Article 111(2), institutions shall calculate the exposure value of an off-balance sheet item in the form of unconditionally cancellable commitment by multiplying the percentage provided for in that Article by the following factors: *deleted*

(a) 0 % during the period from 1 January 2025 to 31 December 2029;

(b) 25 % during the period from 1 January 2030 to 31 December 2030;

(c) 50 % during the period from 1 January 2031 to 31 December 2031;

(d) 75 % during the period from 1 January 2032 to 31 December 2032.

Or. en

Amendment 1440

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

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495d – paragraph 1

Text proposed by the Commission

Amendment

1. By way of derogation from Article 111(2), institutions shall calculate the exposure value of an off-balance sheet item in the form of unconditionally cancellable commitment by multiplying the percentage provided for in that Article by the following factors: *deleted*

(a) 0 % during the period from 1 January 2025 to 31 December 2029;

- (b) 25 % during the period from 1 January 2030 to 31 December 2030;**
- (c) 50 % during the period from 1 January 2031 to 31 December 2031;**
- (d) 75 % during the period from 1 January 2032 to 31 December 2032.**

Or. en

Justification

Suggested by ECB

Amendment 1441

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495d – paragraph 1

Text proposed by the Commission

Amendment

1. By way of derogation from Article 111(2), institutions shall calculate the exposure value of an off-balance sheet item in the form of unconditionally cancellable commitment by multiplying the percentage provided for in that Article by the following factors: *deleted*

- (a) 0 % during the period from 1 January 2025 to 31 December 2029;**
- (b) 25 % during the period from 1 January 2030 to 31 December 2030;**
- (c) 50 % during the period from 1 January 2031 to 31 December 2031;**
- (d) 75 % during the period from 1 January 2032 to 31 December 2032.**

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global

perspective, the EP should follow the call for more Basel compliance expressed by the ECB in its opinion. The amendments proposed in the Rapporteur's draft report do not yet bring the CRR proposals fully in line with the Basel standards. The draft report eliminates the possibility to prolong the transitional arrangements (art. 495d §2) but not the transitional arrangements themselves (art. 495d §1). It is suggested to follow the ECB proposal to delete both.

Amendment 1442
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495d – paragraph 1

Text proposed by the Commission

Amendment

1. *By way of derogation from Article 111(2), institutions shall calculate the exposure value of an off-balance sheet item in the form of unconditionally cancellable commitment by multiplying the percentage provided for in that Article by the following factors:*

(a) *0 % during the period from 1 January 2025 to 31 December 2029;*

(b) *25 % during the period from 1 January 2030 to 31 December 2030;*

(c) *50 % during the period from 1 January 2031 to 31 December 2031;*

(d) *75 % during the period from 1 January 2032 to 31 December 2032.*

deleted

Or. en

Amendment 1443
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
2013
Article 495d – paragraph 1 – subparagraph 1a (new)

Text proposed by the Commission

Amendment

This also applies to all the items listed in bucket 5 of Annex I.

Or. en

Amendment 1444
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495d – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

This also applies to all the items listed in bucket 5 of Annex I

Or. en

Justification

The proposed change aims at clarifying the transitional arrangement. Indeed bucket 5 of the Annex to the CRR lists a number of different cancellable facilities, UCC being the first item in the list, so it should be clarified that Article 495d also applies to other items in the list of this bucket.

Amendment 1445
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495d – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

This also applies to all the items listed in bucket 5 of Annex I;

Or. en

Amendment 1446
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495d – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

This also applies to all the items listed in bucket 5 of Annex I.

Or. en

Amendment 1447
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495d – paragraph 2

Text proposed by the Commission

Amendment

2. EBA shall prepare a report to assess whether the derogation referred to in paragraph 1, point (a), should be extended beyond 31 December 2032 and, where necessary, the conditions under which that derogation should be maintained.

deleted

EBA shall submit the report on its finding to the European Parliament, to the Council, and to the Commission, by 31 December 2028.

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.’;

Amendment 1448**Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca****Proposal for a regulation****Article 1 – paragraph 1 – point 199**

Regulation (EU) No 575/2013

Article 495d – paragraph 2

*Text proposed by the Commission**Amendment*

2. EBA shall prepare a report to assess whether the derogation referred to in paragraph 1, point (a), should be extended beyond 31 December 2032 and, where necessary, the conditions under which that derogation should be maintained. *deleted*

EBA shall submit the report on its finding to the European Parliament, to the Council, and to the Commission, by 31 December 2028.

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.’;

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by the ECB in its opinion. The amendments proposed in the Rapporteur’s draft report do not yet bring the CRR proposals fully in line with the Basel standards. The draft report eliminates the possibility to prolong the transitional arrangements (art. 495d §2) but not the transitional arrangements themselves (art. 495d §1). It is suggested to follow the ECB proposal to delete both.

Amendment 1449

Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495d – paragraph 2

Text proposed by the Commission

Amendment

2. EBA shall prepare a report to assess whether the derogation referred to in paragraph 1, point (a), should be extended beyond 31 December 2032 and, where necessary, the conditions under which that derogation should be maintained.

deleted

EBA shall submit the report on its finding to the European Parliament, to the Council, and to the Commission, by 31 December 2028.

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.’;

Or. en

Amendment 1450

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

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495d – paragraph 2

Text proposed by the Commission

Amendment

2. EBA shall prepare a report to assess whether the derogation referred to in paragraph 1, point (a), should be extended beyond 31 December 2032 and,

deleted

where necessary, the conditions under which that derogation should be maintained.

EBA shall submit the report on its finding to the European Parliament, to the Council, and to the Commission, by 31 December 2028.

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.’;

Or. en

Justification

Suggested by ECB

Amendment 1451
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 199
Regulation (EU) No 575/2013
Article 495d – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. EBA shall prepare a report to assess whether the derogation referred to in paragraph 1, point (a), should be extended beyond 31 December 2032 and, where necessary, the conditions under which that derogation should be maintained.

Amendment

2. EBA shall prepare a report to assess whether the derogation referred to in paragraph 1, point (a), should be extended, ***or recalibrated otherwise***, beyond 31 December 2032 and, where necessary, the conditions under which that derogation should be maintained.

Or. en

Justification

This amendment aims to include into the scope of the EBA report the possibility of a recalibration other than the one laid out in the derogation referred to in paragraph 1.

Amendment 1452

José Manuel García-Margallo y Marfil

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495d – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. EBA shall prepare a report to assess whether the derogation referred to in paragraph 1, point (a), should be extended beyond 31 December 2032 and, where necessary, the conditions under which that derogation should be maintained.

Amendment

2. EBA shall prepare a report to assess whether the derogation referred to in paragraph 1, point (a), should be extended beyond 31 December 2029 and, where necessary, the conditions under which that derogation should be maintained.

Or. en

Amendment 1453

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495d – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. EBA shall prepare a report to assess whether the derogation referred to in paragraph 1, point (a), should be extended beyond 31 December 2032 and, **where necessary**, the conditions under which that derogation should be maintained.

Amendment

2. EBA shall prepare a report to assess whether the derogation referred to in paragraph 1, point (a), should be extended beyond 31 December 2032 and **detail** the conditions under which that derogation should be maintained.

Or. en

Justification

Commission text on Art 495d should be maintained.

Amendment 1454

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495d – paragraph 2 – subparagraph 2

Text proposed by the Commission

Amendment

EBA shall submit the report on its finding to the European Parliament, to the Council, and to the Commission, by 31 December 2028. ***deleted***

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by the ECB in its opinion. The amendments proposed in the Rapporteur's draft report do not yet bring the CRR proposals fully in line with the Basel standards. The draft report eliminates the possibility to prolong the transitional arrangements (art. 495d §2) but not the transitional arrangements themselves (art. 495d §1). It is suggested to follow the ECB proposal to delete both.

Amendment 1455

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495d – paragraph 2 – subparagraph 2

Text proposed by the Commission

Amendment

EBA shall submit the report on its finding to the European Parliament, to the Council, and to the Commission, by 31 December **2028**.

EBA shall submit the report on its finding to the European Parliament, to the Council, and to the Commission, by 31 December **2027**.

Or. en

Justification

This amendment aims to accelerate the EBA report by 1 year in order to allow for a

Commission proposal before the derogation referred to in paragraph 1 is set to end.

Amendment 1456

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495d – paragraph 2 – subparagraph 3

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2031.; ***deleted***

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by the ECB in its opinion. The amendments proposed in the Rapporteur's draft report do not yet bring the CRR proposals fully in line with the Basel standards. The draft report eliminates the possibility to prolong the transitional arrangements (art. 495d §2) but not the transitional arrangements themselves (art. 495d §1). It is suggested to follow the ECB proposal to delete both.

Amendment 1457

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 199

Regulation (EU) No 575/2013

Article 495d – paragraph 2 – subparagraph 3

Text proposed by the Commission

Amendment

On the basis of that report and taking due account of the related internationally agreed standards developed by the BCBS,

On the basis of that report, and taking due account of the related internationally agreed standards developed by the BCBS

the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December **2031**.’;

and the specificities of the EU economy the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December **2029**.’;

Or. en

Justification

This amendment aims to accelerate the Commission proposal, in order to allow for a possible recalibration before the derogation referred to in paragraph 1 is set to end.

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Amendment 1458

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 199 a (new)

Regulation (EU) No 575/2013

Article 495da (new)

Text proposed by the Commission

Amendment

Article 495da

By way of derogation from Article 122 (2), institutions may assign a risk weight of 65% to exposures to corporates for which no credit assessment by a nominated ECAI is available provided that the PD of those exposures is not higher than 0.4%. When estimating the respective PD, the following conditions shall be met and be subject to supervisory review:

a) the requirements in Article 178 concerning the definition of default,

b) the qualitative requirements laid down in Part III, Title II, Chapter III, Section 6 with regard to the rating process.

Or. en

Justification

Although the revised standardised approach is more risk-sensitive than the current

framework, there is still a significant difference to the applicable risk weights under the IRBA. As IRBA models are still more risk-sensitive than the prescribed risk weights in the standardised approach, this difference is justified in principle. However, if the difference becomes too large, the respective incentives will lead to an undesirable concentration of comparatively risky exposures in standardised banks et vice versa. Therefore, the proposed 65% risk weight for investment grade corporates for the calculation of the output floor should be made available for banks applying the standardised approach as well. In addition, this potential, risk-based capital relief will have a positive impact on institutions' lending capacities and their ability to support the economy in challenging times.

Amendment 1459

Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 199 a (new)

Regulation (EU) No 575/2013

Article 495db (new)

Text proposed by the Commission

Amendment

Article 495db

By way of derogation from Article 125 (1), point (a), institutions may assign a risk weight of 10% to the part of the exposures secured by mortgages on residential property up to 55% of the property value. For the purposes of assigning the risk weights in accordance with the first subparagraph, all of the following conditions shall be met:

- (a) over the last six years the institution's losses on the part of such exposures up to 55 % of the property value do not exceed on average 0,25 % of the total amount, across all such exposures, of credit obligations outstanding in a given year;***
- (b) for the qualifying exposures the institution can take the following recourse action in the event of the default or non-payment of the obligor:***
 - (i) a recourse to the residential immovable property securing the exposure;***
 - (ii) a recourse to the other assets and income of the obligor.***

Justification

All in all, CR-SA banks will still have to meet higher capital requirements for identical residential real estate portfolios compared to institutions applying the IRBA. However, the suggested criteria are not in any connection with the approach chosen by the institution (CR-SA vs IRBA). Therefore, following the principle of “same risk, same rules” the treatment should be available in the CR-SA in general, for all banks, not only for the calculation of the output floor.

Amendment 1460

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation**Article 1 – paragraph 1 – point 199 a (new)**

Regulation (EU) No 575/2013

Article 500 – paragraph 1

Present text

1. By way of derogation from point (a) of Article 181(1), an institution may adjust its LGD estimates by partly or fully offsetting the effect of massive disposals of defaulted exposures on realised LGDs up to the difference between the average estimated LGDs for comparable exposures in default that have not been finally liquidated and the average realised LGDs including on the basis of the losses realised due to massive disposals, as soon as all the following conditions are met:

(a) the institution has notified the competent authority of a plan providing the scale, composition and the dates of the disposals of defaulted exposures;

(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than **28 June 2022**;

(c) the cumulative amount of defaulted exposures disposed of since the date of the first disposal in accordance with the plan

Amendment

(199a) article 500(1) is replaced by the following:

1. By way of derogation from point (a) of Article 181(1), an institution may adjust its LGD estimates by partly or fully offsetting the effect of massive disposals of defaulted exposures on realised LGDs up to the difference between the average estimated LGDs for comparable exposures in default that have not been finally liquidated and the average realised LGDs including on the basis of the losses realised due to massive disposals, as soon as all the following conditions are met:

(a) the institution has notified the competent authority of a plan providing the scale, composition and the dates of the disposals of defaulted exposures;

(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than **31 December 2024**;

(c) the cumulative amount of defaulted exposures disposed of since the date of the first disposal in accordance with the plan

referred to in point (a) has surpassed 20 % of the **outstanding** amount of all defaulted exposures as of the date of the first disposal referred to in points (a) and (b).

The adjustment referred to in the first subparagraph may only be carried out until **28 June 2022** and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.

referred to in point (a) has surpassed 20 % of the **cumulative** amount of all defaulted exposures as of the date of the first disposal referred to in points (a) and (b).

The adjustment referred to in the first subparagraph may only be carried out until **31 December 2024** and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.

Or. en

Amendment 1461 **Raffaele Fitto**

Proposal for a regulation

Article 1 – paragraph 1 – point 199 a (new)

Regulation (EU) No 575/2013

Article 500 – paragraph 1

Present text

1. By way of derogation from point (a) of Article 181(1), an institution may adjust its LGD estimates by partly or fully offsetting the effect of massive disposals of defaulted exposures on realised LGDs up to the difference between the average estimated LGDs for comparable exposures in default that have not been finally liquidated and the average realised LGDs including on the basis of the losses realised due to massive disposals, as soon as all the following conditions are met:

(a) the institution has notified the competent authority of a plan providing the scale, composition and the dates of the disposals of defaulted exposures;

(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than **28 June 2022**;

Amendment

(199 a) Article 500(1) is replaced by the following:

1. By way of derogation from point (a) of Article 181(1), an institution may adjust its LGD estimates by partly or fully offsetting the effect of massive disposals of defaulted exposures on realised LGDs up to the difference between the average estimated LGDs for comparable exposures in default that have not been finally liquidated and the average realised LGDs including on the basis of the losses realised due to massive disposals, as soon as all the following conditions are met:

(a) the institution has notified the competent authority of a plan providing the scale, composition and the dates of the disposals of defaulted exposures;

(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but

(c) the cumulative amount of defaulted exposures disposed of since the date of the first disposal in accordance with the plan referred to in point (a) has surpassed 20 % of the *outstanding* amount of all defaulted exposures as of the date of the first disposal referred to in points (a) and (b).

The adjustment referred to in the first subparagraph may only be carried out until **28 June 2022** and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.

not later than **31 December 2024**;

(c) the cumulative amount of defaulted exposures disposed of since the date of the first disposal in accordance with the plan referred to in point (a) has surpassed 20 % of the *cumulative* amount of all defaulted exposures as of the date of the first disposal referred to in points (a) and (b).

The adjustment referred to in the first subparagraph may only be carried out until **31 December 2024** and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.

Or. en

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>

Amendment 1462

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 199 a (new)

Regulation (EU) No 575/2013

Article 500 – paragraph 1

Present text

1. By way of derogation from point (a) of Article 181(1), an institution may adjust its LGD estimates by partly or fully offsetting the effect of massive disposals of defaulted exposures on realised LGDs up to the difference between the average estimated LGDs for comparable exposures in default that have not been finally liquidated and the average realised LGDs including on the basis of the losses realised due to massive disposals, as soon as all the following conditions are met:

(a) the institution has notified the competent authority of a plan providing the

Amendment

(199 a) in Article 500(1) is replaced by the following:

‘1. By way of derogation from point (a) of Article 181(1), an institution may adjust its LGD estimates by partly or fully offsetting the effect of massive disposals of defaulted exposures on realised LGDs up to the difference between the average estimated LGDs for comparable exposures in default that have not been finally liquidated and the average realised LGDs including on the basis of the losses realised due to massive disposals, as soon as all the following conditions are met:

(a) the institution has notified the competent authority of a plan providing the

scale, composition and the dates of the disposals of defaulted exposures;

(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than **28 June 2022**;

(c) the cumulative amount of defaulted exposures disposed of since the date of the first disposal in accordance with the plan referred to in point (a) has surpassed 20 % of the **outstanding** amount of **all defaulted exposures** as of the date of the first disposal referred to in points (a) and (b).

The adjustment referred to in the first subparagraph may only be carried out until **28 June 2022** and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.

scale, composition and the dates of the disposals of defaulted exposures;

(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than **31 December 2025**;

(c) the cumulative amount of defaulted exposures disposed of since the date of the first disposal in accordance with the plan referred to in point (a) has surpassed 20% of the **cumulative** amount of **defaults** as of the date of the first disposal referred to in points (a) and (b).

The adjustment referred to in the first subparagraph may only be carried out **on disposals formally approved by the bank competent body on the basis of the offers received** until **31 December 2025** and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.'

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Amendment 1463

Irene Tinagli

Proposal for a regulation

Article 1 – paragraph 1 – point 199 a (new)

Regulation (EU) No 575/2013

Article 500

Present Text

(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than **28 June 2022**;

Amendment

(199 a) Article 500 is amended as follows:

a) paragraph 1, point b) is replaced by the following:

'(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than **31 December 2026**'

(b) paragraph 1, subparagraph 2, is replaced by the following:

The adjustment referred to in the first subparagraph may only be carried out until **28 June 2022** and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.

'The adjustment referred to in the first subparagraph may only be carried out *until 31 December 2026* and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.'

c) a new paragraph 2a is introduced as follows:

'2a. The Commission shall, by 31 December 2026, and every two years thereafter, assess if the level of defaulted exposures in the balance sheets of the institutions has increased significantly, or it expects a significant deterioration in the institutions' asset quality, or if the degree of development of secondary markets for defaulted exposures is not adequate to ensure efficient disposals of defaulted exposures by institutions, also taking into consideration the regulatory developments on securitisation. The Commission shall review the appropriateness of the derogation set out in paragraph 1 and it shall, where appropriate, adopt delegated acts in accordance with Article 462 to extend, reintroduce, or amend, as needed, the adjustment provided in this Article.'

Or. en

Amendment 1464
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 199 a (new)
Regulation (EU) No 575/2013
Article 500 – paragraph 1 – subparagraph 1 – point (b)

Present text

Amendment

(

(199a) in Article 500(1), point (b) is replaced by the following:

b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than **28 June 2022**;

(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than **31 December 2024**;

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Amendment 1465
Elisabetta Gualmini

Proposal for a regulation

Article 1 – paragraph 1 – point 199 a (new)

Regulation (EU) No. 575/2013

Article 500 – paragraph 1 – subparagraph 1 – point b

Present text

(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than 28 June 2022;

Amendment

(199 a) in Article 500, point (b) is replaced by the following:

(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than 28 June 2026;

Justification

The inclusion of massive NPL disposals into their Loss Given Default estimates would negatively affect and raise to unprecedented levels the calculation of capital requirements for the banks allowed to use internal models. Considering the particular effects of COVID crisis, coupled with the economic uncertainties deriving from the war in Ukraine, and the European co-legislator and supervisor's approach to reduce NPLs portfolios, it should be therefore very important to postpone the end of this window at least until 28 June 2026.

Amendment 1466
Fabio Massimo Castaldo

Proposal for a regulation

Article 1 – paragraph 1 – point 199 a (new)

Regulation (EU) No 575/2013

Article 500 – paragraph 1 – subparagraph 1 – point b

Present text

Amendment

(199 a) in Article 500(1), point (b) is

(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than **28 June 2022**;

replaced by the following:

"(b) the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than **31 December 2024**;

"

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Amendment 1467
Elisabetta Gualmini

Proposal for a regulation
Article 1 – paragraph 1 – point 199 a (new)
Regulation (EU) No 575/2013
Article 500 – paragraph 1 – subparagraph 1 – point c

Present text

Amendment

(c) the cumulative amount of defaulted exposures disposed of since the date of the first disposal in accordance with the plan referred to in point (a) has surpassed 20 % of the **outstanding** amount of all **defaulted exposures** as of the date of the first disposal referred to in points (a) and (b).

(199 a) in Article 500(1), point (c) is replaced by the following:

(c) the cumulative amount of defaulted exposures disposed of since the date of the first disposal in accordance with the plan referred to in point (a) has surpassed 20 % of the **cumulative** amount of all **observed defaults** as of the date of the first disposal referred to in points (a) and (b).

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Amendment 1468
Elisabetta Gualmini

Proposal for a regulation
Article 1 – paragraph 1 – point 199 a (new)
Regulation (EU) No 575/2013
Article 500 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

The adjustment referred to in the first subparagraph may only be carried out until 28 June 2022 and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.

(199 a) in Article 500(1), subparagraph 2 is replaced by the following:

The adjustment referred to in the first subparagraph may only be carried out ***until 28 June 2026*** and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Amendment 1469

Fabio Massimo Castaldo

Proposal for a regulation

Article 1 – paragraph 1 – point 199 b (new)

Regulation (EU) No 575/2013

Article 500 – paragraph 1 – subparagraph 2

Present text

Amendment

The adjustment referred to in the first subparagraph may only be carried out until ***28 June 2022*** and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.

(199 b) in Article 500(1), subparagraph 2 is replaced by the following:

"The adjustment referred to in the first subparagraph may only be carried out until ***31 December 2024*** and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.

"

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Amendment 1470

Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 199 a (new)
Regulation (EU) No 575/2013
Article 500da (new)

Text proposed by the Commission

Amendment

(199 a) the following article is inserted :

Article 500da

For the purpose of calculating loss in accordance with point (2) of Article 5, the artificial cashflow shall reflect:

(i) principal: total outstanding amount of the full loan at the moment of cure, but only the amount of missed payments (i.e. actual past due payments) accrued up to the moment of cure should be discounted;

(ii) interest: amount accrued between the moment of default and the moment of cure;

(iii) fees: amount accrued between the moment of default and the moment of cure;

(iv) additional observed recoveries: total amount received up to the moment of cure;

(v) additional drawings: firms should follow the requirements of CRR Articles 182(1)(c), 181(2)(b) and 182(3). Additional drawings included in the artificial cash flow should be treated in the same way as the principal; and

(vi) costs: amount accrued between the moment of default and the moment of cure.

2. In applying point 1, the “moment of cure” is defined as the moment when no triggers of default continue to apply and at least 3 months after the start of the final probation period.

3. The artificial cash flow shall be discounted over the actual period of default only (i.e. between the moment of default and the moment of cure) and,

therefore, should not be discounted over any additional time period after the moment of cure, such as the final probation period. The rate at which artificial cash flow is discounted shall be based solely on the primary interbank offered rate during the period of default.

Or. en

Amendment 1471
Billy Kelleher, Gilles Boyer

Proposal for a regulation
Article 1 – paragraph 1 – point 199 a (new)
Regulation (EU) No 575/2013
Article 500da (new)

Text proposed by the Commission

Amendment

(199 a) the following article is inserted:

Article 500da

Artificial cash flow

1. For the purpose of calculating loss in accordance with point (2) of Article 5, the artificial cashflow shall reflect:

(i) principal: total outstanding amount of the full loan at the moment of cure, but only the amount of missed payments (i.e. actual past due payments) accrued up to the moment of cure should be discounted;

(ii) interest: amount accrued between the moment of default and the moment of cure;

(iii) fees: amount accrued between the moment of default and the moment of cure;

(iv) additional observed recoveries: total amount received up to the moment of cure;

(v) additional drawings: firms should follow the requirements of CRR Articles 182(1)(c), 181(2)(b) and 182(3).

Additional drawings included in the artificial cash flow should be treated in the same way as the principal; and,

(vi) costs: amount accrued between the moment of default and the moment of cure.

2. In applying point 1, the “moment of cure” shall be defined as the moment when no triggers of default continue to apply and at least 3 months after the start of the final probation period.

3. The artificial cash flow shall be discounted over the actual period of default only (i.e. between the moment of default and the moment of cure) and, therefore, shall not be discounted over any additional time period after the moment of cure, such as the final probation period. The rate at which artificial cash flow is discounted shall be based solely on the primary interbank offered rate during the period of default.

4. Where institutions observe that they realised profit on their observations of defaults, the realised LGD on these observations should equal zero for the purpose of calculation of the observed average LGD and the estimation of the long-run average LGD. Institutions may use the information on the realised LGDs before the application of this floor in the process of model development for the purpose of risk differentiation.

Or. en

Amendment 1472
Pedro Marques

Proposal for a regulation
Article 1 – paragraph 1 – point 199 a (new)
Regulation (EU) No 575/2013
Article 500da (new)

(199 a) the following article is inserted:

Article 500 da

1. For the purpose of calculating loss in accordance with point (2) of Article 5, the artificial cashflow may reflect:

(i) principal: total outstanding amount of the full loan at the moment of cure, but only the amount of missed payments (i.e. actual past due payments) accrued up to the moment of cure should be discounted;

(ii) interest: amount accrued between the moment of default and the moment of cure;

(iii) fees: amount accrued between the moment of default and the moment of cure;

(iv) additional observed recoveries: total amount received up to the moment of cure;

(v) additional drawings: firms should follow the requirements of CRR Articles 182(1)(c), 181(2)(b) and 182(3).

Additional drawings included in the artificial cash flow should be treated in the same way as the principal; and

(vi) costs: amount accrued between the moment of default and the moment of cure.

2. In applying point 1, the “moment of cure” may be defined as the moment when no triggers of default continue to apply at the start of the final probation period.

3. The artificial cash flow may be discounted over the actual period of default only (i.e. between the moment of default and the moment of cure) and, therefore, should not be discounted over any additional time period after the moment of cure, such as the final probation period. The rate at which

artificial cash flow may be discounted should be based solely on the primary interbank offered rate during the period of default.

Or. en

Amendment 1473
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 199 a (new)
Regulation (EU) No 575/2013
Article 500 da (new)

Text proposed by the Commission

Amendment

(199 a) the following article is inserted:

Article 500da

1. For the purpose of calculating loss in accordance with point (2) of Article 5, the artificial cashflow may reflect:

(i) principal: total outstanding amount of the full loan at the moment of cure, but only the amount of missed payments (i.e. actual past due payments) accrued up to the moment of cure, but only the amount of missed payments (i.e. actual past due payments) accrued up to the moment of cure should be discounted;

(ii) interest: amount accrued between the moment of default and the moment of cure;

(iii) fees: amount accrued between the moment of default and the moment of cure;

(iv) additional observed recoveries: total amount received up to the moment of cure;

(v) additional drawings: firms should follow the requirements of CRR Articles 182(1)(c), 181(2)(b) and 182(3). Additional drawings included in the

artificial cash flow should be treated in the same way as the principal; and

(vi) costs: amount accrued between the moment of default and the moment of cure.

2. In applying point 1, the “moment of cure” may be defined as the moment when no triggers of default continue to apply at the start of the final probation period.

3. The artificial cash flow may be discounted over the actual period of default only (i.e. between the moment of default and the moment of cure) and, therefore, should not be discounted over any additional time period after the moment of cure, such as the final probation period. The rate at which artificial cash flow may be discounted should be based solely on the primary interbank offered rate during the period of default.

Or. en

Amendment 1474

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 199 a (new)

Regulation (EU) No 575/2013

Article 500da (new)

Text proposed by the Commission

Amendment

(199 a) the following article is inserted:

Article 500da

1. For the purpose of calculating loss in accordance with point (2) of Article 5, the artificial cashflow may reflect:

(i) principal: total outstanding amount of the full loan at the moment of cure, but only the amount of missed payments (i.e. actual past due payments) accrued up to

the moment of cure should be discounted;

(ii) interest: amount accrued between the moment of default and the moment of cure;

(iii) fees: amount accrued between the moment of default and the moment of cure;

(iv) additional observed recoveries: total amount received up to the moment of cure; (v) additional drawings: firms should follow the requirements of CRR Articles 182(1)(c), 181(2)(b) and 182(3). Additional drawings included in the artificial cash flow should be treated in the same way as the principal; and

(vi) costs: amount accrued between the moment of default and the moment of cure.

2. In applying point 1, the “moment of cure” may be defined as the moment when no triggers of default continue to apply at the start of the final probation period.

3. The artificial cash flow may be discounted over the actual period of default only (i.e. between the moment of default and the moment of cure) and, therefore, should not be discounted over any additional time period after the moment of cure, such as the final probation period. The rate at which artificial cash flow may be discounted should be based solely on the primary interbank offered rate during the period of default.

Or. en

Amendment 1475

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation
Article 1 – paragraph 1 – point 200
Regulation (EU) No 575/2013
Article 501

Text proposed by the Commission

Amendment

(200) *in Article 501(2), point (b) is replaced by the following:*

(200) *Article 501 is deleted.*

‘(b) an SME shall have the meaning laid down in Article 5, point (8);’;

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by the ECB in its opinion. Full consistency with the empirical calibration under the final Basel III standards can be best achieved by replacing the separate SME supporting factor by an 85% risk weight that applies directly to non-retail exposures to unrated SMEs under the Standardised Approach, as part of the risk weights for unrated corporates exposures according to Article 122(2) of the CRR.

Amendment 1476
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 200 – introductory part
Regulation (EU) No 575/2013
Article 501

Text proposed by the Commission

Amendment

(200) *in Article 501(2), point (b) is replaced by the following:*

(200) *Article 501 is deleted*

(b) an SME shall have the meaning laid down in Article 5, point (8);

Or. en

Amendment 1477
Danuta Maria Hübner

Proposal for a regulation
Article 1 – paragraph 1 – point 200
Regulation (EU) No 575/2013
Article 501

Text proposed by the Commission

(200) *in Article 501(2), point (b) is replaced by the following:*
‘(b) an SME shall have the meaning laid down in Article 5, point (8);’;

Amendment

(200) *Article 501 is deleted;*

Or. en

Justification

The deletion of Article 501 seeks to ensure full consistency with the empirical calibration under the final Basel III standards for capital requirements for SMEs exposures.

Amendment 1478
Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation
Article 1 – paragraph 1 – point 200
Regulation (EU) No 575/2013
Article 501 – paragraph 1 – subparagraph 1

Present text

1. Institutions shall adjust the risk-weighted exposure amounts for non-defaulted exposures to an SME (RWEA), which are calculated in accordance with Chapter 2 or 3 of Title II of Part Three, as applicable, in accordance with the following formula:

if $E' > \text{EUR } 2\,500\,000$, $RW^* = \min RW$;
 $\text{EUR } 2\,500\,000 \cdot 0.7619 + \max 0$; $RW - 2\,500\,000 \cdot 0.85$

Amendment

1. Institutions shall adjust the risk-weighted exposure amounts for non-defaulted exposures to an SME (RWEA), which are calculated in accordance with Chapter 2 or 3 of Title II of Part Three, as applicable, in accordance with the following formula:

if $E' > \text{EUR } 5\,000\,000$, $RW^* = \min RW$;
 $\text{EUR } 5\,000\,000 \cdot 0.7619 + \max 0$; $RW - 5\,000\,000 \cdot 0.85$

Oren

Amendment 1479

Paul Tang, René Repasi

Proposal for a regulation

Article 1 – paragraph 1 – point 200 – introductory part

Regulation (EU) No 575/2013

Article 501 – paragraph 2 – point a

Text proposed by the Commission

(200) *in* Article 501(2), point (b) is replaced by the following:

Amendment

(200) Article 501(2) *is amended as follows:*

(a) point (b) is replaced by the following:

Or. en

Amendment 1480

Paul Tang, René Repasi

Proposal for a regulation

Article 1 – paragraph 1 – point 200

Regulation (EU) No 575/2013

Article 501 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the following point is inserted:

,

(b a) at least 50% of the turnover of the SME is derived from activities that adhere to the criteria of Article 3 of Regulation (EU) 2019/852

,

Or. en

Justification

The SME supporting factor should only apply to SMEs that perform a significant part of taxonomy-aligned economic activities

Amendment 1481

Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca

Proposal for a regulation

Article 1 – paragraph 1 – point 201

Regulation (EU) No 575/2013

Article 501a

Text proposed by the Commission

Amendment

(201) Article 501a(1) *is amended as follows:*

(201) Article 501a *is deleted.*

(a) point (a) is replaced by the following:

(a) the exposure is assigned to the corporate exposure class referred to either in Article 112, point (g), or in Article 147(2), point (c), with the exclusion of exposures in default;

(b) point (f) is replaced by the following:

‘(f) the refinancing risk of the exposure by the obligor is low or adequately mitigated, taking into account any subsidies, grants or funding provided by one or more of the entities listed in paragraph 2, points (b)(i) and (b)(ii);

Or. en

Justification

To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by the ECB in its opinion. To achieve full alignment with the Basel III standards, the ECB suggests deleting the whole infrastructure supporting factor in Article 501a of the CRR, which then also allows the restriction to the scope of the 80% for ‘high quality project finance’ to be removed in Article 123a(3)(c)(ii) of the CRR.

Amendment 1482

Danuta Maria Hübner

Proposal for a regulation

Article 1 – paragraph 1 – point 201 – introductory part

Regulation (EU) No 575/2013

Article 501a

Text proposed by the Commission

Amendment

(201) Article 501a(1) *is amended as follows:*

(201) Article 501a *is deleted.*

(a) point (a) is replaced by the following:

‘(a) the exposure is assigned to the corporate exposure class referred to either in Article 112, point (g), or in Article 147(2), point (c), with the exclusion of exposures in default;’;

(b) point (f) is replaced by the following:

‘(f) the refinancing risk of the exposure by the obligor is low or adequately mitigated, taking into account any subsidies, grants or funding provided by one or more of the entities listed in paragraph 2, points (b)(i) and (b)(ii);’;

Or. en

Justification

Full alignment with the Basel III standards requires deleting the whole infrastructure supporting factor in Article 501a of the CRR, which then also allows the restriction to the scope of the 80% for ‘high quality project finance’ to be removed in Article 123a(3)(c)(ii) of the CRR

Amendment 1483

Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 201

Regulation (EU) No 575/2013

Article 501a – paragraph 1

Text proposed by the Commission

Amendment

(201) Article 501a(1) *is amended as*

(201) Article 501a(1) *is deleted*

follows:

(a) point (a) is replaced by the following:

(a) the exposure is assigned to the corporate exposure class referred to either in Article 112, point (g), or in Article 147(2), point (c), with the exclusion of exposures in default;

(b) point (f) is replaced by the following:

‘(f) the refinancing risk of the exposure by the obligor is low or adequately mitigated, taking into account any subsidies, grants or funding provided by one or more of the entities listed in paragraph 2, points (b)(i) and (b)(ii);’

Or. en

Amendment 1484

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 201 – point -a (new)

Regulation (EU) No 575/2013

Article 501a – paragraph 1 – point a – introductory part

Present text

1. Own funds requirements for credit risk calculated in accordance with Title II of Part III shall be multiplied by a factor of **0,75**, provided that the exposure complies with all the following criteria:

Amendment

(-a) in Article 501a(1), the introductory part is replaced by the following:

‘1. Own funds requirements for credit risk calculated in accordance with Title II of Part III shall be multiplied by a factor of **0,60**, provided that the exposure complies with all the following criteria:’

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Amendment 1485

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 201 – point a

Regulation (EU) No 575/2013

Article 501a – paragraph 1 – point a

Text proposed by the Commission

(a) the exposure is ***assigned to*** the corporate exposure class ***referred to either in Article 112, point (g), or in Article 147(2), point (c)***, with the exclusion of exposures in default;;

Amendment

(a) the exposure is ***included either in*** the corporate exposure class or in ***the specialised lending exposures class. Including Project Finance, Object Finance, Real Estate exposures to entities that operate or finance physical structures facilities, assets , systems and networks that provide or support essential public services***, with the exclusion of exposures in default;

Or. en

Amendment 1486

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 201 – point a

Regulation (EU) No 575/2013

Article 501a – paragraph 1 – point a

Text proposed by the Commission

‘(a) the exposure is ***assigned to*** the corporate exposure class ***referred to either in Article 112, point (g), or in Article 147(2), point (c)***, with the exclusion of exposures in default;’

Amendment

‘a) the exposure is ***included either in*** the corporate exposure class ***or in the infrastructure finance an object finance exposures class***, with the exclusion of exposures in default’

Or. en

Amendment 1487

Linea Søgaard-Lidell, Nicola Beer, Engin Eroglu

Proposal for a regulation

Article 1 – paragraph 1 – point 201 – point a

Regulation (EU) No 575/2013

Article 501a – paragraph 1 – point a

Text proposed by the Commission

Amendment

‘(a) the exposure is **assigned to** the corporate exposure class **referred to either in Article 112, point (g), or in Article 147(2), point (c)**, with the exclusion of exposures in default;’

‘(a) the exposure is **included either in** the corporate exposure class **or in the infrastructure finance and object finance exposures class**, with the exclusion of exposures in default;’

Or. en

Justification

The European Commission links Article 122a and Article 501a. Modifying Article 501a logically follows from the amendment of Article 122a. There are three types of specialised lending instruments in the Regulation: project finance, object finance and commodity finance. The first two is addressed by Article 122a. Infrastructure finance is addressed by Article 501a. Some parts of project finance is considered as infrastructure finance. Object finance has similar nature, therefor some object finance should be recognised under infrastructure finance. There is a link between project finance under Article 122a and Article 501a, which says that when lending with certain predefined conditions are provided under Article 122a, it cannot be used under 501a (infrastructure finance). Given the recognition of object finance under Article 122a, we suggest to similarly amend Article 501a to become consistent.

Amendment 1488

Paul Tang, René Repasi, Eva Kaili

Proposal for a regulation

Article 1 – paragraph 1 – point 201 – point b a (new)

Regulation (EU) No 5575/2013

Article 501a – paragraph 1 – point o

Present text

Amendment

(o) the obligor has carried out an assessment whether the assets being financed **contribute** to the **following environmental objectives:**

(i) climate change mitigation;

(ii) climate change adaptation;

(iii) sustainable use and protection of water and marine resources;

(b a) point (o) is replaced by the following:

‘**(o) the assets being financed adhere to the criteria of Article 3 of Regulation (EU) 2020/852**’

- (iv) transition to a circular economy, waste prevention and recycling;*
- (v) pollution prevention and control;*
- (vi) protection of healthy ecosystems.*

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Justification

The infrastructure supporting factor should only be in place for investments that adhere to all criteria of the taxonomy regulation, including the do no significant harm criteria

Amendment 1489 **Othmar Karas**

Proposal for a regulation

Article 1 – paragraph 1 – point 201 – point b a (new)

Regulation (EU) No 575/2013

Article 501a – paragraph 1 – point o

Present text

(o) the obligor has carried out an assessment whether the assets being financed contribute to the **following** environmental objectives:

- (i) climate change mitigation;*
- (ii) climate change adaptation;*
- (iii) sustainable use and protection of water and marine resources;*
- (iv) transition to a circular economy, waste prevention and recycling;*
- (v) pollution prevention and control;*
- (vi) protection of healthy ecosystems.*

Amendment

(b a) point o is replaced by the following:

‘(o) the obligor has carried out an assessment whether the assets being financed contribute to the environmental objectives set out in Article 9 of Regulation (EU) 2020/852.’

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Justification

This amendment aims to align the environmental objectives with Regulation (EU) 2020/852 and aims to secure a assessment of these criteria, but not tied to a positive assessment.

Amendment 1490

José Manuel García-Margallo y Marfil

Proposal for a regulation

Article 1 – paragraph 1 – point 201 – point b a (new)

Regulation (EU) No 575/2013

Article 501a – paragraph 1 – point o – introductory part

Present text

Amendment

(b a) in point o, the introductory part is replaced by the following:

(o) the obligor has carried out an assessment whether the assets being financed contribute to the following environmental objectives:

‘(o) the obligor has carried out an assessment whether the assets being financed contribute to ***one or more of*** the following environmental objectives:’

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410>)

Amendment 1491

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 201 a (new)

Regulation (EU) No 575/2013

Article 501aa (new)

(201) Article 501a(1) is amended as follows:

(201 a) the following article is inserted:

"Article 501aa

Sustainability Adjustment Factor for certain energy efficient mortgages

- 1. For exposures related to energy efficient mortgages as defined by point 2, the capital requirement for credit risk calculated according to Title II of Part Three shall be multiplied by a Sustainability Adjustment Factor (SAF) for mortgages of 0,80.***
- 2. For the purpose of this Article, energy efficient mortgages are those that finance the renovation of buildings in order to allow them to increase at least two classes of Energy Performance in Energy Performance Certificate (EPC), or the construction of new buildings or acquisition and/or ownership of buildings with at least the class C of EPC.***
- 3. If other supporting factors are envisaged for the exposures in paragraph 1 in this Regulation, the SAF should be added to those additional supporting factors prior to the calculation of the capital requirements for credit risk.***
- 4. Institutions shall report to competent authorities every 12 months on the total amount of exposures qualified for the SAF and the related total capital requirements for credit risk.***
- 5. The Commission shall by xxxxxx report on the impact of the SAF for qualified energy efficient mortgages and, if it is justified from a prudential perspective, if it should be kept at the level in point 1 or should be increased and shall submit that report to the European Parliament and to the Council together with a legislative proposal, if appropriate."***

Amendment 1492
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 201 a (new)
Regulation (EU) No 575/2013
Article 501a a (new)

Text proposed by the Commission

Amendment

(201 a) the following article is inserted:

"Article 501aa

*Sustainability Adjustment Factor for
certain energy efficient mortgages*

- 1. For exposures related to energy efficient mortgages as defined by point 2, the capital requirement for credit risk calculated according to Title II of Part Three shall be multiplied by a Sustainability Adjustment Factor (SAF) for mortgages of 0,80.*
- 2. For the purpose of this Article, energy efficient mortgages are those that finance the renovation of buildings in order to allow them to increase at least two classes of Energy Performance in Energy Performance Certificate (EPC), or the construction of new buildings or acquisition and/or ownership of buildings with at least the class C of EPC.*
- 3. If other supporting factors are envisaged for the exposures referred to in paragraph 1 in this Regulation, the SAF should be added to those additional supporting factors prior to the calculation of the capital requirements for credit risk.*
- 4. Institutions shall report to competent authorities every 12 months on the total amount of exposures qualified for the SAF and the related total capital requirements for credit risk.*

5. The Commission shall by xxxxxx report on the impact of the SAF for qualified energy efficient mortgages and, if it is justified from a prudential perspective, if it should be kept at the level in point 1 or should be increased and shall submit that report to the European Parliament and to the Council together with a legislative proposal, if appropriate.

Or. en

Amendment 1493
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 201 b (new)
Regulation (EU) No 575/2013
Article 501 a b (new)

Text proposed by the Commission

Amendment

(201 b) the following article is inserted:

"Article 501 ab

Sustainability Adjustment Factor for other suitable economic activities

1. For exposure fully or partially related to economic activities as defined by point 2 and different from those in article 501xX, the pro-quota capital requirements for credit risk shall be multiplied by a Sustainability Adjustment Factor (SAF) of 0,85 unless the capital requirements for credit risk are calculated by the bank under a validated IRB/IRBA that integrates the sustainability risk factors envisaged in the Taxonomy Regulation (Regulation (EU) 2020/852).

2. For the purpose of this Article, SAF suitable economic activities are defined as economic activities that fulfil all the following criteria:

(a) they are included in the existing and future Delegated Regulations based on

the Taxonomy Regulation (Regulation (EU) 2020/852);

(b) they are compliant with Article 3 of that Regulation(Criteria for environmentally sustainable economic activities);

(c) they belong to those economic activities for which EBA, in collaboration with JRC, has assessed a materially reduced prospective credit risk by virtue of their environmental sustainability.

3. If for the exposures referred to in paragraph 1, other supporting factors are envisaged in this Regulation, the SAF shall be added to those additional supporting factors prior to the calculation of the capital requirements for credit risk.

4. EBA has the mandate to assess a first set of SAF suitable economic activities by December 2023 and a second one by December 2026.

5. Institutions shall report to competent authorities every 12 months on the total amount of SAF suitable exposures and the related total capital requirements for credit risk.

6. The Commission shall by xxxxxx and by yyyyyyy report on the impact of the SAF for exposures to the eligible economic activities defined in this article and, if it is justified from a prudential perspective, if it should be kept at the level in point 1 or should be increased and shall submit that report to the European Parliament and to the Council together with a legislative proposal, if appropriate.

Or. en

Amendment 1494

Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 202

Text proposed by the Commission

Amendment

(202) Article 501c, is replaced by the following:

deleted

‘Article 501c

Prudential treatment of exposures to environmental and/or social factors’

EBA, after consulting the ESRB, shall, on the basis of available data and the findings of the Commission High-Level Expert Group on Sustainable Finance, assess whether a dedicated prudential treatment of exposures related to assets, including securitisations, or activities subject to impacts from environmental and/or social factors would be justified. In particular, EBA shall assess:

(a) methodologies for the assessment of the effective riskiness of exposures related to assets and activities subject to impacts from environmental and/or social factors compared to the riskiness of other exposure;

(b) the development of appropriate criteria for the assessment of physical risks and transition risks, including the risks related to the depreciation of assets due to regulatory changes;

(c) the potential short, medium and long-term effects of a dedicated prudential treatment of exposures related to assets and activities subject to impacts from environmental and/or social factors on financial stability and bank lending in the Union.

EBA shall submit a report on its findings to the European Parliament, to the Council and to the Commission by 28 June 2023.;

Or. en

Amendment 1495
Paul Tang, René Repasi

Proposal for a regulation
Article 1 – paragraph 1 – point 202
Regulation (EU) No 575/2013
Article 501c – paragraph 1

Text proposed by the Commission

Amendment

EBA, after consulting the ESRB, shall, on the basis of available data **and the findings of the Commission High-Level Expert Group on Sustainable Finance, assess whether a dedicated prudential treatment of exposures related to assets, including securitisations, or activities subject to impacts from environmental and/or social factors would be justified. In particular, EBA shall assess:**

- (a) methodologies for the assessment of the effective riskiness of exposures related to assets and activities subject to impacts from environmental and/or social factors compared to the riskiness of other exposure;*
- (b) the development of appropriate criteria for the assessment of physical risks and transition risks, including the risks related to the depreciation of assets due to regulatory changes;*
- (c) the potential short, medium and long-term effects of a dedicated prudential treatment of exposures related to assets and activities subject to impacts from environmental and/or social factors on financial stability and bank lending in the Union.*

1. By way of derogation of Article 389, institutions shall apply Part Four of this regulation also to exposures that cause the institution's financed emissions in the reporting year to exceeding by more than 5% the institution's targeted absolute financed emissions in the reporting year as part of their plans made in accordance with Article 76 of Directive 2013/36/EU.

2. EBA, after consulting the ESRB, shall, on the basis of available data submit a report on the impact of this requirement on the climate stress test results of the credit institutions' portfolios to the European Parliament, to the Council and to the Commission by 2025.

EBA shall submit a report on its findings to the European Parliament, to the Council and to the Commission by 28 June 2023.’;

Or. en

Justification

Banks with significant exposures to fossil gas emissions should apply the large exposure regime of part four of the CRR. The threshold should be calculated based on the bank's transition plan, allowing for stochasticity by providing a 5% flexibility band

Amendment 1496

José Manuel García-Margallo y Marfil

Proposal for a regulation

Article 1 – paragraph 1 – point 202

Regulation (EU) No 575/2013

Article 501c – paragraph 1 – introductory part

Text proposed by the Commission

EBA, after consulting the ESRB, shall, on the basis of available data and the findings of the Commission High-Level Expert Group on Sustainable Finance, assess whether a dedicated prudential treatment of exposures related to assets, including securitisations, *or activities* subject to impacts from environmental and/or social factors would be justified. In particular, EBA shall assess:

Amendment

EBA, after consulting the ESRB, shall, on the basis of available data and the findings of the Commission High-Level Expert Group on Sustainable Finance, assess whether a dedicated prudential treatment of exposures, *both under the standardised and internal approaches*, related to assets, including securitisations, subject to *material positive or negative* impacts from environmental and/or social factors would be justified. In particular, EBA shall assess:

Or. en

Amendment 1497

José Manuel García-Margallo y Marfil

Proposal for a regulation

Article 1 – paragraph 1 – point 202

Regulation (EU) No 575/2013

Article 501c – paragraph 1 – point a

Text proposed by the Commission

(a) methodologies for the assessment of the effective riskiness of exposures related to assets and activities subject to impacts from environmental and/or social factors compared to the riskiness of other exposure;

Amendment

(a) methodologies for the assessment of the effective riskiness of exposures related to assets and activities subject to ***material positive or negative*** impacts from environmental and/or social factors compared to the riskiness of other exposure;

Or. en

Amendment 1498

Esther de Lange, Caroline Nagtegaal

Proposal for a regulation

Article 1 – paragraph 1 – point 202

Regulation (EU) No 575/2013

Article 501c – paragraph 2

Text proposed by the Commission

EBA shall submit a report on its findings to the European Parliament, to the Council and to the Commission by 28 June 2023.;

Amendment

EBA shall submit a report on its findings to the European Parliament, to the Council and to the Commission by 28 June 2023.

On the basis of that report, the Commission shall, where appropriate, submit a legislative proposal to the European Parliament and to the Council. This proposal shall be submitted within one year of publication of the EBA report.;

Or. en

Amendment 1499

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 202

Regulation (EU) No 575/2013

Article 501c – paragraph 2

Text proposed by the Commission

EBA shall submit a report on its findings to the European Parliament, to the Council and to the Commission by 28 June 2023.;

Amendment

EBA shall submit a report on its findings to the European Parliament, to the Council and to the Commission by 28 June 2023.

On the basis of that report, the Commission shall, where appropriate, submit a legislative proposal to the European Parliament and to the Council.;

Or. en

Justification

This amendment aims to reintroduce the legislative proposal which was already in the CRR II.

Amendment 1500

Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 202

Regulation (EU) No 575/2013

Article 501c – paragraph 2 a (new)

Text proposed by the Commission

Amendment

EBA shall evaluate whether and to what extent institutions assess their material exposure to risks related to biodiversity loss as part of the assessment referred to in Article 73 of [Insert reference to CRD Directive]. EBA shall subsequently assess which actions could be taken in order to ensure that institutions do so, where necessary, taking into account existing measurement tools. EBA shall assess to what extent institutions' activities affect biodiversity. EBA shall submit a report on its findings to the Commission by [one year after the entry into force of this amending Directive].

Or. en

Amendment 1501
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 202 a (new)
Regulation (EU) No 575/2013
Article 501ca (new)

Text proposed by the Commission

Amendment

(202 a) the following article is inserted:

‘Article 501ca

Sustainability Adjustment Factor for certain energy efficient mortgages

- 1. For exposures related to energy efficient mortgages as defined by point 2, the capital requirement for credit risk calculated according to Title II of Part Three shall be multiplied by a Sustainability Adjustment Factor (SAF) for mortgages of 0,80.*
- 2. For the purpose of this Article, energy efficient mortgages are those that finance the renovation of buildings in order to allow them to increase at least two classes of Energy Performance in Energy Performance Certificate (EPC), or the construction of new buildings or acquisition and/or ownership of buildings with at least the class C of EPC.*
- 3. If other supporting factors are envisaged for the exposures in paragraph 1 in this Regulation, the SAF should be added to those additional supporting factors prior to the calculation of the capital requirements for credit risk.*
- 4. Institutions shall report to competent authorities every 12 months on the total amount of exposures qualified for the SAF and the related total capital requirements for credit risk.*
- 5. The Commission shall by [3 years after entry into force of this Regulation] report on the impact of the SAF for qualified*

energy efficient mortgages and, if it is justified from a prudential perspective, if it should be kept at the level in point 1 or should be increased and shall submit that report to the European Parliament and to the Council together with a legislative proposal, if appropriate.’

Or. en

Amendment 1502

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 202 a (new)

Regulation (EU) No 575/2013

Article 501ca (new)

Text proposed by the Commission

Amendment

(202 a) the following article is inserted as follows:

Article 501ca

Sustainability Adjustment Factor for certain energy efficient mortgages

- 1. For exposures related to energy efficient mortgages as defined by point 2, the capital requirement for credit risk calculated according to Title II of Part Three shall be multiplied by a Sustainability Adjustment Factor (SAF) for mortgages of 0,80.*
- 2. For the purpose of this Article, energy efficient mortgages are those that finance the renovation of buildings in order to allow them to increase at least two classes of Energy Performance in Energy Performance Certificate (EPC), or the construction of new buildings or acquisition and/or ownership of buildings with at least the class C of EPC.*
- 3. If other supporting factors are envisaged for the exposures in paragraph 1 in this Regulation, the SAF should be added to those additional supporting*

factors prior to the calculation of the capital requirements for credit risk.

4. Institutions shall report to competent authorities every 12 months on the total amount of exposures qualified for the SAF and the related total capital requirements for credit risk.

5. The Commission shall by xxxxxx report on the impact of the SAF for qualified energy efficient mortgages and, if it is justified from a prudential perspective, if it should be kept at the level in point 1 or should be increased and shall submit that report to the European Parliament and to the Council together with a legislative proposal, if appropriate.

Or. en

Amendment 1503

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 202 b (new)

Regulation (EU) No 575/2013

Article 501c b (new)

Text proposed by the Commission

Amendment

(202 b) the following article is inserted:

‘Article 501cb

Sustainability Adjustment Factor for other suitable economic activities

1. For exposure fully or partially related to economic activities as defined by point 2 and different from those in article 501xX, the pro-quota capital requirements for credit risk shall be multiplied by a Sustainability Adjustment Factor (SAF) of 0,85 unless the capital requirements for credit risk are calculated by the bank under a validated IRB/IRBA that integrates the sustainability risk factors envisaged in the Taxonomy Regulation

(Regulation (EU) 2020/852).

2. For the purpose of this Article SAF suitable economic activities are defined as economic activities that fulfil all the following criteria:

- i. they are included in the existing and future Delegated Regulations based on the Taxonomy Regulation (Regulation (EU) 2020/852);*
- ii. they are compliant with Article 3 of that Regulation (Criteria for environmentally sustainable economic activities);*
- iii. they belong to those economic activities for which EBA, in collaboration with JRC, has assessed a materially reduced prospective credit risk by virtue of their environmental sustainability.*

3. If for the exposures in point 1 other supporting factors are envisaged in this Regulation, the SAF should be added to those additional supporting factors prior to the calculation of the capital requirements for credit risk.

4. EBA has the mandate to assess a first set of SAF suitable economic activities by December 2023 and a second one by December 2026.

5. Institutions shall report to competent authorities every 12 months on the total amount of SAF suitable exposures and the related total capital requirements for credit risk

6. The Commission shall by xxxxxx and by yyyyyyy report on the impact of the SAF for exposures to the eligible economic activities defined in this article and, if it is justified from a prudential perspective, if it should be kept at the level in point 1 or should be increased and shall submit that report to the European Parliament and to the Council together with a legislative proposal, if appropriate.'

Or. en

Amendment 1504
Fabio Massimo Castaldo

Proposal for a regulation
Article 1 – paragraph 1 – point 202 b (new)
Regulation (EU) No 575/2013
Article 501c b (new)

Text proposed by the Commission

Amendment

(202 b) the following article is inserted:

‘Article 501cb

***Sustainability Adjustment Factor for
other suitable economic activities***

1. For exposures fully or partially related to economic activities as defined by point 2 and different from those in article 501d, the pro-quota capital requirements for credit risk shall be multiplied by a Sustainability Adjustment Factor (SAF) of 0,85 unless the capital requirements for credit risk are calculated by the bank under a validated IRB/IRBA that integrates the sustainability risk factors envisaged in the Taxonomy Regulation (Regulation (EU) 2020/852).

2. For the purpose of this Article, SAF suitable economic activities are defined as economic activities that fulfil all the following criteria:

(a) they are included in the existing and future Delegated Regulations based on the Taxonomy Regulation (Regulation (EU) 2020/852);

(b) they are compliant with Article 3 of that Regulation (Criteria for environmentally sustainable economic activities);

(c) they belong to those economic activities for which EBA, in collaboration with the JRC, has assessed a materially reduced prospective credit risk by virtue of their environmental sustainability.

3. If for the exposures in point 1 other supporting factors are envisaged in this Regulation, the SAF should be added to those additional supporting factors prior to the calculation of the capital requirements for credit risk.

4. EBA has the mandate to assess a first set of SAF suitable economic activities by December 2023 and a second one by December 2026.

5. Institutions shall report to competent authorities every 12 months on the total amount of SAF suitable exposures and the related total capital requirements for credit risk.

6. The Commission shall report by [3 years after entry into force of this Regulation] on the impact of the SAF for exposures to the eligible economic activities defined in this article and, if it is justified from a prudential perspective, if it should be kept at the level in point 1 or should be increased and shall submit that report to the European Parliament and to the Council together with a legislative proposal, if appropriate.'

Or. en

Amendment 1505

José Manuel García-Margallo y Marfil

Proposal for a regulation

Article 1 – paragraph 1 – point 202 a (new)

Regulation (EU) No 575/2013

Article 501ca (new)

Text proposed by the Commission

Amendment

(202 a) the following article is inserted:

'Article 501ca

EBA shall, by 12 months after entry into force of this regulation, report to the Commission on the appropriateness of the calibration of risk weights and expected

loss for exposures of specialized lending under articles 153(5) and 158 (6).

On the basis of the report of the EBA, the Commission may, where appropriate, adopt a delegated act to amend articles 153(5) and 158(6).'

Or. en

Amendment 1506

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Proposal for a regulation

Article 1 – paragraph 1 – point 203

Regulation (EU) No 575/2013

Article 505

Text proposed by the Commission

Amendment

1. Own funds requirements for credit risk calculated in accordance with Title II of Part III shall be multiplied by a factor of 0,75, if the exposure to an agricultural enterprise as defined in Article 5 point (11) complies with all the following criteria:

(a) the exposure is included either in the corporate, retail or immovable property exposures class, with the exclusion of exposures in default;

(b) the obligor complies with farming practices that respect (or are equivalent to) eco-schemes and/or environmental, climate related and other management commitments as laid down in articles 31 and 70 of Regulation (EU) n° 2021/2115.

2. Large institutions as defined in Article 433a shall report to competent authorities semi-annually on the total amount of exposures to agriculture entities calculated in accordance with paragraph 1 of this Article. Small and non-complex institutions as defined in Article 433b shall report this information

By 31 December 2030, EBA shall report to the Commission on the impact of the requirements of this Regulation on agricultural financing.

annually.

3. By 31 December 2030, EBA shall report to the Commission on the impact of the requirements of this Regulation on agricultural financing.

Or. en

Amendment 1507
Frances Fitzgerald

Proposal for a regulation
Article 1 – paragraph 1 – point 203
Regulation (EU) No 575/2013
Article 505

Text proposed by the Commission

Amendment

1 Own funds requirements for credit risk calculated in accordance with Title II of Part III shall be multiplied by a factor of 0,75, if the exposure to an agricultural enterprise as defined in Article 5 point (11) complies with all the following criteria:

(a) the exposure is included either in the corporate, retail or immovable property exposures class, with the exclusion of exposures in default;

(b) the obligor complies with farming practices that respect (or are equivalent to) eco-schemes and/or environmental, climate related and other management commitments as laid down in articles 31 and 70 of Regulation (EU) n°2021/2115.

2. Large institutions as defined in Article 433a shall report to competent authorities semi-annually on the total amount of exposures to agriculture entities calculated in accordance with paragraph 1 of this Article. Small and non-complex institutions as defined in Article 433b shall report this information annually.

By 31 December 2030, EBA shall report to the Commission on the impact of the

3. By 31 December 2030, EBA shall report to the Commission on the impact of the

requirements of this Regulation on agricultural financing.

requirements of this Regulation on agricultural financing.

Or. en

Amendment 1508

Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 203

Regulation (EU) No 575/2013

Article 505

Text proposed by the Commission

By 31 December **2030**, EBA shall report to the Commission on the impact of the requirements of this Regulation on agricultural financing.

Amendment

By 31 December **2027**, EBA shall report to the Commission on the impact of the requirements of this Regulation on agricultural financing ***and alignment with the farm to fork strategy. In this report, EBA shall assess environmental impact as meant in Regulation 2020/852, notably with the indicators as collected in the Union's Farm Accountancy Data Network, showing contribution scores with respect to:***

(i) net greenhouse gas emissions per hectare,

(ii) pesticides and fertilizers usage per hectare,

(iii) soil's minerals efficiency ratios, including carbon, ammonia, phosphate and nitrogen per hectare;

(iv) water use efficiency;

(v) a confirmation of positive impact on these four indicators with an EU-label for organic agriculture as meant in EU Regulation 834/2007

In light of the report and where appropriate, the Commission shall submit to the European Parliament and the Council a legislative proposal to amend this regulation regarding its impact on

agricultural financing.

Or. en

Amendment 1509

Caroline Nagtegaal, Jan Huitema, Billy Kelleher

Proposal for a regulation

Article 1 – paragraph 1 – point 203

Regulation (EU) No 575/2013

Article 505

Text proposed by the Commission

By 31 December 2030, EBA shall report to the Commission on the impact of the requirements of this Regulation on agricultural financing.

Amendment

By ... [two years after the entry into force of this Regulation] and by 31 December 2030, EBA shall report to the Commission on the impact of the requirements of this Regulation on agricultural financing. The Commission shall submit a report thereon to the European Parliament and to the Council. Where appropriate, that report shall be accompanied by a legislative proposal to amend this Regulation in order to mitigate its negative effects on agricultural financing.

Or. en

Justification

In order to monitor the impact of the CRR3 on the agricultural sector more closely, we suggest to perform an additional impact analysis.

Amendment 1510

Frances Fitzgerald

Proposal for a regulation

Article 1 – paragraph 1 – point 203

Regulation (EU) No 575/2013

Article 506 – paragraph 1

Text proposed by the Commission

By 31 December 2026, EBA shall report to

Amendment

(-a). By [insert date = 12 months after the

the Commission *on* the eligibility and use of policy insurance as credit risk mitigation techniques *and on the appropriateness* of the *associated risk parameters referred to in Part Three, Title II, Chapter 3 and 4.*

entry into force of this amending Regulation], EBA, in consultation with the National Competent Authorities given their expertise on credit insurance risk, shall report on the following to the European Commission:

a) an analysis of the eligibility and use of policy insurance as credit risk mitigation techniques

b) an analysis of the effective riskiness (based on observed losses) of credit risk exposures where a credit insurance was recognised as a credit risk mitigation technique

c) the consistency of own funds requirements laid down in this Regulation with the outcomes of the analysis under points (a) and (b) of this paragraph

Or. en

Amendment 1511
Othmar Karas

Proposal for a regulation
Article 1 – paragraph 1 – point 203
Regulation (EU) No 575/2013
Article 506 – paragraph 1

Text proposed by the Commission

By 31 December 2026, EBA shall report to the Commission on the eligibility and use of policy insurance as credit risk mitigation techniques *and* on the appropriateness of the associated risk parameters referred to in Part Three, Title II, Chapter 3 and 4.

Amendment

By 31 December 2026, EBA shall, *in close collaboration with EIOPA*, report to the Commission on the eligibility and use of policy insurance as credit risk mitigation techniques, on the appropriateness of the associated risk parameters referred to in Part Three, Title II, Chapter 3 and 4 *and on the consistency of own funds requirements laid down in this Regulation.*

Or. en

Justification

This amendment aims to include EIOPA in the report to make use of their expertise on credit insurance risk and add important parameters of the report.

Amendment 1512

José Manuel García-Margallo y Marfil

Proposal for a regulation

Article 1 – paragraph 1 – point 203

Regulation (EU) No 575/2013

Article 506 – paragraph 1

Text proposed by the Commission

By 31 December **2026**, EBA shall report to the Commission on the eligibility and use of policy insurance as credit risk mitigation techniques and on the appropriateness of the associated risk parameters referred to in Part Three, Title II, Chapter 3 and 4.

Amendment

By 31 December **2024**, EBA shall *in cooperation with EIOPA* report to the Commission on the eligibility and use of policy insurance as credit risk mitigation techniques and on the appropriateness of the associated risk parameters referred to in Part Three, Title II, Chapter 3 and 4.

Or. en

Amendment 1513

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

Proposal for a regulation

Article 1 – paragraph 1 – point 203

Regulation (EU) No 575/2013

Article 506 – paragraph 1

Text proposed by the Commission

By 31 December **2026**, EBA shall report to the Commission on the eligibility and use of policy insurance as credit risk mitigation techniques and on the appropriateness of the associated risk parameters referred to in Part Three, Title II, Chapter 3 and 4.

Amendment

By 31 December **2025**, EBA shall report to the Commission on the eligibility and use of policy insurance as credit risk mitigation techniques and on the appropriateness of the associated risk parameters referred to in Part Three, Title II, Chapter 3 and 4.

Or. en

Justification

The revised legislation is foreseen to enter into force 01/01/2025, so 31/12/2025 is an appropriate date for EBA to publish its report.

Amendment 1514

José Manuel García-Margallo y Marfil

Proposal for a regulation

Article 1 – paragraph 1 – point 203

Regulation (EU) No 575/2013

Article 506 – paragraph 1

Text proposed by the Commission

Based on the report by EBA, the Commission shall be empowered to amend this Regulation by adopting a delegated act, where appropriate, in accordance with Article 462, to amend the treatment applicable to credit insurance referred to in Part Three, Title II.;

Amendment

Based on the report by EBA, the Commission shall be empowered to amend this Regulation by adopting a delegated act, where appropriate, in accordance with Article 462, to amend the treatment applicable to credit insurance referred to in Part Three, Title II.;

Until the Delegated Act is in force, transitional arrangements for credit insurance policies would apply as follows: By way of derogation from articles 236 (1a) and 236a(2), the LGD applicable to credit insurance policies shall be the applicable insurers' LGD provided for in Article 161(1), multiplied by the following factors:

(a) 30 % during the period from 1 January 2025 to 31 December 2028;

(b) 70 % during the period from 1 January 2029 to 31 December 2030; 80% during the period from 1 January 2031.

Or. en

Amendment 1515

Frances Fitzgerald

Proposal for a regulation

Article 1 – paragraph 1 – point 203

Regulation (EU) No 575/2013
Article 506 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

Until the Delegated Act is applicable, transitional arrangements for credit insurance policies would apply as follows:

By way of derogation from articles 236 (1a) and 236a (2), as far as credit insurance policies are concerned, the LGD applicable to the protection provider shall be the applicable protection provider's LGD provided for in Article 161(1), multiplied by the following factors:

(a) 30 % during the period from 1 January 2025 to 31 December 2028;

(b) 45 % from 1 January 2029 until the Delegated Act is applicable

3 By way of derogation, during the above transition arrangements, credit insurance policies shall continue to be governed by the eligibility criteria and requirements that existed in Article 183 prior to the entry in force of this regulation.

Or. en

Amendment 1516
José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 204 a (new)
Regulation (EU) No 575/2013
Article 506ca (new)

Text proposed by the Commission

Amendment

(204 a) the following article is inserted:

'Article 506ca

By 31 December 2024, EBA shall report to the Commission on the impact of the

output floor on the prudential treatment of securitisation, with a distinction for each type of securitisation. In particular, the EBA shall assess the extent to which the application of the output floor to securitisation exposures would affect the capital reduction obtained by originating banks in transactions for which a significant risk transfer has been recognized, would excessively reduce the risk-sensitivity and would affect the economic viability of both new and existing transactions. In such cases, the EBA shall also assess the appropriateness of a commensurate downward recalibration of the non neutrality factors under the SEC-SA in order to adequately recognize the benefit of the transactions from a risk transfer point of view. In doing so, the EBA shall take due account of the choices made by other third country jurisdictions on the matter. As part of such report, the EBA shall also assess and give consideration to the impact of extending any such downward recalibration of the non neutrality factors under the SEC-SA to all securitisations, and not just those relating to significant risk transfer. On the basis of these reports, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2025.'

Or. en

Amendment 1517

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 204 a (new)

Regulation (EU) No 575/2013

Article 506ca (new)

Text proposed by the Commission

Amendment

(204 a) the following article is inserted as follows:

‘Article 506ca

Prudential treatment of securitisation in relation to the output floor

By 31 December 2025, EBA, in close collaboration with ESMA, shall report to the Commission on the impact of the output floor on the prudential treatment of securitisation, differentiating between different types of securitisation, including synthetic securitisation. Hereby, EBA may consider proposing a recalibration of non neutrality factors if significant risk transfers are observed.

On the basis of that report, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2027.;’

Or. en

Justification

This amendment introduces an EBA report and a possible legislative proposal by the Commission regarding the impacts of the output floor on (synthetic) securitisation with possible recalibrations of non neutrality factors.

Amendment 1518

Othmar Karas

Proposal for a regulation

Article 1 – paragraph 1 – point 204 b (new)

Regulation (EU) No 575/2013

Article 506cb (new)

Text proposed by the Commission

Amendment

(204 b) the following article is inserted as follows:

‘Article 506cb

Prudential treatment of securities financing transactions

By 31 December 2025, EBA, in close collaboration with ESMA, shall report to the Commission on the impact of the new framework for securities financing transactions in terms of capital requirements. EBA shall assess whether a recalibration of the associated risk weights in the Standardised Approach is appropriate, given the associated risks with respect to short term maturities, specifically for residual maturities below one year.

On the basis of that report, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by 31 December 2027.'

Or. en

Justification

Justification This amendment introduces an EBA report and a possible legislative proposal by the Commission regarding the impacts of the new framework for securities financing transactions, with a focus on the associated risk of exposures with residual maturities below one year.

Amendment 1519
Elisabetta Gualmini

Proposal for a regulation
Article 1 – paragraph 1 – point 205
Regulation (EU) No 575/2013
Article 519d – paragraph 1 – introductory part

Text proposed by the Commission

By [OP please insert the date = **60** months after date of application of Part Three, Title III], the EBA shall report to the Commission on ***all of the following***:

Amendment

By [OP please insert the date = **6** months after date of application of Part Three, Title III], the EBA shall report to the Commission on ***the use of an insurance policy standardized formula, to allow a mitigation of capital requirements for operational risks***:

Justification

EBA should report to the Commission on the implementation of insurance policy standardized formula for Operational risks within 6 months after the date of application of this Regulation.

Amendment 1520

Raffaele Fitto

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

By [OP please insert the date = 60 months after date of application of Part Three, Title III], the EBA shall report to the Commission on all of the following:

EBA shall report to the Commission on all of the following:

Or. en

Amendment 1521

Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

By [OP please insert the date = 60 months after date of application of Part Three, Title III], the EBA shall report to the Commission on all of the following:

EBA shall report to the Commission on all of the following:

Or. en

Amendment 1522

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – introductory part

Text proposed by the Commission

By [OP please insert the date = 60 months after date of application of Part Three, Title III], the EBA shall report to the Commission on *all of* the following:

Amendment

The EBA shall report to the Commission on all of the following:

Or. en

Amendment 1523

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – introductory part

Text proposed by the Commission

By [OP please insert the date = 60 months after date of application of Part Three, Title III], the EBA shall report to the Commission on *all of* the following:

Amendment

By 6 (six) months after *the* date of application of Part Three, Title III, the EBA shall report to the Commission on *the use of a insurance policy standardized formula based on* the following *criteria*:

Or. en

Amendment 1524

Pedro Marques

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – introductory part

Text proposed by the Commission

By [OP please insert the date = 60 months after date of application of Part Three, Title

Amendment

By [OP please insert the date = 24 months after date of application of Part Three, Title

III], the EBA shall report to the Commission on all of the following:

III], the EBA shall report to the Commission on all of the following:

Or. en

Amendment 1525

Irene Tinagli

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – introductory part

Text proposed by the Commission

By [OP please insert the date = **60** months after date of application of Part Three, Title III], the EBA shall report to the Commission on all of the following:

Amendment

By [OP please insert the date = **6** months after date of application of Part Three, Title III], the EBA shall report to the Commission on all of the following:

Or. en

Amendment 1526

José Manuel García-Margallo y Marfil

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – introductory part

Text proposed by the Commission

By [OP please insert the date = **60** months after date of application of Part Three, Title III], the EBA shall report to the Commission on all of the following:

Amendment

By [OP please insert the date = **6** months after date of application of Part Three, Title III], the EBA shall report to the Commission on all of the following:

Or. en

Amendment 1527

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – point a and point b a (new)

Text proposed by the Commission

(a) *the use of insurance in the context of the calculation of the own funds requirements for operational risk;*

Amendment

(a) *the standardized formula to be used as capital requirements measurement purpose will take into account:*

a. a policy limit

b. a policy deductible

c. an adjustment depending on the chosen deductible, ensuring the benefit decreases as the deductible increases

d. a standard haircut, to be determined by the competent Supervisor depending on the probability of each Insurer's default or potential delay in payments;

e. a specific policy percentage coverage related to the extent of the coverage, excluding overlapping with other policies.

The reduction shall not exceed 20% of the capital requirement.

(ba) EBA will identify eligible insurance contracts, with standardized wording pre-cleared by EBA by means of an ad hoc RTS (Regulatory Technical Standard).

Or. en

Amendment 1528

Pedro Marques

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – point a

Text proposed by the Commission

(a) the use of insurance in the context of the calculation of the own funds

Amendment

(a) the use of insurance in the context of the calculation of the own funds

requirements for operational risk;

requirements for operational risk,
*including the use of insurance policies as
a mitigation technique for operational
risk own funds requirements;*

Or. en

Amendment 1529

José Manuel García-Margallo y Marfil

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – point a

Text proposed by the Commission

(a) the use of insurance in the context
of the calculation of the own funds
requirements for operational risk;

Amendment

(a) the use of insurance in the context
of the calculation of the own funds
requirements for operational risk,
*including the use of insurance policies as
a mitigation technique for operational
risk own funds requirements;*

Or. en

Amendment 1530

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – point b

Text proposed by the Commission

(b) *whether the recognition of
insurance recoveries may allow for
regulatory arbitrage by reducing the
annual operational risk loss without a
commensurate reduction in the actual
operational loss exposure;*

Amendment

deleted

Amendment 1531

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) whether the recognition of insurance recoveries has a different impact on the appropriate coverage of recurring losses and of potential tail losses, respectively.

deleted

Amendment 1532

Ville Niinistö

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(c a) the availability and quality of data used by institutions when calculating their own funds requirements for operation risk.

Amendment 1533

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Text proposed by the Commission

On the basis of that report, the Commission **shall, where appropriate**, submit to the European Parliament and **to** the Council a legislative proposal **by [OP please insert the date = 72 months after date of application of Part Three, Title III].;**

Amendment

On the basis of that report, **as to take into consideration a standardized formula in the calculation of own funds requirements for operational risk**, the Commission **will be empowered to** submit **the formula** to the European Parliament and the Council, a legislative proposal, **by 12 months after date of application of Part Three, Title III.**

2. The insurance provider shall be authorised to provide insurance or re-insurance and shall have a minimum claims paying ability rating by an ECAI which has been determined by EBA to be associated with credit quality step 3 or above under the rules for the risk weighting of exposures to institutions under Title II, Chapter 2.

3. The insurance and the institutions' insurance framework shall meet all the following conditions:

a. the insurance policy has an initial term of no less than one year. For policies with a residual term of less than one year, an institution shall make appropriate haircuts reflecting the declining residual term of the policy, up to a full 100 % haircut for policies with a residual term of 90 days or less;

b. the insurance policy has a minimum notice period for cancellation of the contract of 90 days;

c. the insurance policy has no exclusions or limitations triggered by supervisory actions or, in the case of a failed institution, that preclude the institution's receiver or liquidator from recovering the damages suffered or expenses incurred by the institution, except in respect of events occurring after the initiation of receivership or liquidation proceedings in respect of the institution. However, the insurance policy may exclude any fine,

penalty, or punitive damages resulting from actions by the competent authorities;

d. the insurance is provided by a third party entity. In the case of insurance through captives and affiliates, the exposure has to be laid off to an independent third party entity that meets the eligibility criteria set out in paragraph 2;

e. the framework for recognising insurance is well reasoned and documented.

4. The methodology for recognising insurance shall capture all the following elements through discounts or hair cuts in the amount of insurance recognition:

a. the residual term of the insurance policy, where less than one year;

b. the policy's cancellation terms, where less than one year;

c. the uncertainty of payment as well as mismatches in coverage of insurance policies.

5. The reduction in own funds requirements from the recognition of insurances and other risk transfer mechanisms shall not exceed 20% of the own funds requirement for operational risk before the recognition of risk mitigation techniques.

Or. en

Amendment 1534
Elisabetta Gualmini

Proposal for a regulation
Article 1 – paragraph 1 – point 205
Regulation (EU) No 575/2013
Article 519d – paragraph 2

Text proposed by the Commission

Amendment

On the basis of that report, the Commission

On the basis of that report, the Commission

shall, *where appropriate*, submit to the European Parliament and to the Council a legislative proposal by [OP please insert the date = 72 months after date of application of Part Three, Title III].;

shall submit to the European Parliament and to the Council a legislative proposal *related to a standardized formula for the calculation of own funds requirements for operational risks* by [OP please insert the date = 12 months after date of application of Part Three, Title III].; *such formula shall take into account a policy limit, a policy a policy deductible and a standard haircut to be determined by supervision authorities. The insurance contracts shall be identified by EBA with standardised wording precleared by EBA by means of an ad hoc RTS.*

Or. en

Justification

On the basis of EBA's report and advices, the Commission should make a specific legislative proposal to be adopted in a more reasonable and shorter period of time than the one proposed in the Commission's proposal.

Amendment 1535

Irene Tinagli

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 2

Text proposed by the Commission

On the basis of that report, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by [OP please insert the date = 72 months after date of application of Part Three, Title III].;

Amendment

On the basis of that report, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by [OP please insert the date = 12 months after date of application of Part Three, Title III].;

Or. en

Amendment 1536

José Manuel García-Margallo y Marfil

Proposal for a regulation
Article 1 – paragraph 1 – point 205
Regulation (EU) No 575/2013
Article 519d – paragraph 2

Text proposed by the Commission

On the basis of that report, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by [OP please insert the date = 72 months after date of application of Part Three, Title III].;

Amendment

On the basis of that report, the Commission shall, where appropriate, submit to the European Parliament and to the Council a legislative proposal by [OP please insert the date = 6 months after date of application of Part Three, Title III].;

Or. en

Amendment 1537
Gianna Gancia

Proposal for a regulation
Article 1 – paragraph 1 – point 205
Regulation (EU) No 575/2013
Article 519d – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

In case admissible insurance contracts should be identified by EBA, with standardized wording pre-cleared by EBA by means of an ad hoc RTS (Regulatory Technical Standard), institutions can apply the following.

NET BIC = BIC × (1 – insurance benefit)

where:

insurance benefit = min (20%, $\sum \delta i$)

and for each i policy

$\delta i = [(H \cdot Li) / BIC] \times f(D) * Wi$

- the policy limit (“L”);

- the policy deductible (“D”);

- an adjustment depending on the chosen deductible (“f(D)”), ensuring the benefit decreases as the deductible increases;

- a standard haircut (“H”), to be

determined by the competent Supervisor depending on the probability of each Insurer's default or potential delay in payments;

- the policy percentage coverage ("W") related to the extent of the coverage, excluding overlapping with other policies.

Or. en

Amendment 1538

Proposal for a regulation

Article 1 – paragraph 1 – point 205

Regulation (EU) No 575/2013

Article 519d – paragraph 2 a (new)

Text proposed by the Commission

Amendment

In case admissible insurance contracts should be identified by EBA, with means of an ad hoc RTS (Regulatory Technical Standard), institutions can apply the following.

NET BIC = BIC × (1 – insurance benefit)

where:

insurance benefit = min (20%, $\sum \delta_i$)

and for each i policy

*$\delta_i = [(H_i \cdot L_i) / BIC] \times f(D_i) * W_i$*

- the policy limit ("L");*
- the policy deductible ("D");*
- an adjustment depending on the chosen deductible ("f(D)"), standardized wording pre-cleared by EBA by ensuring the benefit decreases as the deductible increases;*
- a standard haircut ("H"), to be determined by the competent Supervisor depending on the probability of each Insurer's default or potential delay in payments;*

- *the policy percentage coverage (“W”) related to the extent of the coverage, excluding overlapping with other policies.*

Or. en

Amendment 1539
Raffaele Fitto

Proposal for a regulation
Article 1 – paragraph 1 – point 205
Regulation (EU) No 575/2013
Article 519d – paragraph 2 a (new)

Text proposed by the Commission

Amendment

In case admissible insurance contracts should be identified by EBA, with standardized wording pre-cleared by EBA by means of and ad hoc RTS (Regulatory Technical Standard), institutions can apply the following.

NET BIC = BIC × (1 – insurance benefit)

where:

insurance benefit = min (20%, $\sum \delta_i$)

and for each i policy

*$\delta_i = [(H_i \cdot L_i) / BIC] \times f(D_i) * W_i$*

- *the policy limit (“L”);*
- *the policy deductible (“D”);*
- *an adjustment depending on the chosen deductible (“f(D)”), ensuring the benefit decreases as the deductible increases;*
- *a standard haircut (“H”), to be determined by the competent Supervisor depending on the probability of each Insurer’s default or potential delay in payments;*
- *the policy percentage coverage (“W”) related to the extent of the coverage, excluding overlapping with*

other policies.

Or. en

Amendment 1540

Engin Eroglu, Markus Ferber

Proposal for a regulation

Article 1 – paragraph 1 – point 205a (new)

Regulation (EU) No 575/2013

Article 519da (new)

Text proposed by the Commission

Amendment

(205a) the following article is inserted:

‘Article 519da

Proportionality

EBA shall assess the extent to which the requirements of this Regulation, of Directive 2013/36/EU and of the delegated acts adopted by the Commission on the basis thereof address the financial stability relevance of Less Significant Institutions (LSIs), within the meaning of Article 6(4) of Regulation (EU) No 1024/2013, and shall report its findings to the Commission by 31 December 2023. The report to be produced shall cover:

(a) an assessment of the relevance of LSIs at institution level for maintaining financial stability. That assessment shall include categorisation of LSIs by regionality. In that connection, EBA shall identify at what (EU) territorial unit level (local, regional, national) default by an individual LSI would have negative consequences for the financial stability of the Member State concerned;

(b) an assessment of the proportionality of the requirements for the various categories of LSIs for maintaining financial stability;

(c) recommendations as to how requirements can be varied so as to reflect

the differing degrees of financial stability relevance of categories of LSIs, to the extent that is necessary, without jeopardising the financial soundness of the institution concerned.'

Or. de

Justification

Die EU-Bankenregulierung ist heute durch das Single Rule Book geprägt. Ziel der Regulierung ist letztlich die Wahrung der Finanzstabilität. Solidität der Institute und Finanzstabilität bedingen sich dabei gegenseitig. Diese Wechselwirkung schließt nicht aus, die Vorgaben für Institute nach ihrer Bedeutung für die Finanzstabilität differenziert zu gestalten. Dabei muss Proportionalität der zentrale Maßstab sein. Ein wichtiger erster Schritt zu einer entsprechenden Differenzierung wurde mit der Einführung von Erleichterungen für kleine und nicht komplexe Banken gemacht. Der EU- Gesetzgeber hat erkannt, dass Kriterien wie Größe oder Bedeutung, Komplexität oder grenzüberschreitende Tätigkeit für eine stärker proportionale Regulierung in den Blick genommen werden können, ohne die Finanzstabilität zu gefährden. Nach den zwischenzeitlichen Erfahrungen ist es nun möglich, den nächsten Schritt zu gehen. Das Single Rule Book sollte so weiterentwickelt werden, dass die Regulierung institutsbezogen im Hinblick auf die jeweilige Finanzstabilität genauer kalibriert wird.

Amendment 1541

Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Oliver Chastel, Dominique Riquet

Proposal for a regulation

Annex – table– bucket 2

Regulation (EU) No 575/2013

Annex 1

Text proposed by the Commission

Bucket	Items
2	<ul style="list-style-type: none">• Note issuance facilities (NIFs) and revolving underwriting facilities (RUFs) regardless of the maturity of the underlying facility;• Performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions and similar transaction-related contingent items;• Off-balance sheet items not constituting a credit substitute where not explicitly included in any other category.• Other off-balance sheet items carrying similar risk, as communicated to EBA.

Amendment

Bucket	Items
2	<ul style="list-style-type: none"> • <i>Trade finance off-balance sheet items, namely documentary credits issued or confirmed (see also ‘Bucket 4’);</i> • <i>Other off-balance sheet items:</i> <ul style="list-style-type: none"> <i>(i) shipping guarantees, customs and tax bonds;</i> <i>(ii) undrawn credit facilities (agreements to lend, purchase securities, provide guarantees or acceptance facilities) with an original maturity of more than one year;</i> <i>(iii) note issuance facilities (NIFs) and revolving underwriting facilities (RUFs);</i> • Other off-balance sheet items carrying similar risk, as communicated to EBA.

Or. en

Justification

Return to classification as agreed in CRR2. Bucket 2 is amended accordingly.

Amendment 1542

José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation

Annex – table – bucket 2

Regulation (EU) No 575/2013

Annex 1

Text proposed by the Commission

Bucket	Items
2	<ul style="list-style-type: none"> • <i>Note issuance facilities (NIFs) and revolving underwriting facilities (RUFs) regardless of the maturity of the underlying facility;</i> • <i>Performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions and similar transaction-related contingent items;</i> • <i>Off-balance sheet items not constituting a credit substitute where not explicitly included in any other category.</i> • Other off-balance sheet items carrying similar risk, as communicated to EBA.

Amendment

Bucket	Items
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- 2
- *Trade finance off-balance sheet items, namely documentary credits issued or confirmed (see also ‘Bucket 4’);*
 - *Other off-balance sheet items:*
 - (i) shipping guarantees, customs and tax bonds;*
 - (ii) undrawn credit facilities (agreements to lend, purchase securities, provide guarantees or acceptance facilities) with an original maturity of more than one year;*
 - (iii) note issuance facilities (NIFs) and revolving underwriting facilities (RUFs) regardless of the maturity of the underlying facility;*
 - Other off-balance sheet items carrying similar risk, as communicated to EBA.

Or. en

Amendment 1543
Carlo Calenda

Proposal for a regulation
Annex - table – column 2 – row 8
Regulation (EU) No 575/2013
Annex I

Text proposed by the Commission

Amendment

- *Performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions and similar transaction-related contingent items;* *deleted*

Or. en

Amendment 1544
Linea Søgaard-Lidell, Engin Eroglu, Nicola Beer

Proposal for a regulation
Annex – table – column 2 – row 8
Regulation (EU) No 575/2013
Annex 1

Text proposed by the Commission

Amendment

- **Performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions and similar transaction-related contingent items;** *deleted*

Or. en

Justification

The treatment for trade finance guarantees should receive a 20% Credit Conversion Factor (CCF) instead of the proposed 50% CCF. These products support especially new trade relationships and product exports, which is a key feature of the European economy. They also support the construction of public infrastructure and other projects, which are key also for the green transition. These guarantees have demonstrated high resilience to losses and defaults. Historic data suggests beneficiaries tend to fulfil such contracts, regardless of their creditworthiness.

Amendment 1545
Othmar Karas

Proposal for a regulation
Annex – table – column 2 – row 8
Regulation (EU) No 575/2013
Annex 1

Text proposed by the Commission

Amendment

- Performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions and similar transaction-related contingent items;
- Performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions and similar transaction-related contingent items, ***excluding trade finance off-balance sheet items referred to in bucket 4;***

Or. en

Justification

This amendment aims to retain the more risk-sensitive treatment of trade finance offbalance sheet items, identical to CRR IL in order to secure supply chains, contracts, services and delivery of goods.

Amendment 1546

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Annex – table – column 2 – row 8

Regulation (EU) No 575/201

Annex 1

Text proposed by the Commission

- Performance bonds, bid bonds, warranties *and standby letters of credit related to particular transactions and similar transaction-related contingent items*;

Amendment

- Performance bonds, bid bonds, warranties *not related to trade finance*;

Or. en

Amendment 1547

Raffaele Fitto

Proposal for a regulation

Annex – table – column 2 – row 8

Regulation (EU) No 575/201

Annex I

Text proposed by the Commission

- Performance bonds, bid bonds, warranties *and standby letters of credit related to particular transactions and similar transaction-related contingent items*;

Amendment

- Performance bonds, bid bonds, warranties *not related to trade finance*;

Or. en

Amendment 1548

Gianna Gancia

Proposal for a regulation

Annex – table – column 2 – row 8

Regulation (EU) No 575/201

Annex I

Text proposed by the Commission

- Performance bonds, bid bonds, warranties ***and standby letters of credit related to particular transactions and similar transaction-related contingent items***;

Amendment

- Performance bonds, bid bonds, warranties ***not related to trade finance***;

Or. en

Amendment 1549
Fabio Massimo Castaldo

Proposal for a regulation
Annex – table – column 2 – row 8
Regulation (EU) No 575/2013
Annex I

Text proposed by the Commission

- Performance bonds, bid bonds, warranties ***and standby letters of credit related to particular transactions and similar transaction-related contingent items***;

Amendment

- Performance bonds, bid bonds ***and*** warranties ***not related to trade finance***

Or. en

Amendment 1550
Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Oliver Chastel, Dominique Riquet

Proposal for a regulation
Annex – table – column 2 row – 13 -a (new)
Regulation (EU) No 575/2013
Annex 1

Text proposed by the Commission

Amendment

- ***Trade finance off-balance sheet items:***
 - (i) documentary credits in which underlying shipment acts as collateral and other self-liquidating transactions;***
 - (ii) warranties(including tender and performance bonds and associated advance payment and retention guarantees) and guarantees not having the character of credit substitutes;***

(iii) irrevocable standby letters of credit not having the character of credit substitutes;

Or. en

Justification

Return to classification as agreed in CRR2. Bucket 4 is amended accordingly.

Amendment 1551

Carlo Calenda

Regulation (EU) No 575/2013

Annex – table – row 2 – column 13 -a (new) Regulation (EU) No 575/2013

Annex 1

Text proposed by the Commission

Amendment

- ***Trade finance off-balance sheet items:***
 - (i) documentary credits in which underlying shipment acts as collateral and other self-liquidating transactions;***
 - (ii) warranties (including tender and performance bonds and associated advance payment and retention guarantees) and guarantees not having the character of credit substitutes;***
 - (iii) irrevocable standby letters of credit not having the character of credit substitutes***

Or. en

Amendment 1552

Othmar Karas

Proposal for a regulation

Annex – table – column 2 – row 13 -a (new)

Regulation (EU) No 575/2013

Annex 1

Text proposed by the Commission

Amendment

- ***Trade finance off-balance sheet items including documentary credits in which underlying shipment acts as collateral and other self-liquidating transactions, warranties (including tender and performance bonds and associated advance payment and retention guarantees) and guarantees not having the character of credit substitutes and irrevocable standby letters of credit not having the character of credit substitutes;***

Or. en

Justification

This amendment aims to retain the more risk-sensitive treatment of trade finance offbalance sheet items, identical to CRR IL in order to secure supply chains, contracts, services and delivery of goods.

Amendment 1553

José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea

Proposal for a regulation

Annex — table – column 2 – row 13 -a (new)

Regulation (EU) No 575/2013

Annex 1

Text proposed by the Commission

Amendment

- ***Trade finance off-balance sheet items:***
 - (i) ***documentary credits in which underlying shipment acts as collateral and other self-liquidating transactions;***
 - (ii) ***warranties (including tender and performance bonds and associated advance payment and retention guarantees) and guarantees not having the character of credit substitutes;***

- (iii) *irrevocable standby letters of credit not having the character of credit substitutes;*

Or. en

Amendment 1554

Linea Søgaard-Lidell, Engin Eroglu, Nicola Beer

Proposal for a regulation

Annex – table – column 2 - row 13 -a (new)

Regulation (EU) No 575/2013

Annex 1

Text proposed by the Commission

Amendment

- *Performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions and similar transaction-related contingent items;*

Or. en

Justification

The treatment for trade finance guarantees should receive a 20% Credit Conversion Factor (CCF) instead of the proposed 50% CCF. These products support especially new trade relationships and product exports, which is a key feature of the European economy. They also support the construction of public infrastructure and other projects, which are key also for the green transition. These guarantees have demonstrated high resilience to losses and defaults. Historic data suggests beneficiaries tend to fulfil such contracts, regardless of their creditworthiness.

Amendment 1555

Fabio Massimo Castaldo

Proposal for a regulation

Annex – table – column 2 – row 13 a (new)

Regulation (EU) No 575/2013

Annex I

Text proposed by the Commission

Amendment

- *Performance bonds, bid bonds and warranties related to trade finance, and standby letters of credit related*

to particular transactions and similar transaction-related contingent items;

Or. en

Amendment 1556

Fabio Antonio Maria Rinaldi, Valentino Grant

Proposal for a regulation

Annex – table – column 2 – row 13 a (new)

Regulation (EU) No 575/2013

Annex I

Text proposed by the Commission

Amendment

- *Performance bonds, bid bonds and warranties related to trade finance, and standby letters of credit related to particular transactions and similar transaction-related contingent items;*

Or. en

Amendment 1557

Raffaele Fitto

Proposal for a regulation

Annex – table – column 2 – row 13 a (new)

Regulation (EU) No 575/2013

Annex I

Text proposed by the Commission

Amendment

- *Performance bonds, bid bonds and warranties related to trade finance, and standby letters of credit related to particular transactions and similar transaction-related contingent items;*

Or. en

Amendment 1558

Gianna Gancia

Proposal for a regulation

Annex – table – column 2 – row 13 a (new)

Regulation (EU) No 575/2013
Annex I

Text proposed by the Commission

Amendment

- ***Performance bonds, bid bonds and warranties related to trade finance, and standby letters of credit related to particular transactions and similar transaction-related contingent items;***

Or. en

Amendment 1559
Engin Eroglu

Proposal for a regulation
Annex – table – column 2 – row 15
Regulation (EU) No 575/2013
Annex I

Present text

Amendment

Unconditionally cancellable commitments;

deleted

"

Or. en

Amendment 1560
Ville Niinistö
on behalf of the Verts/ALE Group

Proposal for a regulation
Article 1 – paragraph 1 – point 206 a (new)
Regulation (EU) No 575/2013
Annex IIIa (new)

Text proposed by the Commission

Amendment

***(206 a) the following Annex is inserted:
Annex IIIa***

‘Undertakings that are excluded from the definition of shadow banking entities:

1. undertakings included in consolidated supervision on the basis of the consolidated situation of an institution as defined in Article 4(1)(47) of this Regulation.

2. undertakings which are supervised on a consolidated basis by a third country competent authority pursuant to the law of a third country which applies prudential and supervisory requirements that are at least equivalent to those applied in the Union.

3. undertakings which are not within the scope of points (1) and (2) but which are:

(a) credit institutions;

(b) investment firms;

(c) third country credit institutions if the third country applies prudential and supervisory requirements to that institution that are at least equivalent to those applied in the Union;

(d) recognised third country investment firms;

(e) entities which are financial institutions authorised and supervised by the competent authorities or third country competent authorities and subject to prudential requirements comparable to those applied to institutions in terms of robustness where the institution’s exposure(s) to the entity concerned is treated as an exposure to an institution pursuant to Article 119(5) of this Regulation;

(f) entities referred to in points (2) to (23) of Article 2(5) of Directive 2013/36/EU;

(g) entities referred to in Article 9(2) of Directive 2013/36/EU;

(h) insurance holding companies, insurance undertakings, reinsurance undertakings and third country insurance undertakings and third-country

reinsurance undertakings where the supervisory regime of the third country concerned is deemed equivalent;

(i) undertakings excluded from the scope of Directive 2009/138/EC in accordance with Article 4 of that Directive;

(j) institutions for occupational retirement provision within the meaning of point (a) of Article 6 of Directive 2003/41/EC or subject to prudential and supervisory requirements comparable to those applied to institutions within the meaning of point (a) of Article 6 of Directive 2003/41/EC in terms of robustness;

(k) undertakings for collective investment:(i) within the meaning of Article 1 of Directive 2009/65/EC; (ii) established in third countries where they are authorised under laws which provide that they are subject to supervision considered to be equivalent to that laid down in Directive 2009/65/EC;(iii) within the meaning of Article 4(1)(a) of Directive 2011/61/EU with the exception of:- undertakings employing leverage on a substantial basis according to Article 111(1) of Commission Delegated Regulation (EU) 231/2013 and/or- undertakings which are allowed to originate loans or purchase third party lending exposures onto their balance-sheet pursuant to the relevant fund rules or instruments of incorporation;(iv) which are authorised as ‘European long-term investment funds’ in accordance with Regulation (EU) 2015/760;(v) within the meaning of Article 3(1)(b) of Regulation (EU) 346/2013 (‘qualifying social entrepreneurship funds’);(vi) within the meaning of Article 3(b) of Regulation (EU) 345/2013 (‘qualifying venture capital funds’).except undertakings that invest in financial assets with a residual maturity not exceeding two years (short-term assets) and have as distinct or cumulative objectives offering returns in line with

money market rates or preserving the value of the investment (money market funds);

(l) central counterparties (CCPs) as defined in point (1) of Article 2 of Regulation (EU) No 648/2012 established in the EU and third country CCPs recognised by ESMA pursuant to Article 25 of that Regulation;

(m) electronic money issuers as defined in point (3) of Article 2 of Directive 2009/110/EC;

(n) payment institutions as defined in point (4) of Article 4 of Directive 2007/64/EC;

(o) entities the principal activity of which is to carry out credit intermediation activities for their parent undertakings, for their subsidiaries or for other subsidiaries of their parent undertakings;(p) resolution authorities, asset management vehicles and bridge institutions as defined in points (18), (56) and (59) of Article 2(1) of Directive 2014/59/EU and entities wholly or partially owned by one or more public authorities established prior to the 1 January 2016 for the purpose of receiving and holding some or all of the assets, rights and liabilities of one or more institutions in order to preserve or restore the viability, liquidity or solvency of an institution or to stabilise the financial market.'

Or. en

Amendment 1561

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

Proposal for a regulation

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

Present Text

6. Point (53), as regards Article 104a of Regulation (EU) No 575/2013, and points (55) and (69) of Article 1 of this Regulation, containing the provisions on the introduction of the new own funds requirements for market risk, shall apply from **28 June 2023**.

Amendment

(1) In Article 3, paragraph 6 is replaced by the following :

‘6. Point (53), as regards Article 104a of Regulation(EU) No 575/2013, and points (55) and (69) of Article 1 of this Regulation, containing the provisions on the introduction of the new own funds requirements for market risk, shall apply from **1 January 2025**.’;

Or. en

Justification

In order to limit the burden of implementation of the FRTB provisions in the EU for both institutions and supervisors it is proposed to align the application date of all FRTB provisions, including the ones in Articles 104a and 106 that were initially foreseen to enter into force in June 2023.