

Directive 2006/48/EC of the European Parliament and of the council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast) (Text with EEA relevance) (repealed)

TITLE VII

TRANSITIONAL AND FINAL PROVISIONS

CHAPTER 1

Transitional provisions

Article 152

1 Credit institutions calculating risk-weighted exposure amounts in accordance with Articles 84 to 89 shall during the first, second and third twelve-month periods after 31 December 2006 provide own funds which are at all times more than or equal to the amounts indicated in paragraphs 3, 4 and 5.

2 Credit institutions using the Advanced Measurement Approaches as specified in Article 105 for the calculation of their capital requirements for operational risk shall, during the second and third twelve-month periods after 31 December 2006, provide own funds which are at all times more than or equal to the amounts indicated in paragraphs 4 and 5.

3 For the first twelve-month period referred to in paragraph 1, the amount of own funds shall be 95 % of the total minimum amount of own funds that would be required to be held during that period by the credit institution under Article 4 of Council Directive 93/6/EEC of 15 March 1993 on the capital adequacy of investment firms and credit institutions⁽¹⁾ as that Directive and Directive 2000/12/EC stood prior to 1 January 2007.

4 For the second twelve-month period referred to in paragraph 1, the amount of own funds shall be 90 % of the total minimum amount of own funds that would be required to be held during that period by the credit institution under Article 4 of Directive 93/6/EEC as that Directive and Directive 2000/12/EC stood prior to 1 January 2007.

5 For the third twelve-month period referred to in paragraph 1, the amount of own funds shall be 80 % of the total minimum amount of own funds that would be required to be held during that period by the credit institution under Article 4 of Directive 93/6/EEC as that Directive and Directive 2000/12/EC stood prior to 1 January 2007.

6 Compliance with the requirements of paragraphs 1 to 5 shall be on the basis of amounts of own funds fully adjusted to reflect differences in the calculation of own funds under Directive 2000/12/EC and Directive 93/6/EEC as those Directives stood prior to 1 January 2007 and the calculation of own funds under this Directive deriving from the separate treatments of expected loss and unexpected loss under Articles 84 to 89 of this Directive.

7 For the purposes of paragraphs 1 to 6 of this Article, Articles 68 to 73 shall apply.

8 Until 1 January 2008 credit institutions may treat the Articles constituting the Standardised Approach set out in Title V, Chapter 2, Section 3, Subsection 1 as being replaced by Articles 42 to 46 of Directive 2000/12/EC as those Articles stood prior to 1 January 2007.

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9 Where the discretion referred to in paragraph 8 is exercised, the following shall apply concerning the provisions of Directive 2000/12/EC:

- a the provisions of that Directive referred to in Articles 42 to 46 shall apply as they stood prior to 1 January 2007;
- b 'risk-adjusted value' as referred to in Article 42(1) of that Directive shall mean 'risk-weighted exposure amount';
- c the figures produced by Article 42(2) of that Directive shall be considered risk-weighted exposure amounts;
- d 'credit derivatives' shall be included in the list of 'Full risk' items in Annex II of that Directive; and
- e the treatment set out in Article 43(3) of that Directive shall apply to derivative instruments listed in Annex IV of that Directive whether on- or off-balance sheet and the figures produced by the treatment set out in Annex III shall be considered risk-weighted exposure amounts.

10 Where the discretion referred to in paragraph 8 is exercised, the following shall apply in relation to the treatment of exposures for which the Standardised Approach is used:

- a Title V, Chapter 2, Section 3, Subsection 3 relating to the recognition of credit risk mitigation shall not apply;
- b Title V, Chapter 2, Section 3, Subsection 4 concerning the treatment of securitisation may be disapplied by competent authorities.

11 Where the discretion referred to in paragraph 8 is exercised, the capital requirement for operational risk under Article 75(d) shall be reduced by the percentage representing the ratio of the value of the credit institution's exposures for which risk-weighted exposure amounts are calculated in accordance with the discretion referred to in paragraph 8 to the total value of its exposures.

12 Where a credit institution calculates risk-weighted exposure amounts for all of its exposures in accordance with the discretion referred to in paragraph 8, Articles 48 to 50 of Directive 2000/12/EC relating to large exposures may apply as they stood prior to 1 January 2007.

13 Where the discretion referred to in paragraph 8 is exercised, references to Articles 78 to 83 of this Directive shall be read as references to Articles 42 to 46 of Directive 2000/12/EC as those Articles stood prior to 1 January 2007.

14 If the discretion referred to in paragraph 8 is exercised, Articles 123, 124, 145 and 149 shall not apply before the date referred to therein.

Article 153

In the calculation of risk-weighted exposure amounts for exposures arising from property leasing transactions concerning offices or other commercial premises situated in their territory and meeting the criteria set out in Annex VI, Part 1, point 54, the competent authorities may, until 31 December 2012 allow a 50 % risk weight to be assigned without the application of Annex VI, Part 1, points 55 and 56.

Until 31 December 2010, competent authorities may, for the purpose of defining the secured portion of a past due loan for the purposes of Annex VI, recognise collateral other than eligible collateral as set out under Articles 90 to 93.

In the calculation of risk weighted exposure amounts for the purposes of Annex VI, Part 1, point 4, until 31 December 2012 the same risk weight shall be assigned in relation to exposures to Member States' central governments or central banks denominated and

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funded in the domestic currency of any Member State as would be applied to such exposures denominated and funded in their domestic currency.

Article 154

1 Until 31 December 2011, the competent authorities of each Member State may, for the purposes of Annex VI, Part 1, point 61, set the number of days past due up to a figure of 180 for exposures indicated in Annex VI, Part 1, points 12 to 17 and 41 to 43, to counterparties situated in their territory, if local conditions make it appropriate. The specific number may differ across product lines.

Competent authorities which do not exercise the discretion provided for in the first subparagraph in relation to exposures to counterparties situated in their territory may set a higher number of days for exposures to counterparties situated in the territories of other Member States, the competent authorities of which have exercised that discretion. The specific number shall fall within 90 days and such figures as the other competent authorities have set for exposures to such counterparties within their territory.

2 For credit institutions applying for the use of the IRB Approach before 2010, subject to the approval of the competent authorities, the three-years' use requirement prescribed in Article 84(3) may be reduced to a period no shorter than one year until 31 December 2009.

3 For credit institutions applying for the use of own estimates of LGDs and/or conversion factors, the three year use requirement prescribed in Article 84(4) may be reduced to two years until 31 December 2008.

4 Until 31 December 2012, the competent authorities of each Member State may allow credit institutions to continue to apply to participations of the type set out in Article 57(o) acquired before 20 July 2006 the treatment set out in Article 38 of Directive 2000/12/EC as that article stood prior to 1 January 2007.

5 Until 31 December 2010 the exposure weighted average LGD for all retail exposures secured by residential properties and not benefiting from guarantees from central governments shall not be lower than 10 %.

6 Until 31 December 2017, the competent authorities of the Member States may exempt from the IRB treatment certain equity exposures held by credit institutions and EU subsidiaries of credit institutions in that Member State at 31 December 2007.

The exempted position shall be measured as the number of shares as of 31 December 2007 and any additional share arising directly as a result of owning those holdings, as long as they do not increase the proportional share of ownership in a portfolio company.

If an acquisition increases the proportional share of ownership in a specific holding the exceeding Part of the holding shall not be subject to the exemption. Nor shall the exemption apply to holdings that were originally subject to the exemption, but have been sold and then bought back.

Equity exposures covered by this transitional provision shall be subject to the capital requirements calculated in accordance with Title V, Chapter 2, Section 3, Subsection 1.

7 Until 31 December 2011, for corporate exposures, the competent authorities of each Member State may set the number of days past due that all credit institutions in its jurisdiction shall abide by under the definition of 'default' set out in Annex VII, Part 4, point 44 for exposures to such counterparts situated within this Member State. The specific number shall fall within 90- up to a figure of 180 days if local conditions make it appropriate. For exposures to such counterparts situated in the territories of other Member States, the competent authorities shall

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set a number of days past due which is not higher than the number set by the competent authority of the respective Member State.

Article 155

Until 31 December 2012, for credit institutions the relevant indicator for the trading and sales business line of which represents at least 50 % of the total of the relevant indicators for all of its business lines accordance with Annex X, Part 2, points 1 to 4, Member States may apply a percentage of 15 % to the business line ‘trading and sales’.

CHAPTER 2

Final provisions

Article 156

The Commission, in cooperation with Member States, and taking into account the contribution of the European Central Bank, shall periodically monitor whether this Directive taken as a whole, together with Directive 2006/49/EC, has significant effects on the economic cycle and, in the light of that examination, shall consider whether any remedial measures are justified.

Based on that analysis and taking into account the contribution of the European Central Bank, the Commission shall draw up a biennial report and submit it to the European Parliament and to the Council, together with any appropriate proposals. Contributions from credit taking and credit lending parties shall be adequately acknowledged when the report is drawn up.

By 1 January 2012 the Commission shall, review and report on the application of this Directive with particular attention to all aspects of Articles 68 to 73, 80(7), 80(8) and 129, and shall submit this report to the Parliament and the Council together with any appropriate proposals.

Article 157

1 By 31 December 2006 Member States shall adopt and publish the laws, regulations and administrative provisions necessary to comply with Articles 4, 22, 57, 61 to 64, 66, 68 to 106, 108, 110 to 115, 117 to 119, 123 to 127, 129 to 132, 133, 136, 144 to 149 and 152 to 155, and Annexes II, III and V to XII. They shall forthwith communicate to the Commission the text of those provisions and a correlation table between those provisions and this Directive.

Notwithstanding paragraph 3, Member States shall apply those provisions from 1 January 2007.

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. They shall also include a statement that references in existing laws, regulations and administrative provisions to the directives repealed by this Directive shall be construed as references to this Directive. Member States shall determine how such reference is to be made and how that statement is to be formulated.

2 Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

3 Member States shall apply, from 1 January 2008, and no earlier, the laws regulations and administrative provisions necessary to comply with Articles 87(9) and 105.

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Article 158

1 Directive 2000/12/EC as amended by the Directives set out in Annex XIII, Part A, is hereby repealed without prejudice to the obligations of the Member States concerning the deadlines for transposition of the said Directives listed in Annex XIII, Part B.

2 References to the repealed Directives shall be construed as being made to this Directive and should be read in accordance with the correlation table in Annex XIV.

Article 159

This Directive shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

Article 160

This Directive is addressed to the Member States.

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- (1) [OJ L 141, 11.6.1993, p. 1](#). Directive as last amended by Directive 2005/1/EC.