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*Status: Point in time view as at 28/06/2013.*

*Changes to legislation: Regulation (EU) No 575/2013 of the European Parliament and of the Council, Article 169 is up to date with all changes known to be in force on or before 03 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

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Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Text with EEA relevance)

## <sup>XI</sup>PART THREE

### CAPITAL REQUIREMENTS

#### TITLE II

#### CAPITAL REQUIREMENTS FOR CREDIT RISK

##### CHAPTER 3

##### **Internal Ratings Based Approach**

##### Section 6

##### **Requirements for the IRB approach**

##### Sub-Section 1

##### **Rating systems**

##### <sup>XI</sup>Article 169

##### **General principles**

1 Where an institution uses multiple rating systems, the rationale for assigning an obligor or a transaction to a rating system shall be documented and applied in a manner that appropriately reflects the level of risk.

2 Assignment criteria and processes shall be periodically reviewed to determine whether they remain appropriate for the current portfolio and external conditions.

3 Where an institution uses direct estimates of risk parameters for individual obligors or exposures these may be seen as estimates assigned to grades on a continuous rating scale.]

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##### **Editorial Information**

**XI** Substituted by [Corrigendum to Regulation \(EU\) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation \(EU\) No 648/2012 \(OJ L 176, 27.6.2013, p. 1\)](#).

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