

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)

[^{X1}PART TWO

[^{F1}OWN FUNDS AND ELIGIBLE LIABILITIES]

TITLE I

ELEMENTS OF OWN FUNDS

CHAPTER 2

Common Equity Tier 1 capital

Section 2

Prudential filters

[^{X1}Article 33

Cash flow hedges and changes in the value of own liabilities

- 1 Institutions shall not include the following items in any element of own funds:
 - a the fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value, including projected cash flows;
 - b gains or losses on liabilities of the institution that are valued at fair value that result from changes in the own credit standing of the institution;
 - [^{F1}c fair value gains and losses on derivative liabilities of the institution that result from changes in the own credit risk of the institution.]
- 2 For the purposes of point (c) of paragraph 1, institutions shall not offset the fair value gains and losses arising from the institution's own credit risk with those arising from its counterparty credit risk.
- 3 Without prejudice to point (b) of paragraph 1, institutions may include the amount of gains and losses on their liabilities in own funds where all the following conditions are met:
 - a the liabilities are in the form of bonds as referred to in Article 52(4) of Directive 2009/65/EC;
 - b the changes in the value of the institution's assets and liabilities are due to the same changes in the institution's own credit standing;
 - c there is a close correspondence between the value of the bonds referred to in point (a) and the value of the institution's assets;
 - d it is possible to redeem the mortgage loans by buying back the bonds financing the mortgage loans at market or nominal value.

Status: Point in time view as at 27/06/2019. This version of this provision has been superseded.

Changes to legislation: Regulation (EU) No 575/2013 of the European Parliament and of the Council, Article 33 is up to date with all changes known to be in force on or before 08 October 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)

4 EBA shall develop draft regulatory technical standards to specify what constitutes close correspondence between the value of the bonds and the value of the assets, as referred to in point (c) of paragraph 3.

EBA shall submit those draft regulatory technical standards to the Commission by 30 September 2013.

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

Editorial Information

- X1** 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 \(OJ L 176, 27.6.2013, p. 1\)](#).

Textual Amendments

- F1** Substituted by [Regulation \(EU\) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation \(EU\) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation \(EU\) No 648/2012 \(Text with EEA relevance\)](#).

Status:

Point in time view as at 27/06/2019. This version of this provision has been superseded.

Changes to legislation:

Regulation (EU) No 575/2013 of the European Parliament and of the Council, Article 33 is up to date with all changes known to be in force on or before 08 October 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.