

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)

PART ONE

GENERAL PROVISIONS

TITLE I

SUBJECT MATTER, SCOPE AND DEFINITIONS

- Article 1 Scope
- Article 2 Supervisory powers
- Article 3 Application of stricter requirements by institutions
- Article 4 Definitions
- Article 5 Definitions specific to capital requirements for credit risk

TITLE II

LEVEL OF APPLICATION OF REQUIREMENTS

CHAPTER 1

Application of requirements on an individual basis

- Article 6 General principles
- Article 7 Derogation from the application of prudential requirements on an individual basis
- Article 8 Derogation from the application of liquidity requirements on an individual basis
- Article 9 Individual consolidation method
- Article 10 Waiver for credit institutions permanently affiliated to a central body

CHAPTER 2

Prudential consolidation

Section 1

Application of requirements on a consolidated basis

- Article 11 General treatment
- Article 12 Financial holding company or mixed financial holding company with both a subsidiary credit institution and a subsidiary investment firm
- Article 13 Application of disclosure requirements on a consolidated basis
- Article 14 Application of requirements of Part Five on a consolidated basis

Status: Point in time view as at 28/06/2013.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 is up to date with all changes known to be in force on or before 05 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)

- Article 15 Derogation from the application of own funds requirements on a consolidated basis for groups of investment firms
- Article 16 Derogation from the application of the leverage ratio requirements on a consolidated basis for groups of investment firms
- Article 17 Supervision of investment firms waived from the application of own funds requirements on a consolidated basis

Section 2

Methods for prudential consolidation

- Article 18 Methods for prudential consolidation

Section 3

Scope of prudential consolidation

- Article 19 Entities excluded from the scope of prudential consolidation
- Article 20 Joint decisions on prudential requirements
- Article 21 Joint decisions on the level of application of liquidity requirements
- Article 22 Sub-consolidation in cases of entities in third countries
- Article 23 Undertakings in third countries
- Article 24 Valuation of assets and off-balance sheet items

PART TWO

OWN FUNDS

TITLE I

ELEMENTS OF OWN FUNDS

CHAPTER 1

Tier 1 capital

- Article 25 Tier 1 capital

CHAPTER 2

Common Equity Tier 1 capital

Section 1

Common Equity Tier 1 items and instruments

- Article 26 Common Equity Tier 1 items
- Article 27 Capital instruments of mutuals, cooperative societies, savings institutions or similar institutions in Common Equity Tier 1 items
- Article 28 Common Equity Tier 1 instruments

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 is up to date with all changes known to be in force on or before 05 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)

- Article 29 Capital instruments issued by mutuals, cooperative societies, savings institutions and similar institutions
- Article 30 Consequences of the conditions for Common Equity Tier 1 instruments ceasing to be met
- Article 31 Capital instruments subscribed by public authorities in emergency situations

Section 2

Prudential filters

- Article 32 Securitised assets
- Article 33 Cash flow hedges and changes in the value of own liabilities
- Article 34 Additional value adjustments
- Article 35 Unrealised gains and losses measured at fair value

Section 3

Deductions from Common Equity Tier 1 items, exemptions and alternatives

Sub-Section 1

Deductions from Common Equity Tier 1 items

- Article 36 Deductions from Common Equity Tier 1 items
- Article 37 Deduction of intangible assets
- Article 38 Deduction of deferred tax assets that rely on future profitability
- Article 39 Tax overpayments, tax loss carry backs and deferred tax assets that do not rely on future profitability
- Article 40 Deduction of negative amounts resulting from the calculation of expected loss amounts
- Article 41 Deduction of defined benefit pension fund assets
- Article 42 Deduction of holdings of own Common Equity Tier 1 instruments
- Article 43 Significant investment in a financial sector entity
- Article 44 Deduction of holdings of Common Equity Tier 1 instruments of financial sector entities and where an institution has a reciprocal cross holding designed artificially to inflate own funds
- Article 45 Deduction of holdings of Common Equity Tier 1 instruments of financial sector entities
- Article 46 Deduction of holdings of Common Equity Tier 1 instruments where an institution does not have a significant investment in a financial sector entity
- Article 47 Deduction of holdings of Common Equity Tier 1 instruments where an institution has a significant investment in a financial sector entity

Sub-Section 2

Exemptions from and alternatives to deduction from Common Equity Tier 1 items

- Article 48 Threshold exemptions from deduction from Common Equity Tier 1 items

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 is up to date with all changes known to be in force on or before 05 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)

Article 49 Requirement for deduction where consolidation, supplementary supervision or institutional protection schemes are applied

Section 4

Common Equity Tier 1 capital

Article 50 Common Equity Tier 1 capital

CHAPTER 3

Additional Tier 1 capital

Section 1

Additional Tier 1 items and instruments

Article 51 Additional Tier 1 items

Article 52 Additional Tier 1 instruments

Article 53 Restrictions on the cancellation of distributions on Additional Tier 1 instruments and features that could hinder the recapitalisation of the institution

Article 54 Write down or conversion of Additional Tier 1 instruments

Article 55 Consequences of the conditions for Additional Tier 1 instruments ceasing to be met

Section 2

Deductions from Additional Tier 1 items

Article 56 Deductions from Additional Tier 1 items

Article 57 Deductions of holdings of own Additional Tier 1 instruments

Article 58 Deduction of holdings of Additional Tier 1 instruments of financial sector entities and where an institution has a reciprocal cross holding designed artificially to inflate own funds

Article 59 Deduction of holdings of Additional Tier 1 instruments of financial sector entities

Article 60 Deduction of holdings of Additional Tier 1 instruments where an institution does not have a significant investment in a financial sector entity

Section 3

Additional Tier 1 capital

Article 61 Additional Tier 1 capital

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 is up to date with all changes known to be in force on or before 05 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)

CHAPTER 4

Tier 2 capital

Section 1

Tier 2 items and instruments

Article 62	Tier 2 items
Article 63	Tier 2 instruments
Article 64	Amortisation of Tier 2 instruments
Article 65	Consequences of the conditions for Tier 2 instruments ceasing to be met

Section 2

Deductions from Tier 2 items

Article 66	Deductions from Tier 2 items
Article 67	Deductions of holdings of own Tier 2 instruments
Article 68	Deduction of holdings of Tier 2 instruments of financial sector entities and where an institution has a reciprocal cross holding designed artificially to inflate own funds
Article 69	Deduction of holdings of Tier 2 instruments of financial sector entities
Article 70	Deduction of Tier 2 instruments where an institution does not have a significant investment in a relevant entity

Section 3

Tier 2 capital

Article 71	Tier 2 capital
------------	----------------

CHAPTER 5

Own funds

Article 72	Own funds
------------	-----------

CHAPTER 6

General requirements

Article 73	Distributions on own funds instruments
Article 74	Holdings of capital instruments issued by regulated financial sector entities that do not qualify as regulatory capital
Article 75	Deduction and maturity requirements for short positions
Article 76	Index holdings of capital instruments
Article 77	Conditions for reducing own funds
Article 78	Supervisory permission for reducing own funds
Article 79	Temporary waiver of deduction from own funds
Article 80	Continuing review of quality of own funds

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 is up to date with all changes known to be in force on or before 05 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)

TITLE II

MINORITY INTEREST AND ADDITIONAL TIER 1 AND TIER 2 INSTRUMENTS ISSUED BY SUBSIDIARIES

- Article 81 Minority interests that qualify for inclusion in consolidated Common Equity Tier 1 capital
- Article 82 Qualifying Additional Tier 1, Tier 1, Tier 2 capital and qualifying own funds
- Article 83 Qualifying Additional Tier 1 and Tier 2 capital issued by a special purpose entity
- Article 84 Minority interests included in consolidated Common Equity Tier 1 capital
- Article 85 Qualifying Tier 1 instruments included in consolidated Tier 1 capital
- Article 86 Qualifying Tier 1 capital included in consolidated Additional Tier 1 capital
- Article 87 Qualifying own funds included in consolidated own funds
- Article 88 Qualifying own funds instruments included in consolidated Tier 2 capital

TITLE III

QUALIFYING HOLDINGS OUTSIDE THE FINANCIAL SECTOR

- Article 89 Risk weighting and prohibition of qualifying holdings outside the financial sector
- Article 90 Alternative to 1 250 % risk weight
- Article 91 Exceptions

PART THREE

CAPITAL REQUIREMENTS

TITLE I

GENERAL REQUIREMENTS, VALUATION AND REPORTING

CHAPTER 1

Required level of own funds

Section 1

Own funds requirements for institutions

- Article 92 Own funds requirements
- Article 93 Initial capital requirement on going concern
- Article 94 Derogation for small trading book business

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 is up to date with all changes known to be in force on or before 05 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)

Section 2

Own funds requirements for investment firms with limited authorisation to provide investment services

- Article 95 Own funds requirements for investment firms with limited authorisation to provide investment services
- Article 96 Own funds requirements for investment firms which hold initial capital as laid down in Article 28(2) of Directive 2013/36/EU
- Article 97 Own Funds based on Fixed Overheads
- Article 98 Own funds for investment firms on a consolidated basis

CHAPTER 2

Calculation and reporting requirements

- Article 99 Reporting on own funds requirements and financial information
- Article 100 Additional reporting requirements
- Article 101 Specific reporting obligations

CHAPTER 3

Trading book

- Article 102 Requirements for the trading book
- Article 103 Management of the trading book
- Article 104 Inclusion in the trading book
- Article 105 Requirements for prudent valuation
- Article 106 Internal Hedges

TITLE II

CAPITAL REQUIREMENTS FOR CREDIT RISK

CHAPTER 1

General principles

- Article 107 Approaches to credit risk
- Article 108 Use of credit risk mitigation technique under the Standardised Approach and the IRB Approach
- Article 109 Treatment of securitised exposures under the Standardised Approach and the IRB Approach
- Article 110 Treatment of credit risk adjustment

CHAPTER 2

Standardised approach

Section 1

General principles

- Article 111 Exposure value

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 is up to date with all changes known to be in force on or before 05 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)

- Article 112 Exposure classes
- Article 113 Calculation of risk-weighted exposure amounts

Section 2

Risk weights

- Article 114 Exposures to central governments or central banks
- Article 115 Exposures to regional governments or local authorities
- Article 116 Exposures to public sector entities
- Article 117 Exposures to multilateral development banks
- Article 118 Exposures to international organisations
- Article 119 Exposures to institutions
- Article 120 Exposures to rated institutions
- Article 121 Exposures to unrated institutions
- Article 122 Exposures to corporates
- Article 123 Retail exposures
- Article 124 Exposures secured by mortgages on immovable property
- Article 125 Exposures fully and completely secured by mortgages on residential property
- Article 126 Exposures fully and completely secured by mortgages on commercial immovable property
- Article 127 Exposures in default
- Article 128 Items associated with particular high risk
- Article 129 Exposures in the form of covered bonds
- Article 130 Items representing securitisation positions
- Article 131 Exposures to institutions and corporates with a short-term credit assessment
- Article 132 Exposures in the form of units or shares in CIUs
- Article 133 Equity exposures
- Article 134 Other items

Section 3

Recognition and mapping of credit risk assessment

Sub-Section 1

Recognition of ECAIs

- Article 135 Use of credit assessments by ECAIs

Sub-Section 2

Mapping of ECAI's credit assessments

- Article 136 Mapping of ECAI's credit assessments

Sub-Section 3

Use of credit assessments by Export Credit Agencies

- Article 137 Use of credit assessments by export credit agencies

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 is up to date with all changes known to be in force on or before 05 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)

Section 4

Use of the ECAI credit assessments for the determination of risk weights

Article 138	General requirements
Article 139	Issuer and issue credit assessment
Article 140	Long-term and short-term credit assessments
Article 141	Domestic and foreign currency items

CHAPTER 3

Internal Ratings Based Approach

Section 1

Permission by competent authorities to use the IRB approach

Article 142	Definitions
Article 143	Permission to use the IRB Approach
Article 144	Competent authorities' assessment of an application to use an IRB Approach
Article 145	Prior experience of using IRB approaches
Article 146	Measures to be taken where the requirements of this Chapter cease to be met
Article 147	Methodology to assign exposures to exposure classes
Article 148	Conditions for implementing the IRB Approach across different classes of exposure and business units
Article 149	Conditions to revert to the use of less sophisticated approaches
Article 150	Conditions for permanent partial use

Section 2

Calculation of risk-weighted exposure amounts

Sub-Section 1

Treatment by type of exposure class

Article 151	Treatment by exposure class
Article 152	Treatment of exposures in the form of units or shares in CIUs

Sub-Section 2

Calculation of risk-weighted exposure amounts for credit risk

Article 153	Risk-weighted exposure amounts for exposures to corporates, institutions and central governments and central banks
Article 154	Risk-weighted exposure amounts for retail exposures
Article 155	Risk-weighted exposure amounts for equity exposures
Article 156	Risk-weighted exposure amounts for other non credit-obligation assets

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 is up to date with all changes known to be in force on or before 05 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)

Sub-Section 3

Calculation of risk-weighted exposure amounts for dilution risk of purchased receivables

Article 157 Risk-weighted exposure amounts for dilution risk of purchased receivables

Section 3

Expected loss amounts

Article 158 Treatment by exposure type
Article 159 Treatment of expected loss amounts

Section 4

PD, LGD and maturity

Sub-Section 1

Exposures to corporates, institutions and central governments and central banks

Article 160 Probability of default (PD)
Article 161 Loss Given Default (LGD)
Article 162 Maturity

Sub-Section 2

Retail exposures

Article 163 Probability of default (PD)
Article 164 Loss Given Default (LGD)

Sub-Section 3

Equity exposures subject to PD/LGD method

Article 165 Equity exposures subject to the PD/LGD method

Section 5

Exposure value

Article 166 Exposures to corporates, institutions, central governments and central banks and retail exposures
Article 167 Equity exposures
Article 168 Other non credit-obligation assets

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 is up to date with all changes known to be in force on or before 05 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)

Section 6

Requirements for the IRB approach

Sub-Section 1

Rating systems

Article 169	General principles
Article 170	Structure of rating systems
Article 171	Assignment to grades or pools
Article 172	Assignment of exposures
Article 173	Integrity of assignment process
Article 174	Use of models
Article 175	Documentation of rating systems
Article 176	Data maintenance
Article 177	Stress tests used in assessment of capital adequacy

Sub-Section 2

Risk quantification

Article 178	Default of an obligor
Article 179	Overall requirements for estimation
Article 180	Requirements specific to PD estimation
Article 181	Requirements specific to own-LGD estimates
Article 182	Requirements specific to own-conversion factor estimates
Article 183	Requirements for assessing the effect of guarantees and credit derivatives for exposures to corporates, institutions and central governments and central banks where own estimates of LGD are used and for retail exposures
Article 184	Requirements for purchased receivables

Sub-Section 3

Validation of internal estimates

Article 185	Validation of internal estimates
-------------	----------------------------------

Sub-Section 4

Requirements for equity exposures under the internal models approach

Article 186	Own funds requirement and risk quantification
Article 187	Risk management process and controls
Article 188	Validation and documentation

Sub-Section 5

Internal governance and oversight

Article 189	Corporate Governance
Article 190	Credit risk control

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 is up to date with all changes known to be in force on or before 05 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)

Article 191 Internal Audit

CHAPTER 4

Credit risk mitigation

Section 1

Definitions and general requirements

Article 192 Definitions
 Article 193 Principles for recognising the effect of credit risk mitigation techniques
 Article 194 Principles governing the eligibility of credit risk mitigation techniques

Section 2

Eligible forms of credit risk mitigation

Sub-Section 1

Funded credit protection

Article 195 On-balance sheet netting
 Article 196 Master netting agreements covering repurchase transactions or securities or commodities lending or borrowing transactions or other capital market-driven transactions
 Article 197 Eligibility of collateral under all approaches and methods
 Article 198 Additional eligibility of collateral under the Financial Collateral Comprehensive Method
 Article 199 Additional eligibility for collateral under the IRB Approach
 Article 200 Other funded credit protection

Sub-Section 2

Unfunded credit protection

Article 201 Eligibility of protection providers under all approaches
 Article 202 Eligibility of protection providers under the IRB Approach which qualify for the treatment set out in Article 153(3)
 Article 203 Eligibility of guarantees as unfunded credit protection

Sub-Section 3

Types of derivatives

Article 204 Eligible types of credit derivatives

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 is up to date with all changes known to be in force on or before 05 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)

Section 3

Requirements

Sub-Section 1

Funded credit protection

Article 205	Requirements for on-balance sheet netting agreements other than master netting agreements referred to in Article 206
Article 206	Requirements for master netting agreements covering repurchase transactions or securities or commodities lending or borrowing transactions or other capital market driven transactions
Article 207	Requirements for financial collateral
Article 208	Requirements for immovable property collateral
Article 209	Requirements for receivables
Article 210	Requirements for other physical collateral
Article 211	Requirements for treating lease exposures as collateralised
Article 212	Requirements for other funded credit protection

Sub-Section 2

Unfunded credit protection and credit linked notes

Article 213	Requirements common to guarantees and credit derivatives
Article 214	Sovereign and other public sector counter-guarantees
Article 215	Additional requirements for guarantees
Article 216	Additional requirements for credit derivatives
Article 217	Requirements to qualify for the treatment set out in Article 153(3)

Section 4

Calculating the effects of credit risk mitigation

Sub-Section 1

Funded credit protection

Article 218	Credit linked notes
Article 219	On-balance sheet netting
Article 220	Using the Supervisory Volatility Adjustments Approach or the Own Estimates Volatility Adjustments Approach for master netting agreements
Article 221	Using the internal models approach for master netting agreements
Article 222	Financial Collateral Simple Method
Article 223	Financial Collateral Comprehensive Method
Article 224	Supervisory volatility adjustment under the Financial Collateral Comprehensive Method
Article 225	Own estimates of volatility adjustments under the Financial Collateral Comprehensive Method
Article 226	Scaling up of volatility adjustment under the Financial Collateral Comprehensive Method

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 is up to date with all changes known to be in force on or before 05 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)

Article 227	Conditions for applying a 0 % volatility adjustment under the Financial Collateral Comprehensive Method
Article 228	Calculating risk-weighted exposure amounts and expected loss amounts under the Financial Collateral Comprehensive method
Article 229	Valuation principles for other eligible collateral under the IRB Approach
Article 230	Calculating risk-weighted exposure amounts and expected loss amounts for other eligible collateral under the IRB Approach
Article 231	Calculating risk-weighted exposure amounts and expected loss amounts in the case of mixed pools of collateral
Article 232	Other funded credit protection

Sub-Section 2

Unfunded credit protection

Article 233	Valuation
Article 234	Calculating risk-weighted exposure amounts and expected loss amounts in the event of partial protection and tranching
Article 235	Calculating risk-weighted exposure amounts under the Standardised Approach
Article 236	Calculating risk-weighted exposure amounts and expected loss amounts under the IRB Approach

Section 5

Maturity mismatches

Article 237	Maturity mismatch
Article 238	Maturity of credit protection
Article 239	Valuation of protection

Section 6

Basket CRM techniques

Article 240	First-to-default credit derivatives
Article 241	Nth-to-default credit derivatives

CHAPTER 5

Securitisation

Section 1

Definitions

Article 242	Definitions
-------------	-------------

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 is up to date with all changes known to be in force on or before 05 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)

Section 2

Recognition of significant risk transfer

- Article 243 Traditional securitisation
- Article 244 Synthetic securitisation

Section 3

Calculation of the risk-weighted exposure amounts

Sub-Section 1

Principles

- Article 245 Calculation of risk-weighted exposure amounts
- Article 246 Exposure value
- Article 247 Recognition of credit risk mitigation for securitisation positions
- Article 248 Implicit support

Sub-Section 2

Originator institutions' calculation of risk-weighted exposure amounts securitised in a synthetic securitisation

- Article 249 General treatment
- Article 250 Treatment of maturity mismatches in synthetic securitisations

Sub-Section 3

Calculation of risk-weighted exposure amounts under the Standardised Approach

- Article 251 Risk-weights
- Article 252 Originator and sponsor institutions
- Article 253 Treatment of unrated positions
- Article 254 Treatment of securitisation positions in a second loss tranche or better in an ABCP programme
- Article 255 Treatment of unrated liquidity facilities
- Article 256 Additional own funds requirements for securitisations of revolving exposures with early amortisation provisions
- Article 257 Credit risk mitigation for securitisation positions subject to the Standardised Approach
- Article 258 Reduction in risk-weighted exposure amounts

Sub-Section 4

Calculation of risk-weighted exposure amounts under the IRB approach

- Article 259 Hierarchy of methods
- Article 260 Maximum risk-weighted exposure amounts
- Article 261 Ratings Based Method
- Article 262 Supervisory Formula Method
- Article 263 Liquidity Facilities

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 is up to date with all changes known to be in force on or before 05 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)

Article 264	Credit risk mitigation for securitisation positions subject to the IRB Approach
Article 265	Additional own funds requirements for securitisations of revolving exposures with early amortisation provisions
Article 266	Reduction in risk-weighted exposure amounts

Section 4

External credit assessments

Article 267	Use of Credit Assessments by ECAIs
Article 268	Requirements to be met by the credit assessments of ECAIs
Article 269	Use of credit assessments
Article 270	Mapping

CHAPTER 6

Counterparty credit risk

Section 1

Definitions

Article 271	Determination of the exposure value
Article 272	Definitions

Section 2

Methods for calculating the exposure value

Article 273	Methods for calculating the exposure value
-------------	--

Section 3

Mark-to-Market Method

Article 274	Mark-to-Market Method
-------------	-----------------------

Section 4

Original Exposure Method

Article 275	Original Exposure Method
-------------	--------------------------

Section 5

Standardised Method

Article 276	Standardised Method
Article 277	Transactions with a linear risk profile
Article 278	Transactions with a non-linear risk profile
Article 279	Treatment of collateral
Article 280	Calculation of risk positions

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 is up to date with all changes known to be in force on or before 05 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)

Article 281	Interest rate risk positions
Article 282	Hedging sets

Section 6

Internal Model Method

Article 283	Permission to use the Internal Model Method
Article 284	Exposure value
Article 285	Exposure value for netting sets subject to a margin agreement
Article 286	Management of CCR — Policies, processes and systems
Article 287	Organisation structures for CCR management
Article 288	Review of CCR management system
Article 289	Use test
Article 290	Stress testing
Article 291	Wrong-Way Risk
Article 292	Integrity of the modelling process
Article 293	Requirements for the risk management system
Article 294	Validation requirements

Section 7

Contractual netting

Article 295	Recognition of contractual netting as risk-reducing
Article 296	Recognition of contractual netting agreements
Article 297	Obligations of institutions
Article 298	Effects of recognition of netting as risk-reducing

Section 8

Items in the trading book

Article 299	Items in the trading book
-------------	---------------------------

Section 9

Own funds requirements for exposures to a central counterparty

Article 300	Definitions
Article 301	Material scope
Article 302	Monitoring of exposures to CCPs
Article 303	Treatment of clearing members' exposures to CCPs
Article 304	Treatment of clearing members' exposures to clients
Article 305	Treatment of clients' exposures
Article 306	Own funds requirements for trade exposures
Article 307	Own funds requirements for pre-funded contributions to the default fund of a CCP
Article 308	Own funds requirements for pre-funded contributions to the default fund of a QCCP
Article 309	Own funds requirements for pre-funded contributions to the default fund of a non-qualifying CCP and for unfunded contributions to a non-qualifying CCP

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 is up to date with all changes known to be in force on or before 05 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)

Article 310 Alternative calculation of own funds requirement for exposures to a QCCP

Article 311 Own funds requirements for exposures to CCPs that cease to meet certain conditions

TITLE III

OWN FUNDS REQUIREMENTS FOR OPERATIONAL RISK

CHAPTER 1

General principles governing the use of the different approaches

Article 312 Permission and notification

Article 313 Reverting to the use of less sophisticated approaches

Article 314 Combined use of different approaches

CHAPTER 2

Basic Indicator Approach

Article 315 Own funds requirement

Article 316 Relevant indicator

CHAPTER 3

Standardised Approach

Article 317 Own funds requirement

Article 318 Principles for business line mapping

Article 319 Alternative Standardised Approach

Article 320 Criteria for the Standardised Approach

CHAPTER 4

Advanced measurement approaches

Article 321 Qualitative standards

Article 322 Quantitative Standards

Article 323 Impact of insurance and other risk transfer mechanisms

Article 324 Loss event type classification

TITLE IV

OWN FUNDS REQUIREMENTS FOR MARKET RISK

CHAPTER 1

General provisions

Article 325 Allowances for consolidated requirements

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 is up to date with all changes known to be in force on or before 05 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)

CHAPTER 2

Own funds requirements for position risk

Section 1

General provisions and specific instruments

Article 326	Own funds requirements for position risk
Article 327	Netting
Article 328	Interest rate futures and forwards
Article 329	Options and warrants
Article 330	Swaps
Article 331	Interest rate risk on derivative instruments
Article 332	Credit Derivatives
Article 333	Securities sold under a repurchase agreement or lent

Section 2

Debt instruments

Article 334	Net positions in debt instruments
-------------	-----------------------------------

Sub-Section 1

Specific risk

Article 335	Cap on the own funds requirement for a net position
Article 336	Own funds requirement for non-securitisation debt instruments
Article 337	Own funds requirement for securitisation instruments
Article 338	Own funds requirement for the correlation trading portfolio

Sub-Section 2

General risk

Article 339	Maturity-based calculation of general risk
Article 340	Duration-based calculation of general risk

Section 3

Equities

Article 341	Net positions in equity instruments
Article 342	Specific risk of equity instruments
Article 343	General risk of equity instruments
Article 344	Stock indices

Section 4

Underwriting

Article 345	Reduction of net positions
-------------	----------------------------

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 is up to date with all changes known to be in force on or before 05 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)

Section 5

Specific risk own funds requirements for positions hedged by credit derivatives

- Article 346 Allowance for hedges by credit derivatives
- Article 347 Allowance for hedges by first and nth-to default credit derivatives

Section 6

Own funds requirements for CIUs

- Article 348 Own funds requirements for CIUs
- Article 349 General criteria for CIUs
- Article 350 Specific methods for CIUs

CHAPTER 3

Own funds requirements for foreign-exchange risk

- Article 351 De minimis and weighting for foreign exchange risk
- Article 352 Calculation of the overall net foreign exchange position
- Article 353 Foreign exchange risk of CIUs
- Article 354 Closely correlated currencies

CHAPTER 4

Own funds requirements for commodities risk

- Article 355 Choice of method for commodities risk
- Article 356 Ancillary commodities business
- Article 357 Positions in commodities
- Article 358 Particular instruments
- Article 359 Maturity ladder approach
- Article 360 Simplified approach
- Article 361 Extended maturity ladder approach

CHAPTER 5

Use of internal models to calculate own funds requirements

Section 1

Permission and own funds requirements

- Article 362 Specific and general risks
- Article 363 Permission to use internal models
- Article 364 Own funds requirements when using internal models

Section 2

General requirements

- Article 365 VaR and stressed VaR Calculation

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 is up to date with all changes known to be in force on or before 05 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)

Article 366	Regulatory back testing and multiplication factors
Article 367	Requirements on risk measurement
Article 368	Qualitative requirements
Article 369	Internal Validation

Section 3

Requirements particular to specific risk modelling

Article 370	Requirements for modelling specific risk
Article 371	Exclusions from specific risk models

Section 4

Internal model for incremental default and migration risk

Article 372	Requirement to have an internal IRC model
Article 373	Scope of the internal IRC model
Article 374	Parameters of the internal IRC model
Article 375	Recognition of hedges in the internal IRC model
Article 376	Particular requirements for the internal IRC model

Section 5

Internal model for correlation trading

Article 377	Requirements for an internal model for correlation trading
-------------	--

TITLE V

OWN FUNDS REQUIREMENTS FOR SETTLEMENT RISK

Article 378	Settlement/delivery risk
Article 379	Free deliveries
Article 380	Waiver

TITLE VI

OWN FUNDS REQUIREMENTS FOR CREDIT VALUATION ADJUSTMENT RISK

Article 381	Meaning of credit valuation adjustment
Article 382	Scope
Article 383	Advanced method
Article 384	Standardised method
Article 385	Alternative to using CVA methods to calculating own funds requirements
Article 386	Eligible hedges

PART FOUR

LARGE EXPOSURES

Article 387	Subject matter
Article 388	Negative Scope

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 is up to date with all changes known to be in force on or before 05 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)

Article 389	Definition
Article 390	Calculation of the exposure value
Article 391	Definition of an institution for large exposures purposes
Article 392	Definition of a large exposure
Article 393	Capacity to identify and manage large exposures
Article 394	Reporting requirements
Article 395	Limits to large exposures
Article 396	Compliance with large exposures requirements
Article 397	Calculating additional own funds requirements for large exposures in the trading book
Article 398	Procedures to prevent institutions from avoiding the additional own funds requirement
Article 399	Eligible credit mitigation techniques
Article 400	Exemptions
Article 401	Calculating the effect of the use of credit risk mitigation techniques
Article 402	Exposures arising from mortgage lending
Article 403	Substitution approach

PART FIVE

EXPOSURES TO TRANSFERRED CREDIT RISK

TITLE I

GENERAL PROVISIONS FOR THIS PART

Article 404	Scope of application
-------------	----------------------

TITLE II

REQUIREMENTS FOR INVESTOR INSTITUTIONS

Article 405	Retained interest of the issuer
Article 406	Due diligence
Article 407	Additional risk weight

TITLE III

REQUIREMENTS FOR SPONSOR AND ORIGINATOR INSTITUTIONS

Article 408	Criteria for credit granting
Article 409	Disclosure to investors
Article 410	Uniform condition of application

PART SIX

LIQUIDITY

TITLE I

DEFINITIONS AND LIQUIDITY COVERAGE REQUIREMENT

Article 411	Definitions
Article 412	Liquidity coverage requirement

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 is up to date with all changes known to be in force on or before 05 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)

- Article 413 Stable Funding
- Article 414 Compliance with liquidity requirements

TITLE II

LIQUIDITY REPORTING

- Article 415 Reporting obligation and reporting format
- Article 416 Reporting on liquid assets
- Article 417 Operational requirements for holdings of liquid assets
- Article 418 Valuation of liquid assets
- Article 419 Currencies with constraints on the availability of liquid assets
- Article 420 Liquidity outflows
- Article 421 Outflows on retail deposits
- Article 422 Outflows on other liabilities
- Article 423 Additional outflows
- Article 424 Outflows from credit and liquidity facilities
- Article 425 Inflows
- Article 426 Updating Future liquidity requirements

TITLE III

REPORTING ON STABLE FUNDING

- Article 427 Items providing stable funding
- Article 428 Items requiring stable funding

PART SEVEN

LEVERAGE

- Article 429 Calculation of the leverage ratio
- Article 430 Reporting requirement

PART EIGHT

DISCLOSURE BY INSTITUTIONS

TITLE I

GENERAL PRINCIPLES

- Article 431 Scope of disclosure requirements
- Article 432 Non-material, proprietary or confidential information
- Article 433 Frequency of disclosure
- Article 434 Means of disclosures

TITLE II

TECHNICAL CRITERIA ON TRANSPARENCY AND DISCLOSURE

- Article 435 Risk management objectives and policies
- Article 436 Scope of application
- Article 437 Own funds
- Article 438 Capital requirements

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 is up to date with all changes known to be in force on or before 05 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)

Article 439	Exposure to counterparty credit risk
Article 440	Capital buffers
Article 441	Indicators of global systemic importance
Article 442	Credit risk adjustments
Article 443	Unencumbered assets
Article 444	Use of ECAIs
Article 445	Exposure to market risk
Article 446	Operational risk
Article 447	Exposures in equities not included in the trading book
Article 448	Exposure to interest rate risk on positions not included in the trading book
Article 449	Exposure to securitisation positions
Article 450	Remuneration policy
Article 451	Leverage

TITLE III

QUALIFYING REQUIREMENTS FOR THE USE OF PARTICULAR INSTRUMENTS OR METHODOLOGIES

Article 452	Use of the IRB Approach to credit risk
Article 453	Use of credit risk mitigation techniques
Article 454	Use of the Advanced Measurement Approaches to operational risk
Article 455	Use of Internal Market Risk Models

PART NINE

DELEGATED AND IMPLEMENTING ACTS

Article 456	Delegated acts
Article 457	Technical adjustments and corrections
Article 458	Macroprudential or systemic risk identified at the level of a Member State
Article 459	Prudential requirements
Article 460	Liquidity
Article 461	Review of the phasing-in of the liquidity coverage requirement
Article 462	Exercise of the delegation
Article 463	Objections to regulatory technical standards
Article 464	European Banking Committee

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 is up to date with all changes known to be in force on or before 05 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)

PART TEN

TRANSITIONAL PROVISIONS, REPORTS, REVIEWS AND AMENDMENTS

TITLE I

TRANSITIONAL PROVISIONS

CHAPTER 1

Own funds requirements, unrealised gains and losses measured at fair value and deductions

Section 1

Own funds requirements

- Article 465 Own funds requirements
- Article 466 First time application of International Financial Reporting Standards

Section 2

Unrealised gains and losses measured at fair value

- Article 467 Unrealised losses measured at fair value
- Article 468 Unrealised gains measured at fair value

Section 3

Deductions

Sub-Section 1

Deductions from Common Equity Tier 1 items

- Article 469 Deductions from Common Equity Tier 1 items
- Article 470 Exemption from deduction from Common Equity Tier 1 items
- Article 471 Exemption from Deduction of Equity Holdings in Insurance Companies from Common Equity Tier 1 Items
- Article 472 Items not deducted from Common Equity Tier 1
- Article 473 Introduction of amendments to IAS 19

Sub-Section 2

Deductions from Additional Tier 1 items

- Article 474 Deductions from Additional Tier 1 items
- Article 475 Items not deducted from Additional Tier 1 items

Sub-Section 3

Deductions from Tier 2 items

- Article 476 Deductions from Tier 2 items

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 is up to date with all changes known to be in force on or before 05 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)

Article 477 Deductions from Tier 2 items

Sub-Section 4

Applicable percentages for deduction

Article 478 Applicable percentages for deduction from Common Equity Tier 1, Additional Tier 1 and Tier 2 items

Section 4

minority interest and additional Tier 1 and Tier 2 instruments issued by subsidiaries

Article 479 Recognition in consolidated Common Equity Tier 1 capital of instruments and items that do not qualify as minority interests

Article 480 Recognition in consolidated own funds of minority interests and qualifying Additional Tier 1 and Tier 2 capital

Section 5

Additional filters and deductions

Article 481 Additional filters and deductions

Article 482 Scope of application for derivatives transactions with pension funds

CHAPTER 2

Grandfathering of capital instruments

Section 1

Instruments constituting State aid

Article 483 Grandfathering of State aid instruments

Section 2

Instruments not constituting State aid

Sub-Section 1

Grandfathering eligibility and limits

Article 484 Eligibility for grandfathering of items that qualified as own funds under national transposition measures for Directive 2006/48/EC

Article 485 Eligibility for inclusion in the Common Equity Tier 1 of share premium accounts related to items that qualified as own funds under national transposition measures for Directive 2006/48/EC

Article 486 Limits for grandfathering of items within Common Equity Tier 1, Additional Tier 1 and Tier 2 items

Article 487 Items excluded from grandfathering in Common Equity Tier 1 or Additional Tier 1 items in other elements of own funds

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 is up to date with all changes known to be in force on or before 05 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)

Article 488 Amortisation of items grandfathered as Tier 2 items

Sub-Section 2

Inclusion of instruments with a call and incentive
to redeem in additional Tier 1 and Tier 2 items

Article 489 Hybrid instruments with a call and incentive to redeem

Article 490 Tier 2 items with an incentive to redeem

Article 491 Effective maturity

CHAPTER 3

Transitional provisions for disclosure of own funds

Article 492 Disclosure of own funds

CHAPTER 4

Large exposures, own funds requirements, leverage and the Basel I Floor

Article 493 Transitional provisions for large exposures

Article 494 Transitional provisions for eligible capital

Article 495 Treatment of equity exposures under the IRB Approach

Article 496 Own funds requirements for covered bonds

Article 497 Own funds requirements for exposures to CCPs

Article 498 Exemption for Commodities dealers

Article 499 Leverage

Article 500 Transitional provisions — Basel I floor

Article 501 Capital requirements deduction for credit risk on exposures to
SMEs

TITLE II

REPORTS AND REVIEWS

Article 502 Cyclical capital requirements

Article 503 Own funds requirements for exposures in the form of covered
bonds

Article 504 Capital instruments subscribed by public authorities in emergency
situations

Article 505 Review of long-term financing

Article 506 Credit risk — definition of default

Article 507 Large exposures

Article 508 Level of application

Article 509 Liquidity requirements

Article 510 Net Stable Funding Requirements

Article 511 Leverage

Article 512 Exposures to transferred credit risk

Article 513 Macroprudential rules

Article 514 Counterparty credit risk and the Original Exposure Method

Article 515 Monitoring and evaluation

Article 516 Long-term financing

Article 517 Definition of eligible capital

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 is up to date with all changes known to be in force on or before 05 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)

- Article 518 Review of capital instruments which may be written down or converted at the point of non-viability
- Article 519 Deduction of defined benefit pension fund assets from Common Equity Tier 1 items

TITLE III

AMENDMENTS

- Article 520 Amendment of Regulation (EU) No 648/2012

PART ELEVEN

FINAL PROVISIONS

- Article 521 Entry into force and date of application
Signature

ANNEX I

Classification of off-balance sheet items

1. Full risk:
2. Medium risk:
3. Medium/low risk:
4. Low risk:

ANNEX II

Types of derivatives

1. Interest-rate contracts:
2. Foreign-exchange contracts and contracts concerning gold:
3. Contracts of a nature similar to those in points 1(a)...

ANNEX III

Items subject to supplementary reporting of liquid assets

1. Cash.
2. Central bank exposures, to the extent that these exposures can...
3. Transferable securities representing claims on or claims guaranteed by sovereigns,...

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 is up to date with all changes known to be in force on or before 05 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)

4. Transferable securities other than those referred to in point 3...
5. Transferable securities representing claims on or claims guaranteed by sovereigns,...
6. Transferable securities other than those referred to in points 3,...
7. Transferable securities other than those referred to in points 3...
8. Transferable securities other than those referred to in points 3...
9. Standby credit facilities granted by central banks within the scope...
10. Legal or statutory minimum deposits with the central credit institution...
11. Exchange traded, centrally cleared common equity shares, that are a...
12. Gold listed on a recognised exchange, held on an allocated...

ANNEX IV

Correlation table

This Regulation Directive 2006/48/EC Directive 2006/49/EC
Article 1 Article 2...

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 is up to date with all changes known to be in force on or before 05 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)

- (1) [^{X1}OJ C 105, 11.4.2012, p. 1.]
- (2) [^{X1}OJ C 68, 6.3.2012, p. 39.]
- (3) [^{X1}OJ L 177, 30.6.2006, p. 1.]
- (4) [^{X1}OJ L 177, 30.6.2006, p. 201.]
- (5) [^{X1}OJ L 176, 27.6.2013, p. 338.]
- (6) [^{X1}OJ L 331, 15.12.2010, p. 1.]
- (7) [^{X1}OJ L 331, 15.12.2010, p. 12.]
- (8) [^{X1}Council Decision 2009/937/EU of 1 December 2009 adopting the Council's Rules of Procedure (OJ L 325, 11.12.2009, p. 35).]
- (9) [^{X1}OJ L 372, 31.12.1986, p. 1.]
- (10) [^{X1}OJ L 193, 18.7.1983, p. 1.]
- (11) [^{X1}OJ L 243, 11.9.2002, p. 1.]
- (12) [^{X1}OJ L 145, 30.4.2004, p. 1.]
- (13) [^{X1}OJ L 35, 11.2.2003, p. 1.]
- (14) [^{X1}OJ L 201, 27.7.2012, p. 1.]
- (15) [^{X1}OJ L 302, 17.11.2009, p. 97.]
- (16) [^{X1}OJ L 281, 23.11.1995, p. 31.]
- (17) [^{X1}OJ L 8, 12.1.2001, p. 1.]
- (18) [^{X1}OJ L 55, 28.2.2011, p. 13.]
- (19) [^{X1}OJ C 175, 19.6.2012, p. 1.]

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).

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 is up to date with all changes known to be in force on or before 05 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.