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Commission Delegated Regulation (EU) No 529/2014 of 12 March 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for assessing the materiality of extensions and changes of the Internal Ratings Based Approach and the Advanced Measurement Approach (Text with EEA relevance)

Article 1	Subject matter
Article 2	Categories of extensions and changes
Article 3	Principles of classification of extensions and changes
Article 4	Material changes to the IRB approach
Article 5	Changes to the IRB approach not considered material
Article 6	Material extensions and changes to the AMA
Article 7	Extensions and changes to the AMA not considered material
Article 7a	Material extensions and changes to the IMA
Article 7b	Extensions and changes to the IMA not considered material
Article 8	Documentation of extensions and changes
Article 9	Entry into force
	Signature

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ANNEX I

CHANGES TO THE IRB APPROACH

PART I

CHANGES TO THE RANGE OF APPLICATION OF RATING SYSTEMS  
OR INTERNAL MODELS APPROACHES TO EQUITY EXPOSURES

SECTION 1

Changes requiring competent authorities' approval ('material')

1. Extending the range of application of a rating system to:...
2. Extending the range of application of an internal models approach...

SECTION 2

Changes requiring prior notification to competent authorities

1. Reducing the range of application or the scope of use...
2. Reducing the range of application of an internal models approach...
3. Extending the range of application of a rating system for...
4. Extending the range of application of an internal models approach...

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## PART II

### CHANGES TO RATING SYSTEMS OR AN INTERNAL MODELS APPROACH TO EQUITY EXPOSURES

#### SECTION 1

##### Changes requiring competent authorities' approval ('material')

1. Changes in the methodology of assigning exposures to exposure classes...
2. The following changes in the algorithms and procedures used for:...
3. Changes in the definition of default according to Article 178...
4. Changes in the validation methodology and/or validation processes which lead...
5. Changes in the internal models approach to equity exposures. These...

#### SECTION 2

##### Changes requiring ex ante notification to competent authorities

1. Changes in the treatment of purchased receivables according to Article...
2. The following changes in the rating methodology for IRB systems:...
3. Changes in the validation methodology and/or process according to Articles...
4. Changes in processes. These include:
5. Changes in the data. These include:
6. Changes in the use of models, if an institution starts...
7. Changes in the internal models approach to equity exposures. These...

## ANNEX II

### EXTENSIONS AND CHANGES TO THE AMA

#### PART I

#### SECTION 1

##### Extensions requiring competent authorities' approval ('material')

1. First-time introduction of measures to capture expected losses in the...
2. First-time introduction of operational risk mitigation techniques such as insurance...
3. First-time recognition of correlations in operational risk losses according to...

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4. First-time introduction of methodology for allocating operational risk capital among...
5. The introduction of the AMA within parts of the institution...

## SECTION 2

Extensions requiring ex ante notification to competent authorities

### PART II

## CHANGES TO THE AMA

### SECTION 1

Changes requiring competent authorities' approval ('material')

1. Changes in the organisational and operational structure of the independent...
2. Changes to the measurement system for operational risk if they...
3. Changes to the procedures relating to internal and external data,...
4. Changes to the overall method on how insurance contracts and/or...
5. Reducing the part of the operational risk captured by the...

### SECTION 2

Changes requiring ex ante notification to competent authorities

1. Changes to the way the operational risk measurement system is...
2. Changes in the organisational and operational structure of the independent...
3. Changes to validation processes and the internal review according to...
4. Changes to the calculation of the operational risk capital charge...
5. Changes to the standards relating to internal data, scenario analysis...
6. Changes to the standards relating to insurance and other risk...
7. Relevant changes to the IT systems used to process the...

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## ANNEX III

### Extensions and changes to the IMA

#### PART I

#### EXTENSIONS TO THE IMA

##### Section 1

Extensions requiring competent authorities' approval ( ' material ' )...

1. Extension of the market risk model to an additional location...
2. Integration in the scope of an IMA model of product...
3. Any reverse extensions such as cases where the institutions aim...

##### Section 2

Extensions requiring ex ante notification to competent authorities

#### PART II

#### CHANGES TO THE IMA

##### Section 1

Changes requiring competent authorities' approval ( ' material ' )...

1. Changes between historical simulation, parametric or Monte Carlo VaR.
2. Changes in the aggregation scheme such as where a simple...

##### Section 2

Changes requiring ex ante notification to competent authorities

1. Changes in the fundamentals of statistical methods according to Articles...
2. Changes in the effective length of the historical observation period,...
3. Changes in the approach for identifying the stressed period in...
4. Changes in the definition of market risk factors applied in...
5. Changes in how shifts in market risk factors are translated...
6. Changes in the methodology for defining proxies.
7. Changes in the hierarchy of sources of ratings used for...
8. Changes in the methodology regarding the loss given default rate...

Document Generated: 2024-06-13

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9. Changes in the methodology used for assigning exposures to individual...
  10. Changes of methods for estimating exposure or asset correlation for...
  11. Changes in the methodology for calculating either actual or hypothetical...
  12. Changes in the internal validation methodology according to Article 369...
  13. Structural, organisational or operational changes to the core processes in...
  14. Changes in the IT environment, including any of the following:...

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- (1) [OJ L 176, 26.6.2013, p. 1.](#)
- (2) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC ([OJ L 176, 27.6.2013, p. 338](#)).
- (3) Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC ([OJ L 331, 15.12.2010, p. 12](#)).

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**Changes and effects yet to be applied to :**

- Regulation power to amend conferred by [S.I. 2018/1115 Sch. Pt. 4 para. 148](#)
- Regulation power to modify conferred by [2023 c. 29 s. 3 Sch. 1 Pt. 13](#)
- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 13](#)