
Changes to legislation: Commission Implementing Regulation (EU) No 602/2014, Introductory Text is up to date with all changes known to be in force on or before 28 June 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) EUR 2014 No. 602 may be subject to amendment by EU Exit Instruments made by both the Prudential Regulation Authority and the Financial Conduct Authority under powers set out in The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 2, 3, Sch. Pt. 4. These amendments are not currently available on legislation.gov.uk. Details of relevant amending instruments can be found on their website/s. (See end of Document for details)

Commission Implementing Regulation (EU) No 602/2014 of 4 June 2014 laying down implementing technical standards for facilitating the convergence of supervisory practices with regard to the implementation of additional risk weights according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (Text with EEA relevance)

COMMISSION IMPLEMENTING REGULATION (EU) No 602/2014

of 4 June 2014

laying down implementing technical standards for facilitating the convergence of supervisory practices with regard to the implementation of additional risk weights according to Regulation (EU) No 575/2013 of the European Parliament and of the Council

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard 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 648/2013⁽¹⁾, and in particular Article 410(3) thereof,

Whereas:

- (1) It is appropriate to provide for implementing technical standards to facilitate the convergence of supervisory practices with regard to the implementation of a uniform approach to assess institutions' material non-compliance with the requirements by reason of negligence or omission, and to the application of the additional risk weights. In order to facilitate the convergence of supervisory practices when applying additional risk weights, an appropriate formula should be defined. That formula should impose a proportionate additional risk weight of no less than 250 % which progressively increases with subsequent infringements of Articles 405, 406 or 409 of Regulation (EU) No 575/2013. An appropriate factor should be introduced in the formula to allow for a lower additional risk weight to apply in the cases of exposures exempted pursuant to Article 405(3) of Regulation (EU) No 575/2013.
- (2) This Regulation is based on the draft regulatory technical standards submitted by the European Banking Authority to the Commission.
- (3) The European Banking Authority has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council⁽²⁾,

HAS ADOPTED THIS REGULATION:

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Modifications etc. (not altering text)

- C1** The “appropriate regulator” has power to make such provision as they consider appropriate by means of an instrument in writing to prevent, remedy or mitigate any failure of the provisions of this Regulation to operate effectively or any other deficiency arising from the withdrawal of the United Kingdom from the EU, see The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), [regs. 2, 3](#), [Sch. Pt. 4](#) (with saving on IP completion day by S.I. 2019/680, [regs. 1\(2\), 11](#); 2020 c. 1, [Sch. 5 para. 1\(1\)](#))
- C2** Regulation: power to modify conferred (11.7.2023) by [Financial Services and Markets Act 2023 \(c. 29\)](#), [ss. 3, 86\(3\)](#), [Sch. 1 Pts. 1, 3](#); S.I. 2023/779, [reg. 2\(d\)](#)

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- (1) [OJ L 176, 27.6.2013, p. 1](#)
- (2) 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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